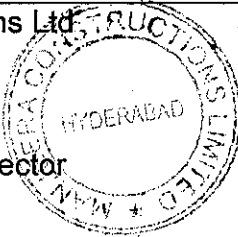
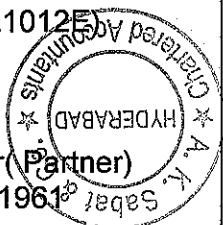


FORM A

Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company	M/s. Manjeera Constructions Ltd
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	<p>For Manjeera Constructions Ltd</p> <p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO & AGM (Finance & Accounts) • Auditor of the Company • Audit Committee Chairman 	 <p>Mr. G Yoganand</p> <p>Mr. Venkata Rao</p> <p>For A.K Sabat & Co Chartered Accountants (Registration No.3210125)</p>  <p>Mr. D Vijaya Kumar (Partner) Membership No.051961</p> <p>Mr.DLS Sreshti (Chairman- Audit Committee)</p>

Place: Hyderabad

Date: 28.05.2014

TRENDING NEW TERRAINS

Annual Report 2013-14



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BOARD OF DIRECTORS

Mr G Yoganand
Managing Director

Mr K Krishna Murty
Independent Director

Mr DLS Sreshti
Independent Director

Mrs G Padmaja
Additional Director
(w.e.f. 14.08.2014)

Mrs Gayatri Khatri
Company Secretary and Compliance Officer

AUDIT COMMITTEE

Mr DLS Sreshti
Mr K Krishna Murty
Mrs G Padmaja

NOMINATION & REMUNERATION COMMITTEE

Mr DLS Sreshti
Mr K Krishna Murty
Mrs G Padmaja

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr K Krishna Murty
Mr DLS Sreshti

STATUTORY AUDITORS

M/s A K Sabat & Co.
Chartered Accountants
Hyderabad

PRINCIPAL BANKERS

Oriental Bank of Commerce
Canara Bank
State Bank of Hyderabad

REGISTERED OFFICE

304, Aditya Trade Centre,
Aditya Enclave Road, Ameerpet,
Hyderabad – 500038.
Ph: +91-40-23735194 / 23743017 / 23730231
Fax: +91-40-23733763
Email: manjeera_group@yahoo.com
Website: www.manjeera.com

REGISTRAR & SHARE TRANSFER AGENTS

XL Softech Systems Limited
Plot No. 3, Sagar Society,
Banjara Hills, Road No. 2,
Hyderabad – 500034
Tel: +91-40-23545913 / 14 / 15
Fax: +91-40-23553214
Email: xlfield@gmail.com
Website: <http://www.xIsoftech.com>
Contact Person: Mr R Ram Prasad



CHAIRMAN'S MESSAGE

G Yoganand
Chairman and MD

Dear shareholders,

This is the 27th year of Manjeera's journey as an enterprise with a distinct identity, vision for growth and consolidation, and an unswerving commitment creating value for stakeholders consistently.

Manjeera has weathered the turbulences of the recent past in the global and domestic economies with strategic foresight and inherent resilience. 2013-14 has been an year of not only challenges and changes but also of fresh opportunities that are constantly gaining a cleaner outline.

Nationally, a new government is in place which has firmly displayed its commitment to reforms and economic growth. Regionally, the bifurcation of the state of Andhra Pradesh has brought in

clarity for businesses to plan ahead despite the fact that it will take time for the two new states to settle down on diverse fronts.

The interim budget of 2014 has come with the announcement of a slew of measures to revive the real estate sector including allocation of ₹ 7,060 crore for development of 100 smart cities, relaxation for the entry of foreign capital and tax relief on home loans.

The announcement of norms for the formation of Real Estate Investment Trusts (REITs) also has provision for pass-through for purposes of taxation, thereby avoiding double taxation. This is bound to help the sector raise long-term funds from both domestic investors and NRIs. The budget will aid the new governments' ambitious plans to provide housing for all by 2022. The deduction limit has been increased for interest on loans for self-occupied properties from ₹ 1.5 lakh to ₹ 2 lakh will be an attractive incentive for first-time buyers at the entry level. This new thrust to housing will push demand for low and mid-income housing.

Another area of the budget having great relevance for Manjeera is the stress on infrastructure and energy sectors. As per the budget, long-term funds raised for financing infrastructure will now attract lower regulatory requirements. The creation of infrastructure investment trusts, just as for real estate, will infuse more funds into the sector and reduce pressure in the banking system for funds.

Overall the budget aims for macro-economic stability with lower inflation, to be achieved over four years, through non-tax measures.

We are therefore witnessing a climate that allows Manjeera to extend the scope of its competencies and resources across new terrains strategically and diligently. Alongside, we shall continue to consolidate our established operations along even better value paradigms.

Regionally, the continued growth of Hyderabad as one of the country's leading metropolises is ensuring a renewed energy in its real estate

activity. Along with the fast paced metropolitan infrastructure activities such as the Hyderabad Metro and completion of the ORR and its extended radial road connectivity, the government has announced positive policies and road maps for improving the city's status as one of the country's most attractive destinations.

In such a scenario, Manjeera, while on track in completing ongoing projects, is putting a special focus on the mid and affordable housing segments as to leverage opportunities and further enhance revenue streams.

Manjeera is also giving its proven civil engineering and project management skills and resources a greater play by extending them to strategically chosen sectors. Manjeera has now become eligible for Special Class Registration and is in the process of obtaining a formal certification as 'Special Class Contractor', which will enable it to take up projects of any magnitude.

Manjeera has drawn up a well planned roadmap to have a strong presence in Highways & Roads, Buildings, and Energy Sectors.

We shall display the same keen sense of anticipation, swift response and the careful nurturing of competencies and strategizing for success that has underscored our success across the years in this new and exciting phase of growth.

I express Manjeera's gratitude to all our stakeholders, partners and well wishers and look forward to your continued support in the eventful days ahead.

With best wishes,





BENCHMARKED FOR LEADERSHIP

MANJEERA IS TODAY A
DISTINCTIVE AND ADMIRABLE
SIGNATURE IN HYDERABAD'S
SKYLINE.

We have always been unerring in anticipating the aspirations and expectations of a new generation of home buyers. We innovate on all fronts, from design, features and specifications to timely deliveries and transparent transaction to consistently delight our customers.

Scrupulous compliance of statutory guidelines, adherence to the highest engineering standards and ensuring higher value for customers has been our hallmark.

Manjeera is a member of the confederation of Real Estate Developers' Association of India (CREDAI), and Indian Green Building Council.

We are future focused in pursuing leadership and benchmark ourselves continuously with the best international standards.

We carefully tailor projects for different customer segments, and have been consistently appreciated for our foresight in identifying high potential locations that ensure the highest rate of appreciation in value for our customers.

"Life Elevated" has been our promise to our customers and we have lived up to it with passion and total commitment.

To prevail and succeed, organizations have to turn themselves into 'Change Agents', and the most effective way to manage change successfully is to create it. Merely grafting innovation on to traditional ways of doing things is not enough. The enterprise as a whole has to become a Change Agent. This requires the organized and continuous improvement of every product, service and process within the enterprise. It requires the replication and scaling up of successes through systematic innovation.

The way to be a Change Agent is to change the mind-set of the entire organization, ensuring that its people see change not as a threat but as an opportunity. An instance of this at Manjeera was the launching of 'Project Antarvahini', and 'Project Antaryami' to streamline system and procedures across the group companies.

A CHANGE AGENT IN PURSUIT OF LEADERSHIP

EMBRACING INFORMATION TECHNOLOGY TO STREAMLINE OUR OPERATIONS

PROJECT ANTARVAHINI

*Designing Policy, Procedure and Process (PPP) and
Position, Role, Responsibility (PRR)*

- Operational guidelines designed for all business, technical and administrative functions, covering role responsibilities of departments and functionaries, policies, system and procedures, records maintenance, and MIS reporting mechanisms.
- Crusading that all employees follow uniform procedures and systems which are also imparted during training of new recruits and juniors in orienting them to enterprise-specific requirements.
- Improving efficiency and productivity, minimizing operational risks and achieving the highest possible customer satisfaction.

Since its roll out in 2012-13 project Antarvahini has made considerable progress and played a key role in our growing success.

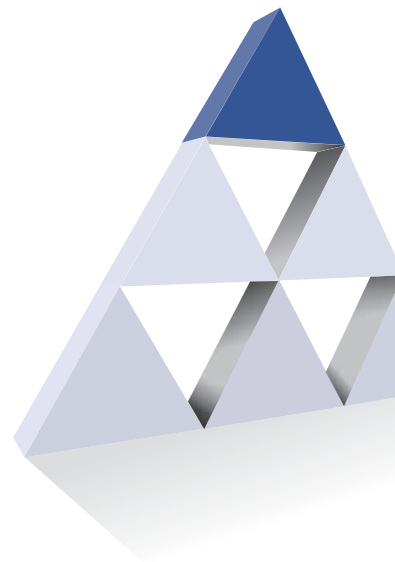
PROJECT ANTARYAMI

Implementation of Enterprise-wide Integrated Software Solution

Manjeera Group wide Enterprise Resource Planning (ERP) is Project ANTARYAMI. Aimed at supporting the present and future business expansion across projects in different segments and geographies, ANTARYAMI is based on QNeon which is a stable ERP Solution for engineering, construction and real estate (ECCR) industry.

ANTARYAMI is designed to efficiently manage material, labour, equipment, sub-contractors and operations (MLESO), integrate various functional departments, optimise time and cost and maximize gain. Its in-depth, layered architecture supports capturing data without duplication and generation of intelligent reports using business analytical tools.

The training and migration of data has been completed during the year 2013-14. We have achieved 'Go Live' status from 16th April 2014.





THE WINNING FACTOR

WHERE TALENT IS A CORE COMPONENT OF STRATEGY

At Manjeera we believe that equipping our people with the right skills and inspiring them to own our shared enterprise purpose is essential to fuel growth and insulate against the dynamic challenges of the future. People are the core component of strategy to stay ahead of the curve and drive change rather than react to change.

Our HR team plays the role of key driver of growth through well measured talent acquisition, their management and, most importantly, talent development.

We organise our talent around business objectives, clearly articulated organisational vision communicated with impact and empathy creating optimism, clarity and certainty within and without the organisation.

We go beyond tangibles in nurturing, retaining and developing talent through intangibles that appreciate diversity, recognize aspirations and provide an empowered environment with development opportunities.

A balanced work culture energized our people resources to bond and work in harmony.

Among our people initiatives are:

Feedback processes and encouragement to ideate for process improvements and innovation.

Informal cross-departmental dinner meetings to enable people from different departments to understand and appreciate one another's roles and enable seamless teamwork.

At Manjeera People are the primary winning factor that propels our growth and diversification. They are the repositories of our collective experience and core competencies. They are the strength underlying our strategies for trending new terrains.



AT MANJEERA
WE HAVE AN
ENLIGHTENED
OUTLOOK ON
THE CONCEPT OF
'SUSTAINABILITY'
WHICH SUBSUMES
INTERNAL AND
EXTERNAL
DIMENSIONS INTO
A SINGLE WEAVE
WHICH GIVES OUR
ENTERPRISE ITS
UNIQUE
CHARACTER,
VALUE SYSTEM AND
EXTENDED BRAND
PROMISE.

SUSTAINABILITY

The elements of the sustainability philosophy of Manjeera include:

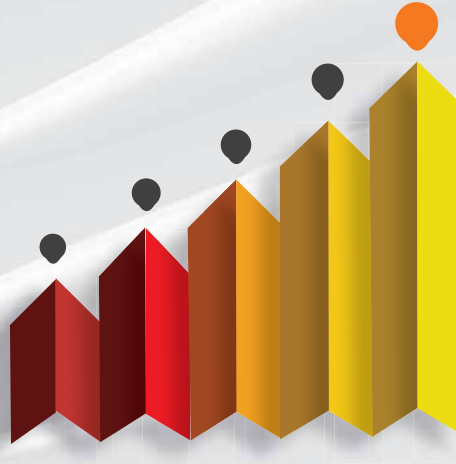
- A business model strategized for the long term, with constant innovation and cultivation of competencies to tide business cycles successfully and find opportunities in the challenges of change.
- A Safety, Health and Environment (SHE) policy that brings the best not only to our people but also to customers who buy into our projects and society at large.
- A scientific and sensitive approach to environment and resources in planning, designing and executing projects.

A Corporate Social Responsibility (CSR) programme that gives back to society and earns as the goodwill of all stakeholder groups and the general public.

In Health and Safety, Manjeera has a 'Zero Incident' philosophy and strives to ensure that best of safety practices at the followed at all levels of construction activity.

Technically validated field procedures and regular training programmes for women, and collective ownership of the 'safety performance' is also elicited from sub-contractors and partners.





CORPORATE SOCIAL RESPONSIBILITY (CSR)

Manjeera, as a responsible corporate citizen, is committed to a business model aligned to sustainable social development. Our CSR initiatives have focused on education, public health and community outreach programmes. Among these are:

- Free health and blood donation camps.
- Free medicines and screening facilities for the needy.
- 'Student Adoption Plan' for giving scholarships and awards to meritorious students.
- Support to a number of schools and colleges in and around its primary region of housing construction activity, Hyderabad metropolis.
- Active Support to NGOs and social organization in the neighbourhoods of its projects and operational location.

The broad canvas of its outlook on 'Sustainability, is elemental to the long-term mission Manjeera has set for itself.

ENVIRONMENT



MINIMIZED ENVIRONMENT IMPACT,
ENERGY SAVING AND EFFICIENCY,
RECYCLING AND CONSERVATION AND
ADHERENCE TO 'GREEN BUILDING' NORMS
ARE STANDARD FEATURES OF MANJEERA'S
PROJECTS AND ARE PART OF ITS
CORE VALUE SYSTEM.

A few highlights include:

- In 1998, first company to introduce sewage treatment plant at a project to recycle waste. Integrated with energy saving water cooled chillers running on STP recycled water at select projects to save air-conditioning costs.
- Rain water harvesting and storage systems.
- Two flagship projects designed to achieve 'Leadership in Energy and Environmental Design' (LEED) certified 'Gold' Building Standard.
- First construction company in Hyderabad and the second in India to enlist in the certification program of 'Construction Quality Rating Agency – Construction Industry Development Council (CRQ-CIDC) for quality intensive projects. Of course, we are also a member of CREDAI, Builders' Forum and Indian Green Building Council.
- In 2006, Aditya Park Hotel, one of Manjeera's Projects, won the National Energy Conservation Award from the Ministry of Power, GoI, for energy efficient technology.



RESIDENTIAL PROJECTS



Coming up alongside Manjeera Diamond Towers, Manjeera Purple Town is a premium gated community set in a panorama that exudes contemporary style and perceptible environment consciousness. It houses 50 sprawling villas, each with a built-up area of 3500 sft, fitted out with all the conveniences of a thriving self-contained township. An elegant blend of natural environment and modern infrastructure, Purple Town is in close proximity to Gachibowli, an extremely fast-growing IT, financial and educational hub, as well as to the Lingampally Railway Station.

To recharge bore wells and groundwater, rain water on the terrace is captured in harvesting pits. Dual-flush type flush tanks and other water-saving sanitary fixtures are used to reduce water wastage. The landscape is watered with the help of drip irrigation, to minimize water usage. VOC paints, adhesives and sealants and other low emitting materials have been used. Light, yet strong, AAC blocks used in the construction offer good thermal insulation, sound absorption and processability, besides curbing environmental pollution and industrial residue.





Spread over 11 acres of elegant residential space, Manjeera Diamond Towers is ideally located on the Gopanapally-Gachibowli road, Phase I comprises seven towers of 10 levels each, housing 3 BHK luxury apartments. Phase II features five towers of 10 levels each, housing 2/3 BHK apartments. The project is characterized by global styling and strict adherence to serviceability and safety norms. The structure is earthquake-resistant and damp proof. Special Aerocon bricks have been used to improve thermal and acoustic insulation. The project offers the dual advantage of being just a few minutes' drive from Hyderabad's IT hub and financial district, while being ensconced in a peaceful, noise-free green belt that offers serenity, peace of mind and clean air. The project is also very close to the Lingampally MMTS Station.



MANJEERA
DIAMOND
TOWERS

Manjeera Diamond Towers residents can enjoy the benefits of Oasis, an exquisite clubhouse that contains a swimming pool, gymnasium, health club, restaurant, meditation room, banquet hall, indoor / outdoor games facilities, fine guest rooms, jogging track, amphitheatre, crèche, clinic, children's play area, etc.

Deeply committed to a 'green' philosophy, Manjeera uses energy-efficient systems and non-toxic building materials. The project is equipped with a sewage treatment plant. Drip irrigation is used to minimize water requirement for landscaping. The project is built with Autoclaved Aerated Concrete (AAC) blocks that are light and strong, and offer good thermal insulation and sound absorption. Made of fly ash, they minimize environmental pollution and industrial residue. Low emitting materials like VOC paints, adhesives and sealants have also been used. To recharge bore wells and ground water, rain water on the terrace is captured in harvesting pits. Dual-flush type flush tanks and other water-saving sanitary fixtures are used to reduce water wastage. The basement parking area is fully covered, leaving three-quarters of the ground level for a verdant green carpet, next to which is a perennial lake.



RESIDENTIAL PROJECTS



MANJEERA
majestic
HOMES



This exquisite residential complex, situated on the JNTU-Hitec City Road, comprises over 255 modern and intelligently designed 2/3 BHK apartments in an imposing 23-storey tower, with a swimming pool and a terrace that is embellished with a helipad. Other special features include primary treatment of domestic water, sewage treatment plant, irrigation system for landscaping, tot-lot and a multipurpose play area. There is a dedicated floor equipped with a gym, health club, indoor games, clinic, snack bar, AV room, banquet, library and crèche. Under a special PropServe service, customers are assisted in finding tenants, collecting rent, bank work, property resale, bills payment, etc. This service is particularly beneficial to those who live outside Hyderabad or abroad.

Harvesting pits are used to recharge bore wells and groundwater. Sanitary fixtures that reduce water wastage have been extensively used. The lawns are drip-irrigated to minimize water usage. Other environment-friendly materials used include 'Volatile Organic Compound' paints, adhesives and sealants and other low emitting materials, AAC blocks for good thermal insulation, sound absorption and processability.



A unique complex with residential, commercial and entertainment blocks, Manjeera Trinity offers all comforts and conveniences that a city dweller can ask for. Manjeera Trinity Homes is a towering, 23-storey edifice situated on the JNTU-Hitec City Road. With duplex apartments at levels 22 and 23, these premium homes come with the added convenience of excellent shopping and entertainment spaces in the vicinity. Special features include high-speed imported elevators, spacious common areas, soothing landscaping, a terrace embellished swimming pool and a helipad. The residents can also enjoy modular kitchen, pre-fitted ACs, 100% power backup, STP, and a water treatment plant for drinking water.

Amenities at the unit level include video door phone system, intercom facility in all apartments, fire detection / fighting system, modular kitchen with hob and chimney. At the society level, special amenities include separate lifts for goods and servants, helipad and swimming pool on the terrace, primary treatment of domestic water, irrigation system for landscape, alternate power supply to the entire building. There is also a separate amenity floor with facilities like gym, health club, AV room, banquet, guest rooms, crèche, indoor games, clubhouse, library and clinic.





COMMERCIAL PROJECTS



A PREMIUM GATED COMMUNITY
SET IN A PANORAMA THAT EXUDES
CONTEMPORARY STYLE



This is a truly 'integrated neighborhood mall', located off a 120' wide arterial road in the densely populated Kukatpally area of Hyderabad, with a catchment of nearly 25 lakh customers in the vicinity. It is very close to the city's IT hub, enjoys excellent road and rail connectivity, and is just 30 km from the International Airport.

The mall offers 434,000 sft of high-end shopping, entertainment and dining experience. A beautiful blend of dynamic design elements. It has state-of-the-art gaming/ shopping zones, food courts and a multiplex.

The main 'anchors' have already commenced operations, including Cinepolis, Hypercity and Shopper's Stop. More than 60 other reputed brands have also started operations, including food brands like McDonalds, KFC, Pizza Hut Delivery (PHD), Dominos and entertainment brands like Rock 7 D Cinema & Scary House. The mall management is carried out by Pioneer Property Zone Services Private Limited, which has the distinction of successfully managing several premium malls in all metros & major cities in India. 100 % of occupation of Mall will pave way for new business.



COMMERCIAL PROJECTS



Situated on the JNTU-Hitec City Road, this premium 19-storey commercial complex offers 900,000 sft of sleek, contemporary and innovative office environment, designed to bring out the best in every kind of commercial enterprise.

Rain water on the terrace is captured in harvesting pits to recharge ground water. Dual-flush type flush tanks and other water-saving sanitary fixture are used to reduce wastage of water. Drip irrigation is used to minimize water requirement for landscaping, which also contains native plants that require less water. Water consumption for construction and curing is reduced by using membranes. The building uses AAC blocks with features like light bulk density, good thermal insulation, sound absorption, strength and processability. They curb environmental pollution and industrial residue, and protect farmland other 'green' components includes low emitting materials like VOC paints, adhesives and sealants.

All the foundation & slab works have been completed. Flooring, External Façade Glasses Fixing, Basement Painting & Lighting works, Elevator, Fire Fighting pipe lines, Electrical, Terrace Cooling Tower Platform, DG Exhaust, HVAC Plant Room, and Plumbing works are nearing completion. Necessary approvals have been obtained from statutory authorities (construction, land use, airport clearance, fire safety and environmental agencies).



Situated on the JNTU-Hitec City Road, this air-conditioned G+8-storey high street shopping-cum-office complex has six upper floors for corporate offices, three lower floors for retail outlets, plus three basement levels for parking. The 325,000 sft built-up space is a vertical retailer's delight, reaching out to massive customer clusters. The location is ideal for small, medium and large-scale retailers from all market segments. A 100% power backup and responsive property management services make it a hassle-free zone to work from.

The STP provided with a centrifuge, and cake residue is used as manure for plants. Drip irrigation is used to minimize water requirement for landscaping. The building uses AAC blocks to curb environmental pollution and industrial residue.

The project is completed in all respects, after obtaining necessary statutory approvals (construction, land use, airport clearance, fire safety and environmental clearance) and an 'Occupancy Certificate' from the GHMC. Possession has been given to customers, some of whom have already opened their retail shops and offices. Not a single accident has happened at the site, which recently celebrated 'one million accident-free hours'.



MANJEERA
majestic
COMMERCIAL



Notice to Members

Notice is hereby given that the 27th Annual General Meeting of the Members of “**Manjeera Constructions Ltd**” will be held on Tuesday, the 30th Day of September, 2014 at 9:30 A.M. at Hotel Aditya Park, Ameerpet, Hyderabad - 500038 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31 March, 2014 and the Statement of Profit & Loss Account of the Company for the year ended on that date together with the Reports of the Directors and Statutory Auditors thereon.
2. To appoint the Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 and other applicable rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. A K Sabat & Co., Chartered Accountants, (Firm Registration No.321012E), be and are hereby reappointed as Statutory Auditors of the Company, to hold office from the conclusion of this 27th Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company at a remuneration to be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

3. **To appoint Mr. K. Krishna Murty as an Independent Director**

To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. K. Krishna Murty (DIN 01466390), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 30.09.2014 up to 29.09.2019.

4. **To appoint Mr. DLS Sreshti as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. DLS Sreshti (holding DIN 00147325), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 30.09.2014 up to 29.09.2019.

5. **To appoint Mrs. G. Padmaja as a Director**

To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. G. Padmaja (DIN-02231720), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from 14.08.2014 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. **Borrowing power of the Board**

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and in supersession of the Ordinary Resolution passed by the Members at their Annual General Meeting on 29th September, 2007 the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, for borrowing (in any form) from time to time, for the purpose of the Company’s business, any sum or sums of money, as it may deem proper, on such terms and conditions, and with or without security, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company, if any (apart from temporary loans obtained or to be obtained from the Company’s Bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid-up capital and its free reserves (that is to say, reserves not set apart for any specific purpose), provided that the total amount of money / moneys so borrowed or to be borrowed by the Board shall not at any time exceed ₹ 300 Crores.”

7. Creation of Charge on the assets of the Company

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

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and in supersession of the Ordinary Resolution passed by the Members at their Extra Ordinary General Meeting on 1st April, 1996, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage / pledge / hypothecate / assign and / or charge, all or any movable / immovable properties (or any interest therein) both present and future, whole or substantially the whole of the undertaking(s) of the Company for securing the financial facilities / limits to be availed by the Company and/or its subsidiaries present or future from any Bank, Financial Institution, Corporate Bodies or any other person(s) in the form of Loan, Inter Corporate Deposit, Debentures or by way of any other instruments by whatever name called together with interest, costs, charges, expenses, and any other moneys payable by the Company subject to the limits approved under section 180 (1) (c) of the Companies Act, 2013.”

8. Amendment of Articles of Association of the Company

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

“RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

a.) Amendment of Article 30(1)(a) - Chairman

After conclusion of the existing text in Article 30 (1)(a), the following words shall be inserted

“An individual shall be appointed or re-appointed as Chairperson of the Company as well as the Managing Director or Chief Executive officer of the Company at the same time or vice versa regardless of the Company whether operates in multiple segments of business or not.”

b) A new Article 97 is being inserted after Article 96 which is as under:

97. “General Clause – Overriding effect of Companies Act, 2013”

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these Articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made thereunder, the provisions of Companies Act, 2013 and rules made thereunder shall override the provisions of these existing Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any.”

By order of the Board of Directors

Place: Hyderabad
Date: 14.08.2014

Gayatri Khatri
Company Secretary



Notice

- 1) A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself 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. 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 commencement of the meeting.
- 2) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting in terms of Section 113 of the Companies Act, 2013.
- 3) In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
- 4) An explanatory statement pursuant to the provisions of section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto.
- 5) Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- 6) Members who hold shares in dematerialized form are requested to write their Client-ID and DP-ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- 7) Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the company at # 304, Aditya Trade Centre, Ameerpet, Hyderabad – 500038 on all working days of the company, between 10.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting.
- 8) The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 25.09.2014 to Tuesday, 30.09.2014 (both days inclusive).
- 9) Members are requested to intimate the Registrar and Share Transfer Agents i.e. M/s. XL Softech Systems Limited (RTA), Plot No. 3, Sagar Society, Banjara Hills, Hyderabad - 500 034, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of shares held in dematerialized form.
- 10) Pursuant to the provisions of Section 72 of Companies Act, 2013 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form-2B (which will be made available on request) to the Registrar & Share Transfer Agents, **M/s. XL Softech Systems Limited.**
- 11) Members may kindly refer "Corporate Governance Report" (Forms part hereof), for details, about the Directors to be appointed / re-appointed.
- 12) The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its Members. In line with the Ministry's direction your Company intends to send all future communication to members by e-mail including Notices, Annual Report etc., to the e-mail address you have already registered with your respective Depository Participants (DPs). In case you are yet to register your e-mail address, please update the same with your DP. Members holding shares in physical form may register their e-mail address either with the Company or with the Registrar & Share Transfer Agent (RTA) of the Company viz. M/s. XL Softech Systems Limited., Hyderabad. If the e-mail addresses are already registered with the respective DPs/RTA of the Company by the shareholders, it is requested to ensure that registered e-mail id are current, operative and all the addressed correspondences are received through it.
- 13) All NRI Members of the Company are hereby requested to get their Indian Postal addresses, e-mail ids and bank details with their NRI/NRE account nos. registered with their respective DPs/RTA of the Company, so as to facilitate to provide smooth, faster, cost effective and proper service to them by the Company.
- 14) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.
- 15) All dividend remaining unclaimed/unpaid for a period of seven years from the date it became due for payment, will be transferred to the Investor Education and Protection Fund established by the Central Government. Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay.

- 16) Members are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons. The Meeting is for members or their proxies only. Please avoid being accompanied by non-member/children.
- 17) Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The e-voting period will commence from 9.00 a.m. (IST) on 22.09.2014 and will end at 6.00 p.m. (IST) on 24.09.2014. The Company has appointed Mr. Vivek Surana, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

PROCEDURE FOR E-VOTING:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "**Manjeera Constructions Ltd.**" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID –
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (**Available on the Address label pasted in the cover and/or in the e-mail sent to the members**) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ram Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the relevant EVSN for the **Manjeera Constructions Ltd.**
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- (xix) The voting period begins on 22.09.2014 at 9.00 A.M. (IST) and ends on 24.09.2014 at 6.00.P.M. (IST) During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xx) Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 22.08.2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- (xxi) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22.08.2014 for e-voting purpose.
- (xxii) Mr. Vivek Surana, Practicing Company Secretary, C.P. No. 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiv) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.manjeera.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited & Madras Stock Exchange Ltd.
- (xxv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 & 4:

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. K Krishna Murthy and Mr. DLS Sreshti, Independent Directors were appointed / re-appointed by the Members of the Company. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. K Krishna Murthy and Mr. DLS Sreshti, being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. K. Krishna Murthy and Mr. DLS Sreshti, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 30.09.2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in Corporate Governance Report forming part of this Annual Report.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Mr. K Krishna Murthy and Mr. DLS Sreshti fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.manjeera.com.

The Board commends the Ordinary Resolutions set out at Item No. 3 & 4 of the Notice for approval by the shareholders.

Mr. K. Krishna Murthy & Mr. DLS Sreshti are interested in the resolutions set out respectively at item No.3 & 4 with regard to their respective appointment. The relatives of Mr. K. Krishna Murthy & Mr. DLS Sreshti may be deemed to be interested in the resolutions set out respectively at item No.3 & 4 of this Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 & 4 of the Notice.

Item No. 5:

Pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Mrs. G. Padmaja as an Additional Director of the Company with effect from 14.08.2014. In terms of said Section 161, Mrs. G. Padmaja would hold office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. G. Padmaja, for the office of Director of the Company.

Mrs. G. Padmaja is not disqualified from being appointed as a Director in terms of Section 164 and other applicable provisions of the Act and has given her consent to act as a Director. A brief profile of Mrs. G. Padmaja, including nature of her expertise, is provided in Corporate Governance Report forming part of this Annual Report.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.



Save and except Mrs. G. Padmaja & Mr. G. Yoganand, Managing Director, and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No. 6:

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180(1)(c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company.

The borrowing limit under the earlier resolution passed by the shareholders, in their Meeting held on 29th September, 2007, is proposed to be amended from ₹ 250 Crores to ₹ 300 Crores.

The Board commends the Resolution at Item No. 6 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

Item No. 7:

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds etc., to secure the repayment of moneys borrowed by the Company (including Temporary Loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180(1)(a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including Temporary Loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180(1)(a) of the Companies Act, 2013, by way of a Special Resolution.

The earlier resolution passed by the shareholders, at their Meeting held on 1st April, 1996 remains unchanged subject to the limits approved under section 180(1)(c), of the Companies Act, 2013.

The Board commends the Resolution at Item No.7 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

Item No. 8:

Due to the enactment of majority provisions of the Companies Act, 2013 certain changes are required to be made in the Articles of Association of the Company.

It is proposed to amend the article 30(1)(a) under heading Chairman of Meeting so that an individual can be appointed as chairman as well as the Managing Director or Chief Executive Officer at the same time.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the Articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board commends the Resolution at Item No.8 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

By order of the Board of Directors

Place: Hyderabad
Date: 14.08.2014

Gayatri Khatri
Company Secretary



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report of your Company along with the Audited Statement of Accounts for the financial year ended 31 March, 2014.

Financial Results (on Standalone basis)

(₹ In Lacs)

Particulars	FY 2013-14	FY 2012-13
Total Income	6294.38	10192.72
Less: Total Expenditure	5113.63	8930.27
Profit before Interest, Depreciation and tax	1180.75	1262.45
Less: Interest and Financial Expenses	588.35	324.80
Less: Depreciation	60.32	73.13
Profit before tax	532.08	864.52
Tax Expense		
Current Tax	197.93	305.19
Tax for Previous Year	(45.74)	47.39
Deferred Tax	(5.01)	(20.37)
Profit after Tax	384.90	532.31
Proposed Dividend/Dividend paid	–	150.10
Tax on Dividend paid	–	25.51
Reserves & Surplus	6237.03	5852.13
Paid Up Equity share Capital	1250.84	1250.84

Operational Performance Review

Your company has achieved turnover of ₹ 6294.38 Lacs as against the turnover of ₹ 10192.72 Lacs in previous year. The net profit after tax stood at ₹ 384.90 Lacs as against ₹ 532.31 Lacs in the previous year. The Basic Earnings per share for the year ended 31.03.2014 is ₹ 3.08 as against ₹ 4.26 for the corresponding previous year ended 31.03.2013.

Dividend

With a view to redeploy the profits for future business of the Company, the Board of Directors have not recommended the dividend for the financial year 2013-14.

Directors

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Mr. K. Krishna Murty and Mr. DLS Sreshti as Independent Directors is being placed before the Members in this Annual General Meeting for approval. The Company has received necessary declarations from both the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and are independent of the Management.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. G. Padmaja was appointed as an Additional Director with effect from 14.08.2014 and she shall hold office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing Mrs. G. Padmaja for appointment as a Director of the Company and is liable to retire by rotation.

The proposal regarding appointment of the aforesaid Directors is placed for your approval.

A brief profile of the proposed appointees in terms of clause 49 of the Listing Agreement has been given under the Report on Corporate Governance.

Listing of Shares

The Company's shares are compulsorily traded in the dematerialized form, with nationwide terminals on Bombay Stock Exchange and National Stock Exchange through Madras Stock Exchange.

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

Public Deposits

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

Director's Responsibility Statement

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

- i) in the preparation of annual accounts for the year ended 31.03.2014, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

Subsidiary Company

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

MRHPL has undertaken the development of 8.295 Acres of APHB's (Andhra Pradesh Housing Board) Land at Kukatpally under special purpose vehicle. The Project deals with construction of about 19.82 Lacs Sq.ft. of built-up area of office, retail / multiplex / commercial / residential apart from car parking space of about 8.92 Lacs Sq. ft. Out of four towers, Manjeera Majestic commercial, Manjeera Majestic Homes, Manjeera Mall are completed and Manjeera Trinity Corporate building is expected to be completed by December 2014.

MTM Estates and Properties Private Limited is a wholly owned subsidiary of MCL. The Company has not yet taken up any business activity. Pursuant to the approval of the Board of Directors of M/s. Manjeera Retail Holdings Pvt. Ltd., at their meeting held on 6th December 2013, a scheme of Arrangement inter alia for Demerger of Mall business with its assets and liabilities of Manjeera Retail Holdings Private Limited to MTM Estates and Properties Private Limited, has been filed with Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad.

In terms of the scheme of Arrangement, the entire mall business of M/s. Manjeera Retail Holdings Pvt. Ltd. is proposed to be demerged and vested with resulting Company M/s. MTM Estates and Properties Private Limited w.e.f. 1st April, 2013 being the Appointed date. The purpose of aforesaid restructuring is to separate the mall business, as after the demerger, it would enable M/s. Manjeera Retail Holdings Pvt. Ltd. to provide necessary focus, flexibility and vibrancy to the remaining business in the best interest of all stakeholders.

A statement pursuant to Section 212 of the Companies Act, 1956, related to the accounts of the subsidiaries is annexed as part of this Annual Report. The annual accounts of the subsidiary company and the related detailed information shall be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company.



Auditors & Auditors' Report

The Auditors, M/s. A.K. Sabat & Co, Chartered Accountants, Hyderabad, hold office until the conclusion of the ensuing annual general meeting and are recommended for re-appointment. A certificate from the Auditors has been received to the effect that their re-appointment, if made, would be in accordance with section 139 of the Companies Act, 2013. The Members are requested to consider their re-appointment as Auditors of the Company for the next term, and authorize the Board of Directors to fix their remuneration.

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

Cost Compliance Certification

In order to comply with the General Circular No. 68 / 2011 [52/13/CAB-2011] dated 30th November, 2011 issued by Ministry of Corporate Affairs (MCA), your Company is under process to obtain the Cost Compliance Certificate for the year ended 31.03.2014 and the same will be filed within such timeframe as stipulated by MCA in this regard. The Company had obtained the said Compliance Report for FY 2012-13 from M/s. Sagar & Associates, Cost Accountants and the same is duly filed with the Registrar of Companies, Hyderabad.

Particulars of Employees

During the year under review, your Company does not have any employee falling under the category specified under Section 2A of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Management Discussion and Analysis Report

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

Report on Corporate Governance

The Company has put in place the compliances pertaining to Corporate Governance. As per Clause 49 of the Listing Agreement, a separate section on Corporate Governance forms part of the Annual Report.

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

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

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

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

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

Industrial Relations

The Company has maintained cordial and harmonious industrial relations throughout the year.

Acknowledgement

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

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

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 14.08.2014

G. Yoganand
Managing Director
(DIN 00850735)

K. Krishna Murty
Director
(DIN 01466390)



Management Discussions & Analysis Report

Global Economic Condition

In the year 2013-14, the global economy showed signs of revival after almost 4 years since the onset of the financial crisis. The recovery this time was different as developed economies consolidated while most emerging markets faced challenges to reviving growth. In the process, the financial system has emerged stronger while fiscal balances in the developed world are improving. The synchronised efforts of central banks and governments continued with record low interest rates and monetary stimulus measures.

Overview of Indian Economy

India is the second fastest growing economy in the world. The GDP growth of Indian economy was 4.7% in the year 2013-14. The economy has remained challenged as growth has been below 5% in the last 7 quarters between Q1, 2012-2013 to Q4, 2013-2014. The only exception in this period was Q2, 2013-2014 when GDP grew by 5.2%. This slowdown has coincided with a decline in financial savings, low and sluggish growth in fixed capital formation over successive quarters, persistently high inflation, low business confidence and particularly inadequate structural policy measures which have had a profound effect on potential growth.

Industry Structure

Construction is the second largest economic activity after agriculture. Indian Real Estate Sector is the second largest employing sector in India. With the exception of agriculture, all the other sectors in the economy continued to remain weak in 2013-14. The industrial sector continued to lag and declined by 0.1%, a 22 year low. The entrenched stagnation in economic growth over two year's reflects a subdued investment and consumption demand which has resulted in contraction in production of manufacturing sector, capital goods and consumer durables in the current year. Also, growth in services sector which is the largest contributor to GDP remained almost stagnant at 6.2% in 2013-14 with growth decelerating in the trade, hotel, transport and communication sector. The only sub-sector that recorded a strong growth of 12.9% was financing, insurance and real estate.

Developments

Delays in obtaining various clearances and approvals staggered progress on a few ongoing projects. Construction work for corporate / commercial spaces of the Company witnessed sluggish industrial demand and recorded moderate sales during 2013-14.

Despite the prevailing economic uncertainties, the year 2013-14 held prospects of gradual build-up in the speedy decision making, holding the key for achieving growth. The businesses of the Company are also focusing on the improved execution efficiencies, cost competitiveness and better services to existing & potential customers.

Outlook

The real estate and construction activity in and around Hyderabad is in a growing pace particularly in residential and commercial sectors and it has become a favourite hub for investors as the city has not only provided quality infrastructure for property investments but also added attractions like special economic zones, industrial parks, IT campuses, and a new international airport to its credit. Hyderabad real estate market has shown tremendous potential owing to the demands of the IT and ITES industry anchoring in the city. The primary demands of the Hyderabad real estate are driven by IT/ITES, Biotech, Pharmaceutical and Engineering, Telecom, Retail Banking, Financial and Insurance Services. The commercial real estate sector of the city draws interest from the leading corporate houses and thus there has been quite high demand for international standards in office spaces. The key aspects of business philosophy of Manjeera Group are on-time delivery, cost competitiveness, high quality standards with focus on best in class Healthy Safety Environment. Integrated strengths coupled with experienced and highly skilled work force, are the key enablers in delivering critical and complex projects. Manjeera Group has managed to create several landmark projects in residential, commercial, retail and hospitality sectors. The foresight of the promoters in acquiring considering land bank economically in the initial years has been the basic contributing factor for the Company's profitability. The projects developed by the Company mostly to the middle and high income groups. Having made its mark in the city of its birth, Manjeera is now in the process of expanding into other metros and is weighing its options for foraying into infrastructural activities. Its projects stand as hallmarks of quality construction, clear titles and value for money.

Segment-Wise Performance

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

Strengths and Opportunities

- Wide range of expertise spanning over 26 years in the construction sector, professional and competent senior management team.
- Well established brand recognition and goodwill owing to innovative marketing strategies.
- Diversified product mix ranging across residential, commercial and retail.
- Strategically located projects with high selling potential.
- Identifying customer requirements and developing quality products with active post completion follow up and assistance.
- The Company's brand image has increased manifold during the year under review, owing to aggressive marketing campaigns through various media and participation in several property shows and events both in the city and abroad.
- Good responses generated and yielding revenues fuelled by the strategic location of its projects.

Weaknesses and Threats

- High attrition rates in human resources.
- Global geo-political situations and slow down of world economy.
- Bureaucracy causing delay in approvals and change in policies.
- Low entry barriers in the industry causing several unorganized regional players.

Risks and Concerns

The Company has taken suitable measures to mitigate the various risks associated with its operational activities. Adequate insurance policies have been taken to protect health, safety of its employees, limit the property loss of the residential and commercial buildings. Growth and demand is dependent on general economic conditions and a decline can adversely affect the Company's business and its earnings. Increasing competition from domestic and international construction companies affect market share and profitability. Uncertainties with Government policies can significantly affect operations. The Company has developed built-in systems & procedures for handling risks in carrying out the business to the best advantage of all stakeholders to improve the shareholder value and to ensure continuity of business.

Internal Control Systems

The growing business activities call for a constant review of the efficacy of the Company's internal control mechanism. To facilitate this, the Company has initiated during this year, implementation of an ERP Solution i.e., QNeon which would support adequate systems of internal control to check various aspects of business. The Company has an internal process to facilitate formulation and revision of policies and guidelines to align with the changing needs. Internal audit is conducted on a regular basis and the reports are reviewed by the Audit Committee of the Board. The shortcomings, if any are communicated to the respective departments and measures are taken accordingly.

Financial Performance & Operational Review

The Company has made a turnover of ₹ 6,294.38 Lacs for the year ended 31.03.2014 and the total expenditure incurred for the said period is ₹ 5,762.31 Lacs. The net profit of the Company stood at ₹ 384.90 Lacs for the year ended 31.03.2014. Though the percentage of net profit has not increased, it has been commendable however, owing to the high increase in expenditure, which is mainly characterized by increase in input costs, interest rates and other inflationary factors.

With a view to redeploy the profits for business development of the Company, the Board of Directors has decided not to declare the dividend for the financial year 2013-14.

Details of Projects

All the Company's ongoing and completed projects are based in Hyderabad & Bhubhaneshwar. The Company has developed several landmark projects, both residential and commercial with built-up area aggregating to 327,64,216 sq.ft. and Hotels through its group Companies.



The following projects have been completed recently.

Project	Location	Total Area (Sft.) (approx.)
Manjeera Majestic Homes	Kukatpally	3,50,741
Manjeera Trinity Mall	Kukatpally	4,35,000
Housing Projects on turnkey basis from CGEWHO	Bhubaneswar	6,24,944

Brief details of the ongoing projects are given hereunder:

Project	Location	Total Area (Sft.) (approx.)
Manjeera Diamond Towers Apartments – Phase II – A, B, C, D, E, F, L, K Blocks	Gopanpally - Gachibowli	10,82,762
Purple Town Villas	Gopanpally - Gachibowli	1,56,910
Manjeera Trinity Corporate	Kukatpally	9,47,957

Human Resources and Industrial Relations

The Company's Human Resource philosophy is to establish, build and retain a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has been focused to create an environment that assists the employees to enhance their sense of pride in what they are doing thereby contributing to better productivity. The Company through its effective and dynamic HR policies and systems has always encouraged its workers to innovate and apply new ideas so as to achieve quantum leaps in both size and scale of operations.

The Company believes that its real strength lies in the commitment and quality of its people. Employees are provided opportunity to grow and prosper. The authority and responsibility chain is clearly defined and the employees are free to convey their ideas and suggestions to their superiors. Team meetings are held at frequent intervals to improve communication and interactions between the employees. Industrial relations remained stable throughout the financial year 2013-14.

As on 31 March 2014, the number of people employed by the Company was 83.

The Company undertook employee engagement initiatives during 2013-14 to strengthen the motivation of its employees which include cross department informal meeting at dinner. This exercise is carried out to bring affinity among different department employee's working and also have scope to fill the gaps in their day-to-day operations.

Corporate Social Responsibility (CSR)

Your Company is committed to conduct business in an accountable manner that creates a sustained positive implication in society. Its core corporate responsibility is to practice corporate values through commitment to grow in a socially and environmentally responsible way, while meeting the interests of the stakeholders and also it endeavours to make a positive contribution towards social cause by promoting and encouraging economic, social and educational development within the local communities, while also giving active support to local initiatives. To further the CSR objective, your Company in association with the Rotary Club and the Round Table regularly organizes Health & Blood Donation Camps. The Health camps provide medicine and also follow up in the hospitals. The Company started a student adoption plan by which meritorious pupils are given scholarships and awards. The Company has sponsored for various requirements of educational institutions i.e., schools and colleges in and around Hyderabad.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic conditions affecting price conditions in the domestic market in which the Company operates or changes in the Government Regulations, Tax Laws and other Statutes or other incidental factors.

Report on Corporate Governance

The Company hereby submits in compliance with Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the report on Corporate Governance as mentioned in the said clause and practices followed by the Company.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to achieve good standards of Corporate Governance on a continuous basis. The Company's philosophy on Corporate Governance is aimed at the attainment of transparency, accountability and compliance of laws in all facets of operations. This has enabled your Company to earn the trust and goodwill of its investors, business partners, employees. Our employee satisfaction is reflected in the stability of our Senior Management and substantially higher productivity.

Pursuant to Clause 49 of the Equity Listing Agreement, the Company's 'Corporate Governance Report is given below:

2. BOARD OF DIRECTORS

a) Composition of the Board

In consonance with the requirements of Clause 49 of the Listing Agreement, the Company's Board is constituted of an appropriate of executive and non-executive Directors to maintain its independence and to exercise effective governance and control over its executive functioning. Throughout the year under review, the composition of the Board of Directors was in conformity with the aforesaid Clause as the Company's Board of Directors comprises of total four Directors, two of which are Independent Directors, one Managing Director and one Whole-Time Director. The Managing Director is responsible for the conduct of the Business and the day-to-day affairs of the Company. Non-executive Directors retire by rotation. The Directors possess wide range of experience in diverse fields and bring in technical and financial expertise.

- None of the Directors are disqualified for their office as per the provisions of Section 274(1)(g) of the Companies Act and the Company has obtained declarations from all the directors to this effect.
- The Board normally meets four times in a year and also as and when required. The Board has duly met seven times in the year under review, on 22.04.2013, 29.05.2013, 13.08.2013, 13.11.2013, 28.01.2014, 14.02.2014 and 27.03.2014. The time gap between two Board Meetings has not exceeded the limit of four months as specified under Clause 49(I)(C) of the Listing Agreement with the Stock Exchanges.
- Details of attendance of Directors at Board Meetings, last Annual General Meeting and the details of other Directorships and Memberships/Chairmanships of Committees of each Director in other Companies are as follows for the year ended 31.03.2014:

Name of the Director	Category of Directorship and Designation	Attendance Particulars		No. of Other Directorships and Committee Memberships/Chairmanships in other Public Limited Companies		
		Board Meetings	AGM	Director-ships*	Member-ships	Chairman-ships
Mr. G. Yoganand	Promoter, Executive Chairman and Managing Director	7	Yes	Nil	Nil	Nil
Mr. K. Krishna Murty@	Independent Non - Executive Director	7	Yes	Nil	Nil	Nil
Mr. D. L. S. Sreshti	Independent Non - Executive Director	7	Yes	1#	Nil	Nil
Mr. G. Vivekanand	Director - International Marketing (Whole Time Director)	2	Yes	Nil	Nil	Nil

* This excludes Directorships held in Foreign Companies, Private Companies and Alternate Directorships.

@ As per Clause 49(IV) (E) (iv) Mr. K. Krishna Murty - Independent Non-Executive Director holds 7,785 shares in the Company.

Mr. DLS Sreshti is a Director in M/s. Tibrewala Electronics Ltd.



b) **Board Committees:**

The Board has constituted 3 standing Committees to focus on specific functions and to facilitate the decision making process. The Company Secretary acts as the Secretary to the Meetings and the Minutes of the committees are duly reviewed by the Board.

Details of the Committees and their Membership are provided hereunder:

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

None of the Directors on the Board is a Member of more than Ten Committees nor was the Chairman of more than five Committees across all Companies in which they are Directors.

3. BOARD/COMMITTEE MEETINGS AND PROCEDURE

a) **Decision Making Process:**

The Board's mandate is to oversee the Company's strategic direction, review corporate performance, authorize and monitor investments, ensure regulatory compliance and safeguard interests of all stakeholders.

In order to setup the systems and procedures for the matters requiring decisions by the Board, the Board of Directors has followed code of conduct framed for this purpose. The said code of conduct seeks to systematize the decision making process in the most efficient manner.

b) **Scheduling and selection of Agenda Items for Board/Committee Meetings:**

- The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, Additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board also approves urgent matters by passing Resolutions by Circulation.
- Under the direction of Managing Director, the Company Secretary in consultation with other concerned persons in the senior management, finalizes the agenda items for the Board/Committee Meetings and circulates in advance, the agenda along with the explanatory notes to the Board/Committee Members and other invitees.
- Where it is not practicable to attach any document or the Agenda is of sensitive nature, the same is circulated at the meeting with the approval of the Chair. In special and exceptional circumstances, additional or supplemental items on the agenda are taken up for discussion with the permission of the Chair and after consensus is formed. Sensitive/Confidential subject matters are discussed at the meeting even without written material being circulated.
- The meetings of the Board/Committees are normally held at the Registered Office of the Company situated at # 304, Aditya Trade Centre, Ameerpet, Hyderabad - 500038, Andhra Pradesh.
- The Members of the Board have complete access to all information of the Company.

c) **Recording Minutes of Proceedings at Board and Committee Meetings:**

The Company Secretary records the Minutes of the proceedings of each Board and Committee meeting. Draft Minutes are circulated to all the Members of the Board/Committee for their comments. The final minutes are entered in the Minutes book within 30 days from conclusion of the meeting and are signed by the Chairman in the next meeting.

d) **Compliance:**

While preparing the Agenda, Notes on agenda, minutes of the meeting(s), adequate care is taken to ensure adherence to all the applicable Laws and Regulations including the Companies Act, 1956 read with the Rules issued there under.

e) **Role of Independent Directors:**

Independent Directors play a key role in the decision-making process of the Board as they approve the overall strategy of the corporation and oversee the performance of the management. The Company benefits immensely from their inputs in achieving its strategic direction.

The Committees constituted by the Board have majority of Independent Directors as members. The Independent Directors are committed to act in what they believe is in the best interest of the Company and its Stakeholders.

f) **Information placed before the Board of Directors, inter alia, includes:**

- i. Annual operating plans and budgets and any updates.
- ii. Quarterly Results for the Company.
- iii. Annual Accounts, Directors' Report etc.
- iv. Minutes of meetings of Board and other committees of the Board.
- v. Minutes of meetings of Board of subsidiary companies.
- vi. Reconciliation of Share Capital Audit.
- vii. Review of status of execution of various projects of the Company.
- viii. Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- ix. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- x. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- xi. Information relating to major legal disputes.
- xii. All other significant events / information.

4. AUDIT COMMITTEE

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

a) **Terms of Reference:**

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

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

b) **Role of Audit Committee:**

The role of the audit committee includes the following activities:

- Recommends to the Board, the appointment or re-appointment of Statutory Auditors and the audit fees payable to them.
- To discuss with statutory auditors about the nature & scope of audit prior to the commencement of audit and areas of concern, if any, arising post audit.
- Approving fees payable to statutory auditors for other services rendered by them.
- To investigate any activity within its terms of reference.
- To Review Statutory Dues, Inter Corporate Deposits, Analysis of Debtors, Insurance Coverage of assets of Company etc.



c) Composition and Meetings of the Committee:

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

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

During the year under review, the Audit Committee met four times. The Audit Committee Meetings were held on 29.05.2013, 13.08.2013, 13.11.2013 and 14.02.2014.

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

Name of the Member	Designation	Nature of Directorship	No. of Meetings Attended
Mr. D. L. S. Sreshti	Chairman	Independent & Non-Executive Director	4
Mr. K. Krishna Murty	Member	Independent & Non-Executive Director	4
Mr. G. Vivekanand	Member	Promoter & Executive Director	2

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

5. REMUNERATION COMMITTEE

The Board has constituted a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors. The remuneration policy of the company is directed towards rewarding performance on a periodic basis.

i) Remuneration Policy:

The Remuneration Committee recommends to the Board the Compensation package of the Executive Directors of the company. The Committee also recommends the compensation payable to the Non-Executive Directors in accordance with the provisions contained in the Companies Act, 1956.

The remuneration of Executive Directors is within the ceiling laid down by Schedule-XIII of the Companies Act, 1956. The sitting fees paid to the Non-Executive Directors is also within the ceiling prescribed by the Central Government.

ii) Terms of Reference:

- To frame the remuneration policy of the company and to ensure that it is consonance with the Industry Standards.
- To review and recommend the remuneration package for the Executive Directors on the Board as per the policy laid down by the committee.
- Considering and recommending the appointment of relatives of directors on office or at a place of profit under section 314 of the Companies Act, 1956 or any rules made there under.

iii) Composition and Meetings of Committee:

The Committee comprises of the following Members:

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

iv) **Remuneration paid to Directors:**

Executive Directors

The details of remuneration paid/payable to the Managing Director for the financial year 2013-14 are as given below:

(Amount in ₹)

Name of the Director	Period of Contract	Salary, Allowances & Perks	Commission	Loans and Advances from the Company	Total
Mr. G. Yoganand	01.07.2010 – 30.06.2015	18,00,000	Nil	Nil	18,00,000
Mr. G. Vivekanand	01.10.2013 – 30.09.2016	18,00,000	Nil	Nil	18,00,000

The present remuneration structure of Executive Directors comprise of salary, perquisites and allowances and have been approved by the Shareholders of the company.

Non-Executive Directors

All the Non-Executive directors receive remuneration only by way of sitting fees for each meeting of the Board. Sitting fees @ ₹ 2,500/- per meeting is paid for attending each meeting of the Board and Audit Committee.

The details of sitting fees paid to Non-Executive Directors for the financial year 2013-14 are as under:

Name of the Director	Sitting Fees (Amount in ₹)
Mr. K.Krishna Murty	27,500
Mr. D. L. S. Sreshti	27,500

6. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

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

The Committee comprises of the following members:

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

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

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

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

Mrs. Gayatri Khatri
Company Secretary & Compliance Officer

Manjeera Constructions Limited
304, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038
Tel: 040-2373 5194/ 2374 3017/ 2373 0231
Fax: 040-2373 3763
E-mail Id: gayatri.k@manjeera.com



7. GENERAL BODY MEETINGS

a) Annual General Meetings:

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

Meeting	Venue	Date	Time	Special Resolutions passed
26 th AGM	Hotel Aditya Park, Ameerpet, Hyderabad	30.09.2013	9.30 A.M.	Appointment of Mr. G. Vivekanand as Whole-Time Director of the Company
25 th AGM	Hotel Aditya Park, Ameerpet, Hyderabad	28.09.2012	9.30 A.M.	None
24 th AGM	Hotel Aditya Park, Ameerpet, Hyderabad	30.09.2011	10.00 A.M.	None

b) Extra-Ordinary General Meetings:

No Extra-Ordinary General Meeting was held during the year under review.

c) Postal Ballot:

No Postal Ballot has been conducted by the Company during the year under review.

8. SUBSIDIARY

The Company has two subsidiaries, M/s/ Manjeera Retail Holdings Private Limited & MTM Estates and Properties Private Limited of which M/s. Manjeera Retail Holdings Private Limited is a material non-listed Indian subsidiary within the meaning of the explanations given in Explanations 1 of Clause 49(III) of the Listing Agreement with the Stock Exchanges.

Pursuant to Clause 49(III)(i) of the Listing Agreement with the Stock Exchanges, Mr. K. Krishna Murty, Independent Director of the Company is on the Board of Manjeera Retail Holdings Private Limited, a material non-listed Indian subsidiary of the Company.

9. DISCLOSURES

i) Related Party Transactions:

There are no materially significant Related Party Transactions which are potentially in conflict with the interests of the Company since all such transactions are negotiated at prevailing market prices, in the best interests of the Company. Details of related party transactions entered into by the company are disclosed in the "Notes to Accounts".

ii) Compliances:

There have been no penalties or strictures imposed on the company by Stock Exchanges, SEBI or other statutory authorities for non-compliance of any matter related to capital markets. All the returns have been filed within the stipulated time with the authorities concerned.

iii) Code of conduct for Board and Senior Management:

In pursuit of achieving good standards of Corporate Governance, the Company has framed a Code of Conduct for its directors and key managerial personnel in compliance with the Listing Agreement, which has been circulated and adhered to by all those concerned copy of the same is available on the Company's website www.manjeera.com.

iv) Policy on Prevention of Insider Trading:

The Company has also adopted a policy for prevention of Insider Trading which is made applicable to all the directors and other designated employees who may have access to unpublished price-sensitive information, in accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992. Accordingly such officials are prohibited from trading in the securities of the Company during the notified "trading window" period.

v) Information pursuant to Clause 49 (IV)(G) of the Listing Agreement

The Company has furnished information pursuant to Clause 49(IV)(G)(i) of the Listing Agreements with the Stock Exchanges, relating to the appointment of a new Director or re-appointment of a Director. Shareholders may kindly refer to the Notice convening the 27th Annual General Meeting of the Company and this Corporate Governance Report. The names of the Companies in which the person concerned holds Directorship and Membership of Committees of the Board are given separately.

vi) **Communication To Shareholders**

The Company regularly interacts with the shareholders from time to time and promptly and efficiently disseminates information through various channels of communication as well as the Annual report and the Company's website.

- **Quarterly /Half-Yearly /Annual Results:**

The Financial Results are duly published in The Financial Express, English daily newspaper circulating in substantially the whole of India and in Andhra Bhoomi, Telugu vernacular daily newspaper and are also posted on the Company's website www.manjeera.com

- **News Releases:**

The Quarterly, Half-Yearly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered and are circulated in one English one Telugu newspaper.

- **Website:**

The Company has dedicated a section to the investors in its website www.manjeera.com wherein information as to financial results, shareholding pattern and Annual Reports are periodically updated.

- **Designated email-id:**

The Company has also designated the email-id investors@manjeera.com exclusively for investor servicing.

- **Annual Report:**

Annual Report containing Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management's Discussion and Analysis and Corporate Governance reports, subsidiary's accounts and director's report and other important information is circulated to Members and others entitled thereto and updated in the Company's website.

- **SEBI Complaints Redress System (SCORES):**

The investors' complaints are also being processed through the centralized web base complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints and uploading online action taken reports by the Company. Through SCORES, the investors can view online, the actions taken and current status of the complaints.

10. GENERAL SHAREHOLDERS' INFORMATION

Company Registration Details:

The Company is registered in the State of Andhra Pradesh, India. The Corporate Identity Number allotted to the company by the Ministry of Corporate Affairs (MCA) is **L45200AP1987PLC007228**.

The registered office of the Company is situated at #304, Aditya Trade Centre, Ameerpet, Hyderabad – 500038.

a) **Details of 27th Annual General Meeting:**

Date and Time : 30.09.2014 at 9.30 A.M.
Venue : Hotel Aditya Park, Ameerpet,
Hyderabad-500038

b) **Financial Year:** April 1 to March 31
Financial Calendar (Tentative) :

Results for the First Quarter ending 30.06.2014	2 nd week of August, 2014
Results for the Second Quarter ending 30.09.2014	2 nd week of November, 2014
Results for the Third Quarter ending 31.12.2014	2 nd week of February, 2015
Annual Results for year ending 31.03.2014	3 rd / 4 th week of May, 2015

c) **Date of Book Closure** : **25.09.2014 to 30.09.2014**
(Both days inclusive)

d) **Dividend Payment Date** : No dividend declared during the year



e) **Listing on Stock Exchanges** :

The Company's Equity Shares of the face value of ₹ 10/- each are listed on the following Stock Exchanges in India:

i) **Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

ii) **Madras Stock Exchange Limited.**

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

The Company's shares are also being traded on the National Stock Exchange.

The Company has paid the Annual Listing Fee for the year 2014-15 and the Annual Custodian Fee to National Securities Depository India Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

f) **Stock Code**

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

g) **Market Price Data:**

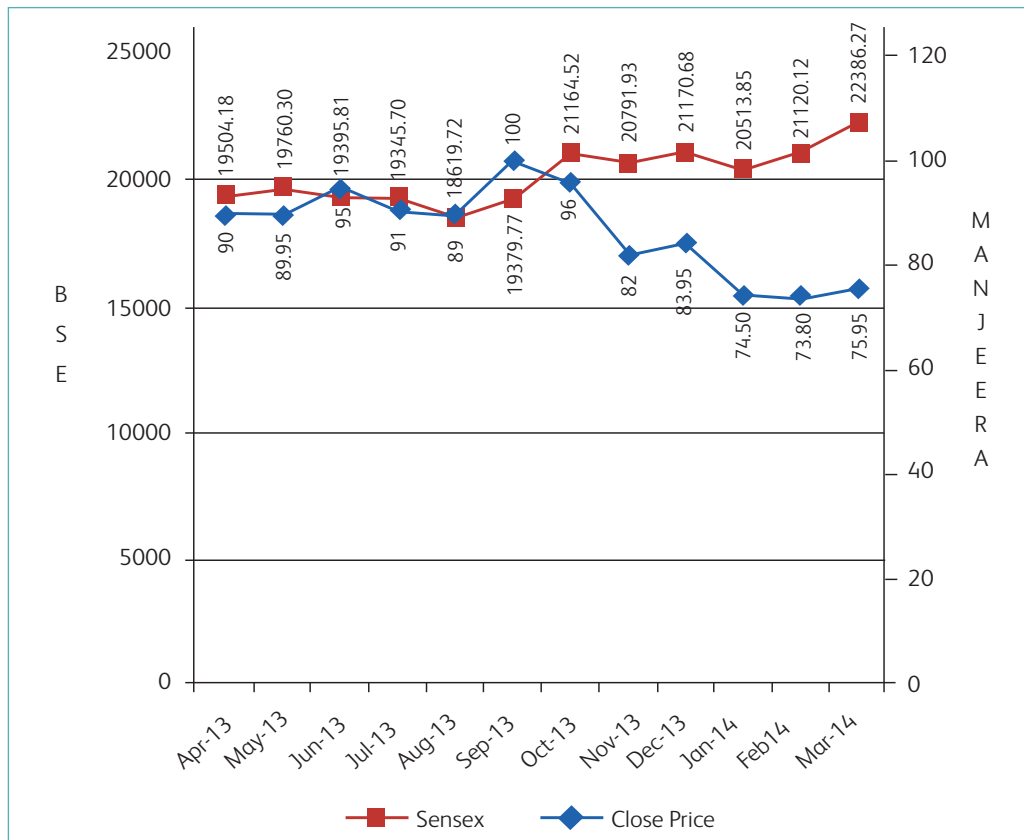
The Equity Shares of the Company are traded on National Stock Exchange and Bombay Stock Exchange.

The monthly high and low of stock quotations traded on BSE during the last financial year are given below:

Month	BSE		
	High (₹)	Low (₹)	No. of Shares Traded
April, 2013	100.00	62.00	33,655
May, 2013	90.00	72.50	54,941
June, 2013	118.50	85.00	17,065
July, 2013	124.50	91.00	3,233
August, 2013	90.00	86.00	5,485
September, 2013	100.00	90.00	34,824
October, 2013	96.00	83.25	564
November, 2013	91.25	74.80	542
December, 2013	83.95	74.10	59
January, 2014	85.00	72.20	100
February, 2014	77.90	66.85	24
March, 2014	75.95	75.95	1

h) **Performance in comparison to broad-based indices with BSE Sensex:**

MANJEERA VS. SENSEX



i) **Details of Registrars and Share Transfer Agents:**

M/s. XL Softech Systems Limited

Plot No. 3, Sagar Society, Banjara Hills,

Road No. 2, Hyderabad - 500 034

Tel: +91-40- 23545913/ 14/ 15, Fax: +91-40- 23553214

Email: xlfield@gmail.com

Website: [http:// www.xlsoftech.com](http://www.xlsoftech.com)

Contact Person: **Mr. R. Ram Prasad**

j) **Share Transfer System:**

The Company's shares are compulsorily traded in the dematerialized form in the Stock Exchanges where it is listed.

Dematerialized shares are transferable through depository system while the physical share transfers are processed by the Registrar and Share Transfer Agent, M/s. XL Softech Systems Ltd. The Share Transfer requests which are valid and complete in all respects are normally processed within 15 days of receipt of the documents. Dematerialisation requests are processed within 10 days.

The summary of the above information is placed before the Share Transfer and Investor Grievance Committee.

The company obtains a half-yearly audit certificate with regard to compliance of share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and also the Reconciliation of Share Capital Audit Report from a Company Secretary in Whole-time Practice, and also files copies of the same with the Stock Exchanges.



k) **Distribution of Shareholding:**

The distribution of shareholding as on 31st March, 2014 is detailed below:

Sl. No	Category		No. of Shareholders	Percentage(%) of Shareholders	Share Amount In ₹	Share Amount %
	From	To				
1	Upto	– 5000	479	70.34	409940	0.33
2	5001	– 10000	51	7.49	358300	0.29
3	10001	– 20000	43	6.31	598750	0.48
4	20001	– 30000	15	2.20	381920	0.31
5	30001	– 40000	11	1.62	383430	0.31
6	40001	– 50000	5	0.73	237660	0.19
7	50001	– 100000	19	2.79	1550190	1.24
8	100001 & above		58	8.52	121163990	96.87
	Total		681	100.00	125084180	100

Details of Shareholding:

The details of shareholding pattern of the company as on 31st March, 2014 is as follows:

Category of Shareholder	No. of shares	%
Promoters and Promoter group	93,12,345	74.45
Public:		
Bodies Corporate	6,19,803	4.96
Individuals	25,54,145	20.42
Non-Resident Individuals	22,125	0.18
Clearing Members	0	0.00
Total	1,25,08,418	100

l) **Dematerialization of Shares and Liquidity:**

The Company's securities are being held in dematerialized form in both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). 1,21,05,801 equity shares aggregating to 96.78 % of the total Equity Capital is held in dematerialized form as on 31st March, 2014.

m) **There is no ADR and / or GDR holding in the Company.**

n) **Plant Locations:** Project details as given in Management Discussion and Analysis Report.

o) **Address for Communication**

In the event of any queries / grievances, please contact:

Mrs. Gayatri Khatri

Company Secretary & Compliance Officer

Manjeera Constructions Limited

304, Aditya Trade Centre,

Ameerpet, Hyderabad – 500 038

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

Fax: 040-2373 3763

E-mail Id: gayatri.k@manjeera.com, investors@manjeera.com

Details of dates of transfer to Investor Education and Protection Fund (IEPF):

Financial Year	Date of Declaration of Dividend	Due date to transfer to IEPF
2006-07	29.09.2007	November, 2014
2007-08 (Interim)	13.11.2007	December, 2014
2007-08	20.09.2008	October, 2015
2008-09	30.09.2009	November, 2016
2009-10	30.09.2010	November, 2017
2010-11	30.09.2011	November, 2018
2011-12	28.09.2012	November, 2019
2012-13	30.09.2014	November, 2020

11. SUBSIDIARY MONITORING FRAME WORK

The company's subsidiaries are managed with its own Board having the rights and obligations to manage such company in the best interest of its shareholders. The Company has nominated an Independent Director on the Board of the subsidiary and periodically reviews the operations and financial statements of the subsidiary at its Board Meetings.

12. COMPLIANCE CERTIFICATE OF AUDITORS

The Company has obtained a certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Clause-49 is attached to this report.

Details of the Directors seeking appointment at the forthcoming Annual General Meeting (pursuant to clause 49 of Listing Agreement):

Name of the Director	Mr. K. Krishna Murty	Mr. D.L.S. Sreshti	Mrs. G. Padmaja
Date of Birth	01.01.1938	09.11.1946	04.02.1967
Designation	Independent Director	Independent Director	Additional Director
Date of Appointment	18.06.1997	12.11.2011	14.08.2014
Educational qualifications	B. Tech from Andhra University, M. Tech (Structures) from IIT, Kharagpur	M. Com, FCMA	B. Com
Areas of experience	Having 50 years of experience as Engineering Consultant	Having 42 years of rich experience in the field of Finance, Accounts, Costing & Commercial	Having 15 years of experience in real estate Business
Other public Companies in which he/She holds Directorship	NIL	Tibrewala Electronics Limited	NIL
Membership / Chairmanship of Board Committees	Chairman of Share Transfer & Investors Grievance Committee of M/s. Manjeera Constructions Ltd. Member of Audit Committee & Remuneration Committee of M/s. Manjeera Constructions Ltd.	Chairman of Audit Committee & Remuneration Committee of M/s. Manjeera Constructions Ltd. Member of Share Transfer & Investors Grievance Committee of M/s. Manjeera Constructions Ltd.	NIL
Shareholding	7,785	NIL	8,54,750



Auditors' Certificate on Corporate Governance

To

The Members of Manjeera Constructions Limited

We have examined the compliance of conditions of Corporate Governance by Manjeera Constructions Limited ("the Company") for the year ended 31st March, 2014 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges.

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

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

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

For **A.K. SABAT & CO.**

Chartered Accountants

(Registration No.321012E)

D. VIJAYA KUMAR

Partner

Membership No. 051961

Place: Hyderabad

Date: 28.05.2014

CEO's Declaration

I, G Yoganand, Chairman and Managing Director do hereby declare that pursuant to the provisions of Clause 49 (I) (D) (ii) of the Listing Agreement, all the members of the Board and the Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company.

Place: Hyderabad
Date: 28.05.2014

G.Yoganand
Chairman and Managing Director

CEO/CFO Certification pursuant to Clause 49(V) of the Listing Agreement

In accordance with Clause 49 of the listing Agreement with the Stock Exchanges, we, G Yoganand, Managing Director & Chief Executive Officer and R. Venkata Rao, AGM (Finance & Accounts) and Chief Financial Officer of Manjeera Constructions Ltd. (the Company) hereby certify that:

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

G.Yoganand
Managing Director & Chief Executive Officer

R. Vekata Rao
AGM (Finance & Accounts) & CFO

Place: Hyderabad
Date: 28.05.2014



Independent Auditors' Report

To the Members of Manjeera Constructions Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of Manjeera Constructions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;

- c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **A.K.Sabat & Co.,**
Chartered Accountants
F.R. Number: 321012E

D.VIJAYA KUMAR
Partner
Membership Number: 051961

Place: Hyderabad
Date: May 28, 2014



Annexure to the Independence Auditors' Report referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date for the year ended March 31, 2014.

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

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The fixed assets were physically verified during the year by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such verification.
- c) The Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii) a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification.
- iii) In respect of the loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has given loans to one company in respect of whom the maximum amount outstanding at any time during the year was ₹ 6401.78 Lac and year-end balance is ₹ 3424.77 Lac.
 - b) The Company taken loan from a company in respect of whom the maximum amount outstanding at any time during the year was ₹ 1120.80 lac and the year end balance is ₹ 661.01 Lac.
 - c) In our opinion, the principal and interest amounts are repayable / payable as per the terms and conditions of the loans given / taken.
 - d) In respect of the said loans and interest thereon, there are no overdue amounts.
- iv) There is an adequate internal control system commensurate with size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any continuing failure to correct major weakness in such internal control systems.
- v) a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that were needed to be entered in the Register maintained under the said Section have been so entered.
- b) In our opinion the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of five lac rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Accordingly the provisions of paragraph (vi) of the Order are not applicable to the Company.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of development (real estate) business and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- ix) In respect of statutory dues :
 - a) The amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax and other material statutory dues have been generally regularly deposited during the year by the Company, *except for Income Tax and Service Tax where there have been serious delays.*

There are no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax and other material statutory dues that were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable *except as mentioned below.*

Name of the Statute	Nature of Dues	Amount (₹)	Period related	Due Date	Paid subsequently to the year end
Income Tax Act	SA Tax	1,44,52,185	A.Y. 2012-13	30-10-2012	Not yet paid
Income Tax Act	R.A.Tax	8,39,281	A.Y. 2008-09		Not yet paid
Income Tax Act	Interest -Dividend Tax	6,69,929	A.Y. 2011-12		Not yet paid
		2,43,502	A.Y. 2012-13		
Finance Act, 1994	Service Tax	3,62,68,956	2011-12 to 2013-14	6 th of Subsequent month	Not yet paid

b) Details of dues of Sales Tax which have not been deposited as at March 31, 2014, on account of dispute is :

Name of the Statute	Nature of Dues	Financial Year	Amount (₹)	Forum where dispute is pending
Commercial Tax Dept.	APGST	2004-05	7,15,700	Sales Tax Appellate Tribunal
Commercial Tax Dept.	VAT	2008-09	3,59,58,410	Hon'ble High Court, Andhra Pradesh
		2009-10	3,25,40,058	
		2010-11	5,89,95,494	

- x) The Company does not have accumulated losses as at March 31, 2014 and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion the Company has delayed in repayment of dues to its banks and financial institutions. Refer appendix for the period and amount of delays. There are no debentures.
- xii) The Company during the year has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special Statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- xiv) The Company does not deal or trade in securities. Accordingly the provisions of paragraph (xiv) of the Order are not applicable to the Company.
- xv) In our opinion the guarantee given by the Company for loans taken by the subsidiary company from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
- xvi) In our opinion the term loans taken by the Company have been applied for the purpose for which they were obtained.
- xvii) In our opinion and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long term investment.
- xviii) During the period covered by our audit, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) During the year covered by our report, the Company has not issued any secured debentures.
- xx) During the year covered by our report, the Company has not raised any money by way of public issue.
- xxi) To the best of our knowledge and belief no material fraud on or by the Company has been noticed or reported during the course of our audit.

For A.K. Sabat & Co.
Chartered Accountants
(Firm Registration No. 321012E)

(D.Vijaya Kumar)
Partner
Membership No.: 051961

Place: Hyderabad
Date: May 28, 2014



Annexure to the Auditor's Report : Appendix to Clause (xi)

- A. Details of delays in repayment of principal and interest against the borrowings availed from banks and financial institutions fallen due during the year ended March 31, 2014, but repaid before March 31, 2014 are as follows :

Name of the Bank /Financial institution	Principal	Delay	Interest	Delay
Andhra Pradesh State Financial Corporation	130.27	28-89	20.51	28-89
State Bank of Hyderabad	963.05	85-88	8.80	85-85
Tata Capital (Wind Mill)	65.32	85-88	8.80	85-88

- B. Details of delays in repayment of interest on borrowings from banks and financial institutions, which were outstanding as at March 31, 2014

Name of the Bank	Due Date	Delay Amount	Delays (in days)
Andhra Pradesh State Financial Corporation	31-Mar-14	0.67	28
Tata Capital (Wind Mill)	31-Mar-14	1.57	86

- C. Details of delays in repayment of principal against borrowings from banks and financial institutions, which were outstanding as at March 31, 2014

Name of the Bank	Due Date	Delay Amount	Delays (in Days)
Andhra Pradesh State Financial Corporation	01-Feb-14	10.00	86
Andhra Pradesh State Financial Corporation	01-Mar-14	9.73	63
Tata Capital (Wind Mill)	17-Feb-14	17	86

Balance Sheet as at March 31, 2014

(₹ In Lacs)

	Note	As at 31-03-2014	As at 31-03-2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1,250.84	1,250.84
Reserves and surplus	2	6,237.03	5,852.14
		7,487.87	7,102.98
Non-current liabilities			
Long-term borrowings	3	4.32	74.98
Deferred tax liabilities (net)	4	55.01	60.02
Long-term provisions	5	13.72	12.60
		73.05	147.60
Current liabilities			
Short-term borrowings	6	3,053.70	4,754.13
Trade payables	7	1,764.53	1,873.53
Other current liabilities	8	3,157.97	3,637.67
Short-term provisions	9	184.41	538.06
		8,160.61	10,803.39
TOTAL		15,721.54	18,053.97
ASSETS			
Non-current assets			
Fixed assets	10		
- Tangible assets		378.47	427.37
- Intangible assets		5.44	2.10
Non-current investments	11	5,239.00	5,238.00
Long-term loans and advances	12	101.45	101.45
		5,724.36	5,768.92
Current assets			
Inventories	13	2,911.71	3,254.14
Trade receivables	14	2,503.90	2,072.42
Cash and bank balances	15	214.41	81.34
Short-term loan and advances	16	4,354.93	6,872.33
Other current assets	17	12.23	4.82
		9,997.18	12,285.05
TOTAL		15,721.54	18,053.97

Significant accounting policies and Additional Notes to the financial statements 25
The accompanying Notes 1 to 25 are an integral part of financial statements

In terms of our report of even date

For A.K. Sabat & Co.

Chartered Accountants

Firm's Registrations No. 321012E

For and on behalf of Board of Directors

D. VIJAYA KUMAR

Partner

Membership No. 051961

G. YOGANAND

Managing Director

K. KRISHNA MURTHY

Director

Place: Hyderabad

Date: 28th May, 2014



Statement of Profit and Loss for the Year Ended March 31, 2014

(₹ In Lacs)

	Note	For the year ended 31-03-2014	For the year ended 31-03-2013
Revenue			
Revenue from operations	18	5,173.26	9,311.86
Other operating revenue	19	7.68	7.68
Other income	20	1,113.44	873.18
Total Revenue		6,294.38	10,192.72
Expenses			
Cost of sales and contract expenses	21	4,692.49	8,263.91
Employee benefits expense	22	232.55	306.79
Finance costs	23	588.35	324.80
Depreciation and amortisation expense	10	60.32	73.13
Other expenses	24	188.59	359.57
Total Expenses		5,762.30	9,328.20
Profit before tax		532.08	864.52
Tax expense			
Current tax		197.93	305.19
Tax for previous year		(45.74)	47.39
Deferred tax credit		(5.01)	(20.37)
		147.18	332.21
Profit for the year		384.90	532.31
Earning per equity share of ₹ 10 each	25 B		
Basic and Diluted (in ₹)		3.08	4.26

Significant accounting policies and Additional Notes to the financial statements 25
The accompanying Notes 1 to 25 are an integral part of financial statements

In terms of our report of even date

For A.K. Sabat & Co.

Chartered Accountants

Firm's Registrations No. 321012E

For and on behalf of Board of Directors

D. VIJAYA KUMAR

Partner

Membership No. 051961

G. YOGANAND

Managing Director

K. KRISHNA MURTHY

Director

Place: Hyderabad

Date: 28th May, 2014

Statement of Cash Flow for the Year Ended March 31, 2014

(₹ In Lacs)

	Year ended 31 March, 2014	Year ended 31 March, 2013
A. Cash flow from operating activities		
Net Profit before tax	532.08	864.51
Adjustments for :		
Depreciation and amortisation	60.32	73.13
Profit on sale of assets	0.75	24.60
Interest expenses	588.35	322.74
Interest income	(984.65)	(806.43)
Rental income from operating leases	7.68	7.68
	(327.55)	(378.30)
Operating profit before working capital changes	204.53	486.22
Changes in working capital :		
Adjustments for (increase) / decrease in operating assets :		
Inventories	342.43	537.70
Trade receivables	(431.48)	(144.11)
Short-term loans and advances	(57.96)	(440.69)
Long-term loans and advances	–	(16.27)
Other current assets	(7.40)	62.52
	(154.41)	(0.86)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(109.00)	253.82
Other current liabilities	(475.35)	1,174.71
Short-term provisions	7.28	1.68
Long-term provisions	1.13	1.55
	(575.94)	1,431.75
Cash generated from operations	(525.83)	1,917.11
Net income tax	(282.72)	(278.62)
Net cash flow from operating activities (A)	(808.54)	1,638.49
B. Cash flow from investing activities		
Investment in companies	(1.00)	–
Capital expenditure on fixed assets	(18.56)	(7.31)
Proceeds from sale of fixed assets	3.04	(24.60)
Bank balances not considered as Cash and cash equivalents	(126.34)	57.09
Loans given		
- Subsidiaries	2,575.36	(4,718.76)
- Associates	–	365.84
Interest received		
- Subsidiaries	984.65	806.43
Rental income from operating leases	(7.68)	7.68
Net cash flow used in investing activities (B)	3,409.48	(3,513.63)



	Year ended 31 March, 2014	Year ended 31 March, 2013
C. Cash flow from financing activities		
Proceeds from long-term borrowings		
Repayment of long-term borrowings	(70.65)	(1,148.56)
Net increase in working capital borrowings	(1,700.43)	3,086.70
Interest expenses	(592.72)	(313.02)
Dividends paid	(150.10)	(150.10)
Tax on dividend	(80.30)	–
Net cash flow used in financing activities (C)	(2,594.20)	1,475.02
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	6.73	(400.12)
Cash and cash equivalents at the beginning of the year	12.89	387.22
Cash and cash equivalents at the end of the year	19.62	12.89

Notes:

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

In terms of our report of even date

For A.K. Sabat & Co.

Chartered Accountants

Firm's Registrations No. 321012E

For and on behalf of Board of Directors

D. VIJAYA KUMAR

Partner

Membership No. 051961

G. YOGANAND

Managing Director

K. KRISHNA MURTHY

Director

Place: Hyderabad

Date: 28th May, 2014

Notes to the Financial Statements

1 Share capital

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Authorised :		
Equity shares 2,50,00,000 (Previous year 2,50,00,000), ₹ 10 par value	2,500.00	2,500.00
Issued, subscribed and fully paid up :		
Equity shares 1,25,08,418 (Previous year 1,25,08,418), ₹ 10 fully paid up	1,250.84	1,250.84
a) Reconciliation of number of shares outstanding		
Equity shares at the beginning of the year Nos. 1,25,08,418	1,250.84	1,250.84
Add: Shares issued during the year -	-	-
Equity shares at the end of the year Nos. 1,25,08,418	1,250.84	1,250.84
b) The rights attached to equity shares and restrictions on the distribution of dividends :		
The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.		
c) Shareholder holding more than 5 % equity shares :		
Name of shareholder	Nos. % Held	Nos. % Held
G.Yoganand	68,50,946 54.85	68,50,946 54.85
G.Padmaja	8,54,750 6.84	8,54,750 6.84
Gajjala Investments And Holdings Private Limited	8,24,979 6.60	8,24,979 6.60
d) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceeding March 31		
Bonus shares issued in 2010-11 (Nos.)	1,000,675.00	1,000,675.00

2 Reserves and surplus

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Securities premium account	1,501.01	1,501.01
General reserve		
As at beginning and at end of the year	270.00	270.00
Surplus balance in Statement of Profit and Loss		
Opening balance	4,081.13	3,724.43
Add : Profit for the year	384.90	532.30
Less: Proposed dividend	-	150.10
Less: Dividend tax	-	25.51
Closing balance	4,466.02	4,081.13
Total	6,237.03	5,852.14



3 Long-term borrowings

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
a) Secured - Term loan - Tata capital Limited	—	34.31
(Secured by hypothecation of all machinery and equipments-standard and non-standard. Equitable mortgage of Wind Mill plant's land. Standard equipment loan 150 repayable in 35 equal monthly instalments, Non-standard equipment loan 285 repayable in 23 equal monthly instalments and generator loan 315 repayable in 24 quarterly instalments. Amount outstanding guaranteed by Managing Director)		
b) Secured - Term Loan - Andhra Pradesh State Financial Corporation	—	39.73
(Secured by collateral security amounting 625 by way of urban immovable properties. Repayable in monthly instalments expiring on 07.05.2014. Amount outstanding guaranteed by Managing Director)		
c) Secured - Term loan - vehicle loans	4.32	0.93
(Secured by hypothecation of vehicles purchased)		
Total	4.32	74.98
For the current maturities of long-term borrowings, refer Note 8 "Other current liabilities"		

4 Deferred tax liabilities (net)

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
a) Deferred tax liability		
- Difference between book and tax balance of fixed assets	60.03	65.34
b) Deferred tax asset		
- Employee benefits provision	5.02	5.32
Deferred tax liabilities (net) : (a) - (b)	55.01	60.02
The Company has been recognising in the financial statements the Deferred tax assets/liabilities, in accordance with Accounting Standard (AS) 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year the Company has credited to the Statement of Profit and Loss with deferred tax liability (Net) of ₹ 5.01 Lacs (Previous year ₹ 20.37 Lacs).		

5 Long-term provisions

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Provision for employee benefits		
- Gratuity (Non-funded)	10.95	12.60
- Compensated absence	2.77	—
Total	13.72	12.60

6 Short-term borrowings

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
a) Secured - Working capital demand loans		
i. Cash credit - Oriental Bank of Commerce (Secured by hypothecation of entire current assets including stocks and receivables. Guarantee of Managing Director and corporate guarantee of group entities)	1,717.69	1,712.26
ii. Cash credit - State Bank of Hyderabad (Secured exclusively by hypothecation on construction material and work-in-progress and other movable and immovable assets. Guarantee of Managing Director and corporate guarantee of Manjeera Estates Private Limited)	—	963.05
b) Purchase bill factoring - IFCI Factors Limited (Secured by collateral security by pledge of shares of promoters of Company and partly by equitable mortgage of commercial property owned by Manjeera Estates Private Limited. Guaranteed by Managing director)	350.00	500.00
c) Unsecured - Non Demand Loans from Oriental bank of Commerce	—	366.41
d) Unsecured - Inter-corporate deposits from related parties* (refer Note 25.B)	661.01	1,042.41
e) Unsecured - Other Inter-corporate deposits	325.00	170.00
Total	3,053.70	4,754.13
*(Relates to Inter corporate deposit ₹ 661.01 Lacs (previous year ₹ 1042.41 Lacs) from a private limited company in which Managing director is a director)		

7 Trade payables

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Retention monies retained - contractors	321.51	322.99
Sub-contracted works payable	130.44	134.96
Contracted works payable	336.20	361.98
Trade payable - goods purchased	133.25	272.17
Trade payable - services rendered	640.00	531.57
Employee benefits payable	44.24	71.68
Stale cheques	5.93	2.32
Other payables	152.96	175.86
Total	1,764.53	1,873.53



8 Other current liabilities

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Current maturities of long-term debt :		
i. Secured Term loan - Canara Bank	–	895.30
(Secured by EMT of 1.23 acres of land at Kukatpally on Mumbai Highway with the residential flats, built up area 3,97,430 sq.ft and parking area 1,37,475 sq.ft. Repayable in four quarterly instalments, first instalment from December 31, 2012. Amount outstanding guaranteed by Managing Director)		
ii. Secured - Term loan - Tata capital Limited	34.31	65.32
(Secured by hypothecation of all machinery and equipments- standard and non-standard. Equitable mortgage of Wind Mill plant's land. Standard equipment loan 150 repayable in 35 equal monthly instalments, Non-standard equipment loan 285 repayable in 23 equal monthly instalments and generator loan 315 repayable in 24 quarterly instalments. Amount outstanding guaranteed by Managing Director)		
iii. Secured - Term Loan - Andhra Pradesh State Financial Corporation	39.73	130.27
(Secured by collateral security amounting 625 by way of urban immovable properties. Repayable in monthly instalments expiring on 07.05.2014. Amount outstanding guaranteed by Managing Director)		
iv. Secured - Term loan - vehicle loans	0.93	7.66
(Secured by hypothecation of vehicles purchased)		
Unsecured Term loan - India Bulls Financial Services Limited	–	109.43
Interest accrued but not due on borrowings	6.65	2.96
Interest accrued and due on borrowings	14.45	22.51
Income received in advance	–	66.75
Statutory dues		
Employee State Insurance Corporation	0.22	1.18
Provident Fund	5.22	11.41
Professional Tax	0.09	0.41
Service Tax	575.67	153.50
Tax deducted at source	27.49	149.62
Value Added Tax	3.54	2.76
Advances from customers	920.73	991.97
Corpus fund collections	56.30	8.60
Advances from others	1,392.40	937.80
Security deposit	80.23	80.23
Total	3,157.97	3,637.67

9 Short-term provisions

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Current portion of employee benefits		
Gratuity	4.53	3.80
Compensated absence	6.55	–
Provision for Income tax (net of taxes paid)	173.34	303.87
Proposed dividend	–	150.10
Corporate dividend tax	–	80.30
Total	184.41	538.06

10 FIXED ASSETS

(₹ In Lacs)

Asset	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at 01.04.2013	Additions	Disposals/ Adjustments	As at 31.03.2014	Up to 31.03.2013	For the Year	On Disposals/ Adjustments	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS										
Land	1.68	–	–	1.68	–	–	–	–	1.68	1.68
Building	162.74	–	–	162.74	54.55	5.41	–	59.96	102.78	108.19
Plant and equipment	604.68	1.03	6.16	599.56	336.83	39.94	3.76	373.01	226.55	267.85
Furniture and fixtures	21.41	0.31	–	21.72	14.17	1.34	–	15.50	6.21	7.24
Vehides	68.91	7.90	7.49	69.31	46.20	7.44	6.53	47.11	22.20	22.71
Office equipment	17.16	1.22	0.96	17.42	8.91	1.21	0.58	9.54	7.88	8.26
Electrical equipment	16.42	–	–	16.42	9.70	0.94	–	10.64	5.79	6.72
Computers	24.97	3.10	1.23	26.85	20.26	2.38	1.18	21.46	5.39	4.71
	917.98	13.55	15.84	915.69	490.61	58.65	12.05	537.22	378.47	427.36
Previous year	983.84	7.25	73.12	917.97	449.33	71.75	30.46	490.61	427.36	
INTANGIBLE ASSETS										
Computer software	11.71	5.01	–	16.72	9.61	1.67	–	11.28	5.44	2.10
Previous year	11.66	5.05	–	11.71	8.23	1.38	–	9.61	2.10	



11 Non-current investments

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(Unquoted and at cost)		
Other Investments		
4,50,00,000 equity shares of ₹ 10 each fully paid up in subsidiary company - Manjeera Retail Holdings Private Limited	4,500.00	4,500.00
10,12,320 equity shares of ₹ 10 each fully paid up with premium of ₹ 40 per share in Associate company - GM Infra Ventures Private Limited	399.60	399.60
3,38,400 Optionally Fully Convertible Debentures (III Series) of ₹ 100 each in Associate company - GM Infra Ventures Private Limited	338.40	338.40
10,000 equity shares of ₹ 10 each fully paid up in subsidiary company - MTM Estates and Properties Private Limited	1.00	–
Total	5,239.00	5,238.00

12 Long-term loans and advances

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(unsecured, considered good)		
Advance for land	96.54	96.54
Electricity and other deposits	4.91	4.91
Total	101.45	101.45

13 Inventories

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(As certified by Management and valued as per Accounting Policy Note 25A)		
Apartment held for sale (Projects)		
Manjeera Heights - Phase I	22.43	17.40
Property development-in-progress (Projects)		
Smarthome Villas	50.88	32.66
Manjeera Trinity Homes	1,252.74	2,038.80
Manjeera Diamond Villas	1,438.33	1,070.32
Infrastructure Works	111.81	68.64
Hydro power project (In Progress)	35.53	26.32
Total	2,911.71	3,254.14
Borrowing costs capitalised during the period as inventory	–	395.78

14 Trade receivables

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	553.65	637.58
Others	1,950.25	1,434.84
Total	2,503.90	2,072.42

15 Cash and Bank balances

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Cash on hand	7.49	1.09
Balance with banks		
In Current Accounts	12.14	11.80
Other deposits-Margin money	194.79	68.45
Total	214.41	81.34

16 Short-term loan and advances

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(unsecured, considered good)		
Loan to related parties* (refer Note 25.B)	3,424.77	6,000.14
Advance to related parties** (refer Note 25.B)	9.41	123.03
Advance for contracted works	385.95	502.25
Advance for goods	32.13	73.86
Advance for expenses	3.40	32.61
Sales Tax deposits	13.44	13.44
Mobilisation advance paid	17.50	41.63
Maintenance works	71.36	–
Other receivables	170.50	–
Security deposits	0.87	68.21
Balance with statutory authorities	212.98	–
Prepaid expenses	8.29	5.48
Staff advance	4.33	11.68
Total	4,354.93	6,872.33

*Relates to Inter-corporate deposits ₹ 3424.77 lacs (previous year ₹ 6000.14 lacs) to private limited companies in which Managing director is a director.

**Relates to advance Nil (previous year ₹ 19.50 lacs) to a private limited company in which Managing director is a director and ₹ 9.40 lacs (previous year ₹ 103.53 lacs) to the subsidiary company.

17 Other current assets

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Earnest money deposits	0.83	0.83
Other advances	9.27	3.25
Sub-contracted works	2.13	0.74
Total	12.23	4.82

18 Revenue from operations

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Revenue from sale of residential spaces (projects)	1,429.25	4,110.27
Contract receipts (projects)* (Refer note 25.B)	3,227.03	3,185.31
Sub-contracted contract receipts (projects)	457.33	1,966.08
Wind-mill energy sales	59.66	50.20
Total	5,173.26	9,311.86

*Relates to Contract receipts ₹ 2986.14 lacs (previous year ₹ 2986.14 lacs) from partnership firm in which managing director is a partner



19 Other operating revenue

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Rent receipts	7.68	7.68
Total	7.68	7.68

20 Other income

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Interest income		
On margin monies deposits	11.33	9.42
On inter-corporate deposits	973.32	797.01
	984.65	806.43
Upfront fees	66.75	66.75
Property management Services	0.82	—
Reimbursements of expenses	61.22	—
Total	1,113.44	873.18

21 Cost of sales and contract expenses

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Cost of sale of residential spaces (Projects)	1,248.24	3,424.00
Contract expenses (Projects)	3,004.70	2,963.09
Sub-contracted contract expenses (Projects)	430.80	1,868.33
Wind-mill energy expenses	8.75	8.49
Total	4,692.49	8,263.91

22 Employee benefits expense

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Salaries and wages	164.18	165.73
Contribution to group Medclaim	2.56	3.14
Employee gratuity	1.02	3.22
Employee Leave Encashment	9.32	—
Contribution to provident fund and other funds	18.37	30.04
Staff welfare expenses	0.10	1.68
Staff training and recruitment	1.00	12.98
Directors remuneration	36.00	90.00
Total	232.55	306.79

23 Finance cost

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Interest expense		
On vehicle term loan	0.88	1.90
On cash credit	214.34	190.43
On Non demand Loans	17.21	–
On term loans	127.30	36.07
On customer advances	–	30.00
On Inter-corporate deposits	228.62	64.35
Other borrowing costs		
Loan processing charges	–	2.05
Total	588.35	324.80

24 Other expenses

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Filing fees	0.04	0.09
Travel and conveyance	14.76	17.02
Vehicle maintenance	5.63	1.92
Repairs and maintenance - others	1.01	12.57
Printing and stationery	6.69	3.09
Communication	4.23	5.27
Power and fuel	17.66	38.45
Office maintenance	16.69	20.61
Professional charges	18.32	57.62
Subscriptions and fees	4.98	8.25
Sitting fees	0.55	0.45
Security services	3.50	19.27
Legal charges	0.14	0.45
Insurance	2.89	5.85
Audit fee	3.90	3.90
Inventory (project) written off	–	20.18
Advertisement	9.82	86.70
General expenses	7.00	6.50
Tender expenses	–	0.60
Interest - Dividend Tax	9.13	–
Interest - TDS delayed payment	29.87	13.32
Interest - APHB delayed payment	15.60	–
Interest - Service Tax delayed payment	6.74	4.58
Bank charges and Commission	3.07	8.28
Loss on sale of fixed assets	0.75	24.60
Property Tax	5.64	–
Total	188.59	359.57



Note 25: Significant Accounting Policies and Additional Notes to the Financial Statements for the Year Ended March 31, 2014

Corporate information

Manjeera Constructions Limited is mainly engaged in property development, civil construction contracts and infrastructure projects development.

A. Summary of Significant Accounting Policies

1. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of Companies Act, 1956. The financial statements have been prepared on accrual basis under historical convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of estimates

The Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known / materialise.

3. Fixed assets

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment losses, if any.

4. Depreciation and amortisation

Depreciation on fixed assets has been provided on written down value method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

5. Borrowing costs

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

6. Impairment of Assets

The carrying value of assets, other than inventory, is reviewed at each balance sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

7. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

8. Inventories

Properties under development represent costs incurred in respect of unsold area of properties under development and costs incurred on projects/ portion of projects when revenue is yet to be recognised. Such costs include cost of land, development rights, direct materials, labour, borrowing costs and an appropriate portion of construction overheads based on normal operating capacity. Borrowing costs directly attributable to properties under development which necessarily take a substantial period of time to get ready sale. Any expected loss on real estate projects is recognised as an expense when it is certain that the total cost will exceed the total revenue.

Building materials and consumables are valued at cost. Cost of building materials and consumables comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

9. Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions. Exchange difference arising on foreign currency transactions settled during the year is recognized in the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forwarded exchange contracts are translated at year-end rates. The resultant exchange difference is recognized in the profit and loss account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

10. Revenue recognition

- i. On property and infrastructure development projects
 - a. Recognized on the 'Percentage of Completion Method' of accounting. Revenue comprises the aggregate amounts of sale price in terms of the agreements entered into and is recognized on the basis of percentage of actual costs incurred thereon, including proportionate land cost and total estimated cost of the projects under execution, subject to such actual costs being 30 percent or more of the total estimated cost.
 - b. Where aggregate of the payment received provide insufficient evidence of buyers commitment to make the complete payment, revenue is recognized only to the extent of realization.
 - c. The estimates of the saleable areas and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.
- ii. On construction contracts (undertaken as contractors)
The Company follows percentage completion method for accounting of construction contracts undertaken.
- iii. Price escalation is carried out in the year of settlement of claims/bills
- iv. Rent receipts are recognised on accrual basis.
- v. Interest on deployment of funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.
- vi. Property management services are recognised on rendering services and billing thereof.
- vii. Dividend income is accounted when the right to receive dividend is established.

11. 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.

12. Income tax

- i. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax act, 1961.
- ii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance sheet when it is probable that future economic benefit associated with it will flow to the Company.
- iii. Deferred tax is recognized on timing differences being the differences between Taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

13. Employee benefits

Defined contribution plans

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.



Defined benefits plan

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is a non-funded liability. The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the Balance Sheet date. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method. Actuarial gains and losses arising during the year are immediately recognised in the statement of profit and loss.

Compensated absences

Compensated absences, is a long-term employee benefit, and accrued based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by an independent actuary. Actuarial gains and losses arising during the year are immediately recognised in the statement of profit and loss

14. Earning Per Share (EPS)

In arriving at the EPS, the Company's net profit after tax, computed in terms of the GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity shares that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number potential equity shares.

15. Prior period items

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

16. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of past event that probably requires an out flow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingency liability as made when there is a possible obligation or a present obligation that may, but probability will not, require an out flow of resources. Where there is possible obligation or a present obligation in respect of which the likely hood of outflow of resources is remote, no provision or disclosure is made.

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

17. Leases

Operating lease payments are recognized as an expense in the profit and loss account on the basis of lease agreement.

18. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

19. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

B. Additional Notes

1. Contingent liabilities

(Figures are in ₹ Lac unless otherwise stated)

	As at 31-03-2014	As at 31-03-2013
i. Direct and Indirect taxes claims disputed by the company to issues of applicability	1274.94	18.05
ii. Bank Guarantees	1657.95	493.82

2. Dividends proposed to be distributed to equity share holders

	Amount	Per share (In. ₹)
For the year 13-14	–	–
For the year 12-13	150.10	1.20

3. Payments to Auditors

	For the year 2013-14	For the year 2012-13
As Auditor	3.40	3.40
For taxation matters	0.50	0.50
For other services	0.00	0.00
	3.90	3.90

4. Micro, small and medium enterprises

The identification of Micro, Small and Medium Enterprise suppliers as defined under the provisions of “The Micro, Small and Medium Enterprises Development Act, 2006” is based on Management’s knowledge of their status.

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year and previous year is nil.

5. Details of contract revenue and costs

	For the year	
	2013-14	2012-13
Contract revenue recognized during the year	3684.35	5099.75
Aggregate of contract costs incurred	3435.51	4841.87
Advances received for contract in progress	84.13	85.83
Retention money from customers for contract work	136.27	18.58
Gross amount due from customers for contract work	1911.72	753.36
Gross amount due to customers for contract work	Nil	Nil

6. Employee benefit**a) Defined benefit plan:**

Gratuity: Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

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

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening balance	16.39	13.17
Current service cost	3.62	4.56
Interest cost	1.24	1.05
Actuarial loss / (gain)	(3.85)	(2.39)
Benefits Paid	(1.93)	–
Closing balance	15.49	16.39



Amount recognised in Balance Sheet

Particulars	As at 31 March 2014	As at 31 March 2013
Present value of benefit obligation	15.48	16.39
Fair value on plan assets	–	–
Net liability	15.48	16.39
Amounts in the balance sheet	15.48	16.39
Net liability under long-term provisions	10.95	12.60
Net liability under short-term provisions	4.53	3.80

Expense recognised in statement of profit and loss

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Current service cost	3.62	4.56
Interest on defined benefit obligation	1.24	1.05
Past service cost	–	–
Net actuarial loss / (gain) recognized in the year	(3.85)	(2.39)
Amount included in “(miscellaneous income)/ gratuity expense”	1.01	3.22

Summary of actuarial assumptions

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Discount rate	9.00 %	8.06 %
Salary escalation rate	5.00 %	5.00 %

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

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Amounts for the current and previous two years are as follows:

Particulars	Year ended		
	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation	15.48	16.39	13.17
Plan assets	–	–	–
Surplus/ (Deficit)	15.48	16.39	13.17

b) **Deferred contribution plan:**

Contributions paid to the recognized provident fund and Employees’ State Insurance, which is a defined contribution scheme, are charged to the statement of profit and loss on accrual basis.

Amount recognized in the statement of profit and loss	For the year ended 31 March 2014	For the year ended 31 March 2013
Provident Fund	15.39	23.91
Employees’ State Insurance	2.13	4.29
Total	17.52	28.20

7. Segment reporting

The Company’s operations fall within a single business segment Construction and related activities and single geographical segment and therefore segment information as required under AS –17 is not applicable

8. Related party disclosures

Related parties have been identified by the management

- i) Related parties and description of relationship
 - A. Enterprises where control exists
Subsidiary company: Manjeera Retail Holdings Private Limited and MTM Estate and Properties Private Limited
 - B. Other related parties with whom the Company had transactions
Enterprises over which shareholders, key management personnel and their relatives can exercise control or significant influence
 - i) Manjeera Estates Private Limited
 - ii) Manjeera Hotels & Resorts Private limited
 - iii) Gajjala Investments & Holdings Private Limited
 - iv) Aashraya Hotels And Estates Private Limited
 - v) MTM Estates And Properties Private Limited
 - vi) GM Infra Ventures Private Limited
 - vii) Manjeera Projects
 - C. Key Management Personnel(KMP)
 - i) G. Yoganand – Managing Director
 - ii) G. Vivekanand – Whole time Director
 - iii) K. Krishna Murty – Independent Director
 - iv) DLS Sreshti – Independent Director
- ii) Disclosures of transactions between the Company and related parties during year are:

		For the year ended March 31, 2014	For the year ended March 31, 2013
A.	Subsidiary company – Manjeera Retail Holdings Private Limited		
	– Loan Extended	–	5133.62
	– Interest Income	956.55	796.52
B.	Enterprises over which shareholders, KMP and their relatives exercise control or significant influence		
i.	Manjeera Hotels & Resorts Private Limited		
	- Loan Extended	–	125.00
	- Interest Income	6.45	0.44
ii.	GM Infra Ventures Private Limited		
	– Loan Extended	507.57	991.92
	– Interest Expenses	153.45	50.49
iii.	Manjeera Projects – Contract Income	3032.34	2986.14
C.	G. Yoganand – Remuneration	18.00	72.00
	G. Vivekanand – Remuneration	18.00	18.00



iii) Disclosure of outstanding balances debit/(credit)

		As at 31.03.2014	As at 31.03.2013
A	Subsidiary company – Manjeera Retail Holdings Private Limited	3424.77	5874.69
B	Manjeera Hotels & Resorts private Limited	(0.46)	125.44
	GM Infra Ventures Private Limited	(661.01)	(1042.41)
	Manjeera Projects	1891.16	699.41
C	Shareholders, KMP and their relatives exercise control or significant influence		
	G. Yoganand	(12.36)	(28.01)

9. Disclosure as per Clause 32 of the Listing Agreement with the stock exchange,

Loans and advances in the nature of loan given
 Manjeera Retail Holdings Private Limited – Subsidiary company
 GM Infra ventures private Limited – Associate
 Manjeera Hotels & Resorts Private Limited – Associates

10. Earnings per share (Equity share)

Earnings per share computed as under	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit for the year (in Rupees)	384.91	532.31
Weighted average number of shares outstanding for basic earnings per share (No's)	12508418	12508418
Weighted average number of shares considered for diluted earnings per share (No's)	12508418	12508418
Earnings per share on Profit of the year (Face Value ₹ 10 per Share)		
- Basic (in ₹)	3.08	4.26
- Diluted (in ₹)	3.08	4.26

11. Previous Year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report of even date

For A.K. Sabat & Co.

Chartered Accountants

Firm's Registrations No. 321012E

For and on behalf of Board of Directors

D. VIJAYA KUMAR

Partner

Membership No. 051961

G. YOGANAND

Managing Director

K. KRISHNA MURTHY

Director

Place: Hyderabad

Date: 28th May, 2014

Statement Pursuant to Section 212 of Companies Act, 1956 Relating to Subsidiary Companies

Name of the Subsidiary Company	Manjeera Retail Holdings Private Limited	MTM Estates and Properties Private Limited
1. Financial Year Ending of the Subsidiary	31.03.2014	31.03.2014
2. Shares of the Subsidiary held by Manjeera Constructions Limited on the above date:		
a. Number and Face Value	45000000 Nos of ₹ 10 each	10000 Nos of ₹ 10 each
b. Extent of Holding	51 %	100 %
3. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of Manjeera Constructions Ltd.		
a. dealt with in the accounts of the Company for the year ended 31 st March, 2014.	Nil	Nil
b. not dealt with in the accounts of the Company for the year ended 31 st March, 2014.	₹ 52,62,718	(₹ 24,889)
4. Net aggregate amount of profits/(losses) for previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company:		
(a) dealt with in the accounts of the Company for the year ended 31 st March, 2014.	Nil	NA
(b) not dealt with in the accounts of the Company for the year ended 31 st March, 2014.	₹ 96,48,261	

G Yoganand
Managing Director

K. Krishna Murty
Director

Place: Hyderabad
Date: 28th May, 2014



Independent Auditors' Report

To the Board of Directors of Manjeera Constructions Limited

Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of Manjeera Constructions Limited ("the Company") and its subsidiary (collectively referred to as ("the Group")), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b. in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary company whose financial statements reflect total assets (net) of ₹ 55465.00 lacs as t 31 March 2014, total revenues (net) of ₹ 5906.48 lacs and net cash flows decrease amounting to ₹ 165.83 lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the report of other auditors.

Our opinion is not qualified in respect of Other Matters.

For A.K.Sabat & Co.,

Chartered Accountants

F.R. Number: 321012E

D.VIJAYA KUMAR

Partner

Membership Number: 051961

Place: Hyderabad

Date: May 28, 2014



Consolidated Balance Sheet as at March 31, 2014

(₹ In Lacs)

	Note	As at 31-03-2014	As at 31-03-2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1,250.84	1,250.84
Reserves and surplus	2	6,764.59	6,327.32
		8,015.43	7,578.16
Minority Interest		4,830.65	4,780.09
Non-current liabilities			
Long-term borrowings	3	12,401.81	2,934.26
Deferred tax liabilities (net)	4	61.50	54.72
Other-long term liabilities	5	1,103.63	374.52
Long-term provisions	6	22.98	18.18
		13,589.92	3,381.68
Current liabilities			
Short-term borrowings	7	9,900.30	12,966.31
Trade payables	8	3,731.45	6,476.82
Other current liabilities	9	22,899.68	20,334.83
Short-term provisions	10	195.33	844.60
		36,726.76	40,622.56
TOTAL		63,162.76	56,362.49
ASSETS			
Non-current assets			
Fixed assets	11		
- Tangible assets		13,022.11	474.05
- Intangible assets		5.44	2.10
- Intangible assets under development		14.77	–
Capital work-in-progress		7,302.81	–
Non-current investments	12	738.00	738.00
Long-term loans and advances	13	209.44	203.15
		21,292.57	1,417.31
Current assets			
Inventories	14	34,666.04	48,794.62
Trade receivables	15	3,269.18	3,136.13
Cash and bank balances	16	954.25	344.94
Short-term loan and advances	17	2,310.29	1,994.85
Other current assets	18	670.43	674.65
		41,870.19	54,945.19
TOTAL		63,162.76	56,362.49

Significant accounting policies and Additional Notes to the financial statements 26
The accompanying Notes 1 to 26 are an integral part of financial statements

In terms of our report of even date

For A.K. Sabat & Co.

Chartered Accountants

Firm's Registrations No. 321012E

For and on behalf of Board of Directors

D. VIJAYA KUMAR

Partner

Membership No. 051961

G. YOGANAND

Managing Director

K. KRISHNA MURTHY

Director

Place: Hyderabad

Date: 28th May, 2014

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2014

(₹ In Lacs)

	Note	For the year ended 31-03-2014	For the year ended 31-03-2013
Revenue			
Revenue from operations	19	11,030.14	16,775.94
Other operating revenue	20	5.29	29.14
Other income	21	1,157.75	920.13
Total Revenue		12,193.18	17,725.22
Expenses			
Cost of sales and contract expenses	22	8,786.50	14,726.97
Employee benefits expense	23	358.38	374.79
Finance costs	24	970.52	327.54
Depreciation and amortisation expense	11	295.50	86.12
Other expenses	25	1,146.73	1,043.41
Total Expenses		11,557.64	16,558.84
Profit before tax		635.55	1,166.38
Tax expense			
Current tax		236.35	419.20
Minimum alternative tax entitlement		(38.42)	–
Tax for previous year		(57.00)	47.39
Deferred tax credit		6.78	(21.70)
		147.71	444.89
Profit for the year (before adjustment for Minority Interest)		487.83	721.49
Minority Interest		50.56	92.70
Net Profit after taxes and Minority interest		437.27	628.80
Earning per equity share of ₹ 10 each	26 B		
Basic and Diluted (in ₹)		3.50	5.03

Significant accounting policies and Additional Notes to the financial statements 26

The accompanying Notes 1 to 26 are an integral part of financial statements

In terms of our report of even date

For A.K. Sabat & Co.

Chartered Accountants

Firm's Registrations No. 321012E

For and on behalf of Board of Directors

D. VIJAYA KUMAR

Partner

Membership No. 051961

G. YOGANAND

Managing Director

K. KRISHNA MURTHY

Director

Place: Hyderabad

Date: 28th May, 2014



Consolidated Statement of Cash Flow for the Year Ended March 31, 2014

(₹ In Lacs)

	Year ended 31 March, 2014	Year ended 31 March, 2013
A. Cash flow from operating activities		
Net Profit before tax	635.55	1,166.39
Adjustments for :		
Depreciation and amortisation	295.50	86.12
Profit on sale of assets	0.75	24.60
Interest expenses	970.52	325.49
Interest income	(1,015.03)	(852.12)
Rental income from operating leases	–	(7.68)
	251.75	(423.59)
Operating profit before working capital changes	887.29	742.80
Changes in working capital :		
Adjustments for (increase) / decrease in operating assets :		
Inventories	14,128.58	(14,862.21)
Trade receivables	(133.05)	47.36
Short-term loans and advances	(402.46)	(588.76)
Long-term loans and advances	(6.29)	283.09
Other current assets	4.22	64.87
	13,590.99	(15,055.65)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(2,745.37)	735.44
Other current liabilities	1,632.05	(9,890.29)
Other long term liabilities	729.11	374.52
Short-term provisions	11.61	0.03
Long-term provisions	4.80	1.93
	(367.80)	(8,778.37)
Cash generated from operations	14,110.49	(23,091.22)
Net income tax	(609.86)	(363.65)
Net cash flow from operating activities (A)	13,500.63	(23,454.87)
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(12,851.97)	9,301.58
Capital expenditure on CWIP	(7,317.58)	–
Proceeds from sale of fixed assets	4.32	18.06
Bank balances not considered as Cash and cash equivalents	(435.85)	68.20
Loans given		
- Associates	125.44	240.40
Interest received		
- Subsidiaries	1,015.03	852.12
Rental income from operating leases	–	7.68
Net cash flow used in investing activities (B)	(19,460.60)	10,488.04

	Year ended 31 March, 2014	Year ended 31 March, 2013
C. Cash flow from financing activities		
Proceeds from long-term borrowings	–	1,710.10
Repayment of long-term borrowings	9,467.55	–
Net increase in working capital borrowings	(3,221.01)	10,256.47
Repayment of other short-term borrowings	155.00	1,042.41
Interest expenses	(37.72)	(325.49)
Dividends paid	(150.10)	(150.10)
Tax on dividend	(80.30)	–
Net cash flow used in financing activities (C)	6,133.42	12,533.39
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	173.46	(433.44)
Cash and cash equivalents at the beginning of the year	14.20	447.64
Cash and cash equivalents at the end of the year	187.66	14.20

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

In terms of our report of even date

For A.K. Sabat & Co.

Chartered Accountants

Firm's Registrations No. 321012E

For and on behalf of Board of Directors

D. VIJAYA KUMAR

Partner

Membership No. 051961

G. YOGANAND

Managing Director

K. KRISHNA MURTHY

Director

Place: Hyderabad

Date: 28th May, 2014



Notes to the Consolidated Financial Statements

1 Share capital

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Authorised :		
Equity shares 2,50,00,000 (Previous year 2,50,00,000), ₹ 10 par value	2,500.00	2,500.00
Issued, subscribed and fully paid up :		
Equity shares 1,25,08,418 (Previous year 1,25,08,418), ₹ 10 fully paid up	1,250.84	1,250.84
a) Reconciliation of number of shares outstanding		
Equity shares at the beginning of the year Nos. 1,25,08,418	1,250.84	1,250.84
Add: Shares issued during the year —	—	—
Equity shares at the end of the year Nos. 1,25,08,418	12,508,418	12,508,418
b) The rights attached to equity shares and restrictions on the distribution of dividends :		
The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.		
c) Shareholder holding more than 5 % equity shares :		
Name of shareholder	Nos. Holding %	Nos. Holding %
G.Yoganand	68,50,946 54.85	68,50,946 54.85
G.Padmaja	8,54,750 6.84	8,54,750 6.84
Gajjala Investments And Holdings Private Limited	8,24,979 6.60	8,24,979 6.60
d) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceeding March 31		
Bonus shares issued in 2010-11 (Nos.)	1,000,675	1,000,675

2 Reserves and surplus

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Securities premium account	1,501.01	1,501.01
General reserve		
As at beginning and at end of the year	270.00	270.00
Surplus balance in Statement of Profit and Loss		
Opening balance	4,556.31	4,103.12
Add : Profit for the year	437.27	628.80
Less: Proposed dividend	—	150.10
Less: Dividend tax	—	25.51
Closing balance	4,993.58	4,556.31
Total	6,764.59	6,327.32

3 Long-term borrowings

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
a) Secured - Term loan - Tata capital Limited	—	34.31
(Secured by hypothecation of all machinery and equipments-standard and non-standard. Equitable mortgage of Wind Mill plant's land. Standard equipment loan 150 repayable in 35 equal monthly instalments, Non-standard equipment loan 285 repayable in 23 equal monthly instalments and generator loan 315 repayable in 24 quarterly instalments. Amount outstanding guaranteed by Managing Director)		
b) Secured - Term Loan - Andhra Pradesh State Financial Corporation	—	39.73
(Secured by collateral security amounting 625 by way of urban immovable properties. Repayable in monthly instalments expiring on 07.05.2014. Amount outstanding guaranteed by Managing Director)		
c) Secured - Term Loan - State Bank of Hyderabad	12,395.45	2,854.01
(Secured by assignment of future lease rentals from rentals by entering into tripartite agreement, exclusive equitable mortgage charge on land admeasuring 2.50 acre of Manjeera Trinity Mall and building structure(MTM) admeasuring around 4,34,332 square feet therein out of total land of 5.08 acre. Repayable in 84 EMIs commencing from January 31, 2014 and carries a floating interest rate of base rate plus 3.80 % p.a. Corporate guarantee by holding Company and personal guarantee of Managing Director.		
d) Secured - Term loan - vehicle loans	6.37	6.21
(Secured by hypothecation of vehicles purchased)	—	
Total	12,401.81	2,934.26

For the current maturities of long-term borrowings, refer Note 9 "Other current liabilities"

4 Deferred tax liabilities (net)

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
a) Deferred tax liability		
- Difference between book and tax balance of fixed assets	55.97	62.24
b) Deferred tax asset		
- Employee benefits provision	(5.53)	7.52
Deferred tax liabilities (net) : (a) - (b)	61.50	54.72
The Company has been recognising in the financial statements the Deferred tax assets/liabilities, in accordance with Accounting Standard (AS) 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year the Company has charged to the Statement of Profit and Loss with deferred tax liability (Net) of ₹ 6.78 Lacs (Previous year credited ₹ 21.70 Lacs).		

5 Other-long term liabilities

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Security deposits from customers	1,103.63	374.52



6 Long-term provisions

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Provision for employee benefits		
Gratuity (Non-funded)	17.93	18.18
Compensated absence	5.04	–
Total	22.98	18.18

7 Short-term borrowings

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
a) Secured - Working capital demand loans		
i. Cash credit - Oriental Bank of Commerce (Secured by hypothecation of entire current assets including stocks and receivables. Guarantee of Managing Director and corporate guarantee of group entities)	1,717.69	1,712.26
ii. Cash credit - State Bank of Hyderabad (Secured exclusively by hypothecation on construction material and work-in-progress and other movable and immovable assets. Guarantee of Managing Director and corporate guarantee of Manjeera Estates Private Limited)	–	963.05
b) Purchase bill factoring - IFCI Factors Limited (Secured by collateral security by pledge of shares of promoters of Company and partly by equitable mortgage of commercial property owned by Manjeera Estates Private Limited. Guaranteed by Managing director)	350.00	500.00
c) Unsecured - Non Demand Loans from Oriental bank of Commerce	–	366.41
d) Unsecured - Loan repayable on demand - Bank of Baroda	–	88.00
e) Secured - Inter Corporate Deposit - Cinepolis India Private Limited (Secured by way of a post dated cheque. Repayable within 6 months from date of disbursement and carries an interest rate of 15 % p.a Corporate guarantee by holding Company)	300.00	300.00
f) Unsecured - Inter-corporate deposits from related parties* (refer Note 26.B) (Carry a fixed interest rate of 18 % p.a. compounded on quarterly basis)	661.01	1,042.41
g) Unsecured - loan repayable on demand from related party* (refer Note 26.B)	6,546.59	7,824.17
h) Unsecured - Other Inter-corporate deposits	325.00	170.00
Total	9,900.30	12,966.31
*(Relates to Inter corporate deposit ₹ 661.01 Lacs (previous year ₹ 1042.41 Lacs) from a private limited company in which Managing Director is a Director)		

8 Trade payables

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Retention monies retained - contractors	321.51	322.99
Sub-contracted works payable	130.44	134.96
Contracted works payable	336.20	361.98
Trade payable - goods purchased	2,099.44	2,975.42
Trade payable - services rendered	640.23	531.57
Employee benefits payable	44.24	71.68
Stale cheques	5.93	2.32
Other payables	153.46	2,075.90
Total	3,731.45	6,476.82

9 Other current liabilities

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Current maturities of long-term debt :		
i. Secured Term loan - Canara Bank	—	895.30
(Secured by EMT of 1.23 acres of land at Kukatpally on Mumbai Highway with the residencial flats, built up area 3,97,430 sq.ft and parking area 1,37,475 sq.ft. Repayable in four quarterly instalments, first instament from December 31, 2012. Amount outstanding guaranteed by Managing Director)		
ii. Secured - Term loan - Tata capital Limited	34.31	65.32
(Secured by hypothecation of all machinery and equipments- standard and non-standard. Equitable mortgage of Wind Mill plant's land. Standard equipment loan 150 repayable in 35 equal monthly instalments, Non-standard equipment loan 285 repayable in 23 equal monthly instalments and generator loan 315 repayable in 24 quarterly instalments. Amount outstanding guaranteed by Managing Director)		
iii. Secured - Term loan - State Bank of Hyderabad	—	145.99
iii. Secured - Loan from financial instituion and Four Banks	4,198.47	3,623.75
iv. Secured - Term Loan - Andhra Pradesh State Financial Corporation	39.73	130.27
(Secured by collateral security amounting 625 by way of urban immovable properties. Repayable in monthly instalments expiring on 07.05.2014. Amount outstanding guranteeed by Managing Director)		
v. Secured - Term loan - vehicle loans	0.93	11.20
(Secured by hypothecation of vehicles purchased)		
Unsecured Term loan - India Bulls Financial Services Limited	—	109.43
3,67,647(Previous year: 3,67,647) 14% , Cumulative Mandatory convertible debentures of ₹ 1000 each	3,676.47	3,676.47
(14% cumulative mandatorily convertible debentures shall be compulsorily converted into such number of equity shares as would be determined by dividing the aggregate amount received for the debentures by the conversion price as would be determined as per then applicable valuation guidelines and at the lowest certifiable value, at any time post expiry of 36 months from the date of issue of such debentures. 245,098 debentures and 122,549 debentures were issued on 22 March 2007 and 29 November 2007 respectively. As of 31 March 2013, the debenture holders have not exercised their right to convert the debentures into equity shares. These debentures are unsecured.)		
Interest accrued but not due on borrowings	6,049.80	5,156.80
Interest accrued and due on borrowings	270.48	230.67
Income received in advance	—	66.75
Statutory dues	810.98	745.41
Advances from customers	4,439.80	4,130.10
Corpus fund collections	56.30	8.60
Advances from others	3,233.63	937.82
Security deposit	80.23	80.23
Book overdraft	8.56	320.72
Total	22,899.68	20,334.83



10 Short-term provisions

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Current portion of employee benefits		
Gratuity	5.87	5.00
Compensated absence	10.74	–
Provision for Income tax (net of taxes paid)	178.71	609.21
Proposed dividend	–	150.10
Corporate dividend tax	–	80.30
Total	195.33	844.62

11 FIXED ASSETS

(₹ In Lacs)

Asset	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at 01.04.2013	Additions	Disposals/ Adjustments	As at 31.03.2014	Up to 31.03.2013	For the Year	On Disposals/ Adjustments	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS										
Land	1.68	3,446.25	–	3,447.93	–	–	–	–	3,447.93	1.68
Building	162.74	6,996.92	–	7,159.66	54.55	118.51	–	173.06	6,986.60	108.19
Plant and equipment	605.53	1,703.42	6.16	2,302.79	337.30	117.26	3.76	450.80	1,851.99	268.23
Furniture and fixtures	33.39	230.31	–	263.70	22.31	15.33	–	37.65	226.05	11.08
Vehicles	114.32	7.90	14.32	107.90	69.11	13.24	12.13	70.22	37.68	45.21
Office equipment	30.23	10.64	0.96	39.90	13.45	2.40	0.58	15.27	24.63	16.78
Electrical equipment	23.34	447.45	–	470.78	11.29	21.80	–	33.09	437.70	12.05
Computers	51.27	4.08	1.58	53.77	40.43	5.30	1.49	44.24	9.53	10.85
	1,022.50	12,846.96	23.03	13,846.43	548.44	293.83	17.95	824.32	13,022.11	474.06
Previous year	1,076.11	19.51	73.12	1,022.49	494.17	84.74	30.46	548.44	474.06	
INTANGIBLE ASSETS										
Computer software	11.71	5.01	–	16.72	9.61	1.67	–	11.28	5.44	2.10
Previous year	11.66	0.05	–	11.71	8.23	1.38	–	9.61	2.10	



12 Non-current investments

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(Unquoted and at cost)		
Other Investments		
10,12,320 equity shares of ₹ 10 each fully paid up with premium of ₹ 40 per share in Associate company - GM Infra Ventures Private Limited	399.60	399.60
3,38,400 Optionally Fully Convertible Debentures (III Series) of ₹ 100 each in associate company - GM Infra Ventures Private Limited	338.40	338.40
Total	738.00	738.00

13 Long-term loans and advances

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(unsecured, considered good)		
Advance for land	96.54	96.54
Electricity and other deposits	4.91	4.91
Security deposits	41.91	42.23
Prepaid expenses	66.08	59.47
Total	209.44	203.15

14 Inventories

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(As certified by Management and valued as per Accounting Policy Note 26A)		
Apartment held for sale (Projects)		
Manjeera Heights - Phase I	22.43	17.40
Property development-in-progress (Projects)		
Smarthome Villas	50.88	32.66
Manjeera Trinity Homes	1,252.74	2,038.80
Manjeera Diamond Villas	1,438.33	1,070.32
Infrastructure Works	111.81	68.64
Majeera Majestic Residencial & Commercial	31,708.64	45,540.48
Hydro power project (In Progress)	35.53	26.32
Building materials and consumables	45.69	—
Total	34,666.04	48,794.62
Borrowing costs capitalised during the period as inventory	—	395.78

15 Trade receivables

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	1,010.30	1,104.83
Others	2,258.88	2,031.30
Total	3,269.18	3,136.13

16 Cash and Bank balances

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Cash on hand	12.25	1.09
Balance with banks		
In Current Accounts	175.41	13.11
Other deposits-Margin money	766.59	330.74
Total	954.25	344.94

17 Short-term loan and advances

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
(unsecured, considered good)		
Loan to related parties* (refer Note 26.B)	–	125.44
Advance to related parties** (refer Note 26.B)	9.41	123.03
Advance for contracted works	385.95	502.25
Advance for goods	681.47	351.72
Advance for expenses	3.40	37.70
Sales Tax deposits	13.44	13.44
Mobilisation advance paid	17.50	41.63
Maintenance works	71.36	–
Other receivables	181.06	–
Security deposits	0.87	68.21
Balance with statutory authorities	774.70	545.18
Advance tax	16.21	–
MAT credit entitlement	38.42	–
Prepaid expenses	112.17	174.56
Staff advance	4.33	11.68
Total	2,310.29	1,994.85

*Relates to Inter-corporate deposits ₹ 3424.77 lacs (previous year ₹ 6000.14 Lacs) to private limited companies in which Managing Director is a Director.

**Relates to advance Nil (previous year ₹ 19.50 Lacs) to a private limited company in which Managing Director is a Director and ₹ 9.40 lacs (previous year ₹ 103.53 lacs) to the subsidiary company.

18 Other current assets

(₹ In Lacs)

	As at 31-03-2014	As at 31-03-2013
Earnest money deposits	0.83	0.83
Other advances	9.28	3.25
Unbilled receivables	642.41	658.57
Interest accrued but not due	9.42	11.26
Deferred revenue receivables	5.93	–
Sub-contracted works	2.12	0.74
Preliminary expenses	0.43	–
Total	670.43	674.65



19 Revenue from operations

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Revenue from sale of residential spaces (projects)	6,460.24	11,574.35
Contract receipts (projects)* (Refer note 26.B)	3,227.03	3,185.31
Sub-contracted contract receipts (projects)	457.33	1,966.08
Wind-mill energy sales	59.66	50.20
Sale of services	825.89	–
Total	11,030.14	16,775.94
*Relates to Contract receipts ₹ 3032.34 Lacs (previous year ₹ 2986.14 Lacs) from partnership firm in which Managing Director is a Partner		

20 Other operating revenue

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Rent receipts	–	7.68
Sale of scrap	5.29	21.46
Total	5.29	29.14

21 Other income

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Interest income		
On margin monies deposits	41.71	29.94
On inter-corporate deposits	973.32	823.45
Upfront fees	66.75	66.75
Property management Services	0.82	–
Reimbursements of expenses	61.22	–
Profit on sale of fixed assets	0.26	–
Miscellaneous income	13.66	–
Total	1,157.75	920.13

22 Cost of sales and contract expenses

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Cost of sale of residential spaces (Projects)	5,342.25	9,887.06
Contract expenses (Projects)	3,004.70	2,963.09
Sub-contracted contract expenses (Projects)	430.80	1,868.33
Wind-mill energy expenses	8.75	8.49
Total	8,786.50	14,726.97

23 Employee benefits expense

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Salaries and wages	268.01	215.05
Contribution to group Mediclaim	2.56	3.14
Employee gratuity	2.56	3.22
Employee Leave Encashment	16.28	–
Contribution to provident fund and other funds	23.55	32.63
Staff welfare expenses	3.43	4.01
Staff training and recruitment	1.00	12.98
Directors remuneration	41.00	103.75
Total	358.38	374.79

24 Finance cost

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Interest expense		
On vehicle term loan	0.88	1.90
On cash credit	214.34	190.43
On Non demand Loans	17.21	–
On term loans	509.47	38.81
On customer advances	–	30.00
On Inter-corporate deposits	228.62	64.35
Other borrowing costs		
Loan processing charges	–	2.05
Total	970.52	327.54

25 Other expenses

(₹ In Lacs)

	For the year ended 31-03-2014	For the year ended 31-03-2013
Filing fees	0.04	0.09
Travel and conveyance	39.97	45.09
Vehicle maintenance	5.63	1.92
Repairs and maintenance - others	3.33	12.56
Printing and stationery	11.55	5.46
Communication	9.08	13.59
Power and fuel	17.66	38.45
Office maintenance	70.59	72.31
Legal and Professional charges	118.79	101.15
Subscriptions and fees	4.98	8.25
Sitting fees	0.55	0.45
Security services	66.96	55.23
Insurance	13.92	5.85
Audit fee	4.15	3.90
Inventory (project) written off	–	20.18
Advertisement	207.27	391.32
General expenses	37.16	45.73
Tender expenses	–	0.60
Interest - Delayed	61.34	102.56
Bank charges and Commission	3.07	22.44
Liquidated damages	–	71.24
Loss on sale of fixed assets	0.75	24.60
Donations	13.50	0.45
Property Tax	5.64	–
Claim and compensation	305.29	–
Manjeera mall electricity charges	74.66	–
Manjeera mall amenity charges	70.85	–
Total	1,146.73	1,043.41



Note 26: Significant Accounting Policies and Additional Notes to the Consolidated Financial Statements for the Year Ended March 31, 2014

1. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) – “Consolidated Financial Statements” as notified by the Companies (Accounting Standards) Rules, 2006.

The Subsidiaries (which along with Manjeera Construction Limited, the Parent, constitute the Group) considered in preparation of these Consolidated Financial Statements are:

Name	Relation	Country of Incorporation	Percentage of ownership interest as at 31.03.2014
Manjeera Retail Holdings Private Limited	Subsidiary	India	51
MTM Estates and Properties Private Limited	Subsidiary	India	100

These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries on the audited financial statement prepared for consolidation in accordance with the requirements of AS 21 by each of included entities.

2. Brief description of significant subsidiaries
 - a) Manjeera Retail Holdings Private Limited (“the Company”) was incorporated on 25 February 2000. During the year 2006-07 the Company was reconstituted as a special purpose vehicle (SPV) to carry on the business of construction of property for mixed use. The principal activities of the Company are construction of property being developed for residential, retail and commercial purposes. Manjeera Constructions Limited and Trinity Capital (Six) Limited have entered into debenture cum subscription and shareholders agreement with the Company and hold 51 % and 49 % respectively in the equity share capital of the Company as at the balance sheet date. Further, Manjeera Constructions Limited also continues to financially support the Company on a need basis
 - b) MTM Estates and Properties Private Limited was incorporated on 27-11-2011 to carry on business of construction of property for mixed use.

A. Summary of Significant Accounting Policies

1. Basis of accounting and preparation of financial statements

- a) The Consolidated Financial Statement includes the financial statements of parent company Manjeera Construction Limited (‘the Company’) and its subsidiary companies, Manjeera Retail Holdings Private Limited and MTM Estates and Properties Private Limited (collectively referred to as ‘the Group’). The Consolidated Financial Statements have been prepared on the following basis.
- b) The financial statements of the Subsidiary companies have been consolidated on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after fully eliminating inter-group balance and inter-group transactions resulting in unrealized profit/losses as per Accounting Standard 21- Consolidated Financial Statements. Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to minorities at the date on which investment in subsidiary is made.
- c) Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and guide to better understanding of the consolidated position of the Group. Recognizing this purpose the Company has disclosed only such notes from the individual statements, which fairly present the needed disclosures.
- d) The Consolidated Financial Statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles(GAAP) in conformity with Accounting Standards Issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1965 as consistency adopted.
- e) The subsidiary companies continues to obtain necessary financial support from the holding Company and other Group companies. The Management is confident that the new financing arrangements with bank, increased marketing initiatives, other measures to derive business efficiencies and continuous support from Holding Company, will collectively enable the Company in managing its cash flows in a manner that it can sustain its operations and hence the financial statements have been prepared on a going concern basis.
- f) All income and expenditures having a material bearing on the Financial Statements are recognized on accrual basis and provision is made for all known losses and liabilities.

2. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

3. Fixed assets

Tangible fixed assets:

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes purchase price, non-refundable taxes, duties, freight and other incidental expenses related to the acquisition or installation of the respective assets.

Depreciation on tangible fixed assets is provided using the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956. In the opinion of the management, the rates specified in Schedule XIV reflect the economic useful lives of these assets. Depreciation is calculated on a pro-rata basis from/upto the date the assets are purchased/sold. Individual assets costing ₹ 5,000 or less are depreciated in full in the year of acquisition.

Intangible fixed assets:

Intangible fixed assets are carried at cost of acquisition less amortization. Intangible assets that are acquired by the Company are measured initially at cost. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

4. Depreciation and amortization

Depreciation on fixed assets has been provided on written down value method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

5. Borrowing costs

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

6. Impairment of Assets

The carrying value of assets, other than inventory, is reviewed at each balance sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

7. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

8. Inventories

Properties under development represent costs incurred in respect of unsold area of properties under development and costs incurred on projects/ portion of projects when revenue is yet to be recognized. Such costs include cost of land, development rights, direct materials, labour, borrowing costs and an appropriate portion of construction overheads based on normal operating capacity. Borrowing costs directly attributable to properties under development which necessarily take a substantial period of time to get ready sale. Any expected loss on real estate projects is recognized as an expense when it is certain that the total cost will exceed the total revenue.

Building materials and consumables are valued at cost. Cost of building materials and consumables comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

9. Unbilled receivables

Unbilled receivables represents revenue recognized based on percentage of completion method, over and above the amount due as per the payment plans agreed with the method, over and above the amount due as per the payment plans agreed with the customers. Advances received in excess of revenue recognized are shown as advances.



10. Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions. Exchange difference arising on foreign currency transactions settled during the year is recognized in the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forwarded exchange contracts are translated at year-end rates. The resultant exchange difference is recognized in the profit and loss account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

11. Revenue recognition

- i On property and infrastructure development projects
 - a) Recognized on the 'Percentage of Completion Method' of accounting. Revenue comprises the aggregate amount of sale price in terms of the agreements entered into and is recognized on the basis of percentage of actual costs incurred thereon, including proportionate land cost and total estimated cost of the projects under execution, subject to such actual costs being 30 percent or more of the total estimated cost.
 - b) Where aggregate of the payment received provide insufficient evidence of buyers commitment to make the complete payment, revenue is recognized only to the extent of realization.
 - c) The estimates of the saleable areas and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.
- ii On construction contracts (undertaken as contractors)
The Company follows percentage completion method for accounting of construction contracts undertaken
- iii Price escalation is carried out in the year of settlement of claims/bills.
- iv Interest on deployment of funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.
- vi Property management services are recognized on rendering services and billing thereof.
- vii Dividend income is accounted when the right to receive dividend is established.
- viii Revenue from lease rentals and related income:
Lease income is recognized in the statement of profit and loss on straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rental is disclosed net of indirect taxes, if any.
Maintenance charges income also includes common area maintenance charges and other charges recovered at actual based on agreements with lessees

12. Revenue receipts on joint venture contracts

In work sharing joint venture agreements revenues, expenses, assets and liabilities are accounted in the Company's books to the extent work is executed by the Company.

13. Income tax

- i. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax act, 1961.
- ii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.
- iii. Deferred tax is recognized on timing differences being the differences between Taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

14. Employee benefits

Defined contribution plans

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefits plan

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is a non-funded liability. The liability recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the Balance Sheet date. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method. Actuarial gains and losses arising during the year are immediately recognized in the statement of profit and loss.

Compensated absences

Compensated absences, is a long-term employee benefit, and accrued based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by an independent actuary. Actuarial gains and losses arising during the year are immediately recognized in the statement of profit and loss.

15. Earnings Per Share (EPS)

In arriving at the EPS, the Group'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.

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. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of past event that probably requires an out flow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingency liability as made when there is a possible obligation or a present obligation that may, but probability will not, require an out flow of resources. Where there is possible obligation or a present obligation in respect of which the likely hood of outflow of resources is remote, no provision or disclosure is made.

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

18. Leases

Operating lease payments are recognized as an expense in the profit and loss account on the basis of lease agreement.

19. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information. Cash and cash equivalents in the cash flow statement comprise cash in hand and balance in bank in current accounts, deposit accounts and in margin money deposits.

20. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.



B. Additional Notes

1. Contingent liabilities and Commitments

(Figures are in ₹ Lac unless otherwise stated)

	As at 31-03-2014	As at 31-03-2013
a. Contingent liabilities		
i. Direct and Indirect taxes claims disputed by the company to issues of applicability	1274.94	78.05
ii. Bank Guarantees	2879.36	2873.23
b. Commitments	642.49	7513.57

2. Dividends proposed to be distributed to equity shareholders

	Amount	Per share (In. ₹)
For the year 13-14	—	—
For the year 12-13	150.10	1.20

3. Payments to Auditors

	For the year	
	2013-14	2012-13
As Auditor	10.40	9.40
For taxation matters	0.50	0.50
For other services	3.00	2.40
Out pocket expenses	0.25	0.09
	14.15	12.39

4. Micro, small and medium enterprises

The identification of Micro, Small and Medium Enterprise suppliers as defined under the Provisions of “The Micro, Small and Medium Enterprises Development Act, 2006” is based on Management’s knowledge of their status.

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year and previous year is nil.

5. Emphasis of matter

In the case of subsidiary, Manjeera Retail Holdings Private Limited, as stipulated in the development agreement entered with Andhra Pradesh Housing Board (“the APHB”), the original completion date of the projects was 30 July 2009. However, on account of delay in receipt of approvals from statutory authorities the company made an application for extension of project completion date. The APHB agreed to extend the time of completion of the two projects to 23 November 2013 and 23 November 2014 respectively on a condition that the company enters into a supplementary development agreement, which includes a condition of charging interest on revenue sharing with APHB due to delays in execution of the project. The company is in process of negotiating the terms of the supplementary development agreement with APHB. The Management believes that these delays are temporary in nature and the necessary approvals will be obtained from the APHB in near future. Pending the final outcome, the possible consequential adjustment / proceedings, if any, arising out of the pending matter cannot be presently determined.

6. Scheme of Arrangement:

In the case of subsidiary, Manjeera Retail Holdings Private Limited, their Board of Directors at their meeting held on 12 June 2013 have approved a Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956, pursuant to which the Manjeera Trinity Mall, one of the project of the company is proposed to be vested into MTM Estates & Properties Private Limited, a fellow subsidiary of the company with the Appointed date as 1 April 2013. Pursuant to the Scheme of Arrangement, the paid-up share capital of the company

will be restructured from 88,235,294 equity shares of ₹ 10 each to 51,469,880 equity shares of ₹ 10 each fully paid. Remaining share capital will be treated as cancelled and reduction for each shareholder is in proportionate to the existing shareholding pattern. The Scheme of Arrangement has been filed with the Hon'ble High Court of A.P. and the Court waived off convening meetings of Shareholders and Unsecured Creditors vide its letter dated 3 January 2014. The company is in the process of obtaining the approvals from its secured creditors. Pending High Court Order, the Financial Statement of the company includes operations of the Manjeera Trinity Mall also.

- (a) The carrying amounts of assets and liabilities of the Manjeera Trinity Mall as at 31 March 2014 included in the company's balances sheet are as given below:

Particulars	Amount (₹)
Assets:	
Tangible fixed assets(Net block)	1,259,915,165
Capital work-in-progress	730,281,042
Long-term loans and advances	2,596,159
Inventories	110,816,890
Trade receivables	28,260,420
Short-term loans and advances	1,772,647
Other current assets	13,628,165
Total Assets (A)	2,147,270,488
Liabilities	
Long-term borrowings	576,938,974
Other long-term liabilities	107,811,602
Short-term borrowings	684,659,447
Trade payables	46,915
Other current liabilities	134,210,410
Total Liabilities (B)	1,503,667,348
Net assets (A – B)	643,603,140

- (b) The income and expenses of the Manjeera Trinity Mall for the year ended 31 March 2014 included in the company's statement of profit and loss are as given below:

Particulars	Amount (₹.)
Income:	
Revenue from operations	250,555,551
Other income	34,270
Total income (A)	250,589,821
Expenses:	
Cost of inventories sold	122,525,039
Operating expenses	23,723,143
Employee benefits expense	3,367,740
Finance costs	27,923,144
Depreciation and amortization expense	22,395,083
Other expenses	8,899,555
Total expenses (B)	208,833,704
Profit before tax (A – B)	41,756,117



7. Leases

In the case of subsidiary company, Manjeera Retail Holdings Private Limited, the company obtained office facilities on lease under operating lease agreements, total rental expenses for the period under cancellable leases was ₹ 9.99 lacs (previous year ₹ 23.99 lacs) has been disclosed as rent in the statement of profit and loss.

8. Details of contract revenue and costs

	For the year	
	2013-14	2012-13
In the case of parent company:		
Contract revenue recognized during the year	3684.35	5099.75
Aggregate of contract costs incurred	3435.51	4841.87
Advances received for contract in progress	84.13	85.83
Retention money from customers for contract work	136.27	18.58
Gross amount due from customers for contract work	1911.72	753.36
Gross amount due to customers for contract work	Nil	Nil

9. Employee benefit

A. Defined benefit plan:

Gratuity: Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

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

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening balance	23.18	21.22
Current service cost	8.16	8.75
Interest cost	1.79	1.74
Actuarial loss / (gain)	(7.40)	(8.53)
Benefits Paid	(1.93)	–
Closing balance	23.82	23.18

Amount recognized in Balance Sheet

Particulars	As at 31 March 2014	As at 31 March 2013
Present value of benefit obligation	23.81	23.18
Fair value on plan assets	–	–
Net liability	23.81	23.18
Amounts in the balance sheet	23.81	23.18
Net liability under long-term provisions	17.93	18.18
Net liability under short-term provisions	5.88	5.01

Expense recognized in statement of profit and loss

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Current service cost	8.16	8.75
Interest on defined benefit obligation	1.79	1.74
Past service cost	–	–
Net actuarial loss / (gain) recognized in the year	(7.40)	(8.53)
Amount included in “(miscellaneous income)/ gratuity expense”	2.55	1.96

Summary of actuarial assumptions

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Discount rate	9.00 %	8.06 %
Salary escalation rate in case of subsidiary company	10.00 %	10.00 %
Salary escalation rate in case of parent company	5.00 %	5.00 %

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

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Amounts for the current and previous two years are as follows:

Particulars	Year ended		
	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation	23.81	23.18	21.67
Plan assets	–	–	–
Surplus/ (Deficit)	23.81	23.18	21.67

C. Deferred contribution plan:

Contributions paid to the recognized provident fund and Employees' State Insurance, which is a defined contribution scheme, are charged to the statement of profit and loss on accrual basis.

Amount recognised in the statement of profit and loss	For the year ended 31 March 2014	For the year ended 31 March 2013
Provident Fund	20.45	26.26
Employees' State Insurance	2.25	4.53
Total	22.70	4.53

10. Segment reporting

A. In respect of parent Company, Manjeera Construction Limited.

The Company's operations fall within a single business segment construction and related activities and single geographical segment and therefore segment information as required under AS – 17 is not applicable

B. In respect of subsidiary, Manjeera Retail Holdings Private Limited.

a) Business Segment:

During the year the company decided to retain certain portions of work-in-progress (Manjeera Trinity Mall) as fixed assets and provided the same on lease basis. Accordingly, the company has entered into long-term lease agreements with various parties to provide major portion of Manjeera Trinity Mall (MTM) spaces on operating lease basis. Accordingly, the operations of the company consist of (a) Development and sale of residential, retail and commercial space and (b) Leasing and maintenance of commercial spaces:



Information about business segments for the period ended 31 March 2014 as per AS-17:

Particulars	Development and Sale of spaces	Leasing	Eliminations	Total
Revenue from operations:				
External	503,628,312	82,588,698	–	586,217,010
Inter-segment	–	–	–	–
Total	503,628,312	82,588,698	–	586,217,010
Segment result				
Operating profit	23,129,655	31,528,650		54,658,305
Interest income				3,037,998
Other income				1,392,591
Interest and finance charges				38,217,219
Unallocable expenditure				10,499,360
Profit before tax				10,372,315
Tax expense/(benefit)				(20,381)
Profit for the year				10,392,696
Other information				
Segment assets	3,440,264,690	2,018,954,614	–	5,459,219,304
Unallocable assets				87,281,006
Segment liabilities	3,053,464,602	1,503,667,348	–	4,557,131,950
Unallocable liabilities				3,447,059
Capital expenditure	–	445,253,704	–	445,253,704
Depreciation (included in segment expense)	1,122,842	22,395,083	–	23,517,925
Non cash expenses (other than depreciation included in segment expense)	–	–	–	–

Note: As at 31 March 2013, the company had one business segment i.e, Development and sale of residential, retail and commercial space. Hence disclosure for segment reporting is not applicable as at and for the year ended 31 March 2013.

b) Geographical Segment:

During the year, the company has operated primarily in India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

11. Related party disclosures

Related parties have been identified by the management

i) Related parties and description of relationship

A. Enterprises where control exists

Subsidiary company: Manjeera Retail Holdings Private Limited and MTM Estate and Properties Private Limited

B. Other related parties with whom the Company had transactions

Enterprises over which shareholders, key management personnel and their relatives can exercise control or significant influence

- i) Manjeera Estates Private Limited
- ii) Manjeera Hotels & Resorts Private limited
- iii) Gajjala Investments & Holdings Private Limited
- iv) Aashraya Hotels And Estates Private Limited
- v) MTM Estates And Properties Private Limited
- vi) GM Infra Ventures Private Limited
- vii) Manjeera Projects

- C. Key Management Personnel(KMP)
- i) G.Yoganand – Managing Director
 - ii) G.Vivekanand – Whole time Director
 - iii) K.Krishna Murty – Independent Director
 - iv) DLS Sreshti – Independent Director
 - v) Mark S.Leonand – Director
 - vi) D Kiran Kumar – Whole time Director
 - vii) L V S Sudhakar Babu – Nominee Director

ii) Disclosures of transactions between the Company and related parties during year are:

		For the year ended March 31,2014	For the year ended March 31,2013
A.	Significant share holder – Trinity Capital(Six) Limited - Interest on 14 % mandatory convertible debentures to TC6L	514.7	521.46
B.	Enterprises over which shareholders, KMP and their relatives exercise control or significant influence		
i.	Manjeera Hotels & Resorts Private Limited		
	- Loan Extended	-2468.69	7404.48
	- Interest Income	1329.9	545.13
	-Up Front Fees	0	150.00
ii.	GM Infra Ventures Private Limited		
	– Loan Extended	507.57	991.92
	– Interest Expenses	153.45	50.49
iii	Manjeera Projects – Contract Income	3032.34	2986.14
C.	G.Yogannand – Remuneration	18	72
	G.Vivekanand – Remuneration	18	18

iii) Disclosure of outstanding balances debit/(credit)

		As at 31.03.2014	As at 31.03.2013
A	Trinity Capital(Six) Limited - 14 % Mandatorily convertible debentures	3676.47	3676.47
	-Interest on Debentures availed	514.71	2986.7
B	Manjeera Hotels & Resorts private Limited - Loan Extended	6546.13	7949.61
	Upfront Fee	0	13.75
	GM Infra Ventures Private Limited	(661.01)	(1042.41)
	Manjeera Projects	1891.16	699.41
C	Shareholders, KMP and their relatives exercise control or significant influence		
	G. Yoganand	(17.36)	(41.76)

12. Disclosure as per Clause 32 of the Listing Agreement with the stock exchange,

Loans and advances in the nature of loan given		
GM Infra ventures private Limited – Associate	661.01	1042.41
Manjeera Hotels & Resorts Private Limited – Associates	6546.13	7949.61



13. Earnings per share (Equity share)

Earnings per share computed as under	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit for the year (in Rupees)	437.27	628.80
Weighted average number of shares outstanding for basic earnings per share (No's)	12508418	12508418
Weighted average number of shares considered for diluted earnings per share (No's)	12508418	12508418
Earnings per share on Profit of the year (Face Value ₹ 10 per Share)		
-Basic (in ₹)	3.50	5.03
-Diluted (in ₹)	3.50	5.03

14. Foreign currency transaction (on accrual basis) made:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Value of materials imported on C.I.F basis	803.36	462.34
Consultancy expenses	—	11.63

15. Cost of inventories sold transferred to statement of profit and loss based on area sold by the subsidiary company. Cost of inventories sold includes:

Nature of Inventory	For the year ended 31 March 2014	For the year ended 31 March 2013
Cost of land and development permissions	834.17	1244.05
Construction cost	807.43	3200.38
Building materials and consumables	192.99	646.56
Borrowing materials and consumables	1578.86	699.3
Revenue sharing with Andhra Pradesh Housing Board	488.33	402.96
Management and consultancy expenses	87.42	170.73
Personnel cost	104.81	99.08
Total	4094.01	6463.06

16. Previous Year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Cost of inventories sold transferred to statement of profit and loss based on area sold by the subsidiary company. Cost of inventories sold includes:

In terms of our report of even date

For A.K. Sabat & Co.

Chartered Accountants

Firm's Registrations No. 321012E

For and on behalf of Board of Directors

D. VIJAYA KUMAR

Partner

Membership No. 051961

G. YOGANAND

Managing Director

K. KRISHNA MURTHY

Director

Place: Hyderabad

Date: 28th May, 2014

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



CIN : L45200AP1987PLC007228
 Name of the company : **MANJEERA CONSTRUCTIONS LIMITED**
 Registered office : #304, Aditya Trade Centre, Aditya Enclave Road,
 Ameerpet, Hyderabad – 500038, AP India

Name of the member(s): E-mail Id:

Registered Address:

Folio No./Client Id: DP ID:

I/We, being the member (s) of.....shares of the above named company, hereby appoint

1. Name: Email Id:

Address:

Signature:

or failing him/her

2. Name: Email Id:

Address:

Signature:

or failing him/her

1. Name: Email Id:

Address:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on Tuesday 30th day of September, 2014 at 9:30 a.m. at Hotel Aditya Park, Ameerpet, Hyderabad - 500038 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business	Special Business
1. Approval of financial statements for the year ended 31.03.2014.	3. Appointment of Mr. K. Krishna Murty as an Independent Director.
2. Appointment of statutory auditors and fixation of their remuneration.	4. Appointment of Mr.DLS Sreshti as an Independent Director.
	5. Appointment of Mrs. G. Padmaja as a Director.
	6. Borrowing power of the Board.
	7. Creation of Charge on the assets of the Company.
	8. Alteration of Articles of Association.

Signed this..... day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)

Affix Re.1
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



MANJEERA CONSTRUCTIONS LIMITED

L45200AP1987PLC007228

Registered office#304, Aditya Trade Centre, Aditya Enclave Road, Ameerpet, Hyderabad – 500038, AP India

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the meeting hall.

Folio No:

DP ID*:

No. of Shares Held:

Client ID*:

Full Name & Address of Shareholders/Proxy (in block letter):

Address:

I hereby record my presence at the 27th Annual General Meeting of the Company to be held on **Tuesday, 30th day of September, 2014 at 9:30 a.m. at Hotel Aditya Park, Ameerpet, Hyderabad - 500038**

Signature of Shareholders / Proxy:.....

Note: * Applicable for investors holding shares in electronic form. # Please read the instructions printed in the Notice dated 14.08.2014 of the 27th Annual General Meeting of the Company.

Electronic Communication Form (Green Initiative)



The Ministry of Corporate Affairs has come up with a Green Initiative of permitting the service of documents including Annual Reports to the Shareholders through e-mail or other permissible electronic modes instead of physical mode vide its Circular No. 17/2011 dated 21st April, 2011.

This is certainly a welcome move for the society at large as this will reduce paper consumption to a great extent and allow all stakeholders to contribute towards a Greener Environment. To support this green initiative, members who have not registered their email addresses so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members email registration form and register the same with M/s XL Softech Systems Limited.

Members Email Registration Form

Name..... Email.....

Address.....

.....

.....

DP ID:..... Client ID:.....

Folio No.....
(in case of physical holding)

No. of equity shares held.....

Signature

Members are requested to send this email registration form to the Company's Registrar and Transfer Agent at the below mentioned address:

M/s XL Softech Systems Limited
Unit: Manjeera Constructions Limited

Plot No. 3, Sagar Society, Banjara Hills, Road No. 2, Hyderabad - 500034, AP.





MANJEERA

Life Elevated

Manjeera Constructions Ltd.

An ISO 9001:2000 Company

CIN : L45200AP1987PLC007228

304, Aditya Trade Centre

Aditya Enclave Road, Ameerpet

Hyderabad – 500038, AP India.

Ph: +91-40-66176617, 44174417

Fax: +91-40-23733763

www.manjeera.com