

# THE COMMITTED APPROACH

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

▼  
**TO EXCEED EXPECTATIONS.  
TO DELIVER VALUE. TO ENRICH  
CUSTOMER EXPERIENCE.  
TO NURTURE CLIENT RELATIONSHIPS.  
TO COMPLY WITH PREMIUM QUALITY  
STANDARDS. TO PROVIDE A  
WIDE RANGE OF CHOICES. TO OFFER  
IMPECCABLE SERVICE AT ALL TIMES.  
TO SEIZE EVERY OPPORTUNITY.  
TO FACILITATE MAXIMUM  
SHAREHOLDER BENEFIT.**

**TO ELEVATE LIVES.**



“Progress is impossible without change, and those who cannot change their minds cannot change anything.”

- George Bernard Shaw

At Manjeera, we've been changing, reinventing ourselves - drawing up blueprints to escalate, creating platforms to innovate and to capitalize the opportunities opening up. We've been at the forefront of quality-driven, value-oriented residential, corporate and commercial landmarks. We've been building on new ideas and translating them into progress on all fronts. The results are evident...

We've been steadily, yet swiftly, preparing a firm ground in the minds of the customers as one of the most trusted and valued brands in the real estate sector. We've been building...and building on...

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REPORT  
2009 -10

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## BOARD OF DIRECTORS

Mr. G YOGANAND  
Managing Director

Mr. G SHIVA LEELANAND  
Director

Mr. K KRISHNA MURTHY  
Director

Mr. DLS SRESHTI  
Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. T DEEPTHI

## STATUTORY AUDITORS

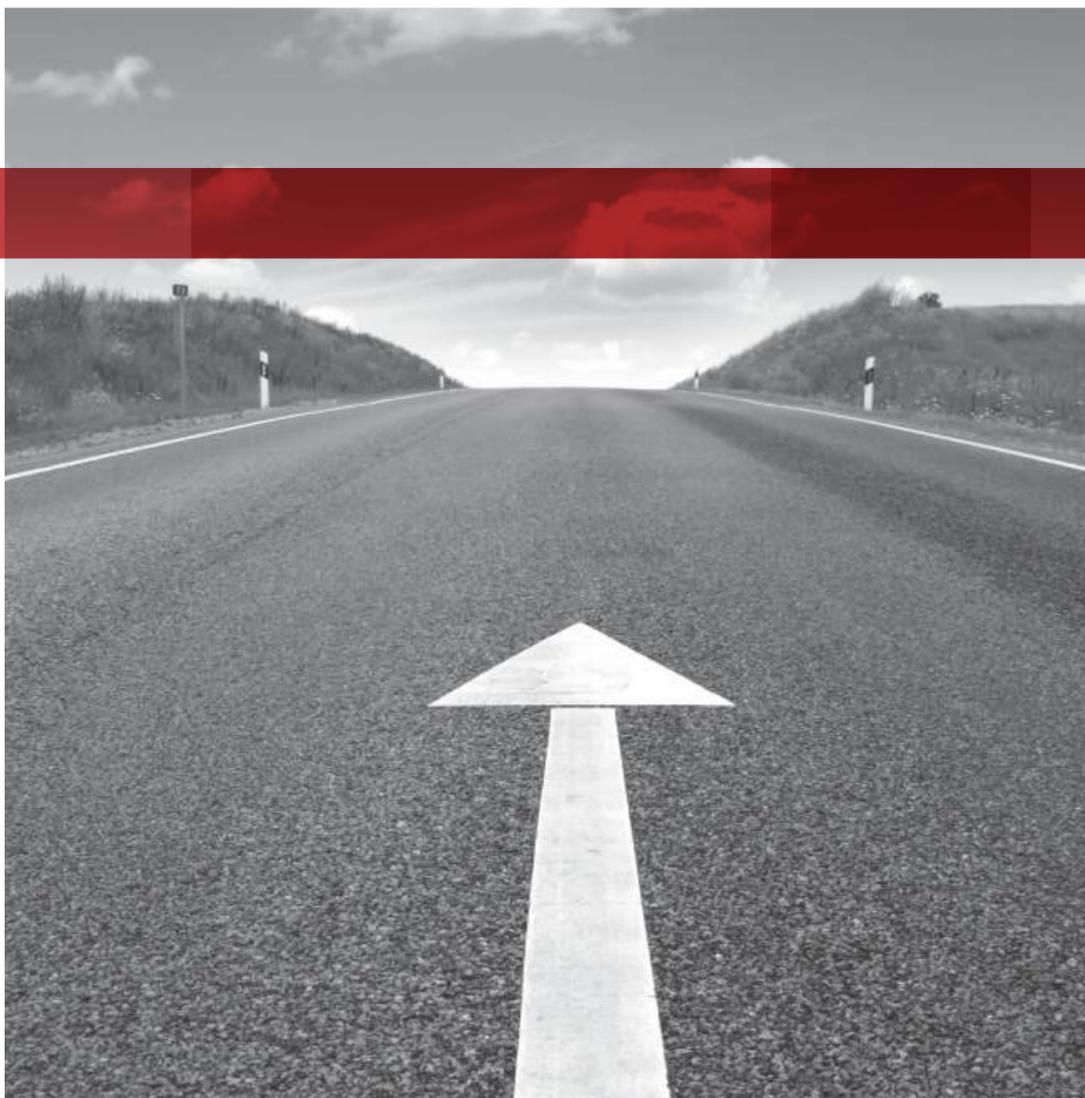
M/s. A.K.SABAT & CO.  
Chartered Accountants

## BANKERS

Oriental Bank of Commerce  
Canara Bank  
ICICI Bank  
YES Bank

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

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



## VISION

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

## MISSION

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

## VALUES

Integrity  
First time right  
Proactive  
Teamwork  
Accountability  
Learning  
Innovative



### Dear Shareholders,

It was an unusual economic climate that prevailed last year. The Indian markets that had so dramatically contracted the year before, eased considerably opening up avenues new and old. The sun shone through the overcast financial skies and the mood turned positive.

Unfortunately however, developments in the Andhra Pradesh's political scenario upset the economic climate considerably, all over again. Pricing and profitability took a beating and wait-and-watch became the market buzzword.

Around this same time last year, I had expressed the expectation that Manjeera would manage to sail through the crisis successfully. We have been able to achieve this largely through prioritizing of cash flows, revised customer retention strategies, agile and proactive market responsiveness, and by leveraging sustainability - an integral part of our strategy - as an additional driver of growth.

In times difficult as these, it is imperative that a company preserves its core. We did just that. By intensifying our focus on areas that can be built on the foundation of our core capabilities viz. residential, commercial and mixed use developments. This resulted in our handing over Phase II of our residential project - Manjeera Heights, at a time when projects of most companies were kept on hold or inordinately delayed. Furthermore, we were successful in maintaining our profitability in 2009-10, as well as declare a dividend for the fourth consecutive year! An achievement that makes me immensely proud and confident about Manjeera.

The year that went by proved to be one of the more difficult ones for fund raising, especially for long gestation projects. Nevertheless, I am happy to inform you that we achieved financial closure for all our projects - both on-ground and ready for take-off. Having consolidated our project portfolio, we ensured that all our projects got into active implementation mode albeit with a cautious approach.

One of the major works that we grounded this year is an ambitious Joint Venture project in Kukatpally, Hyderabad comprising of Manjeera Majestic Commercial, Manjeera Majestic Homes, Manjeera Trinity Corporate and Manjeera Trinity Mall. To speed up project execution and meet committed timelines for delivery at various project sites, we have outsourced construction work to contractors of national repute.

We are making concerted efforts to bridge the gap arising out of this uncertain phase in Hyderabad. One of which is upscaling our overseas focus. We participated in, sponsored, funded events in both India and major US cities, ensuring enhanced visibility for Manjeera. Having cleared the licensing stage, Manjeera is now an empanelled civil contractor with various Government departments. We have also submitted 'expression of interest' for many projects. We reconfigured, realigned and put into implementation effective short and long-term plans that will make us grow rapidly over the next few years.

With 5 million sft. of space under development and a strong pipeline of projects well on track, Manjeera is poised to generate revenues of Rs. 1000 Crores in the next three years.

If 2009-10 saw us listed on the Bombay Stock Exchange, the current financial year i.e. 2010-11 earned us a place on the prestigious National Stock Exchange. This listing is expected to open up a plethora of financing options to fund our expansion plans.

We increased our visibility quotient through a consistent brand building exercise. Brand Manjeera is today a well-respected and instantly recognisable name.

As we are hopeful of achieving enhanced sales and cash flows in the coming years, we plan to take up projects that have a higher demand potential e.g. affordable housing. Broadening our business canvas beyond Hyderabad is also under active consideration. A lot of groundwork and preparation has already gone into easing our entry into the Power and Infrastructure sectors.

Internally too, we have reinforced our technological capabilities - both in terms of quality manpower and scientific upgradation so that we are ready for not only our planned forays into other markets and sectors, but for whatever the much anticipated economic upswing will bring in its wake.

As an upright member of the corporate world, Manjeera is firm about ingraining environmental-friendly elements into its construction methodologies. Manjeera Trinity Corporate is being developed as a 'gold rated green building.'

I'd like to place on record, my appreciation of the contribution of all individuals, institutions and organizations towards Manjeera's growth and stature today. I am overwhelmed by the faith our clientele have in us. I applaud Team Manjeera for their perseverance, support and sense of responsibility. I thank the members of the Board for their direction and leadership. To all the financial institutions, banks, vendors and regulatory authorities who stood by us, I'd like to say a big 'thank you.' And to the mainstay of Manjeera, our shareholders, I am grateful to you for your continued patronage. With you backing Manjeera, we have only one place to go...the top.

Sincerely,

G Yoganand  
Managing Director

## NOTICE TO MEMBERS

Notice is hereby given that the 23rd Annual General Meeting of the Members of "Manjeera Constructions Limited" will be held on Thursday, the 30th Day of September, 2010 at 10.00 A.M. at Hotel Aditya Park, Ameerpet, Hyderabad - 500 038 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account of the Company for the year ended on that date together with the Reports of the Directors and Statutory Auditors thereon.
2. To consider and approve declaration of Dividend @ 12% for the Financial Year 2009-10.
3. To consider and appoint a Director in place of Mr. K. Krishna Murthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. A K Sabat & Co., Chartered Accountants, Hyderabad, the retiring Auditors of the Company be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed and approved by the Board of Directors of the company."

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to approve the re-appointment of Mr. G. Yoganand as Managing Director of the Company for a period of five years with effect from 1st July, 2010 upon the terms and conditions including remuneration, as detailed below:

#### Remuneration:

- a. Basic Salary (inclusive of DA): Rs.5,00,000/- per month and all other allowances
- b. Perquisites

In addition to the salary, the following perquisites are also payable, the aggregate value of which shall be restricted to 50% of the annual salary.

- i) The expenditure incurred by the company on hiring un-furnished accommodation at the place of residence of the Managing Director subject to a ceiling of 25% of the salary.
- i) Medical Reimbursement: Expenses incurred for the managing director and his family, subject to ceiling of one month's salary in a year or three months salary over a period of 3 years
- ii) Leave Travel Concession: For the managing director and his family, once in a year in accordance with the rules specified by the company

- iii) Club Fees: Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
- iv) Personal Accident Insurance: Premium not to exceed Rs. 10,000/- per annum.
- v) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent, the same are not taxable under the Income-tax Act.
- vi) Provision of car for use of Company's business and telephone at residence shall not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to managing director.

### Minimum Remuneration

In the event of absence or in-adequacy of profits in any financial year during the tenure of office of the Managing Director, a minimum remuneration calculated in accordance with the provisions of Schedule – XIII of the Companies Act, 1956 shall be paid.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem expedient to implement this resolution."

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

**"RESOLVED THAT** the consent of the members of the company be and is hereby accorded to appoint Mr. G. Vivekanand, as Director of the company, in respect of whom the company has received a notice in writing from a member under Section-257 of the Companies Act, 1956, proposing his candidature for the office of Director of the company, who shall be liable to retire by rotation.
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309 and 314 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the consent of the members of the company be and is hereby accorded to appoint Mr. G. Vivekanand, as Whole-time Director of the company at a remuneration of Rs. 1,00,000/- per month for a period of 3 years w.e.f. 01-10-2010.

**RESOLVED FURTHER THAT** in case of absence or inadequacy of profits in any financial year during the tenure of office of Sri. G Vivekanand, Director, a minimum remuneration calculated in accordance with the provisions of Schedule – XIII of the Companies Act, 1956 shall be paid.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem expedient to implement this resolution."

By order of the Board of Directors

Place: Hyderabad  
Date: 10.08.2010

Sd/-  
T. Deepthi  
Company Secretary

**NOTES:**

- 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.
- 2) The Instrument appointing a proxy to be valid must be duly stamped, executed and deposited at the Registered office of the company not less than forty-eight hours before commencement of the meeting.
- 3) 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.
- 4) An Explanatory statement pursuant to the provisions of section 173(2) of the Companies Act, 1956 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 Company has notified closure of Register of Members and Share Transfer Books from 25-09-2010 to 30-09-2010 (both days inclusive) for the purpose of payment of dividend to those members, whose names stand on the Register of Members as on 24th September, 2010. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the end of business hours on 24th September, 2010 as per the details furnished by the Depositories for this purpose.
- 9) Members are requested to intimate the Registrar and Share Transfer Agents i.e. 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-109A of Companies Act, 1956 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) At the ensuing General Meeting, Mr. K. Krishna Murthy, Director of the company retires by rotation and being eligible to offer himself for re-appointment. As per the provisions of Clause-49 of the Listing Agreement with the Stock Exchanges, the information details pertaining to the said director is furnished in the statement on Corporate Governance attached to this Annual Report.

**EXPLANATORY STATEMENT****Pursuant to Section 173(2) of the Companies Act, 1956****Item No. 5:**

The tenure of the Managing Director of the company was completed on 30-06-2010. After considering the growth plans and past performance of the company, your Board felt that the services of Mr. G. Yoganand are of immense benefit to the company. To achieve the continuous progress of the company, the Board further felt to re-appoint Mr. G. Yoganand as Managing Director of the company. The Board of Directors, at their meeting held on 7th May, 2010 has re-appointed Mr. G. Yoganand as Managing Director of the Company for a further period of five years with effect from 1st July, 2010 on such terms and conditions as set out in the resolution.

The Board of Directors based on the recommendation of Remuneration Committee is of the view that the remuneration package is commensurate with the operations of the Company and the industry standards

As per the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 any proposal for appointment of Managing Director of the company has to be approved by the shareholders at the duly convened General meeting of the company. Your Directors feel that the resolution is in the best interest of the company and recommends for your approval.

Further the same be treated as abstract of the contract pursuant to Section 302(1) (b) of the Companies Act, 1956.

None of the directors except Mr. G. Yoganand and Mr. G. Shiva leelanand are interested or concerned in the said resolution to the extent of their shareholding.

**Item No. 6:**

The company has received a notice from a member of the company under section-257 of the Companies Act, 1956, proposing the appointment of Mr. G. Vivekanand as the company's director, along with requisite deposit.

Mr. G. Vivekanand is a graduate in Civil engineering from CBIT College affiliated to Osmania University, Hyderabad and pursued his Masters in Construction from the prestigious Stevens Institute of Technology, New jersey (U.S.A). He had actively participated in the business promotion activities in U.S and was responsible for creating and enhancing Company's brand and built up a strong prospective customer base at U.S. Keeping in view the overseas market potential, exposure to marketing, qualifications, new innovative and fresh ideas of Mr. G. Vivekanand, his induction on Board would be of immense benefit to the company. Hence, in the best interests of the Company, it is proposed to appoint Mr. G. Vivekanand as director of the company, who shall be liable to retire by rotation, as per the provisions of the Companies Act, 1956.

Your Directors therefore recommend the said resolution for your approval.

None of the directors except Mr. G. Yoganand and Mr. G. Shiva leelanand are interested or concerned in the said resolution to the extent of their shareholding.

**Item No. 7:**

Mr. G. Vivekanand, by virtue of his qualifications, marketing skills and exposure, is considered to be a valuable addition to the Board of Directors of the company. The company is expected to be benefited from his services. Hence it is proposed to pay a remuneration of Rs. 1,00,000/- per month to him with effect from 01st October, 2010 as per the provisions of Sections 314 read with sections 198, 269, 309, Schedule XIII and all other applicable provisions of the Companies Act, 1956 provided that such remuneration shall be considered and approved by the remuneration committee of the company.

As Mr. G. Vivekanand is related to the Managing Director of the company and his appointment amounting to holding an office of profit in terms of the provisions of Sections 314 read with sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956, the same has to be approved by the shareholders at the duly convened General meeting of the company. The remuneration package is commensurate with the operations of the Company and the Industry Standards.

Your Directors, therefore recommend the said resolution for your approval.

None of the directors except Mr. G. Yoganand and Mr. G. Shiva leelanand are interested or concerned in the said resolution to the extent of their shareholding.

By order of the Board of Directors

Place: Hyderabad  
Date: 10.08.2010

Sd/-  
T. Deepthi  
Company Secretary

MANJEERA TRINITY CORPORATE



MANJEERA TRINITY CORPORATE  
With 900,000 sq. ft. of sheer versatility spread over 19 storeys, it's now easier to be productive, imaginative and happy at work. Sleek and contemporary, Manjeera's innovative office environments are built with scalable and flexible office spaces catering to various businesses with a lot of common sense and a willingness to do something really different.



# THE FOCUSED APPROACH



TO REALIZE OBJECTIVES. TO PROGRESS IN THE RIGHT DIRECTION. TO UNDERSTAND AND EXPLORE NEWER MARKETS. TO EARN MUTUAL TRUST AND RESPECT. TO DEVELOP, EMPLOY AND MONITOR MANAGEMENT SYSTEMS THAT WORK WELL. TO CONCENTRATE ON THE AGENDA OF ACHIEVABLES.

## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting the 23rd Annual Report of your Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2010.

### FINANCIAL RESULTS

Particulars	FY 2009-10	FY 2008-09
Total Income	6045.97	6384.08
Less: Total Expenditure	4624.49	4886.58
Profit before Interest, Depreciation and tax	1421.48	1497.50
Less: Interest and Financial Expenses	73.30	157.87
Profit after Interest but before Depreciation and tax	1348.17	1339.62
Depreciation	95.60	103.69
Provision for Tax	237.57	225.28
Profit after Tax	1014.99	1010.65
Proposed Dividend	150.10	150.10
Tax on proposed Dividend	24.93	25.50
Reserves & Surplus	4090.11	3250.14
Paid Up Equity share Capital	1250.84	1250.84

### Operational Performance Review:

Your company has achieved a turnover of Rs. 6045.97 lacs as against the turnover of Rs. 6384.08 lacs in previous year 2008-09. The net profit after tax stood at Rs. 1014.99 lacs as against Rs. 1010.65 lacs in the previous year 2008-09.

### Dividend

Your Directors take pleasure in recommending equity dividend of Rs. 1.20/- per share on 1,25,08,418 Equity Shares of the company of face value of Rs. 10/- each for the financial year 2009-10 for the approval of the members.

The dividend, if approved, at the 23rd Annual General Meeting by the members, will be paid to all those equity shareholders whose names appear in the Register of Members as on 24-09-2010. The Dividend on the equity shares if declared would involve an outflow of Rs.150.10 lacs and Rs.24.93 lacs towards dividend tax, resulting in a total outflow of Rs. 175.03 lacs.

### Directors

The Board has approved the appointment of Mr. G. Yoganand as Managing Director of the Company, subject to the shareholders' approval, for a period of five years with effect from 1st July, 2010.

The Board has appointed Mr. D.L.S. Sreshti as an Additional Director of the company in their meeting held on 31-10-2009. He holds office up to the date of ensuing Annual General Meeting. As the tenure of Mr. D.L.S. Sreshti is getting completed, the Board expresses its sincere gratitude for the guidance and services extended by Mr. D.L.S. Sreshti during his tenure as Director of the company.

Mr. K. Krishna Murthy, Director of the company is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for being re-appointed as the Director of the company.

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

Brief profile of the proposed appointee together with other disclosures in terms of Clause-49 of the Listing Agreement has been given under the Report on Corporate Governance.

### Delisting of Equity Shares from Stock Exchanges

The Company has sought voluntary delisting of equity shares from the Bangalore Stock Exchange (BgSE) and Ahmedabad Stock Exchange (ASE). The members of the Company, at the Annual General Meeting held on 30th September, 2009 accorded their consent for delisting of equity shares of the Company from the above mentioned stock exchanges.

Pursuant to the voluntary delisting request made by the company, the delisting approvals from the BgSE and ASE dated 09-04-2010 and 27-04-2010 are received and the equity shares of the Company were delisted from BgSE and ASE w.e.f. 09-04-2010 and 31-03-2010 respectively.

The equity shares of the company shall continue to be listed on Madras Stock Exchange, and Bombay Stock Exchange.

### Listing of Shares

During the year under review, the Company's shares are listed on National Stock Exchange Limited (NSE) and started trading with effect from 30th June, 2010. The Company's shares are compulsorily traded in the dematerialized form, with nationwide terminals. The symbol on NSE is "MANJEERA". The Demat ISIN number allotted in NSDL & CDSL for Equity Shares of the company is INE320D01018.

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

### Public Deposits

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

### Directors' Responsibility Statement

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

1. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of said Section under the Company's Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. the Directors have prepared the annual accounts on a going concern basis.

#### Subsidiary Company

Manjeera Retail Holdings Private Limited (MRHPL) is 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.

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

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

#### Auditors & Auditors' Report

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

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

#### Particulars of Employees

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

#### Management Discussion and Analysis

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

#### Corporate Governance Report

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

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

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

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

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

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

#### Industrial Relations

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

#### Acknowledgement

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

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

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 10.08.2010

Sd/-  
(G YOGANAND)  
Managing Director

Sd/-  
(G SHIVA LEELANAND)  
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**Economic Scenario, Industry Structure and Developments:**

The recovery in the global economy is well under way and the predictions are that one can expect a positive growth in 2010-11. The year 2009-10 saw a slight dip in the GDP growth in the country. The Indian economy grew at 6.1 % during the year 2009-10. The last two quarters of the fiscal saw the revival in growth rates across all sectors. The Indian construction industry grew by 6.5% in the last fiscal against 5.9% growth in 2008-09. The key factors behind this growth are continuous government investment in infrastructure creation, as well as real estate construction to meet the demands for residential and commercial real estate.

Real estate is the second largest employer in India after agriculture and is slated to grow at 30% over the next decade. The housing sector alone contributes to 5-6% of the country's GDP. Retail, hospitality and commercial real estate are also growing significantly, providing the much needed infrastructure for India's growing needs. As a result, this sector also qualifies as a large and significant employer across a range of skills and qualifications.

With signs of economic stabilization and moderate global economic growth, property markets in India have exhibited signs of revival from the second quarter of 2009. Attracted by correcting values, investors and end-users alike have begun to reconsider the market, accelerating activity in the Indian realty sector. With return of liquidity in recent months via FDI, QIP's, non-core asset sales and banks reconsidering lending to the realty sector, cash flows of realty players have also improved. Although overall demand for real estate saw a decline in 2009, an improving economy backed by strong fundamentals, suggests that the sector is likely to see a demand growth in the long-term. However, Andhra Pradesh witnessed certain local developments in the last quarter of 2009-10 that changed the economic climate and now the things have returned to normalcy.

**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.

**Opportunities & Threats:**

During the last 23 years, the Company had executed various projects. With the expertise gained over years in the field of construction and development of Real Estate, the Group is embarking to make an entry into Infrastructure projects. The Group has reputation for execution of projects with clear titles and quality construction. The track record of the company and proven skills of its employees at various levels will be useful in further improving the performance of the company in the years to come.

**Risks and Concerns:**

Growth and demand is dependent on general economic conditions and a deceleration 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.

To mitigate the above mentioned risks, the Company has developed built-in procedures and practices and has laid down procedures for handling risks in carrying out the business to the best advantage of all stakeholders and to improve the shareholder value and to ensure continuity of business.

There are certain key challenges and risks that need to be actively monitored and mitigation steps to be taken as and when required. These challenges along with concerned responses can be summarized as follows:

Challenges	Response
Margin Pressure	Presence in diverse business segments. Better revenue mix from various verticals like residential, commercial, execution of contracts etc.
Market Driven Cost Pressure	Long-term relationship with suppliers, tight project management of construction and development
Increasing Competition	Build a credible brand, timely delivery, high-quality projects with high level customer service.
Attracting Talent	Effort to set up a professional organization, transparent and benchmarked people systems.

**Internal Control Systems:**

The company has a system of internal control commensurate with the size of its business through supervision, checks and balances, policies and procedures. The system is reviewed and updated on an on-going basis.

**Financial Performance:**

During the year under review, the company has achieved a slightly reduced turnover of Rs. 6045.97 Lacs as against the turnover of Rs. 6384.08 lacs in previous year 2008-09. The net profit after tax stood at Rs. 1014.99 lacs as against Rs. 1010.65 lacs in the previous year 2008-09.

Despite adverse market conditions, better profitability was achieved by prudent cost controls and benefits accrued under Sec. 80 IB of Income Tax Act, 1961. The company's satisfactory financial and operational performance during 2009-10 and the optimistic outlook about the company's continued growth in the years to come enabled the Board to declare dividend of 12% to its equity shareholders.

Your Company continues to pursue the completion of ongoing projects to achieve sustainable and a balanced profitable growth. Even during severe slowdown in the economy, the company was able to fulfil its financial obligations to the lenders/suppliers pertaining to the year under review.

**Operational Review:**

Your Company has created a good brand image in all the segments and the brand is synonymous with high quality product and transparency in dealing with its customers.

We have shown great strength and resilience in the last few years of extremely challenging business environment. On the basis of learning from the last couple of years and also based on our eagerness to get equipped for the potential growth phase in future, we have developed a tightly integrated Marketing Strategy. As the company continues to focus on the strategy execution, aggressive advertisement campaigns, exhibitions and marketing efforts in U.S gave us a better competitive advantage.

**Project Details:**

The Company has successfully completed Manjeera Heights-Phase II residential project at Saroornagar, Hyderabad with a Built up area of 2,52,521 sft.

**Details of Projects under execution by Manjeera Constructions Limited (MCL) as Developer/Contractor:**

Name of the project	Nature of Project	Built up area (in sft.)	Parking area (in sft.)	Nature of Association
Smarthomes Villas- Qutbullapur, Hyd	Residential	1,01,200	—	Under Development agreement where MCL Share in BUA is 57.50%
Smarthomes Apts., - Qutbullapur, Hyd	Residential	83,9821	8,895	Executed on ownership basis.
Kukatpally, Hyd	Residential	3,85,5181	37,083	100% ownership of Developmental rights from APHB
Manjeera Diamond Towers, Gopanally, Hyd	Residential	46,20,009	14,69,21	Project execution done by MCL as Contractors.
CGEWHO" Bhubhaneswar Project	Residential	6,12,718	1,56,420	Contract on Turnkey basis obtained from CGEWHO

**Details of Projects directly executed by Group/Associate Companies of MCL:**

Name of the project	Nature of Project	Built up area (in sft.)	Parking area (in sft.)	Nature of Association
Kukatpally, Hyd	Commercial/ Retail/Office	13,05,000	6,16,000	Executed in SPV – Manjeera Retail Holdings Pvt. Ltd., where MCL has equity stake of 51%. (Estimated sales revenue is Rs.974 crs.)
Kukatpally, Hyd	Residential/Office/ Retail/Commercial	6,77,000	2,76,000	
Gachibowli, Hyd	Commercial	4,00,000	2,00,000	Executed in SPV – GM Infraventures Limited where MCL has equity stake of 26% (Estimated Sales revenue is Rs.185.21 Crs.)

The above projects are in various stages of development/execution.

**Human Resources and Industrial Relations:**

The company has always considered its human resources as an asset and is committed towards their development for continuous growth. The Company also firmly believes in empowering its employees and constantly takes various measures to achieve this. The Company has a well defined policy to recruit qualified professionals. Relations with the Employees remained cordial throughout the year. The staff strength had increased from 126 as at 31st March, 2009 to 143 as at 31st March, 2010

**Cautionary Statement:**

Statements contained 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.

# THE INTEGRATED APPROACH



TO BUILD SYNTHESIZED WORK PROCESSES AND PLATFORMS FOR A COHESIVE WORK ENVIRONMENT. TO DRIVE PERFORMANCE LEADERSHIP ACROSS ALL VERTICALS. TO ENCOURAGE A COLLABORATIVE TEAM SPIRIT. TO OPERATE IN ALIGNMENT WITH THE BEST INTERESTS OF OUR STAKEHOLDERS. TO SUSTAIN THE ROBUST, EFFICIENT OPERATIONS MODEL WITH A FOCUS ON PROFITABILITY.

## REPORT ON CORPORATE GOVERNANCE

In compliance with Clause-49 of the Listing Agreement entered into with the Stock Exchanges, the Company hereby submits the report on the matters 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 the good standards of Corporate Governance on a continuous basis. The Company also aims at achieving transparency, accountability and equity in all facets of its operations and in all interactions with the Stakeholders. The company is committed to meet the aspirations of all the Stakeholders.

Our employee satisfaction is reflected in the stability of our Senior Management, low attrition across various levels and higher productivity.

### 2. BOARD OF DIRECTORS

#### a) Composition of the Board:

The Company's Board of Directors comprises four directors, including Managing Director. The managing director is responsible for the conduct of the business and the day-to-day affairs of the company. The Composition of the Board is in conformity with Clause-49 of the Listing Agreements with the Stock Exchanges. The Directors are having wide range of expertise and experience in diverse fields which bring the company wide range of skills.

b) No. of Board Meetings held during the year and the dates of the Board Meetings: During 2009-10, the Board has met 5 (five) times on 30-04-2009, 30-06-2009, 31-07-2009, 31-10-2009 and 29-01-2010.

c) 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:

Name of the Director	Category of Directorship and Designation	Attendance Particulars		No. of Other Directorships and Committee Memberships/ Chairmanships in other Public Limited Companies		
		At Board Meetings	At AGM	Directorships*	Memberships	Chairmanships
Mr. G. Yoganand	Promoter Executive Chairman and managing Director	5	Yes	2	Nil	Nil
Mr. G. Shivaleelanand	Non - Executive Director	4	Yes	Nil	Nil	Nil
Mr. K. Krishna Murthy	Independent Non-Executive Director	4	Yes	Nil	Nil	Nil
Mr. D. L. S. Sreshti	Independent Non-Executive Director	5	Yes	1	Nil	Nil

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

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

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

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

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

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

### 3. BOARD/COMMITTEE MEETINGS AND PROCEDURE

#### a) 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, finalise the agenda items for the Board/Committee Meetings and circulate 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 reached. 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 - 500 038, (A.P.)
- The Members of the Board have complete access to all information of the company.

#### b) Recording Minutes of proceedings at Board and Committee Meetings:

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. 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.

c) Compliance:

While preparing the agenda, notes on agenda, minutes etc...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.

d) 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 company 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 has majority of Independent Directors as members. The Independent Directors are committed to act in what they believe is in the best interests of the Company and its Stakeholders.

**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 requirement.

a) Terms of Reference:

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

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

b) Role of Audit Committee:

The role of the audit committee includes the following activities:

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

c) Composition and Meetings of the Committee:

The Audit Committee comprises of two independent directors and one non-executive director. The Company Secretary of the company is the secretary to the committee. Sri D.L.S. Sreshti is the Chairman of the Committee. He 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 dates on which audit committee meetings were held are 30-06-2009, 31-07-2009, 31-10-2009 and 29-01-2010.

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	3
Mr. K. Krishna Murthy	Member	Independent & Non-Executive Director	3
Mr. G. Shivaleelanand	Member	Promoter & Non-Executive Director	4

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:

- a. To frame the remuneration policy of the company and to ensure that it is in consonance with the Industry Standards.
- b. To review and recommend the remuneration package for the Executive Directors on the Board as per the policy laid down by the committee.
- c. 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.

Composition and Meetings of Committee:  
The Committee comprises of the following Members:

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

No meeting of the Remuneration Committee was held during the financial year 2009 - 10

iv) Remuneration paid to Directors:

**Executive Directors**

The details of remuneration paid to the Managing Director for the financial year 2009-10 are as given below:

Name of the Director	Period of Contract	Salary Allowances & Perks for 2009-10	Commission	Loans and Advances from the Company	Total
Mr. G. Yoganand	From 1st July, 2005 to 30th June, 2010.	54,00,000	Nil	Nil	54,00,000

The remuneration of the Managing Director has been approved by the Shareholders of the company.

**Non-Executive Directors**

All the Non-Executive directors receive remuneration only by way of sitting fees for each meeting of the Board. Sitting fees @ Rs. 5,000/- per meeting is paid for attending each meeting of the Board.

The details of sitting fees paid to Non-Executive Directors for the financial year 2009-10 are as under:

Name of the Director	Sitting Fees (Amount in Rs.)
Mr. G. Shivaleelanand	25,000
Mr. K. Krishna Murthy	20,000
Mr. D. L. S. Sreshti	20,000

**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. Sri K. Krishna Murthy is the Chairman of the Committee.

The Committee comprises of the following members:

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

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

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

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

**Ms. Deepthi .T**

Company Secretary & Compliance Officer  
Manjeera Constructions Limited  
# 304, Aditya Trade Centre,  
Ameerpet, Hyderabad – 500 038  
Tel: 040-2373 5194/ 2374 3017/ 2373 0231  
Fax: 040-2373 3763  
E-mail Id: [deepthi@manjeera.com](mailto:deepthi@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 there at are as follows:

Meeting	Venue	Date	Time	No. of Special Resolutions passed
22nd AGM	Aditya Park Hotel, Ameerpet, Hyderabad	30th September, 2009	10.30 A.M.	2
21st AGM	Aditya Park Inn Hotel, Ameerpet, Hyderabad	20th September, 2008	10.00 A M	2
20th AGM	Aditya Park Inn Hotel, Ameerpet, Hyderabad	29th September, 2007	11.00 A M	4

### b) Extra-Ordinary General Meetings:

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

### c) Postal Ballot:

During the year, a postal ballot was conducted pursuant to the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, on the special resolution seeking consent of the members for providing securities including pledging of shares and extending guarantees for loan(s) to be availed by M/s. GM Infra Ventures Private Limited, which is an associate company, under Section 372A of the Companies Act, 1956.

The said resolution was passed by the requisite majority and the result of the postal ballot was declared by the Chairman on 18-01-2010.

## 8. DISCLOSURES

### i) Related Party Transactions:

None of the transactions with any of the related parties were in conflict with the interest of the Company. The Company's related party transactions are generally with its Key Managerial Personnel, Associates, Joint Venture Partners and the Companies in which the Key Management Personnel have significant influence. All the related party transactions are negotiated on arms length basis and are solely intended to further the interests of the company. Details of related party transactions entered by the company in the normal course of business are included in the "Notes to Accounts".

ii) There were no penalties or strictures imposed on the company by any statutory authorities for non-compliance of any matter related to capital markets, during the last three years.

## 9. COMMUNICATION TO SHAREHOLDERS

Effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, Press Releases and the Company's Website.

### i) Quarterly /Half-Yearly /Annual Results:

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

### ii) News Releases:

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

The details of publication of Financial Results during the financial year 2009-10 are as given below:

Quarter	Date of Board Meeting	Date of Publication	Name of the Newspapers
1	31-07-2009	01-08-2009	Eenadu and Economic Times
2	31-10-2009	01-11-2009	Eenadu and Economic Times
3	29-01-2010	31-01-2010	Eenadu and Economic Times
4	07-05-2010	09-05-2010	Eenadu and Business Line

### iii) Website:

The Company's website www.manjeera.com contains a separate dedicated section "Investors" where latest information for shareholders is available. The Quarterly, Half-Yearly and Annual Results of the company are simultaneously posted on the website.

### iv) Annual Report:

Annual Report containing Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Annual Report is also available on the Company's Website.

The "Corporate Governance Report" and "Management Discussion & Analysis Report" also forms part of the Annual Report.

## 10. GENERAL SHAREHOLDER INFORMATION

### i) Company Registration Details:

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

ii) Details of 23rd Annual General Meeting:

Date and Time	:	30-09-2010
Venue	:	Hotel Aditya Park, Ameerpet, Hyderabad – 500 038.
Date of Book Closure	:	25-09-2010 to 30-09-2010 (Both days inclusive)
Dividend Payment Date	:	Within thirty days from the date of declaration.

iii) Financial Calendar for 2010-11 (Tentative):

Results for the First Quarter ending 30th June, 2010	:	July, 2010
Results for the Second Quarter ending 30th September, 2010	:	October, 2010
Results for the Third Quarter ending 31st December, 2010	:	January, 2011
Annual Results for year ending 31st March, 2011	:	April/May, 2011
Annual General Meeting for the year 2011	:	September, 2011

iv) Listing on Stock Exchanges

The Company's Equity Shares are listed on the following Stock Exchanges in India and the annual listing fee has been paid for 2010-11

a) **Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

b) **Madras Stock Exchange Limited.**

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

c) **National Stock Exchange Limited**

Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051

v) Stock Code

Scrip Code on BSE : 533078

Trading Symbol on BSE & NSE : MANJEERA

Demat ISIN in NSDL & CDSL for Equity Shares: INE320D01018.

vi) Market Price Data:

The Equity Shares of the Company are listed on National Stock Exchange Limited and started trading with effect from 30th June, 2010. Hence, the details of high and low of the Market Price Data of equity shares of the company on NSE for the financial year ended 31st March, 2010 is not applicable.

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

Month	BSE (started trading w.e.f 03-06-2009)		
	High Price Rs.	Low Price Rs.	No.f of Shares Traded
June, 2009	103.95	50	1,16,080
July, 2009	84	59.9	21,244
August, 2009	84.6	60.25	6,575
September, 2009	79.5	60.25	10,526
October, 2009	77	64.3	4,932
November, 2009	72	53.5	7,222
December, 2009	73.9	57.5	8,127
January, 2010	78.75	60.5	24,869
February, 2010	84.8	69.5	9,377
March, 2010	85	68.1	55,892

vii) Details of Registrars and Share Transfer Agents:

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

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

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

Email: xlssoft@org.com

Website: http:// www.xlssofttech.org

Contact Person: Mr. R. Ram Prasad

viii) Share Transfer System:

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

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

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

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

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

ix) Details of Shareholding:  
**Shareholding Pattern**

The details of shareholding pattern of the company as on 31st March, 2010 is as follows:

S.No	Name	No.of Shares	% of Shares
<b>(A) Promoters</b>			
1	Indian Promoters		
	Individuals	8236089	65.84%
	Bodies Corporate	1076256	8.60%
	Sub-Total	9312345	74.45%
2	Foreign Promoters	0	0
	Total (A)	9312345	74.45%
<b>(B) Shares held by public</b>			
1	Individuals	2585082	20.67%
2	Bodies corporate	529270	4.23%
3	Non Resident Individuals	73750	0.59%
4	Clearing Members	7971	0.06%
	Sub-Total		
	Total (B)	3196073	25.55
	Grand Total (A) + (B)	12508418	100

During the financial year 2009-10, the Company has not issued any equity shares. There are no ADRs / GDRs / Warrants or any Convertible Instruments issued by the company.

**Distribution of Shareholding:**

The distribution of shareholding as on 31st March, 2010 is detailed below:

Distribution of Shares	No. of Shareholders	% of Shareholding	Nominal Value of shares (Rs.)
Up to 5000	499	68.08	640960
5001-10000	68	9.28	472780
10001-20000	60	8.19	822320
20001-30000	14	1.91	350620
30001-40000	13	1.77	445860
40001-50000	6	0.82	271170
50001-100000	12	1.64	996000
100001 and above	60	8.32	121084470
<b>Total</b>	<b>732</b>	<b>100</b>	<b>125084180</b>

x) Dematerialization of Shares and Liquidity:

The company has made arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for demat facility. 1,19,92,424 equity shares aggregating to 95.87% of the total Equity Capital is held in dematerialized form as on 31st March, 2010.

The Equity Shares of the company are compulsorily traded in electronic form through Stock Exchanges. The equity shares of the company are traded on BSE and NSE (with effect from 30th June, 2010) and thus ensure liquidity for the investors.

xi) Address for Communication

In the event of any queries / grievances contact:

Ms. Deepthi .T  
Company Secretary & Compliance Officer  
Manjeera Constructions Limited  
# 304, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038  
Tel: 040-2373 5194/ 2374 3017/ 2373 0231 Fax: 040-2373 3763  
E-mail Id: deepthi@manjeera.com & investors@manjeera.com

**11. CORPORATE ETHICS**

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

a) Code of Conduct for Board Members and Senior Management:

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

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

A declaration by Managing Director affirming compliance of board members and key management personnel with the code of conduct is attached with this report.

b) Share Dealing Code:

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

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

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

**12. SUBSIDIARY MONITORING FRAME WORK**

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

**13. COMPLIANCE CERTIFICATE OF AUDITORS**

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

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

Name of the Director	Mr. K. Krishna Murthy
Date of Birth	01-01-1938
Designation	Independent Non-Executive Director
Date of Appointment	18-06-1997
Educational Qualifications	B.E. (Hons.) M.Tech., FIE, FIV
Areas of Experience	45 years of experience in Consultancy, Project Management etc.
Companies in which he holds directorship	Nil
Membership / Chairmanship of Board Committees	Member of Audit Committee, Remuneration Committee and Share Transfers & Investors Grievance Redressal Committee of Manjeera Constructions Limited.
	Chairman of Share Transfers & Investors Grievance Redressal Committee.
Shareholding	10,000 Equity Shares

MANJEERA TRINITY MALL



The goal behind Manjeera Trinity Mall is to create a new age real estate verticle which provides international shopping experience to its customers by combining convenience and comfort thereby raising the lifestyle element to new levels. Manjeera Trinity Mall is all about urban effervescence catering to food, fashion, entertainment and lifestyle shopping though world class Hypermarket, food courts, gaming zone and multiplex.



**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, 2010 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 M/s. A.K. SABAT & CO.  
Chartered Accountants

Place: Hyderabad  
Date: 07.05.2010

Sd/-  
(D. VIJAYA KUMAR)  
Partner  
Membership No. 051961  
Firm Regn. No. 321012E

**CERTIFICATION OF FINANCIAL REPORTING & INTERNAL CONTROLS**

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

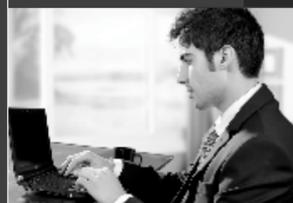
- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements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

Place: Hyderabad  
Date: 07.05.2010

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

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

# THE RESPONSIBLE APPROACH



TO BE ACCOUNTABLE FOR FORGING STRONG,  
LASTING RELATIONSHIPS WITH OUR CUSTOMERS.  
TO DELIVER TANGIBLE SOLUTIONS THAT MAKE A  
POSITIVE DIFFERENCE TO OUR CLIENTS' BOTTOM LINE.  
TO ENSURE REPEAT CUSTOMERS BY PROVIDING  
UNMATCHED CUSTOMER VALUE. TO BE FLEXIBLE  
TO CHANGE AND OPEN TO INNOVATION.

## AUDITOR'S REPORT

### TO THE MEMBERS OF MANJEERA CONSTRUCTIONS LIMITED

1. We have audited the attached Balance Sheet of MANJEERA CONSTRUCTIONS LIMITED as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
  - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sd/-  
(D. VIJAYA KUMAR)  
Partner  
Membership No. 051961  
Firm Regn. No. 321012E

Place: Hyderabad.  
Date : 07.05.2010

**ANNEXURE TO THE AUDITOR'S REPORT**

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

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

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The management at reasonable intervals has carried out the physical verification of the fixed assets. No material discrepancies have been noticed on such verification.
- c) There has been no disposal off substantial part of the fixed assets by the Company during the year affecting the going concern status.
- ii) a) Inventory namely property development projects(in progress), Contract projects (work in progress) and apartments held for sale, has been physically verified by the management at reasonable intervals during the year.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company has maintained proper records of inventory.No material discrepancies were noticed on physical verification.
- iii) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.The Company has taken unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956.The maximum amount involved during the year was Rs.8,30,50,000 and year-end balance of loans taken from such party is Rs.3,16,00,000.
- b) The rate of interest and other terms and conditions of unsecured loans taken by the Company are not prima-facie prejudicial to the interest of the Company.
- c) The interest payments and Principal repayment of loan taken is as per the terms and conditions of loan.
- d) There are no overdue amount of interest and principal in respect of unsecured loan taken.
- iv) There is an adequate internal control system commensurate with size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any continuing failure to correct major weakness in such internal control systems.
- v) a) The particulars or contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) In our opinion the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five Lac rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted deposits from the public to which provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply. Accordingly the provisions of paragraph (vi) of the Order are not applicable to the Company.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- viii) To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products and services.
- ix) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales-tax, service tax and other statutory dues as applicable with the appropriate authorities.
- (b) There are no dues of sales tax, service tax and income tax which have not been deposited on account of any dispute.
- x) The Company does not have any accumulated losses as at 31st March, 2010 and has not incurred cash losses in the year and in the immediately preceding financial year.
- xi) The Company during the year has not defaulted in repayment of dues to financial institutions. There are no debentures.
- xii) The Company during the year has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special Statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- xiv) The Company does not deal or trade in securities. Accordingly the provisions of paragraph (xiv) of the Order are not applicable to the Company.
- xv) In our opinion, the Company has given guarantee for loans taken by the subsidiary company from banks and financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.



MANJEERA TRINITY HOMES

Premium homes take on an all together new meaning at Manjeera Trinity Homes. Beautifully designed homes will now hobnob with shopping and entertainment spaces to take convenience to new levels. Who better than Manjeera to create that perfect 'mixed use environment' which can seamlessly blend into the fabric of the City?

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

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

Sd/-  
(D. VIJAYA KUMAR)  
PARTNER  
Membership No. 051961  
Firm Regn. No. 321012E

Place: Hyderabad.  
Date: 07.05.2010



# THE SUSTAINED APPROACH



TO INTERACT WITH OUR CUSTOMERS AND COMMUNITIES FOR BETTER SOCIAL, ENVIRONMENTAL AND ECONOMIC OUTCOMES. TO MEET EVERY COMMITMENT AND QUALITY BENCHMARK EXPECTED OF A MARKET LEADER. TO DRIVE FUTURE BUSINESSES WITH AN ENDURING AND RELEVANT PLAN.

MANJEERA CONSTRUCTIONS LIMITED  
BALANCE SHEET AS AT 31ST MARCH, 2010

SCH	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS.
<b>SOURCES OF FUNDS</b>		
1	Shareholders funds	
a.	Share capital	125084180
b.	Reserves and surplus	409011084
2	Loan funds	534095264
a.	Secured loans	325014345
b.	Unsecured loans	450098525
3	Deferred tax liability	11150186
	<b>TOTAL</b>	<b>1018144032</b>
<b>APPLICATION OF FUNDS</b>		
1	Fixed assets	
a)	Gross block	87012241
b)	Less: Depreciation	20267422
c)	Net block	66108583
2	Investments	523800000
3	Current assets, loans and advances (A)	
a)	Inventories	513474459
b)	Sundry debtors	43674439
c)	Cash and bank balances	15179598
d)	Loans and advances	81321210
		776591315
	Less : Current liabilities and provisions (B)	
a)	Current liabilities	332627758
b)	Provisions	53012999
		385640757
	Net current assets (A) - (B)	426796239
4	Miscellaneous expenditure (to the extent not written off or adjusted)	1439210
	<b>TOTAL</b>	<b>861239292</b>
19	Accounting policies and Notes on Accounts.	

For and on behalf of the Board of Directors

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

Place : HYDERABAD  
Date : 07.05.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.: 051961

MANJEERA CONSTRUCTIONS LIMITED  
PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH, 2010

SCH	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>INCOME</b>		
	Sale of space - Manjeera Heights project	234868256
	- Smart Homes (Villas) Project	12906150
	- Smart Homes Apartments project	31897115
	Contract receipts	312645848
	Energy sales	6073432
	Property management services	-
14	Miscellaneous income	6206224
	<b>604597025</b>	<b>638408458</b>
<b>EXPENDITURE</b>		
15	Cost of apartments sold	167920648
16	Contract expenses	273273313
17	Administrative & Selling expenses	21255767
	<b>462449728</b>	<b>488658498</b>
<b>PROFIT</b>		
	Profit before interest, Depreciation & Tax	142147297
18	Interest & Financial expenses	7330046
	Profit before Depreciation & Tax	<b>134817251</b>
	Depreciation	9560315
	Profit before taxation	<b>125256936</b>
	Provision for taxation	22235061
	Provision for Deferred tax liabilities for the year	1522044
	Profit after tax	<b>101499831</b>
	Profit brought forward	156277443
	Profit for appropriation	257777274
<b>APPROPRIATION</b>		
	General Reserve	-
	Proposed Dividend	15010102
	Income tax on Proposed Dividend	2492990
	Balance transferred to Reserves & Surplus	<b>240274182</b>
	Earnings per share - (basic & diluted) (Rs.)	8.11
19	Accounting policies and Notes on Accounts	8.08

For and on behalf of the Board of Directors

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

Place : HYDERABAD  
Date : 07.05.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.: 051961

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE BALANCE SHEET

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SCHEDULE : 1 SHARE CAPITAL</b>		
Authorised :		
2,50,00,000 Nos. equity shares of Rs.10 each.	<b>250000000</b>	<b>250000000</b>
Issued,subscribed & paid up:		
1,25,08,418 (1,25,08,418) Nos. equity shares of Rs.10 each fully paid up.	<b>125084180</b>	<b>125084180</b>
(Includes 10,00,675 Nos. Bonus shares on capitalisation of reserves and Rs.75,05,043 Nos. right shares issued during earlier years)		
<b>SCHEDULE : 2 RESERVES AND SURPLUS</b>		
General Reserve	18636042	18636042
Profit and Loss Account	240274182	156277443
Share premium	150100860	150100860
	<b>409011084</b>	<b>325014345</b>
<b>SCHEDULE : 3 SECURED LOANS</b>		
Term Loan :		
Housing Development Finance Corporation Limited (Secured by deposit of the title deed of office premises at Aditya Trade Centre, Ameerpet)	12068294	17596468
Housing and Urban Development Corporation Limited (Secured by equitable mortgage of land under Chitra Layout, Saroor Nagar, Hyderabad along with construction to be made thereon with first charge on all revenues receivable and immovable property present and future pertaining to the project)	15093251	32181444
ICICI Bank Limited (Secured by the assets of the Smart Homes project)	-	12000000
Yes Bank Limited (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanpally project )	-	47475170
Tata Capital Limited (Secured by the Wind Turbine Generator )	23631538	27925275

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE BALANCE SHEET

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
Tata Capital Limited (Secured by the non standard equipment)	1851705	12765234
Tata Capital Limited (Secured by the Tower Crane)	3627240	-
Andhra Pradesh State Financial Corporation., (Secured by collateral security amounting to Rs.625 lac provided by way of urban immovable properties)	45922962	46000000
Canara Bank Limited (Secured by equitable mortgage of development rights of the company over 1.23 acres of land at Plot S-2, Sy-No.1050 located at Kukatpally, Hyderabad alongwith proposed residential buildings with build up area of 402000 sq.ft including car parking space of 93924sq.ft)	211153257	66693238
ICICI Bank Limited (Secured by hypothecation of the scheduled receivables and account assets and by way of exclusive charge)	16224501	14962433
Yes Bank Limited - working capital demand loan (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanpally project )	65200000	50000000
Interest accrued & due	605444	4048743
	<b>395378192</b>	<b>331648005</b>
<b>SCHEDULE : 4 UNSECURED LOANS</b>		
Vehicle financiers	2168672	1789278
Intercompany deposits	35100000	21000000
India Bulls Financial Services Limited-Loan against property	40251718	47075342
	<b>77520390</b>	<b>69864620</b>
(Amount repayable within one year Rs.3,68,25,672 -previous year:Rs.2,37,45,031)		

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE BALANCE SHEET

ASSET	GROSS BLOCK (AT COST)			DEPRECIATION		NET BLOCK	
	As at 01.04.2009 Rs.	Additions Rs.	As at 31.03.2010 Rs.	Upto 01.04.2009 Rs.	For the year Rs.	Upto 31.03.2010 Rs.	As at 31.03.2010 Rs.
	As at 31.03.2009 Rs.						As at 31.03.2009 Rs.
Land	1,68,006	-	1,68,006	-	-	-	1,68,006
Building	1,62,73,913	-	1,62,73,913	29,91,464	6,64,122	36,55,586	1,26,18,327
Plant & Machinery	5,76,36,370	60,56,533	6,36,92,903	1,04,80,879	72,19,115	1,76,99,994	4,71,55,491
Electrical equipment	15,96,359	-	15,96,359	7,64,285	1,15,738	8,80,023	7,16,336
Office equipment	14,60,018	2,70,968	17,30,986	4,83,694	1,66,071	6,49,765	10,81,221
Computers	26,30,184	9,90,204	36,20,388	18,56,952	3,49,803	22,06,755	14,13,633
Furniture & fixtures	17,57,314	50,614	18,07,928	6,53,635	2,04,983	8,58,618	9,49,310
Vehicles	54,90,077	15,55,760	70,45,837	30,36,513	8,40,483	38,76,996	31,68,841
<b>TOTAL</b>	<b>8,70,12,241</b>	<b>89,24,079</b>	<b>9,59,36,320</b>	<b>2,02,67,422</b>	<b>95,60,315</b>	<b>2,98,27,737</b>	<b>6,61,08,583</b>
Previous Year	<b>4,25,28,690</b>	<b>4,44,83,551</b>	<b>8,70,12,241</b>	<b>98,98,262</b>	<b>1,03,69,160</b>	<b>2,02,67,422</b>	<b>6,67,44,819</b>

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE BALANCE SHEET

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SCHEDULE : 6 INVESTMENTS</b> (Long term, at cost and unquoted)		
Nil (39,996) equity shares of Rs.10 each fully paid up in Ambica Chennakesava Projects Limited	-	399960
4,50,00,000 equity shares of Rs. 10 each fully paid up in subsidiary - Manjeera Retail holdings Private Limited	450000000	450000000
10,12,320 (266400) equity shares of Rs.10 each fully paid up in GM Infra Ventures Private Limited	39960000	2664000
Nil (3,72,960) Optionally fully convertible Debentures (I SERIES) of Rs.100 each in GM Infra Ventures Private Limited	-	37296000
3,38,400 Optionally fully convertible Debentures (III SERIES) of Rs.100 each in GM Infra Ventures Private Limited	33840000	33840000
	<b>523800000</b>	<b>524199960</b>
<b>SCHEDULE : 7 INVENTORIES</b> (At lower of cost or net realisable value as certified by the management)		
Apartment held for sale - Manjeera Heights Phase I Project	1592402	1592402
Property development projects (in progress) :		
Manjeera Heights - Phase II	34815556	109005936
Smart Homes (Villas)	83767313	77097654
Bangalore	4335443	4325442
Plot No.34 (HUDA)	3739101	3734701
Smart Homes Apartments	56170075	43871376
Kukatpally Apartments	401500731	273002206
Contract projects work in progress :		
Hyderashakote	-	311427
Manjeera Diamond Towers	-	533315
	<b>585920621</b>	<b>513474459</b>
<b>SCHEDULE : 8 SUNDRY DEBTORS</b> (Unsecured and considered good)		
Outstanding for a period exceeding six months	12320175	30415290
Others	82141482	13259149
	<b>94461657</b>	<b>43674439</b>
<b>SCHEDULE : 9 CASH AND BANK BALANCES</b>		
Cash on Hand	45222	54116
Balance with scheduled banks:		
In current account	1923419	2286003
In margin deposit	11719745	12839479
	<b>13688386</b>	<b>15179598</b>

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE BALANCE SHEET

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SCHEDULE :10 LOANS AND ADVANCES</b> (Unsecured,considered good)		
Advance to Joint Venturers	23307924	15040899
Advance - acquisition of land	8234000	8234000
Advances recoverable in cash or in kind or for value to be received	11549718	6804226
Deposits	3304181	3134332
Advance Taxes and Tax Deducted at Source	20771681	34410686
Mobilisation Advance paid	4856097	5650535
Retention, security & withheld monies	10497050	8046532
	<b>82520651</b>	<b>81321210</b>
<b>SCHEDULE: 11 CURRENT LIABILITIES</b>		
Advances from customers	62430629	162575940
Advances from Joint venturers	8073380	8073380
Sundry creditors	153615764	74375587
Other liabilities	16618823	7626338
Mobilisation Advance	44856097	75650535
Securities & Retention Monies Refundable	4653456	2074562
Interest accrued but not due	3053992	2251416
Book overdraft with scheduled bank in current account	643561	-
	<b>293945702</b>	<b>332627758</b>
<b>SCHEDULE: 12 PROVISIONS</b>		
Proposed dividend	15010102	15010102
Dividend Tax	5043957	2550967
Fringe benefit tax	234883	427930
Income Tax	35560432	35024000
	<b>55849374</b>	<b>53012999</b>
<b>SCHEDULE: 13 MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
Preliminary expenses	507000	760500
Amortised during the year	253500	253500
	<b>253500</b>	<b>507000</b>
Share Issue expenses	1778566	2371422
Amortised during the year	592856	592856
	<b>1185710</b>	<b>1778566</b>
	<b>1439210</b>	<b>2285566</b>

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

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SCHEDULE : 14 MISCELLANEOUS INCOME</b>		
Interest receipts	1037704	965821
Rental Income	767660	767659
Profit on sale of Shares	2100040	-
Consultancy fees	200820	-
Closure Fees	2100000	-
	<b>6206224</b>	<b>1733480</b>
<b>SCHEDULE : 15 COST OF APARTMENTS SOLD</b>		
Manjeera Heights Phase I Project	-	1756185
Add:Transfer from Schedule 17	-	44880
	-	<b>1801065</b>
Manjeera Heights Phase II Project	128050173	73986558
Add:Transfer from Schedule 17	9739871	3825713
	<b>137790044</b>	<b>77812271</b>
Smart Homes (Villas) Project	8705198	1527433
Add:Transfer from Schedule 17	161552	1903444
	<b>8866750</b>	<b>3430877</b>
Smart Home Apartments Project	21112701	1850410
Add:Transfer from Schedule 17	151153	60990
	<b>21263854</b>	<b>1911400</b>
	<b>167920648</b>	<b>84955612</b>
<b>SCHEDULE : 16 CONTRACT EXPENSES</b>		
Manjeera Diamond Towers project	131533139	258112242
Hydershakote project	44005844	40291884
Bhubhaneshwar Project	33335654	80313845
Contract work - MRHPL	30182676	-
Contract work - VPL	34216000	-
	<b>273273313</b>	<b>378717971</b>
<b>SCHEDULE: 17 ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Salaries and employee benefits	20206395	14215655
Director remuneration	5465000	4245000
Travel & conveyance	1371080	1972998
Vehicle maintenance	231758	245678
Repairs & maintenance	208314	197386
Printing & stationery	491475	429350
Postage and telephones	1009985	740888

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

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
Office maintenance	4041805	2713716
Property tax	191,877	223857
Professional charges	5595659	2367669
Sales tax	1146482	-
Subscriptions & fees	365332	347432
Share expenses	33092	1896124
Security Services	2267583	-
Legal fee & expenses	316327	543457
Insurance	1077007	481661
Audit fee	336415	349814
Advertisement	3271619	-
General expenses	1094334	1018560
Miscellaneous expenditure written off	850004	846356
Donations	460000	140000
	<b>50031542</b>	<b>32975601</b>
Less: Transfer to cost of apartments sold (Schedule 15)		
a) Manjeera Heights Phase I Project	-	44880
b) Manjeera Heights Phase II Project	9739871	3825713
c) Smart Homes (Villas) Project	161552	1903444
d) Smart Homes Apartments Project	151153	60990
Less: Transfer to Inventories - Projects		
a) SMART HOMES (Villas)	3372272	-
b) Kukatpally Apartments	12678430	2155660
c) Smart Homes Apartments	2375392	-
d) S2 A contract work	297105	-
	<b>21255767</b>	<b>24984914</b>
<b>SCHEDULE: 18 INTEREST &amp; FINANCIAL EXPENSES</b>		
Bank charges & commission	1146009	2910895
Processing fees	97983	1905886
Interest - term loans	59379422	49352196
Interest - vehicle financiers	218009	217398
Interest - Inter corporate Deposits	3319549	7043371
Less: Transfer to Inventories	64160971	61429746
a) Manjeera Heights Phase II project	3557465	4247805
b) Smart Homes (Villas) project	2220880	3349707
c) Kukatpally - Residential	48040025	36302919
d) Smart Homes Apartments project	3012555	1742116
	<b>7330046</b>	<b>15787199</b>

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF THE ACCOUNTS

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

**A. Significant Accounting Policies**

1. Basis for preparation of financial statements:

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

2. Use of Accounting estimates

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

3. Fixed assets

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

4. Depreciation:

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

5. Borrowing costs:

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

6. Impairment of Assets

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

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART OF  
THE ACCOUNTS

7. Investments

Long-term investments are stated and carried at cost less provision for permanent diminution if any, in value of such investments.

8. Inventories:

Inventories are valued at lower of cost or net realisable value. Properties under development are valued at cost. Cost includes all direct development expenditure, borrowing cost and appropriate overheads.

9. Miscellaneous expenditure

Preliminary and Rights issue expenses are amortised over a period of five years.

10. Employee benefits

- a) Contributions of Defined Contribution plans such as Provident fund, etc. are charged to the profit and loss account as incurred.
- b) Termination benefits are recognised as and when incurred.

11. Revenue recognition

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

Income from property development is recognized upon handing over possession of space/flats to the buyers i.e. property with all significant risks and rewards of ownership are transferred to the buyer and no effective control of the property is retained by the Company and no significant uncertainty exists regarding the consideration derived for such property and it is not unreasonable to expect ultimate collection.

(b) On development projects (Development basis)

Income on development activity is recognised based on project completion method and on handing over developed property to the principals as per the terms of agreement.

(c) On construction contracts (undertaken as contractors)

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

ii) Rent Receipts are recognised on accrual basis.

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

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART OF  
THE ACCOUNTS

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

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

12. Revenue receipts on joint venture contracts

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

13. Income tax

- a) Current tax is determined as the amount of tax payable to the tax authorities in respect of taxable income for the year.
- b) Deferred tax is recognized, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

14. Earning Per Share (EPS)

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

15. Prior period items:

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

**B. Notes on Accounts:**

1. Contingent liabilities not provided for:

- a) Bank Guarantees Rs.527.40 Lac (Previous year Rs.527.40 Lac)
- b) APGST payable (i) Rs.3,45,181 for the financial year 2000-01 and (ii) Rs.22,13,846 for the financial year 2004-05 pending appeal with Appellate Dy.Commissioner (CT), Hyderabad.

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART OF  
THE ACCOUNTS

2. Particulars under paragraph 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956, to the extent applicable:

i) Inventories (Apartments):

	Current year		Previous year				
	Sq.ft.	Nos.	Value (Rs.)		Sft.	Nos.	Value (Rs.)
Opening Stock	1332	1	15,92,402		2801	2	24,40,143
Additions made	219881	132	16,28,65,729		—	-	9,08,444
Cost of sales	195783	118	12,80,50,173		1469	1	17,56,185
Closing Stock	25430	15	3,64,07,958		1332	1	15,92,402

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

	31.03.2010 (Rs.)	31.03.2009 (Rs.)
Contract revenue recognized during the year	31,26,45,848	46,14,75,612
Contract costs incurred and recognized profits	27,32,73,313	37,87,17,971
Advances received, net of recoveries from progressive bills	4,00,00,000	2,49,30,000
Gross amount due from customers from contract works	3,91,03,081	1,18,93,368
Gross amounts due to customers for contract work	Nil	Nil

4. i) Provision for taxation made under the liability method after availing exemptions and eductions at the rates applicable under the Income Tax Act, 1961 includes Rs.2,13,00,000 for the current period.
- ii) Income tax Assessments have been completed upto the Assessment year 2007-08.
- iii) Profit before tax includes Rs.9,69,95,033 deductible under section 80-IB of Income Tax Act, 1961 from the Gross total income of the Company for the year under consideration relates Manjeera Heights Phase II project.
5. As of 31st March, 2010, the Company had no outstanding dues to small and medium Enterprises as per the records available.

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART OF  
THE ACCOUNTS

6. Managerial remuneration under section 198 of the Companies Act, 1956: Managing Director - Salary Rs.54,00,000 and other directors Rs.65,000 (previous year Rs.42,45,000)
7. Particulars of loans and advances in the nature of loans as required under clause 32 of the listing agreement: Nil (Previous Year: Nil)
8. Related party disclosures as required by Accounting Standard 18 of the Institute of Chartered Accountants of India:
- A) Related parties and relationship:
- i) Key management personnel  
G Yoganand, Managing Director  
G Shivaleelanand, Director  
K Krishna Murthy, Director  
D L S Sreshti, Director
- ii) Enterprises in which key Management personnel have significant influence:  
Manjeera Hotels & Resorts Limited  
Manjeera Estates Private Limited  
Manjeera Projects  
GM Infra Ventures Private Limited
- iii) Subsidiary Company: Manjeera Retail Holdings Private Limited
- iv) Associates:  
Ashraya Hotels & Estates Private Limited  
Ambica Chennakesava Projects Limited
- v) Joint venture: Bharathi Infraprojects Private Limited

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART OF  
THE ACCOUNTS

B) Transactions with related parties during the financial year and outstanding balance as on 31.03.2010.

Nature of Transaction	Key Management Personnel (Previous year)	Enterprises in which key Mgt.personnel have significant influence (Previous year)	Subsidiary Company (Previous year)	Associates (Previous year)	Joint Ventures (Previous year)
Directors Remuneration	54,65,000 (42,45,000)				
Professional Fee	NIL (22,66,000)				
Inter Corporate Deposits received		3,16,00,000 (1,50,00,000)			
Interest on Inter Corporate Deposits		20,98,385 (42,35,700)			
Rent Received			7,67,659 (7,67,659)		
Contract Receipts		15,63,05,072 (30,64,90,833)	3,48,93,268 (Nil)	4,99,73,048 (4,30,62,866)	
Investment in Equity shares		3,99,60,000 (26,64,000)	45,00,00,000 (45,00,00,000)		
Investment in Debentures		3,38,48,000 (3,38,48,000)			
Sundry Debtors		13,22,901 (16,94,756)		3,46,975 (1,01,98,611)	
Reimbursement of expenses			9,21,158 (33,13,539)		
Outstanding Balance			2,17,42,873 (2,17,42,873)		
Advances from Customers		5,58,02,000 (9,00,00,000)	(NIL) (NIL)		
Investments received from Joint ventures					80,73,380 (80,73,380)

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

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART OF  
THE ACCOUNTS

9. As per Accounting Standard 22 on "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India, the Company has accounted Deferred tax liability of Rs.1,11,50,186 as on 31.03.2010 on accounting of timing difference of depreciation. For the period under consideration Rs.15,22,044 has been added on account of such depreciation in Profit and Loss account.

10. Auditors remuneration (Rs.)

Statutory Audit Fee	1,65,450
Tax Audit Fee	55,150
Income Tax Matters	11,030
Certification Fee	1,04,785
Total	3,36,415

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

12. Earnings per Share (EPS)

	Year ended 31.03.2010	Year ended 31.03.2009
Profit attributed to Equity shareholders	10,14,99,831	10,10,65,087
No of Equity shares (of Rs.10 each including Rights shares of 75,05,043 Nos.)	12508418	12508418
Earnings per share (Basic & Diluted)	8.11	8.08

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

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

15. Schedules one to nineteen form part of accounts.

For and on behalf of the Board of Directors

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

Place : HYDERABAD  
Date : 07.05.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.:051961

MANJEERA CONSTRUCTIONS LIMITED  
CASH FLOW STATEMENT FOR THE YEAR  
ENDED 31st MARCH, 2010

	YEAR ENDED 31.03.2010 RS.		YEAR ENDED 31.03.2009 RS.	
<b>A. Cash flows from operating activities</b>				
Net Profit before taxation		125256936		123593600
Adjustments for :				
Depreciation	9560315		10369160	
Prior Period adjustment	-			
Misc. expenditure amortised	846356		846356	
Profit on Sale of Investments	(2100040)			
Interest income	(1037704)		(965821)	
Interest expense	7330046		56612965	
		14598973		66862659
Operating Profit before working capital changes		13985909		190456260
Adjustments for changes in working capital :				
increase in Inventories	(72446162)		(105757229)	
increase in Trade receivables	(50787218)		(12863422)	
Increase in other receivables	(14838447)		18489891	
increase in Advance from customers	(100145311)		(160569540)	
increase in Trade payable	79240177		37598398	
increase in other liabilities	(18579498)	(177556458)	72669231	(150432671)
Cash generated from operations		(37700549)		40023589
Direct taxes paid (Net)		8252670		(17717414)
Net cash used for operating activities (A)		<b>(45953219)</b>		<b>22306175</b>
<b>B. Cash flows from investing activities</b>				
Purchase of fixed assets		(8924079)		(44483551)
Proceeds from sale of Investments		2500000		-
Interest received		1037704		965821
Net cash used in investing activities (B)		<b>(5386375)</b>		<b>(43517730)</b>

MANJEERA CONSTRUCTIONS LIMITED  
CASH FLOW STATEMENT FOR THE YEAR  
ENDED 31st MARCH, 2010

	YEAR ENDED 31.03.2010 RS.		YEAR ENDED 31.03.2009 RS.	
<b>C. Cash flow from financing activities</b>				
Term Loan Receipts (Net)		63730187		27922260
Unsecured Loan Receipts (Net)		(6444230)		46682023
Inter corporate deposits received		14100000		13900415
Dividend paid		(15010102)		(8780535)
Interest Paid		(6527470)		(58259706)
Net cash from financing activities (C)		49848385		21464457
Net increase in cash and cash equivalents (A+B+C)		(1491209)		252902
Cash and cash equivalents at beginning of year		15179596		14926694
Cash and cash equivalents at end of period		13688386		15179596

Notes :

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

For and on behalf of the Board of Directors

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

Place : HYDERABAD  
Date : 07.05.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.: 051961

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

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

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

I. Registration Details:

Registration No : 72280 F 1986-87  
State Code : 01  
Balance Sheet Date : 31.03.2010

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

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

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

Total Liabilities		Total Assets	
Source of Funds:		Application of Funds:	
1. Paid-up Capital	125084	1. Net Fixed Assets	66109
2. Reserves & Surplus	409011	2. Investments	523800
3. Deferred tax liability	11150	3. Net Current Assets	426796
4. Secured Loans	395378	4. Misc. Expenditure	1439
5. Unsecured Loans	77521		
<b>TOTAL</b>	<b>1018144</b>	<b>TOTAL</b>	<b>1018144</b>

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

Turnover 604597 Profit after Tax 101500  
Total Expenditure 462449 Earnings per share (Rs.) 8.11  
Profit before tax 125257

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

- (Code: 72200)
- Sale of Flats/ Plots
  - Sale of Space
  - Contract receipts

For and on behalf of the Board of Directors

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

Place : HYDERABAD  
Date : 07.05.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G. SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

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

Name of the Subsidiary Company	Manjeera Retail Holdings Private Limited
1. Financial Year Ending of the Subsidiary	31/03/2010
2. Shares of the Subsidiary held by Manjeera Constructions Limited on the above date:	
a. Number and Face Value	4,50,00,000 Equity Shares of Rs.10/- Each.
b. Extent of Holding	51%
3. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of Manjeera Constructions Ltd.	
a. dealt with in the accounts of the Company for the year ended 31st March, 2010	Nil
b. not dealt with in the accounts of the Company for the year ended 31st March, 2010	Rs. (19,80,975)
4. Net aggregate amount of profits/(losses) for previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company:	
(a) dealt with in the accounts of the Company for the year ended 31st March, 2010.	Nil
(b) not dealt with in the accounts of the Company for the year ended 31st March, 2010	(Rs. (72,20,045)

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G. SHIVA LEELANAND)  
Director

Sd/-  
(T DEEPTHI)  
Company Secretary

## AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS MANJEERA CONSTRUCTIONS LIMITED

1. We have audited the attached Consolidated Balance Sheet of MANJEERA CONSTRUCTIONS LIMITED and its subsidiary MANJEERA RETAIL HOLDINGS PRIVATE LIMITED as at 31st March, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto in which is incorporated the financial statement of subsidiary audited by another auditor. These Consolidated Financial Statements are the responsibility of the MANJEERA CONSTRUCTIONS LIMITED's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding subsidiary. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements', issued by the Institute of the Chartered Accountants of India and on the basis of the separate audited financial statements of Manjeera Constructions Limited and its subsidiary included in the consolidated financial statements.  
  
The financial statements and other financial information of the subsidiary have been audited by other auditor whose report has been furnished to us and our opinion is solely based on the report of the other auditor.
4. On the basis of information and explanations given to us and in our opinion, the consolidated financial statements read together with the schedules and other notes thereon, give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - i. In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Manjeera Constructions Limited and its subsidiary as at 31st March, 2010;

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

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

Place: Hyderabad.  
Date: 10.06.2010

Sd/-  
(D.VIJAYA KUMAR)  
PARTNER  
Membership No:051961  
Firm Regn.No.321012E

MANJEERA CONSTRUCTIONS LIMITED  
CONSOLIDATED BALANCE SHEET  
AS AT 31ST MARCH, 2010

SCH	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS.
<b>SOURCES OF FUNDS</b>		
1	Shareholders funds	
a.	Share capital	125084180
b.	Reserves and surplus	405328860
		530413040
2	Loan funds	
a.	Secured loans	1289356721
b.	Unsecured loans	445167390
		1734524111
3	Minority Interest	428815118
4	Deferred tax liability	11150186
		962693273
		437511620
		1400204893
		429785796
		9628142
	<b>TOTAL</b>	<b>2704902456</b>
		<b>2287045430</b>
<b>APPLICATION OF FUNDS</b>		
1	Fixed assets	
a)	Gross block	101325612
b)	Less: Depreciation	30960345
c)	Net block	70365267
2	Investments	73800000
3	Current assets, loans and advances (A)	
a)	Inventories	2854154307
b)	Sundry debtors	94461657
c)	Cash and bank balances	65252093
d)	Loans and advances	143297371
		3157165428
		2442601311
		43674439
		68027168
		111931208
		2666234125
	Less : Current liabilities and provisions (B)	
a)	Current liabilities	541778630
b)	Provisions	56088819
		597867449
		470324240
		53223481
		523547721
	Net current assets (A) - (B)	2559297979
4	Miscellaneous expenditure (to the extent not written off or adjusted)	1439210
		2285566
	<b>TOTAL</b>	<b>2704902456</b>
		<b>2287045430</b>
19	Accounting policies and Notes on Accounts.	

For and on behalf of the Board of Directors

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

Place : HYDERABAD  
Date : 10.06.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

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

MANJEERA CONSTRUCTIONS LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH,2010

SCH	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>INCOME</b>		
Sale of space		
- Manjeera Heights project	234868256	145629395
- Smart Homes (Villas) Project	12906150	2173200
- Smart Homes Apartments project	31897115	2294150
Contract receipts	312645848	461475612
Energy Sales	6073432	5102621
Property management services	-	20000000
Miscellaneous income	14	6206224
	<b>604597025</b>	<b>638408458</b>
<b>EXPENDITURE</b>		
Cost of apartments sold	15	167920648
Contract expenses	16	273273313
Administrative & Selling expenses	17	22466563
	<b>463660524</b>	<b>490257704</b>
<b>PROFIT</b>		
Profit before interest, Depreciation & Tax	140936501	148150754
Interest & Financial expenses	18	7374763
<b>Profit before Depreciation &amp; Tax</b>	<b>133561738</b>	<b>132327064</b>
Depreciation	10285777	10692794
<b>Profit before taxation</b>	<b>123275961</b>	<b>121634270</b>
Provision for taxation	22235061	14074094
Provision for Deferred tax liabilities for the year	1522044	8474405
<b>Profit after tax</b>	<b>99518856</b>	<b>99085771</b>
Profit brought forward	153605516	74110950
Profit for appropriation	253124373	173196721
<b>APPROPRIATION</b>		
General Reserve	-	3000000
Proposed Dividend	15010102	15010102
Income tax on Proposed Dividend	2492990	2550967
Share of Loss transferred to Minority Interest	970678	969864
Balance transferred to Reserves & Surplus	<b>236591958</b>	<b>153605516</b>
Earnings per share - (basic & diluted) (Rs.)	7.96	7.92
<b>Accounting policies and Notes on Accounts</b>	<b>19</b>	

For and on behalf of the Board of Directors

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

Place : HYDERABAD  
Date : 10.06.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.:051961

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE CONSOLIDATED BALANCE SHEET

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SCHEDULE : 1 SHARE CAPITAL</b>		
Authorised :		
2,50,00,000 Nos. equity shares of Rs.10 each. Issued,subscribed & paid up:	<b>250000000</b>	<b>250000000</b>
1,25,08,418 (1,25,08,418) Nos. equity shares of Rs.10 each fully paid up. (Includes 10,00,675 Nos. Bonus shares on capitalisation of reserves and Rs.75,05,043 Nos. right shares issued during earlier years)	<b>125084180</b>	<b>125084180</b>
<b>SCHEDULE : 2 RESERVES AND SURPLUS</b>		
General Reserve	18636042	18636042
Profit and Loss Account	236591958	153605516
Share premium	150100860	150100860
	<b>405328860</b>	<b>322342418</b>
<b>SCHEDULE : 3 SECURED LOANS</b>		
Term Loan :		
Housing Development Finance Corporation Limited (Secured by deposit of the title deed of office premises at Aditya Trade Centre, Ameerpet )	12068294	17596468
Housing and Urban Development Corporation Limited (Secured by equitable mortgage of land under Chitra Layout, Saroor Nagar, Hyderabad along with construction to be made thereon with first charge on all revenues receivable and immovable property present and future pertaining to the project)	15093251	32181444
ICICI Bank Limited (Secured by the assets of the Smart Homes project)	-	12000000
Yes Bank Limited (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanpally project )	-	47475170
Tata Capital Limited (Secured by the Wind Turbine Generator )	23631538	27925275
Tata Capital Limited (Secured by the non standard equipment )	1851705	12765234
Tata Capital Limited (Secured by the Tower Crane)	3627240	-
Andhra Pradesh State Financial Corporation., (Secured by collateral security amounting to Rs.625 lac provided by way of urban immovable properties)	45922962	46000000

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE CONSOLIDATED BALANCE SHEET

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
Canara Bank Limited (Secured by equitable mortgage of development rights of the company over 1.23 acres of land at Plot S-2, Sy-No.1050 located at Kukatpally, Hyderabad alongwith proposed residential buildings with build up area of 402000 sq.ft including car parking space of 93924sq.ft)	211153257	66693238
ICICI Bank Limited (Secured by hypothecation of the scheduled receivables and account assets and by way of exclusive charge)	16224501	14962433
Yes Bank Limited - working capital demand loan (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanpally project )	65200000	50000000
i) Housing and Urban Development Corporation Ltd	500001634	50011124
ii) Bank of Baroda	212110212	40000000
iii) Indian Bank	80732791	40934020
iv) Oriental Bank of Commerce	100000000	50000000
(I to IV are secured by a pari passu charge on project immovable properties by way of deposit of mortgage by deposit of title deeds, assignment of rights of the land and project documents, insurance policies relating to the project, Personal Guarantee of promoter director Mr. G Yoganand and corporate guarantee of Manjeera Constructions Limited, pledge of shares of entire shareholding of Manjeera Constructions Limited in subsidiary Manjeera Retail Holdings Pvt Limited and assignemnt of Escrow account and charges on receivables)		
Interest accrued & due	1739336	4048743
	<b>1289356721</b>	<b>962693273</b>
<b>SCHEDULE : 4 UNSECURED LOANS</b>		
Vehicle financiers	2168672	1789278
Intercorporate deposits	35100000	21000000
India Bulls Financial Services Limited -Loan against property 3,67,647 (Previous Year :367647) 14% Investor Cumulative mandatorily Debentures of Rs.1000 each.	40251718	47075342
	367647000	367647000
	<b>445167390</b>	<b>437511620</b>
(Amount repayable within one year Rs.3,68,25,672 - previous year:Rs.2,37,45,031)		

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE CONSOLIDATED BALANCE SHEET

ASSET	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2009 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2010 Rs.	Upto 01.04.2009 Rs.	For the Year Rs.	Deductions Rs.	Upto 31.03.2010 Rs.	As at 31.03.2009 Rs.	As at 31.03.2010 Rs.
Land	1,68,006	-	-	1,68,006	-	-	-	-	1,68,006	1,68,006
Building	1,62,73,913	-	-	1,62,73,913	29,91,464	6,64,122	-	36,55,586	1,26,18,327	1,32,82,449
Plant & Machinery	5,77,20,840	60,56,533	-	6,37,77,373	1,04,96,955	72,28,629	-	1,77,25,584	4,60,51,789	4,72,23,885
Electrical equipment	16,38,997	58,428	-	16,97,425	7,70,662	1,28,147	-	8,98,809	7,98,616	8,68,335
Office equipment	16,25,368	7,40,023	-	23,65,391	5,01,910	2,15,283	-	7,17,193	16,48,198	11,23,458
Computers	30,24,334	22,00,854	-	52,25,188	20,40,026	5,53,436	-	25,93,462	26,31,726	9,84,308
Furniture & fixtures	19,23,814	2,66,758	-	21,90,572	6,87,400	2,53,862	-	9,41,262	12,49,310	12,36,414
Vehicles	61,72,797	34,54,947	-	96,27,744	31,86,151	12,42,298	-	44,28,449	51,99,295	29,86,646
TOTAL	8,85,48,069	1,27,77,543	-	10,13,25,612	2,06,74,568	1,02,85,777	-	3,09,60,345	7,03,65,267	6,78,73,501
Previous Year	4,28,40,045	4,57,08,024	-	8,85,48,069	99,81,774	1,06,92,794	-	2,06,74,568	6,78,73,501	

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE CONSOLIDATED BALANCE SHEET

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SCHEDULE : 6 INVESTMENTS</b> (Long term, at cost and unquoted)		
Nil (39,996) equity shares of Rs.10 each fully paid up in Ambica Chennakesava Projects Limited	-	399960
10,12,320 (266400) equity shares of Rs.10 each fully paid up in GM Infra Ventures Private Limited	39960000	2664000
Nil (3,72,960) Optionally fully convertible Debentures (I SERIES) of Rs.100 each in GM Infra Ventures Private Limited	-	37296000
3,38,400 Optionally fully convertible Debentures (III SERIES) of Rs.100 each in GM Infra Ventures Private Limited	33840000	33840000
	<b>73800000</b>	<b>74199960</b>
<b>SCHEDULE : 7 INVENTORIES</b> (At lower of cost or net realisable value as certified by the management)		
Apartment held for sale - Manjeera Heights Phase I Project	1592402	1592402
Property development projects (in progress) :		
Manjeera Heights - Phase II	34815556	109005936
Smart Homes (Villas)	83767313	77097654
Bangalore	4335443	4325442
Plot No.34 (HUDA)	3739101	3734701
Smart Homes Apartments	56170075	43871376
Kukatpally Apartments	401500731	273002206
Kukatpally Residential, Commercial Complexes & Multiplexes	2268233686	1929126852
Contract projects work in progress :		
Hyderashakote	-	311427
Manjeera Diamond Towers	-	533315
	<b>2854154307</b>	<b>2442601311</b>
<b>SCHEDULE : 8 SUNDRY DEBTORS</b> (Unsecured and considered good)		
Outstanding for a period exceeding six months	12320175	30415290
Others	82141482	13259149
	<b>94461657</b>	<b>43674439</b>

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE CONSOLIDATED BALANCE SHEET

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SCHEDULE : 9 CASH AND BANK BALANCES</b>		
Cash on Hand	195222	54116
Balance with scheduled banks:		
In current account	28815626	30733573
In margin deposit	36241245	37239479
	<b>65252093</b>	<b>68027168</b>
<b>SCHEDULE :10 LOANS AND ADVANCES</b> (Unsecured,considered good)		
Advance to Joint Venturers	23307924	15040899
Advance - acquisition of land	8234000	8234000
Advances recoverable in cash or in kind or for value to be received	70317599	32601632
Deposits	4272981	3134332
Advance Taxes and Tax Deducted at Source	21442634	36239570
Mobilisation Advance paid	4856097	5650535
Retention, security & withheld monies	10497050	8600876
Interest accrued but not due	369086	2429364
	<b>143297371</b>	<b>111931208</b>
<b>SCHEDULE: 11 CURRENT LIABILITIES</b>		
Advances from customers	114281448	170835939
Advances from Joint venturers	8073380	8073380
Sundry creditors	173643502	87542027
Other liabilities	23623570	18827952
Mobilisation Advance	44856097	75650535
Securities & Retention Monies Refundable	4653456	2074562
Interest accrued but not due	172003616	107319845
Book overdraft with scheduled bank in current account	643561	-
	<b>541778630</b>	<b>470324240</b>
<b>SCHEDULE: 12 PROVISIONS</b>		
Proposed dividend	15010102	15010102
Employee benefits	239445	199073
Dividend Tax	5043957	2550967
Fringe benefit tax	234883	439339
Income Tax	35560432	35024000
	<b>56088819</b>	<b>53223481</b>
<b>SCHEDULE: 13 MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
Preliminary expenses	507000	760500
Amortised during the year	253500	253500
	<b>253500</b>	<b>507000</b>
	1778566	2371422
Amortised during the year	592856	592856
	<b>1185710</b>	<b>1778566</b>
	<b>1439210</b>	<b>2285566</b>

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

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SCHEDULE : 14 MISCELLANEOUS INCOME</b>		
Interest receipts	1037704	965821
Rental Income	767660	767659
Profit on sale of Shares	2100040	-
Consultancy fees	200820	-
Closure Fees	2100000	-
	<b>6206224</b>	<b>1733480</b>
<b>SCHEDULE : 15 COST OF APARTMENTS SOLD</b>		
Manjeera Heights Phase I Project	-	1756185
Add:Transfer from Schedule 17	-	44880
	-	1801065
Manjeera Heights Phase II Project	128050173	73986558
Add:Transfer from Schedule 17	9739871	3825713
	<b>137790044</b>	<b>77812271</b>
Smart Homes (Villas) Project	8705198	1527433
Add:Transfer from Schedule 17	161552	1903444
	<b>8866750</b>	<b>3430877</b>
Smart Home Apartments Project	21112701	1850410
Add:Transfer from Schedule 17	151153	60990
	<b>21263854</b>	<b>1911400</b>
	<b>167920648</b>	<b>84955612</b>
<b>SCHEDULE : 16 CONTRACT EXPENSES</b>		
Manjeera Diamond Towers project	131533139	258112242
Hydershakote project	44005844	40291884
Bhubhaneshwar Project	33335654	80313845
Contract work - MRHPL	30182676	-
Contract work - VPL	34216000	-
	<b>273273313</b>	<b>378717971</b>
<b>SCHEDULE: 17 ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Salaries and employee benefits	20597084	14586670
Director remuneration	5480000	4254000
Travel & conveyance	1371080	1972998
Vehicle maintenance	231758	245678
Repairs & maintenance	208314	197386
Printing & stationery	491475	429350
Postage and telephones	1009985	740888
Office maintenance	4080188	2752116
Property tax	191,877	223857

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

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
Professional charges	5595659	2367669
Sales tax	1146482	-
Subscriptions & fees	365332	347432
Share expenses	33092	1896124
Security Services	2267583	-
Legal fee & expenses	316327	543457
Insurance	1077007	481661
Audit fee	336415	349814
Advertisement	3806079	842654
General expenses	1326598	1356697
Miscellaneous expenditure written off	850004	846356
Donations	460000	140000
	<b>51242338</b>	<b>34574807</b>
Less: Transfer to cost of apartments sold (Schedule 15)		
a) Manjeera Heights Phase I Project	-	44880
b) Manjeera Heights Phase II Project	9739871	3825713
c) Smart Homes (Villas) Project	161552	1903444
d) Smart Homes Apartments Project	151153	60990
Less: Transfer to Inventories - Projects		
a) SMART HOMES (Villas)	3372272	-
b) Kukatpally Apartments	12678430	2155660
c) Smart Homes Apartments	2375392	-
d) S2 A contract work	297105	-
	<b>22466563</b>	<b>26584120</b>
<b>SCHEDULE: 18 INTEREST &amp; FINANCIAL EXPENSES</b>		
Bank charges & commission	1190726	2947386
Processing fees	97983	1905886
Interest - term loans	59379422	49352196
Interest - vehicle financiers	218009	217398
Interest - Inter corporate Deposits	3319549	7043371
Less: Transfer to Inventories	64205688	61466237
a) Manjeera Heights Phase II project	3557465	4247805
b) Smart Homes (Villas) project	2220880	3349707
c) Kukatpally - Residential	48040025	36302919
d) Smart Homes Apartments project	3012555	1742116
	<b>7374763</b>	<b>15823690</b>

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF CONSOLIDATED ACCOUNTS

**SCHEDULE: 19 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.**

**A. Significant Accounting Policies**

- Overview of Subsidiary :  
Manjeera Retail Holdings Private Limited ("the Company") was incorporated on 25th February 2000. During the year 2006-07 the company has been reconstituted as a special purpose vehicle (SPV) to carry on the business of construction of property for mixed use. The principal activities of the Company are construction of property being developed for residential, retail and commercial purposes. Manjeera Constructions Limited and Trinity Capital (Six) Limited have entered into debenture cum subscription and shareholders agreement with the Company and hold 51% and 49% respectively in the equity share capital of the Company as at the balance sheet date.
- Basis for preparation of consolidated financial statements:  
The Consolidated financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) in conformity with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956 as consistently adopted. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis and provision is made for all known losses and liabilities.  
The consolidated financial accounts relate to Manjeera Constructions Limited and its subsidiary Company Manjeera Retail Holdings Private Limited. The consolidated financial statements have been prepared on the following basis.  
The financial statements of the subsidiary Company have been consolidated on line-by line basis by adding together the book values of like items of assets and liabilities, income and expenses as per Accounting Standard 21 – Consolidated Financial Statements
- Use of Accounting estimates  
Preparation of Consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates.
- Fixed assets  
Fixed assets are stated at cost of acquisition less accumulated depreciation thereon.
- Depreciation:  
Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF CONSOLIDATED ACCOUNTS

6. Borrowing costs:
- Borrowing costs specifically for the purpose of acquisition and construction of a qualifying asset, that are directly attributable to the qualifying asset, is capitalized as part of the cost of the asset.
  - Borrowing costs not attributable to the acquisition of any qualifying asset are recognised as expense in the period in which they are incurred.
7. Impairment of Assets  
The carrying amount of assets, other than inventory is reviewed at each balance sheet date for any indication of impairment and if any, the recoverable amount of assets is estimated. Impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.
8. Investments  
Long-term investments are stated and carried at cost less provision for permanent diminution, if any, in value of such investments.
9. Inventories:  
Inventories are valued at lower of cost or net realisable value. Properties under development are valued at cost. Cost includes all direct development expenditure, borrowing cost and appropriate overheads. Cost of inventory includes all external development charges incurred for the project including cost of land development rights.
10. Miscellaneous expenditure  
Preliminary and Rights issue expenses are amortised over a period of five years.
11. Employee benefits
- Contributions of Defined Contribution plans such as Provident fund, etc. are charged to the profit and loss account as incurred.
  - Termination benefits are recognised as and when incurred.
12. Revenue recognition
- On property development projects(own)  
Income from property development is recognized upon handing over possession of space/flats to the buyers i.e. property with all significant risks and rewards of ownership are transferred to the buyer and no effective control of the property is retained and no significant uncertainty exists regarding the consideration derived for such property and it is not unreasonable to expect ultimate collection.
    - On development projects (Development basis)  
Income on development activity is recognised based on project completion method and on handing over developed property to the principals as per the terms of agreement.
    - On construction contracts (undertaken as contractors)  
Percentage completion method followed for accounting of construction contracts undertaken.

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF CONSOLIDATED ACCOUNTS

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

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF CONSOLIDATED ACCOUNTS

**B. Notes on Accounts:**

1. Contingent liabilities not provided for:
  - a) Holding Company:
    - i) Bank Guarantees Rs.527.40 Lac (Previous year Rs.527.40 Lac)
    - ii) APGST payable (i) Rs.3,45,181 for the financial year 2000-01 and (ii) Rs.22,13,846 for the financial year 2004-05 pending appeal with Appellate Dy.Commissioner (CT), Hyderabad.
  - b) Subsidiary Company: Bank Guarantees issued by banks Rs.24,35,18,320 (Previous Year : Rs.24,33,76,820)
2. Particulars under paragraph 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956, to the extent applicable:
  - i) Inventories (Apartments):

	Current year			Previous year		
	Sq.ft.	Nos.	Value (Rs.)	Sft.	Nos.	Value (Rs.)
Opening Stock	1332	1	15,92,402	2801	2	24,40,143
Additions made	219881	132	16,28,65,729	---	-	9,08,444
Cost of sales	195783	118	12,80,50,173	1469	1	17,56,185
Closing Stock	25430	15	3,64,07,958	1332	1	15,92,402

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

	31.03.2010 (Rs.)	31.03.2009 (Rs.)
Contract revenue recognized during the year	31,26,45,848	46,14,75,612
Contract costs incurred and recognized profits	27,32,73,313	37,87,17,971
Advances received, net of recoveries from progressive bills	4,00,00,000	2,49,30,000
Gross amount due from customers from contract works	3,91,03,081	1,18,93,368
Gross amounts due to customers for contract work	Nil	Nil

4.
  - i) Provision for taxation made under the liability method after availing exemptions and deductions at the rates applicable under the Income Tax Act, 1961 includes Rs.2,13,000 for the current period.
  - ii) Income tax Assessments have been completed upto the Assessment year 2007-08.
  - iii) Profit before tax includes Rs.9,70,29,532 deductible under section 80-IB of Income Tax Act, 1961 from the Gross total income of the Company for the year under consideration relates Manjeera Heights Phase II project.

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF CONSOLIDATED ACCOUNTS

5. As of 31st March, 2019, there are no outstanding dues to small scale industrial undertakings as per the records available.
6. Managerial remuneration under section 198 of the Companies Act, 1956: Managing Director - Salary Rs.54,00,000 and other directors Rs.65,000 (previous year Rs.42,45,000)
7. Considered construction and related activities as one business segment for disclosure in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India.
8. Particulars of loans and advances in the nature of loans as required under clause 32 of the listing agreement.: Nil (Previous Year: Nil)
9. The Subsidiary company leases office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating leases is Rs.11,94,361 (previous year: Rs.1052,195) and non-cancellable portion is Rs.135,000 (previous year: Rs. 84,000).  
The total of future minimum lease payments (MLP) under non-cancellable operating leases is as follows:

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
Due within one year	132,000	—
Due later than one year and not later than five years	—	184,800
Due after five years	—	—
<b>Total</b>	<b>132,000</b>	<b>352,800</b>

10. Related party disclosures as required by Accounting Standard 18 of the Institute of Chartered Accountants of India:

A) Related parties and relationship:

- i) Key management personnel
  - G Yoganand, Managing Director
  - G Shivaleelanand, Director
  - K Krishna Murthy, Director
  - D.L.S. Sreshti, Director
  - Vijay K Sondhi, Director
  - D.Kiran Kumar, Director
  - P.Shobanadri, Director
  - K Praveen Kumar Raju, Alternate Director

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF CONSOLIDATED ACCOUNTS

ii) Enterprises in which key Management personnel have significant influence:

Manjeera Hotels & Resorts Limited  
Manjeera Estates Private Limited  
Manjeera Projects  
GM Infra Ventures Private Limited  
Trinity Capital (Six) Limited

iii) Associates:

Ashraya Hotels & Estates Private Limited  
Ambica Chennakesava Projects Limited

iv) Joint venture: Bharathi Infra projects Private Limited

B) Transactions with related parties during the financial year and outstanding balance as on 31.03.2010.

Nature of Transaction	Key Management Personnel (Previous year) Rs.	Enterprises in which key Mgt. personnel have significant influence (Previous year) Rs.	Associates (Previous year) Rs	Joint Ventures (Previous year) Rs.
Directors Remuneration	54,65,000 (42,45,000)			
Professional Fee	NIL (22,66,000)			
Sitting Fees	15,000 (9,000)			
Debentures Outstanding		36,76,47,000 (36,76,47,000)		
Interest paid on Debentures		6,50,50,496 (5,72,08,437)		
Interest payable on Debentures (Outstanding)		16,33,22,893 (9,82,72,397)		
Inter Corporate Deposits received		3,16,00,000 (1,50,00,000)		
Interest on Inter Corporate Deposits paid		20,98,385 (42,35,700)		
Contract Receipts		15,63,05,072 (30,64,90,833)	4,99,73,048 (4,30,62,866)	
Investment in Equity shares		3,99,60,000 (26,64,000)		

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF CONSOLIDATED ACCOUNTS

Investment in Debentures	3,38,48,000 (3,38,48,000)		
Sundry Debtors	13,22,901 (16,94,756)	3,46,975 (1,01,98,611)	
Advances from Customers	5,58,02,000 (9,00,00,000)		
Investments received from Joint ventures			80,73,380 (80,73,380)

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

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

	For the year ended 31 March 2010	For the year ended 31 March 2009
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year is as follows:		
- Principal amount payable to suppliers as at the year-end	—	4,568,647
- Interest accrued on the above amount as at the year-end	—	—

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

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

12. As per Accounting Standard 22 on "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India, the Company has accounted Deferred tax liability of Rs.96,28,141 as on 31.03.2009 on accounting of timing difference of depreciation. For the period under consideration Rs.15,22,044 has added on account of such depreciation in Profit and Loss account.

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE FORMING PART  
OF CONSOLIDATED ACCOUNTS

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

Statutory Audit Fee	1,65,450
Tax Audit Fee	55,150
Income tax matters	11,030
Certification Fee	1,04,785
Total	3,36,415

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

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

Earnings per Share (EPS)	Year ended	Year ended
	31.03.2010	31.03.2009
Profit/ (Loss) for the year attributable to equity share holders	Rs. 9,95,18,856	Rs. 9,90,85,771
No. of Equity shares (of Rs. 10 each including Rights shares of 75,05,043)	12508418	12508418
Earnings per share (Basic & diluted) – (Negative)	Rs. 7.96	Rs. 7.92

16. The Subsidiary company during the year incurred an amount of Rs.71,66,819 (Previous Year Rs.1,34,97,945) in foreign currency on account of Consultancy expenses.

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

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

19. Schedules one to nineteen form part of accounts.

For and on behalf of the Board of Directors

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

Place : HYDERABAD  
Date : 10.06.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.:051961

MANJEERA CONSTRUCTIONS LIMITED  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31st MARCH ,2010

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS.
<b>A. Cash flows from operating activities</b>		
Net Profit before taxation	123275961	121634270
Adjustments for :		
Depreciation	10285777	10692794
Prior Period adjustment	-	
Misc. expenditure amortised	846356	846356
Profit on Sale of Investments	(2100040)	
Interest income	(1037704)	(965821)
Interest expense	7374763	56649456
	15369152	67222784
Operating Profit before working capital changes	138645113	188857055
Adjustments for changes in working capital :		
increase in Inventories	(411552996)	(245613778)
increase in Trade receivables	(50787218)	(12863422)
Increase in other receivables	(46163100)	109199779
increase in Advance from customers	(56554491)	(160569540)
increase in Trade payable	86101475	42629520
increase in other liabilities	(22776365)	72669231
	(501732694)	(194548210)
Cash generated from operations	(363087581)	(5691155)
Direct taxes paid (Net)	7065779	(18317113)
Net cash used for operating activities (A)	<b>(370153360)</b>	<b>(24008268)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(12777543)	(45708024)
Proceeds from sale of Investments	2,500,000	-
Interest received	1037704	3938182
Net cash used in investing activities (B)	<b>(9239839)</b>	<b>(41769842)</b>

MANJEERA CONSTRUCTIONS LIMITED  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31st MARCH ,2010

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS.
<b>C. Cash flow from financing activities</b>		
Term Loan Receipts (Net)	326663448	113017528
Unsecured Loan Receipts (Net)	(6444230)	46682023
Inter corporate deposits received	14100000	13900415
Dividend paid	(15010102)	(8780535)
Interest Paid	57309008	(141122024)
Net cash from financing activities (C)	<b>376618124</b>	<b>23697407</b>
Net increase in cash and cash equivalents (A+B+C)	<b>(2775075)</b>	<b>(42080703)</b>
Cash and cash equivalents at beginning of year	68027168	110107871
Cash and cash equivalents at end of period	65252093	68027168

Notes:

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

For and on behalf of the Board of Directors

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

Place :HYDERABAD  
Date :10.06.2010

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G. SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.:051961

MANJEERA DIAMOND TOWERS



Manjeera Diamond Towers offers residential space that begins and ends with the most profound attention to detail. Coming up on 11 acres of prime land in Gopanpally, Gachibowli, Phase 1 of Manjeera Diamond Towers comprises of 7 towers of 10 levels each housing 3 BHK (1530 sft. to 1780 sft.) luxury apartments. Manjeera Diamond Towers Phase II features 5 towers of 10 levels each, housing 2 and 3 BHK apartments ranging between 940 sft. and 1500 sft. in size. Phase I is in an advanced stage of completion and is poised for occupation by June 2011.



# THE VALUE-ADDED APPROACH



TO GO THE EXTRA MILE. TO EXCEED EXPECTATIONS. TO EXPAND AND OPTIMIZE BUSINESSES. TO CREATE A HEALTHIER, WEALTHIER AND BETTER WORLD THAT DELIVERS SUSTAINABLE VALUE. TO DELIVER SERVICES ESSENTIAL TO THE CREATION AND LIFE OF INFRASTRUCTURE ASSETS. TO BUILD CAPABILITIES OF HANDLING COMPLEXITIES OF TECHNOLOGY AND GEOGRAPHY.

## DIRECTORS' REPORT

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

Your Directors hereby present the 10th Annual Report of your company together with the Audited Financial Statements for the financial year ended 31st March, 2010.

### OPERATIONS OF THE COMPANY

Your Company has undertaken the development of 8,295 Acres of APHB's Land at Kukatpally under special purpose vehicle. The total estimated cost of the project as per revised projections is about Rs.637.8 Crores. The Project deals with construction of about 19.82 Lakhs Sq.ft. of built-up area of office, retail / multiplex / commercial / residential apart from car parking space of about 8.92 Lakhs Sq. ft.

The Company has obtained approvals for the land use Conversion, Height Clearances from Airport Authority of India and NOC from DGFS for the properties. US Architects R204 DESIGN, Los Angeles, USA have been appointed for the project designs and they have completed the Concept designs for Office Complex and Shopping Mall. The designs for Residential and office in S3 site were completed.

All the Consultants for marketing, MEP, Vertical Transportation PMC were appointed. The Civil and Structural contractors for S-3 site were also appointed.

The Earth work excavation to the extent of 70% is completed apart from completion of Slope protection works, construction of retaining walls.

Environmental Clearances: The SEAC ( State Expert Approval Committee) of Ministry of Environment & Forest had recommended for prior EC for both the sites.

The Company had incurred Rs. 30,78,07,944/- as expenditure for the project during the year under review.

### SHAREHOLDING

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

### PUBLIC DEPOSITS

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

### DIRECTORS

During the year Mr. K. Srinath and Mr. Mahesh Manilal Gandhi have resigned as directors of the company with effect from 15-09-2009. Your directors wish to place on record their sincere appreciation of the contribution made by them during their tenure as directors.

During the year under review, Mr. Vijay K Sondhi was appointed as director of the company with effect from 11-10-2009 and Mr. K. Praveen Kumar was appointed as alternate director to Mr. Vijay K Sondhi with effect from 26-03-2010.

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

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

### DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

### AUDITORS

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

### PARTICULARS OF EMPLOYEES

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

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

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

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

Foreign Exchange earnings	: Nil
Foreign Exchange outgo	: Rs. 7,166,819/-

### AUDITORS' REPORT

The observations of the Auditor's in their report to the shareholders for the year ended 31st March, 2010 are self explanatory and does not require any further clarification from the Board of Directors of the company.

### ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Place: Hyderabad  
Date: 10.06.2010

Sd/-  
(G Yoganand)  
Chairman and Managing Director

Sd/-  
(P Sobhanadri)  
Director

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

- 1 We have audited the attached balance sheet of Manjeera Retail Holdings Private Limited ("the Company") as at 31 March 2010, the profit and loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) on the basis of written representations received from the directors, as on 31 March 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act; and

- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2010;
  - (ii) in the case of the profit and loss account, of the loss of the Company for the year ended on that date; and
  - (iii) the case of cash flow statement, of the cash flows of the Company for the year ended on that date.

for **BSR & Company**  
Chartered Accountants

(sd)  
Sampad Guha Thakurta  
Partner  
Membership No: 60573

Hyderabad  
Date: 10.06.2010

MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
ANNEXURE TO THE AUDITORS' REPORT  
31 MARCH 2010

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

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

11. The Company has not accepted any deposits from the public.
12. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
13. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the services rendered by the Company. Accordingly, paragraph 4(viii) of the Order is not applicable.
14. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax and other material statutory dues during the year have generally been regularly deposited with the appropriate authorities. As explained to us, the provisions of employees' state insurance, wealth tax, customs duty, excise duty and investor education and protection fund are not applicable to the Company.  
  
Further, there were no dues on account of Cess under Section 441A of the Act, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax and other material statutory dues were in arrears as at 31 March 2010 for a period more than six months from the date they became payable. As explained to us, the provisions of employees' state insurance, wealth tax, customs duty, excise duty, cess and investor education and protection fund are not applicable to the Company.
15. According to the information and explanations given to us, there are no dues of income tax and service tax which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, customs duty and excise duty.
16. The Company has accumulated losses at the end of the financial year. The Company has incurred cash losses in the current financial year and immediately preceding financial year. However, they do not exceed fifty percent of its net worth.
17. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers, except for minor delays in repayment of interest in certain months. The Company did not have any dues to any financial institution during the year. The outstanding debentures are not repayable in cash and are compulsorily convertible into equity shares at any time after the expiry of 36 months from the date of issue of the debentures. 245,098 debentures and 122,549 debentures have been issued on 22 March 2007 and 29 November 2007 respectively. However, the debenture holders have not exercised the conversion option as of 31 March 2010.

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

for **B S R & Company**  
Chartered Accountants  
Firm Registration No:128032W

(Sd)  
Sampad Guha Thakurta  
Membership No: 60573

Hyderabad  
10.06.2010

MANJEERA DIAMOND VILLAS



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



MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
BALANCE SHEET  
AS AT 31ST MARCH, 2010

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

	SCH	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	2	882,352,940	882,352,940
Loan funds			
Secured loans	3	893,978,529	631,045,268
Unsecured loans	4	367,647,000	367,647,000
		1,261,625,529	998,692,268
<b>Deferred tax liability, net</b>	13(6)	—	—
		<b>2,143,978,469</b>	<b>1,881,045,208</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	5,389,292	1,535,828
Less: Accumulated depreciation		(1,132,608)	(407,146)
Net block		4,256,684	1,128,682
<b>Current assets, loans and advances</b>			
Inventories	6	2,268,233,686	1,929,126,852
Cash and bank balances	7	51,563,707	52,847,570
Loans and advances	8	60,776,720	30,609,998
		2,380,574,113	2,012,584,420
<b>Current liabilities and provisions</b>			
Current liabilities	9	247,832,928	137,696,482
Provisions	10	239,445	210,482
		248,072,373	137,906,964
<b>Net current assets</b>		2,132,501,740	1,874,677,456
Debit balance in profit and loss account		7,220,045	5,239,070
		<b>2,143,978,469</b>	<b>1,881,045,208</b>
Significant accounting policies	1		
Notes to the accounts	13		
The schedules referred to above form an integral part of the balance sheet.			

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

For Manjeera Retail Holdings Private Limited

Place : HYDERABAD  
Date: 10-06-2010

Sd/-  
(Sampad Guha Thakurta)  
Partner  
Membership No. 60573

Sd/-  
(G Yoganand)  
Chairman and  
Managing Director

Sd/-  
(P Sobhanadri)  
Director

Sd/-  
(N L Jyothsna)  
Company Secretary

MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
PROFIT AND LOSS ACCOUNT  
AS AT 31ST MARCH, 2010

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

	SCH	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>Income</b>			
Other income		-	-
		-	-
<b>Expenditure</b>			
Operating and other expenses	11	1,210,796	1,599,206
Finance charges	12	44,717	36,491
Depreciation	5	725,462	323,634
		1,980,975	1,959,331
<b>Loss before tax</b>		<b>(1,980,975)</b>	<b>(1,959,331)</b>
<b>Provision for tax</b>			
- Current tax		-	-
- Deferred tax		-	-
- Fringe benefit tax		-	19,983
<b>Loss after tax</b>		<b>(1,980,975)</b>	<b>(1,979,314)</b>
Balance in the profit and loss account brought forward		(5,239,070)	(3,259,756)
<b>Balance in the profit and loss account carried forward to balance sheet</b>		<b>(7,220,045)</b>	<b>(5,239,070)</b>
<b>Earnings per share</b>			
Basic and dilutive			
- par value of Rs.10 per share	13(5)	(0.02)	(0.02)
Significant accounting policies	1		
Notes to the accounts	13		
The schedules referred to above form an integral part of the profit and loss account.			

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

For Manjeera Retail Holdings Private Limited

Place : HYDERABAD  
Date: 10-06-2010

Sd/-  
(Sampad Guha Thakurta)  
Partner  
Membership No. 60573

Sd/-  
(G Yoganand)  
Chairman and  
Managing Director

Sd/-  
(P Sobhanadri)  
Director

Sd/-  
(N L Jyothsna)  
Company Secretary

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

### Schedule 1: Significant accounting policies

#### Company Overview

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

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

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

Companies Act, 1956 to the extent applicable. The financial statements are presented in Indian rupees.

#### 2. Use of estimates

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

#### 3. Fixed assets and depreciation

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

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

#### 3. Fixed assets and depreciation (continued)

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

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

#### 4. Inventories

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

#### 5. Foreign currency transactions

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

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

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

#### 6. Employee benefits

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

#### 7. Earnings per share

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

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

#### 8. Income tax

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

##### Current tax

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

##### Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are

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

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

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

**Fringe Benefit tax**

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

**9. Impairment of assets**

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

**10. Borrowing cost**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

**11. Provisions and contingent liabilities**

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

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

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

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>Schedule 2. Share capital</b>		
<b>Authorised capital</b>	900,000,000	900,000,000
90,000,000 (previous year: 90,000,000) equity shares of Rs. 10 each	<b>900,000,000</b>	<b>900,000,000</b>
<b>Issued, subscribed and paid-up capital</b>		
88,235,294 (previous year: 88,235,294) of Rs 10. each, fully paid-up	882,352,940	882,352,940
	<b>882,352,940</b>	<b>882,352,940</b>
<i>(Of the above 45,000,000 (previous year: 45,000,000) equity shares of Rs. 10 each fully paid-up are held by Manjeera Constructions Limited, the holding company and 43,235,294 (previous year: 43,235,294) equity shares of Rs. 10 each fully paid-up are held by Trinity Capital (Six) Limited.)</i>		
<b>Schedule 3. Secured loans</b>		
<b>Long -term</b>		
Term loan from Housing and Urban Development Corporation Ltd (HUDCO) (Refer Note 1)	500,001,634	500,111,248
Term loan from Bank of Baroda (Refer Note 1)	212,110,212	40,000,000
Term loan from Indian Bank (Refer Note 1)	80,732,791	40,934,020
Term loan from Oriental Bank of Commerce (Refer Note 1)	100,000,000	50,000,000
Vehicle loan	1,133,892	-
	<b>893,978,529</b>	<b>631,045,268</b>
[Amount repayable within one year Rs. 6,21,636 (previous year: Rs. Nil)]		
<b>Notes:</b>		
"1. Term loans is secured by a pari passu charge on (a) project immovable properties viz. project land, building etc by way of a mortgage by deposit of title deeds, (b) assignment of rights of the land and project documents and insurance policies relating to the project, (c) personal guarantee of the promoter director Mr G Yoganand and corporate guarantee of Manjeera Constructions Limited, the holding company, (d) pledge of shares of entire shareholding of Manjeera Constructions Limited in Manjeera Retail Holdings Private Limited and (e) assignment of Escrow account and charge on receivables."		
2. Vehicle loan is secured by way of hypothecation of vehicle purchased by the Company.		
<b>Schedule 4. Unsecured loans</b>		
"367,647 (previous year: 367,647) 14% cumulative mandatorily convertible debentures of Rs 1,000 each"	367,647,000	367,647,000
	<b>367,647,000</b>	<b>367,647,000</b>
<b>Notes:</b>		
14% cumulative mandatorily convertible debentures shall be compulsorily converted into such number of equity shares as would be determined by dividing the aggregate amount received for the debentures by the conversion price as would be determined as per then applicable valuation guidelines and at the lowest certifiable value, at any time post expiry of 36 months from the date of issue of such debentures. 245,098 debentures and 122,549 debentures have been issued on 22 March 2007 and 29 November 2007 respectively.		

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

Description	GROSS BLOCK (AT COST)			DEPRECIATION		NET BLOCK	
	As at 1 April 2009	Additions	As at 31 March 2010	For the year	As at 31 March 2010	As at 31 March 2009	As at 31 March 2009
	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)
Tangible assets							
Owned assets							
Office equipment	165,350	469,055	634,405	49,212	67,428	566,977	147,134
Electrical equipment	42,638	58,428	101,066	12,409	18,786	82,280	36,261
Plant and machinery	84,470	-	84,470	9,514	25,590	58,880	68,394
Computers	394,150	1,210,650	1,604,800	203,633	386,707	1,218,093	211,076
Furniture and fixtures	166,500	216,144	382,644	48,879	82,644	300,000	132,735
Vehicles	682,720	1,899,187	2,581,907	401,815	551,453	2,030,454	533,082
<b>Total</b>	<b>1,535,828</b>	<b>3,853,464</b>	<b>5,389,292</b>	<b>725,462</b>	<b>1,132,608</b>	<b>4,256,684</b>	<b>1,128,682</b>
Previous year	311,355	1,224,473	1,535,828	323,634	407,146	1,128,682	

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

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>Schedule 6. Inventories</b>		
Land and site related developmental costs	2,268,174,854	1,928,397,668
Stock of materials	58,832	729,184
<b>2,268,233,686</b>	<b>1,929,126,852</b>	
<b>Schedule 7. Cash and bank balances</b>		
Cash in hand	150,000	-
Balances with scheduled banks		
- in current accounts*	26,892,207	28,447,570
- in deposit account	24,521,500	24,400,000
<b>51,563,707</b>	<b>52,847,570</b>	
* Includes an amount of Rs 6,333,649 (previous year: Rs.27,910,751) in ESCROW account which is assigned to the lenders.		
<b>Schedule 8. Loans and advances</b> (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	2,305,444	292,809
Interest accrued but not due	369,086	2,429,364
Security deposits	968,800	554,344
Advance to suppliers (Refer Note 1)	51,357,349	24,794,559
Prepaid expenses	5,105,088	710,038
Advance for fringe benefit tax (net of provision)	6,203	6,203
Advance tax (net of provision)	664,750	1,822,681
<b>60,776,720</b>	<b>30,609,998</b>	
<b>Note 1:</b> Includes Rs.Nil (previous year: Rs.21,742,873) paid as a mobilisation fees for construction works to Manjeera Constructions Limited, the holding company.		
<b>Schedule 9. Current liabilities</b>		
Sundry creditors		
- due to micro and small enterprises [Refer Note 13(9)]	-	4,568,647
- others	20,027,738	8,597,793
Advance from customers	51,850,819	8,259,999
Other liabilities	7,004,747	11,201,614
Interest accrued but not due	168,949,624	105,068,429
<b>247,832,928</b>	<b>137,696,482</b>	
<b>Schedule 10. Provisions</b>		
Provision for fringe benefit tax (net of advance)	-	11,409
Provision for employee benefits	239,445	199,073
<b>239,445</b>	<b>210,482</b>	

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

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

1. Capital commitments and contingent liabilities

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
Guarantees issued by banks	243,518,320	243,376,820

2. Auditor's remuneration (excluding service tax)

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
Statutory audit	450,000	450,000
Out of pocket expenses	—	—
<b>Total</b>	<b>450,000</b>	<b>450,000</b>

3. CIF value of Imports:

The company has no imports during the year (previous year: Rs Nil)

3. Expenditure incurred in foreign currency

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
Consultancy expenses	7,166,819	13,497,945

5. Earnings per share

The computation of earnings per share is set out below

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
Earnings (Rs.)		
Loss for the year attributable to equity share holders	(1,980,975)	(1,979,314)
Shares		
Weighted average number of equity shares outstanding during the year	88,235,294	88,235,294
Basic and dilutive EPS – par value of Rs.10 per share	(0.02)	(0.02)

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

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

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

6. Deferred taxation

Components of deferred tax assets and liabilities are:

(Rs.)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
Deferred tax liabilities arising on account of:		
- Fixed assets	(90,023)	(12,142)
Deferred tax asset arising on account of:		
Unabsorbed depreciation and carried forward losses	90,023	12,142
<b>Deferred tax liability, net</b>	<b>—</b>	<b>—</b>

The Company has recorded the deferred tax liability on account of depreciation on fixed assets amounting to Rs.90,023 as at 31 March 2010 and recognized the deferred tax asset on account of timing differences on unabsorbed depreciation and accumulated losses on the basis of prudence, only to the extent of the above mentioned deferred tax liability.

7. Leases

The Company leases office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating leases is Rs.1,194,361 (previous year: Rs. 1,052,195) and non-cancellable portion is Rs. 135,000 (previous year: Rs. 84,000).

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

(Rs.)

MINIMUM LEASE PAYMENTS	AS AT 31.03.2010	AS AT 31.03.2009
Due within one year	132,000	168,000
Due later than one year and not later than five years	—	184,800
Due after five years	—	—
<b>Total</b>	<b>132,000</b>	<b>352,800</b>

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

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

8. Related party transactions

**Holding Company**

- Manjeera Constructions Limited

**Enterprise having significant influence**

- Trinity Capital (Six) Limited

**Key Management Personnel:**

(Rs.)

NAME OF THE PARTY	RELATIONSHIP
G.Yoganand	Chairman and Managing Director
Vijay K Sondhi	Director
D.Kiran Kumar	Director
P.Shobhanadri	Director
K Praveen Kumar Raju	Alternate Director to Mr.Vijay K Sondhi

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

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
<b>Others</b>		
Interest on 14% mandatory convertible debentures to Trinity Capital (Six) Limited	65,050,496	57,208,437
Management fees paid to Manjeera Constructions Limited	—	22,472,000
Reimbursement of expenses to Manjeera Constructions Limited	3,160,753	33,13,539
Civil work done by Manjeera Constructions Limited	25,438,775	—
Advance refunded by Manjeera Constructions Ltd	—	(69,570,000)
Sitting fees paid to key managerial personnel	15,000	9,000

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

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

**Balances with related parties:**

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

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
14% Mandatorily convertible debentures to Trinity Capital (Six) Limited	367,647,000	367,647,000
Interest on debentures to Trinity Capital (Six) Limited	163,322,893	98,272,397
Advance to suppliers - Manjeera Constructions Limited	(2,002,076)	2,17,42,873

9. Dues to micro and small enterprise

The Company has sent out letters seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2010 has been made in the financials statements based on information received and available with the Company. Further the Company has not paid any interest to the micro, small and medium enterprises.

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year is as follows:		
- Principal amount payable to suppliers as at the year-end	—	4,568,647
- Interest accrued on the above amount as at the year end	—	—
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	—	—
The amount of interest accrued and remaining unpaid at the end of the year	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	—	—

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

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

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

11. **Employee benefits**  
The following table set out the status of the gratuity plan as required under AS 15 (Revised)

**Reconciliation of opening and closing balances of the present value of the defined benefit  
Obligation Change in defined benefit obligation**

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
Balance at 1 April	199,073	—
Service cost	18,095	—
Interest cost	14,930	—
Actuarial loss	7,347	—
Benefits paid	—	—
<b>Balance at 31 March</b>	<b>239,445</b>	<b>199,073</b>

**Amount recognized in balance sheet**

(Rs.)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
Present value of obligations	239,445	199,073
Net liability/(asset)	239,445	199,073
<b>Amounts in the balance sheet</b>		
Provisions	239,445	199,073
<b>Net liability/(asset)</b>	<b>239,445</b>	<b>199,073</b>

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

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
Current service cost	18,095	199,073
Interest Const	14,930	—
Interest on defined benefit obligation	—	—
Net actuarial loss recognized in the year	7,347	—
<b>Amount included in "Personnel expense"</b>	<b>40,372</b>	<b>199,073</b>

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

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

**Summary of actuarial assumptions**

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
Discount Rate (p.a.)	7.50%	7.50%
Salary escalation rate (p.a.)	10.00%	10.00%

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

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

12. Disclosure requirements under Accounting Standard 17 on 'Segment Reporting' are not applicable as the Company's business activity falls within a single primary business segment (viz: development of property) and a single geographical segments (within India).

13. Previous year figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's presentation.

**For Manjeera Retail Holdings Private Limited**

Sd/-  
(G Yoganand)  
Chairman and  
Managing Director

Sd/-  
(P Sobhanadri)  
Director

Sd/-  
(N L Jyothsna)  
Company Secretary

MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED  
31ST MARCH 2010

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

	YEAR ENDED 31.03.2010 RS.	YEAR ENDED 31.03.2009 RS.
<b>Cash flow from operating activities</b>		
Loss before tax	(1,980,975)	(1,959,331)
Adjustments:		
Depreciation	725,462	323,634
Finance charges	44,717	36,491
Operating loss before working capital changes	(1,210,796)	(1,599,206)
(Increase)/ decrease in inventories	(174,761,388)	(139,856,549)
(Increase)/ decrease in loans and advances	(32,149,071)	90,709,888
Increase/ (decrease) in current liabilities	43,205,930	5,031,122
Cash used in operations	(164,915,325)	(45,714,745)
Fringe benefit tax paid	-	(31,392)
Income taxes paid, net of refunds	(77,929)	(568,308)
<b>Net cash used in operating activities</b>	<b>(164,993,254)</b>	<b>(46,314,445)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(3,853,464)	(1,224,473)
Interest received	4,220,842	2,972,361
<b>Net cash provided by investing activities</b>	<b>367,378</b>	<b>1,747,888</b>
<b>Cash flow from financing activities</b>		
Proceeds from secured loans	262,933,261	130,934,020
Repayment of secured loans	-	(45,838,752)
Finance charges	(99,591,248)	(82,862,318)
<b>Net cash provided by financing activities</b>	<b>163,342,013</b>	<b>2,232,950</b>
<b>Net increase/ decrease in cash and cash equivalents</b>	<b>(1,283,863)</b>	<b>(42,333,607)</b>
Cash and cash equivalents at the beginning of the year	52,847,570	95,181,177
Cash and cash equivalents at the end of the year	<b>51,563,707</b>	<b>52,847,570</b>
NOTES:		
<b>1. Components of cash and cash equivalents comprise</b>		
Cash in hand	150,000	-
Balances with scheduled banks		
- in current accounts*	26,892,207	28,447,570
- in deposit accounts	24,521,500	24,400,000
	<b>51,563,707</b>	<b>52,847,570</b>

- Includes an amount of Rs 6,333,649 (previous year: Rs.27,910,751) in ESCROW account which is assigned to the lenders.
- Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

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

For Manjeera Retail Holdings Private Limited

Place : HYDERABAD Date: 10-06-2010	Sd/- (Sampad Guha Thakurta) Partner Membership No. 60573	Sd/- (G Yoganand) Chairman and Managing Director	Sd/- (P Sobhanadri) Director	Sd/- (N L Jyothsna) Company Secretary
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MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
COMPANY'S PROFILE & BALANCE SHEET ABSTRACT

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

I. Registration Details:

Registration No/ CIN : U72200AP2000PTC033700  
State Code : 01  
Balance Sheet Date : 31.03.2010

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

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

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

Total Liabilities		Total Assets	
Source of Funds:		Application of Funds:	
1. Paid-up Capital	8,82,352	1. Net Fixed Assets	4,256
2. Reserves & Surplus	-7,220	2. Investments	NIL
3. Secured Loans	8,93,978	3. Net Current Assets	21,32,501
4. Unsecured Loans	3,67,647	4. Misc. Expenditure	NIL
<b>TOTAL</b>	<b>21,36,647</b>	<b>TOTAL</b>	<b>21,36,757</b>

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

Turnover	Nil	Profit after Tax	1,980
Total Expenditure	1,980	Earnings per share (Rs.)	-0.02
Profit before tax	1,980		

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

- (Code: 45200)
- Sale of Commercial / residential space

For Manjeera Retail Holdings Private Limited

Place : HYDERABAD Date: 10-06-2010	Sd/- (G Yoganand) Chairman and Managing Director	Sd/- (P Sobhanadri) Director	Sd/- (N L Jyothsna) Company Secretary
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MANJEERA CONSTRUCTIONS LIMITED  
# 304, Aditya Trade Centre, Ameerpet, Hyderabad – 50038

ATTENDANCE SLIP

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

Folio-No: DP ID\*:

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

Name & Address of the Shareholder/Proxy:

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company to be held on Thursday, the 30th day of September, 2010 at 10.00 A.M. at Hotel Aditya Park, Ameerpet, Hyderabad – 38.

Signature of Shareholder/Proxy:

\* Applicable for Investors holding shares in electronic form.

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

PROXY FORM

Folio-No: DP ID\*:

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

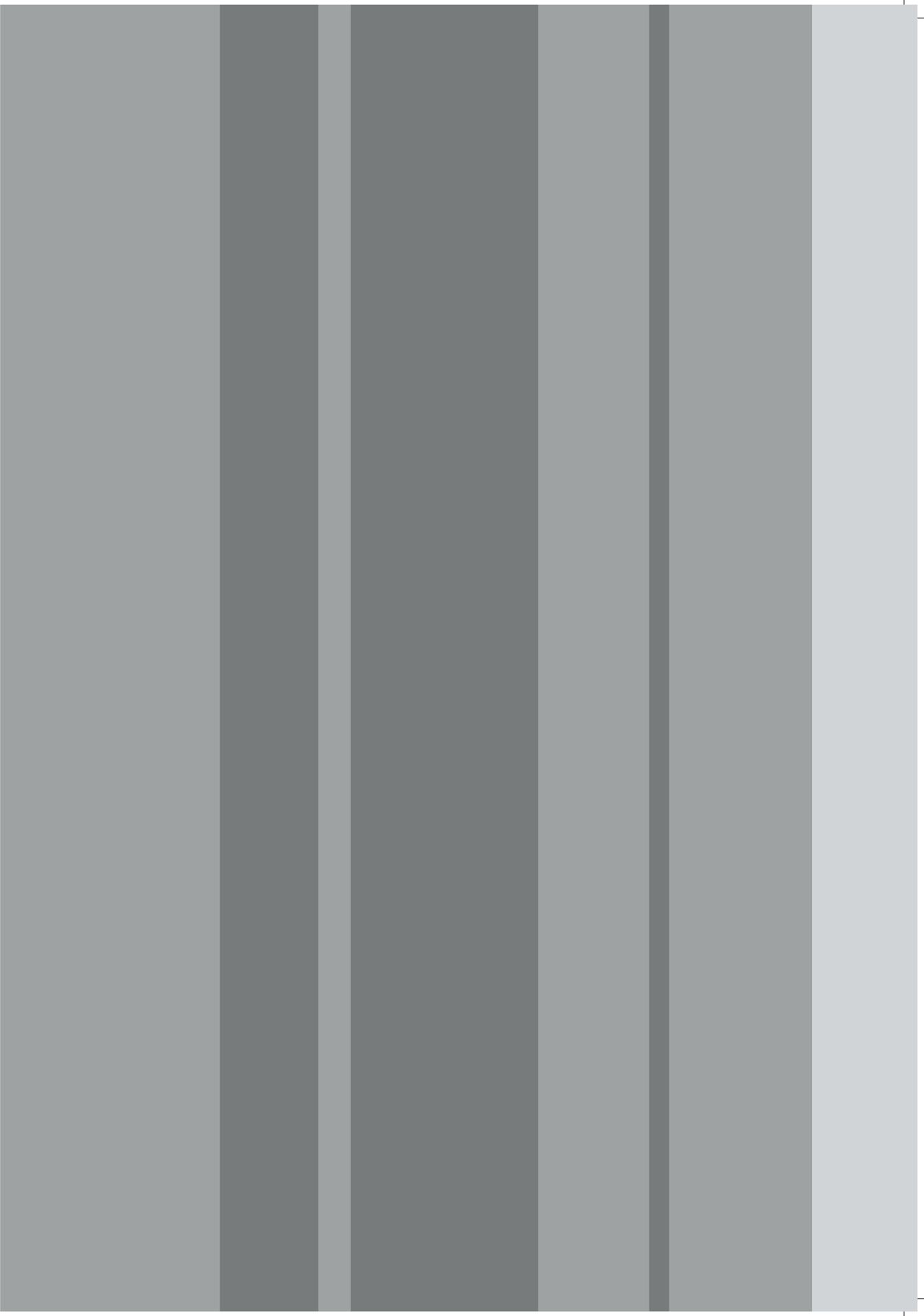
I/We ..... of ..... being a Member/Members of Manjeera Constructions Limited hereby appoint ..... of ..... or failing him/her ..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the 23rd ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 30th day of September, 2010 at 10.00 A.M. or at any adjournment thereof.

Signed this ..... day of September, 2010. Signature .....

\* Applicable for Investors holding shares in electronic form.

Note:

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



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