



MANJEERA CONSTRUCTIONS LTD.

INFORMATION MEMORANDUM



MANJEERA CONSTRUCTIONS LIMITED

(CIN NO: L45200AP1987PLC007228 (Reg.Number: 7228 of 1986-87)

[Originally Incorporated as M/s. Manjeera Constructions Private Limited on March 02, 1987 under the Companies Act, 1956. The Company was converted into Public Company by passing a special resolution dated February 02, 1995 in terms of Section 31 and 44 of the Companies Act, 1956 and received a fresh Certificate of Incorporation on December 15, 1995]

Registered Office: 304, Aditya Trade Centre, Aditya Enclave Road, Ameerpet, Hyderabad – 500 038

Tel: 040-2373 5194/ 2374 3017/ 2373 0231 **Fax:** 040-2373 3763

(The Registered Office of the Company was originally located at 1-10-233/1, Ashok Nagar, Hyderabad and was shifted to 1-10-237, Ashok Nagar, Hyderabad w.e.f. August 16, 1988 and later reverted back to its originally located office w.e.f. May 16, 1991. The Registered Office was shifted to the current address w.e.f. July 31, 2003.)

E-mail: manjeera_group@yahoo.com **Website:** www.manjeera.com

Contact Person: Deepthi. T, Company Secretary, E Mail Id: deepthi@manjeera.com

INFORMATION MEMORANDUM FOR LISTING OF 1,25,08,418 EQUITY SHARES OF RS. 10/- EACH

GENERAL RISKS

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Manjeera Constructions Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Manjeera Constructions Limited for taking investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF MANJEERA CONSTRUCTIONS LIMITED

M/s. Manjeera Constructions Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the company, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.

LISTING



The existing Equity Shares of the Company are listed on Bangalore Stock Exchange Limited, Bangalore (BgSE), Hyderabad Stock Exchange Limited, Hyderabad (HSE*) (*De-recognised by SEBI vide its order dated PR No. 252/2007 dated September 3, 2007*), Madras Stock Exchange Limited, Chennai (MSE) and The Ahmedabad Stock Exchange Limited, Ahmedabad (ASE). Now the Company proposes to list the equity shares on the Bombay Stock Exchange Ltd. (BSE). Application was made to BSE seeking listing for which the company has received in principle approval from BSE vide letter No. DCS/IPO/SI/DL-IP/079/2009-10 dated May 6, 2009.

REGISTRAR & SHARE TRANSFER AGENT

M/s. XL Softech Systems Limited
UNIT: MANJEERA CONSTRUCTIONS LIMITED
Plot No. 3, Sagar Society, Banjara Hill,
Road No. 2, Hyderabad – 500 034
Tel: +91-40- 23545913/ 14/ 15. Fax: +91-40- 23553214
Email: xlsoft@org.com
Website: [http:// www.xlsoftech.org](http://www.xlsoftech.org)
Contact Person: Mr. R. Ram Prasad

CERTAIN CONVENTIONS, USE OF FINANCIAL DATA , FORWARD LOOKING STATEMENTS

Unless stated otherwise, the financial data in this Information Memorandum is derived from our Standalone and consolidated financial statements prepared in accordance with Indian GAAP. Our latest concluded financial year commenced on April 1, 2007 and ended on March 31, 2008. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

FORWARD LOOKING STATEMENTS

Any projections, forecasts and estimates contained herein are forward looking statements that involve risks and uncertainties. Such statements use forward looking terminology like “may”, “believe”, “will”, “expect”, “anticipate”, “estimate”, “plan” or other similar words. The Company’s actual results could differ from those anticipated in these forward looking statements as a result of certain factors including those which are set forth in the “Risk Factors” below.

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;



- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Indian Rupee and other currency changes;
- Increasing prices of the crude oil and other raw materials resulting in increase of cost of Production;
- Changes in laws and regulations in India;
- Changes in political conditions in India;
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors”. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occur in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

ABOUT MANJEERA CONSTRUCTIONS LIMITED

The Company was incorporated as Private Limited Company on 2nd March, 1987 under the name and style of “Manjeera Constructions Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation bearing Registration No.01-07228 of 1986-87 in the State of Andhra Pradesh. The Company was converted into Public Company by passing a special resolution dated February 02, 1995 in terms of Section 31 and 44 of the Companies Act, 1956 and received a fresh Certificate of Incorporation on December 15, 1995.

GENERAL INFORMATION ABOUT MANJEERA CONSTRUCTIONS LIMITED

| | |
|------------------------|--|
| Name of the Company : | MANJEERA CONSTRUCTIONS LIMITED |
| Registration No. | 01-07228 |
| CIN-No. | L45200AP1987PLC007228 |
| Registered Office | # 304, Aditya Trade Centre, Aditya Enclave Road, Ameerpet, Hyderabad -38. Tel: 040-2373 5194/ 2374 3017/ 2373 0231, Fax: 040-2373 3763 E-mail Id: manjeera_group@yahoo.com |
| Website Address | www.manjeera.com |
| Registrar of Companies | The Registrar of Companies 2 nd Floor, Kendriya Sadan, Sultan Bazaar, Koti, Hyderabad -500 195, Andhra Pradesh |



BOARD OF DIRECTORS AS ON THE DATE OF FILING OF THE DRAFT INFORMATION MEMORANDUM:

| S-No. | Name | Designation | Category | DIN |
|--------------|------------------|--------------------|----------------------|------------|
| 1 | G Yoganand | Managing Director | Promoter Director | 00850735 |
| 2 | G Shivaleelanand | Director | Promoter Director | 02231735 |
| 3 | DLS Sreshti | Director | Independent Director | 00147325 |
| 4 | K Krishna Murthy | Director | Independent Director | 01466390 |

ELIGIBILITY CRITERION

Prohibition by SEBI: The Company, its Directors, its Promoters, other Companies promoted by the promoters and companies with which the Company's Directors are associated as Directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

CAUTION

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

DISCLAIMER CLAUSE OF BSE

The BSE does not in any manner-

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of this Company, its Promoters, its Management or any Scheme or project of this Company; and
- It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DEMAT CREDIT



The transferor Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. Pursuant thereto, the shares of the Transferor Company were being compulsorily traded in demat form. The ISIN number INE320D01018 is granted to the Company.

The details of shareholding (both in physical form and dematerialized form) are given hereunder:

| S-NO. | Details | No. of. Shares | % of No. Of Shares |
|--------------|----------------|-----------------------|---------------------------|
| 1 | NSDL | 11759844 | 94.02 |
| 2 | CDSL | 144946 | 1.16 |
| 3 | PHYSICAL | 603628 | 4.82 |
| TOTAL | | 12508418 | 100 |

REGISTRAR & TRANSFER AGENT

M/s. XL Softech Systems Limited
UNIT: MANJEERA CONSTRUCTIONS LIMITED
Plot No. 3, Sagar Society, Banjara Hill,
Road No. 2, Hyderabad – 500 034
Tel: +91-40- 23545913/ 14/ 15. Fax: +91-40- 23553214
Email: xlsoft@org.com
Website: [http:// www.xlsofttech.org](http://www.xlsofttech.org)
Contact Person: Mr. **R. Ram Prasad**

AUDITORS OF THE COMPANY

M/s A.K. Sabat & Co., Chartered Accountants
1-9-485/15/A/1,
Ramnagar Gundu,
Hyderabad – 500 044
Tel: +91-40-27072156
E-mail: cadvijaya@rediffmail.com

BANKERS TO THE COMPANY

- 1) Oriental Bank of Commerce



Plot-No.3, Regency Plaza,
Ameerpet, Hyderabad - 500038

- 2) HDFC Bank
H-No.3-6-310, Hyderguda Road,
Basheerbagh, Hyderabad – 500029
- 3) Canara Bank
Abids Branch, Hyderabad
- 4) ICICI Bank
S.R.Nagar Branch, Hyderabad

COMPLIANCE OFFICER & COMPANY SECRETARY

Mrs. Deepthi .T

Company Secretary

304, Aditya Trade Centre, Aditya Enclave Road,
Ameerpet, Hyderabad – 500 038

Tel: 040-2373 5194/ 2374 3017/ 2373 0231 Fax: 040-2373 3763

E-mail Id: deepthi@manjeera.com

CAPITAL STRUCTURE OF THE COMPANY

| Number of Shares | | Nominal Value (Rs.) |
|--|---|---------------------|
| A. AUTHORISED CAPITAL | | |
| 2,50,00,000 | Equity Shares of Rs. 10/- each | 25,00,00,000 |
| B. ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| 1,25,08,418 | Equity Shares of Rs. 10/- each fully paid up. | 12,50,84,180 |

Notes forming part of the Capital Structure:

1. Details of Increase in Authorized Equity Capital divided in Equity Shares of Rs. 10/- each

| S- No. | Date of Resolution / Meeting | AGM/EGM | Increase in Authorized Equity Capital (in Rs.) |
|--------|------------------------------|---------|--|
| 1 | On Incorporation | - | Nil 1,00,00,000 |
| 2 | December 11, 1995 | AGM | 1,00,00,000 to 5,50,00,000 |
| 3 | June 30, 2006 | EGM | 5,50,00,000 to 25,00,00,000 |



2. Evolution of capital:

| Date of Allotment / Date when made fully paid up | No. of Shares | Face/ share Value (Rs) | Issue/ Share Price (Rs.) | Consideration | Cumulative No. of Shares |
|---|----------------------|-------------------------------|---------------------------------|----------------------|---------------------------------|
| Mar, 02,1987 | 20 | 100 | 100 | Cash | 20 |
| Mar 21,1988 | 1,930 | 100 | 100 | Cash | 1,950 |
| Sep 30, 1989 | 3,305 | 100 | 100 | Cash | 5,255 |
| Mar 30,1992 | 13,045 | 100 | 100 | Cash | 18,300 |
| Jan 02,1995 | 300 | 100 | 100 | Cash | 18,600 |
| Jan 27,1995 | 10,000 | 100 | 100 | Cash | 28,600 |
| Splitting of shares on 2.02.95 | 2,86,000 | 10 | 10 | Cash | 2,86,000 |
| Mar 31,1995 | 2,56,650 | 10 | 10 | Cash | 5,42,650 |
| Dec 15,1995 | 3,75,300 | 10 | 10 | Cash | 9,17,950 |
| Mar 30,1996 | 2,38,000 | 10 | 10 | Cash | 11,55,950 |
| Nov 4,1996 | 8,44,050 | 10 | 10 | Cash | 20,00,000 |
| Nov 4,1996 | 20,02,700 | 10 | 10 | Cash | 40,02,700 |
| June 30, 2006 | 10,00,675 | 10 | 10 | Bonus | 50,03,375 |
| November 14, 2007 | 7,505,043 | 10 | 30 | Rights Issue | 1,25,08,418 |


3. Shareholding Pattern

Shareholding Pattern of Equity Shares of the Company as on 31st March, 2009 and as also on the date of Information Memorandum (i.e., 14.05.2009) is given hereunder:

Statement showing Shareholding Pattern as on 31.03.2009

| Name of the Company: MANJEERA CONSTRUCTIONS LIMITED | | | | | | |
|--|---|------------------------|------------------------|--|--|----------------------------|
| Category Code | Category of shareholder | Number of Shareholders | Total Number of Shares | Number of Shares held in Dematerialized Form | Total shareholding as a percentage of Total number of shares | |
| | | | | | As a percentage of (A+B) | As a percentage of (A+B+C) |
| (A) Shareholding of Promoter and Promoter Group | | | | | | |
| (1) | Indian | | | | | |
| (a) | Individuals / Hindu Undivided Family | 4 | 8236089 | 8236089 | 65.84 | 65.84 |
| (b) | Central Government/ State Government(s) | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (c) | Bodies Corporate | 3 | 1076256 | 1076256 | 8.60 | 8.60 |
| (d) | Financial Institutions / Bank | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (e) | Any Other (Specify) | Nil | Nil | Nil | Nil | Nil |
| | Sub – Total (A) (1) | 7 | 9312345 | 9312345 | 74.45 | 74.45 |
| (2) | Foreign | | | | | |
| (a) | Individual (Non- Resident Individuals / Foreign Individuals) | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (b) | Bodies Corporate | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (c) | Institutions | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (d) | Any other (Specify) | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| | Sub - Total (A) (2) | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+(A)(2) | 7 | 9312345 | 9312345 | 74.45 | 74.45 |
| (B) Public Shareholding | | | | | | |
| (1) | Institutions | | | | | |
| (a) | Mutual Funds / UTI | Nil | Nil | Nil | Nil | Nil |
| (b) | Financial Institutions / Banks | Nil | Nil | Nil | Nil | Nil |



| Category Code | Category of shareholder | Number of Shareholders | Total Number of Shares | Number of Shares held in Dematerialized Form | Total shareholding as a percentage of Total number of shares | |
|---------------|---|------------------------|------------------------|--|--|----------------------------|
| | | | | | As a percentage of (A+B) | As a percentage of (A+B+C) |
| c) | Central Government / State Government(s) | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (d) | Venture Capital Funds | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (e) | Insurance Companies | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (f) | Foreign Institutional Investors | Nil | Nil | Nil | Nil | Nil |
| (g) | Foreign Venture Capital Investors | -Nil- | -Nil- | -Nil- | -Nil- | -Nil- |
| (h) | Any Other (Specify) | | | | | |
| | Sub - Total (B) (1) | 0 | 0 | 0 | 0.00 | 0.00 |
| (2) | Non-Institutions | | | | | |
| (a) | Bodies Corporate | 6 | 293834 | 293834 | 2.33 | 2.33 |
| (b) | Individuals | | | | | |
| i. | Individual Shareholders holding nominal share capital up to Rs.1 lakh. | 490 | 314183 | 99732 | 2.51 | 2.51 |
| ii. | Individual Shareholders holding nominal share capital in excess of Rs.1 lakh. | 57 | 2551806 | 2192629 | 20.42 | 20.42 |
| c) | Any Other (Specify) | | | | | |
| i. | Non Resident Individuals | 16 | 36250 | 6250 | 0.29 | 0.29 |
| ii. | Overseas Corporate Bodies | Nil | Nil | Nil | Nil | Nil |
| iii. | Trusts | | 0 | 0 | 0.00 | 0.00 |
| iv. | Clearing Members | Nil | Nil | Nil | Nil | Nil |
| | Sub - Total (B) (2) | 569 | 3196073 | 2592445 | 25.55 | 25.55 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2) | 569 | 3196073 | 2592445 | 25.55 | 25.55 |
| C | Shares held by custodians and against which depository receipts have been issued | Nil | Nil | Nil | Nil | Nil |
| | Grand Total (A) + (B) +(C) | 576 | 12508418 | 11904790 | 100 | 100 |

NOTES:

1. Except as stated above, there has been no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner till listing of the Equity Shares.



2. As on the date of this information Memorandum, there are no outstanding warrants, options, or rights to convert debentures, loans or other instrument into equity shares of the Company,
3. The Company, its directors or promoters have not entered into any buy back, standby or similar arrangements to purchase equity shares of the Company from any person.
4. There shall be only one denomination for the equity shares of the Company, subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
5. The Company has 576 members as on the date of filing this Information Memorandum.
6. The Company presently does not have an Employee Stock Option Scheme.
7. There are no outstanding debentures or bonds and other instruments issued by the Company.

HISTORY OF THE COMPANY

The Company was incorporated under the Companies Act, 1956 in the year 1987 under the name and style of Manjeera Constructions Private Limited. It was incorporated with an object of pursuing Real Estate and Construction Business. The company was converted into a public limited company w.e.f. December 15, 1995.

The Registered Office and Corporate Headquarters of the Company are located at # 304, Aditya Trade Centre, Aditya Enclave Road, Ameerpet, Hyderabad – 500 038, Andhra Pradesh, India.

The company made its maiden public issue of 20,00,000 equity shares of Rs. 10 each at par in September 1996 and the issue was successful and the company's equity shares were listed at BgSE, HSE*, ASE and MSE. Subsequently in the year 2007, the company has completed Rights issue and as a result the paid up and listed capital of the company has gone up to 12508418 equity shares of Rs.10 each.

Major Events

| Year | Event |
|----------------|--|
| March 1987 | Incorporated as Manjeera Constructions Private Limited |
| December 1995 | Converted in to Public Limited Company |
| September 1996 | Maiden Public Issue of Equity Shares |
| December 2005 | Accredited with ISO 9001:2000 |
| June 2006 | Bonus issue in the ratio of 1:5 |
| November 2007 | Rights Issue in the ratio of 3:2 |



Subsidiaries of the Company

Manjeera Retail Holdings Private Limited is the only subsidiary of the Company with effect from March 22, 2007.

Our Main Objects

The main objects of the Company as set forth in its Memorandum of Association, inter alia, are:

1. Carry on the business of builders and contractors.
2. To purchase, acquire, buy, construct, sell take on lease for the purpose of investment or resale or otherwise and to traffic of any kind, tenure and any interest there in and to acquire, sell, speculate and deal in free holds and house holds and to make advances upon the hypothecation mortgage or security of land or house , or other property of any description or any interests therein and generally to deal in , traffic and speculate by way of sale , lease, exchange or otherwise with land and house property and any other property of any description whether real or personal, movable or immovable.
3. To construct , let-out, furnish and carry on all or any of the functions of proprietors of flats maisonettes, rooms, dwellings houses, shops offices and clubs and for this purpose of purchase take on lease or other wise acquire and hold any lands and prepare layouts thereon building of any tenure or description wherever situate , or rights or interests therein or connected therewith, to layout, prepare building sites and to construct, reconstruct, repair, pull down, alter, improve, decorate furnish and maintain flats , maisonettes, dwelling houses , shops offices, buildings works and sanitary convenience of all kinds to lay out roads, drainage pipes water pipes and or other wise improve the land or any part thereof.
4. To layout develop construct build erect demolish, re-erect, alter, repair, remodel, or do any other work in connection with any building or scheme, roads, highways, docks, ships, sewers, bridges, canals wells springs, serials, dams, power plants, ports, reservoirs, embankments, or any other structural or architectural work of any kind whatsoever and for such purpose prepare estimates, designs, plans, specifications of models.
5. To act as technical consultants, engineers, builders and architects.



MANAGEMENT OF THE COMPANY

MCL is a professionally managed company. Under our Articles of Association, we are required to have not less than three directors and not more than twelve directors. The overall management is vested in the Board of Directors, comprised of qualified and experienced persons. We currently have four directors on our Board.

BOARD OF DIRECTORS

The Details regarding the Board of Directors of the Company is given as under:

| S-No. | Name, Father's Name, Age, Designation, Occupation | DIN-No. / Address | Other Directorships |
|--------------|--|---|---|
| 1. | G Yoganand S/o G Chennakesavulu, Age: 49 Years Managing Director Occupation: Business (Term: Five years from 01.07.2005) | Plot No 18, Asiwini Heights, Road No 70, Jubilee Hills, Hyderabad | 1. Manjeera Estates Private Limited 2. Manjeera Hotels & Resorts Limited 3. Gajjala Investments and Holdings Private Limited 4. Aashraya Hotels and Estates Private Limited 5. Manjeera Retail Holdings Private limited 6. Ambica Chennakesava Projects Limited 7. G.M. Infraventures Private Limited |
| 2. | G Shivaleelanand S/o G Chennakesavulu, Age: 41 Years Director Occupation: Business | Flat No 106, Vindhya block, Aditya Enclave, Ameerpet, Hyderabad 500 038 | Nil |
| 3. | D L S Sreshti S/o D Bapanaiah Age: 62 Years Director Occupation: Consultant | Plot No.30, Viman Nagar Colony, Secunderabad - 500003 | 1. Tibrewala Electronics Limited |
| 4. | K Krishna Murthy S/o K Jaggayya Age: 71 Years Director Occupation: Consultant | 6-3-597/A/12, V R Colony, Khairtabad, Hyd- 500004. | Nil |



Brief Profile of the Directors:

Mr. G Yoganand, aged 49 years, is a graduate in Civil Engineering from Osmania University, Hyderabad and also a post graduate in Structural Engineering from Indian Institute of Science, Bangalore. He promoted M/s Matrix Design Engineers, a structural engineering consultancy firm in 1985 for offering designs for various civil engineering projects including multi storied buildings. He promoted MCL in the year 1987 and after the successful stint in the real estate development, he promoted the other 2 companies in the group, namely, Manjeera Estates Private Limited and Manjeera Hotels & Resorts Limited engaged in the real estate development business and hospitality business respectively. Apart from business activities, Mr. G. Yoganand is associated with Institution of Engineers, Indian Concrete Institution, Association of Consulting Civil Engineers, Andhra Pradesh Real Estate Developers Association and General Secretary of Andhra Pradesh Builders Forum.

Mr. G Shivaleelanand, aged 41 years, is a B Arch, Jawaharlal Nehru Technology University (JNTU), Hyderabad (1991) and a Post Graduate in Architecture in Urban Design from School of Architecture, CEPT, Ahmedabad (1993). He is younger brother of Mr. G. Yoganand. He worked with M/s Mishra Tomey Associates, Hyderabad from April 1992 to May 1994. He is also a partner in Matrix Consultants and has experience in Architectural Designing from Project Evaluation, Planning and Management.

Mr. K Krishna Murthy, aged 71 years, is an Engineer from Andhra University and a gold medalist for standing first in all 4 years study of M. Tech (Structures), IIT, Kharagpur. He started his career as Asst. Professor in Civil Engineering in BITS, Ranchi. Later he held various positions in Private, Public sector companies in India and abroad. Presently he is principal consultant, VEEJAY Consultants, Hyderabad.

Mr. D L S Sreshti, aged 62 years, is a Cost Accountant and has over 40 years of industrial experience in public and private sector industries engaged in diversified activities like Insurance, Aviation, Engineering, Infrastructure and Electronics in various positions. He has good exposure in Financial Management, Corporate Accounts, Cost Management and General Administration. He is presently a Practicing Cost & Management Accountant and a consultant specializing in Systems & Methods, Strategic Management and Management Information Systems.



Related Party Transactions:

1. The details of the related party transactions for the last three financial years ended on March 31, 2008 are as under:

G Yoganand, Managing Director

| Nature of Transaction | Year ended 31.3.2008 Rs. | Year ended 31.3.2007 Rs. | Year ended 31.03.2006 Rs. |
|---------------------------|--------------------------------|--------------------------------|---------------------------------|
| Directors Remuneration | 24,75,575 | 9,14,100 | 7,35,000 |
| Sale of Shares | - | - | 90,00,000 |
| Advance for Land | - | - | -- |
| Rent Deposit receivable | - | - | -- |
| Rent Paid | - | - | -- |
| Building Advance Received | - | - | -- |

G Shivleelanand, Director

| Nature of Transaction | Year ended 31.3.2008 Rs. | Year ended 31.3.2007 Rs. | Year ended 31.03.2006 Rs. |
|-----------------------|--------------------------------|--------------------------------|---------------------------------|
| Professional Fee | 46,10,468 | 53,45,513 | 11,54,730 |
| Advance for Land | - | - | -- |

Manjeera Estates Private Limited

| Nature of Transaction | Year ended 31.3.2008 Rs. | Year ended 31.3.2007 Rs. | Year ended 31.03.2006 Rs. |
|--|--------------------------------|--------------------------------|---------------------------------|
| Investment in Shares | - | - | -- |
| Inter Corporate Deposits received | - | 2,69,01,091 | 3,15,87,874 |
| Interest paid on Inter corporate Deposits received | 19,06,216 | 26,14,229 | 9,26,862 |
| Contract Receipts | - | 46,50,000 | -- |
| Other Liabilities | - | - | -- |
| ICD Given | - | - | -- |
| Interest on ICD given | - | -- | -- |

Manjeera Hotels & Resorts Limited

| Nature of Transaction | Year ended 31.3.2008 Rs. | Year ended 31.3.2007 Rs. | Year ended 31.03.2006 Rs. |
|--|--------------------------------|--------------------------------|---------------------------------|
| Contract Receipts | - | 55,00,534 | 51,00,000 |
| Other Advances Given | - | - | 19,48,144 |
| Inter Corporate Deposits received | 70,99,585 | 10,85,46,610 | -- |
| Interest paid on Inter Corporate Deposit | 31,82,548 | 49,59,528 | -- |
| Other Advances | - | - | -- |
| Other Liabilities | - | 55,201 | -- |



Ambica Chennakesava Projects Limited

| Nature of Transaction | Year ended 31.3.2008 Rs. | Year ended 31.3.2007 Rs. | Year ended 31.03.2006 Rs. |
|-----------------------------|--------------------------------|--------------------------------|---------------------------------|
| Investment in Equity shares | 3,99,960 | 3,99,960 | 3,99,960 |
| Other Liabilities | - | - | 11,75,000 |
| Advance Against Shares | - | 30,46,156 | 11,01,156 |
| Sale of Space | - | - | 2,58,75,000 |
| Other Advances | - | - | -- |
| Contract Receipts | 1,26,15,370 | -- | -- |
| Sundry Debtors | 24,51,735 | -- | -- |

**Bharathi Infraprojects Private Limited
(erstwhile Chennakesava Finance & Investments Private Limited)**

| Nature of Transaction | Year ended 31.3.2008 Rs. | Year ended 31.3.2007 Rs. | Year ended 31.03.2006 Rs. |
|--|--------------------------------|--------------------------------|---------------------------------|
| Inter Corporate Deposits received | - | - | 18,04,131 |
| Interest on Inter corporate Deposits | - | - | 5,326 |
| Investments received from Joint ventures | 81,93,380 | 76,03,380 | -- |

Aashraya Hotels & Estates Private Limited

| Nature of Transaction | Year ended 31.3.2008 Rs. | Year ended 31.3.2007 Rs. | Year ended 31.03.2006 Rs. |
|------------------------|--------------------------------|--------------------------------|---------------------------------|
| Sundry Debtors | 75,17,784 | - | 19,63,566 |
| Contract Receipts | 4,47,59,170 | 2,87,20,010 | 20,08,640 |
| Other Advance received | -- | 3,23,36,912 | -- |

Manjeera Retail Holdings Private Limited

| Nature of Transaction | Year ended 31.3.2008 Rs. | Year ended 31.3.2007 Rs. | Year ended 31.03.2006 Rs. |
|-------------------------------|--------------------------------|--------------------------------|---------------------------------|
| Advance Against Equity Shares | - | - | -- |
| Investment in Equity Shares | 15,00,00,000 | 30,00,00,000 | -- |
| Advances | 9,45,00,000 | --- | -- |



III. Summary of the Industry and Business of the Company

Industry

The construction sector plays a pivotal role in the economy of a nation. It is an integral part and defines a country's infrastructural and industrial landscape. It includes hospitals, schools, townships, offices, houses and other buildings; industrial construction; urban infrastructure (including water supply, sewerage, drainage); highways, roads, ports, railways, airports; power systems; irrigation and agriculture systems; telecommunications etc. Covering so wide a spectrum, construction forms a basic input for socio-economic development. The construction industry generates substantial employment and provides a growth impetus to other sectors through multiple linkages. Hence it is regarded as one of the most important nation building sectors in an economy.

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

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

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

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

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

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

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

MCL carry out its construction activities in the housing segment with a focal point of its activities in and around Hyderabad, a mega city and Capital of Andhra Pradesh.



Summary of Financial, Operating and Other Data

i. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (as restated)

| | | (Rs. in Lakhs) | (Rs. in Lakhs) |
|-----------|--|-----------------|-----------------|
| | Particulars | 31.03.08 | 31.03.07 |
| A) | Fixed Assets | | |
| | Gross Block | 428.40 | 276.45 |
| | Less: Depreciation | 99.82 | 66.08 |
| | Net Block | 328.58 | 210.37 |
| | Add: Capital WIP | - | - |
| | Net Block after adjustment (A) | 328.58 | 210.37 |
| B) | Investments (B) | 742.00 | 4.00 |
| C) | Current Assets ,Loans and Advances | | |
| | Inventories | 20069.09 | 8036.42 |
| | Receivables | 308.11 | 161.74 |
| | Cash and Bank Balances | 1105.17 | 598.01 |
| | Loans and Advances | 923.14 | 1518.86 |
| | Total (C) | 22405.51 | 10315.03 |
| D) | Liabilities and Provisions : | | |
| | Secured Loans | 8496.76 | 108.17 |
| | Unsecured Loans | 3769.29 | 3824.34 |
| | Net Deferred Tax Liability | 11.54 | 9.09 |
| | Current Liabilities | 3474.90 | 2654.70 |
| | Provisions | 315.72 | 113.14 |
| | Minority Interest | 4323.53 | 2882.35 |
| | Total (D) | 20391.74 | 9591.79 |
| E) | Net Worth (A+B+C-D) | 3084.35 | 937.61 |
| F) | Represented by | | |
| | Share Capital | 1250.84 | 500.34 |
| | Reserves and Surplus | 1864.83 | 494.37 |
| | Total | 3115.67 | 994.71 |
| G) | Miscellaneous Expenditure (to the extent not written off) | 31.32 | 57.09 |
| H) | Net Worth (F-G) | 3084.35 | 937.62 |



ii. CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (as restated)

| Particulars | (Rs. in Lakhs) | (Rs. in Lakhs) |
|--|------------------------|------------------------|
| | Year Ended 31.03.08 | Year Ended 31.03.07 |
| INCOME | | |
| Construction & Real estate operations | | |
| Sales | 3304.50 | 2020.26 |
| Other Income | 77.66 | 3.17 |
| Total Income | 3382.16 | 2023.43 |
| EXPENDITURE | | |
| Cost of Flats sold & Contract Expenses | 2599.67 | 1482.51 |
| Staff Cost | 209.49 | 10.94 |
| Administrative Expenses | 7.23 | 17.32 |
| Interest | 284.46 | 14.45 |
| Depreciation | 33.74 | 22.12 |
| Capital Issue Expenses Written Off | 39.48 | 2.54 |
| Total Expenditure | 3174.07 | 1549.88 |
| Net Profit Before Tax | 208.09 | 473.56 |
| Current Tax | 210.00 | 12.64 |
| FBT | 2.29 | 0.87 |
| Earlier year tax provided (Written back) | 1.83 | 3.00 |
| (Increase) / Decrease in Deferred Tax (refer Annexure – III) | 2.45 | 0.13 |
| Adjusted Profit / (Loss) After Tax before Extraordinary items | (8.47) | 456.92 |
| Others - Extraordinary | 0.00 | 0.00 |
| Adjusted Profit / (Loss) After Tax after Extraordinary items | (8.47) | 456.92 |
| Brought forward Profit from Previous Year | 353.01 | 141.41 |
| Available for Appropriation | 344.54 | 598.33 |
| APPROPRIATIONS | | |
| Proposed Dividend | 105.07 | 60.04 |
| Tax on Dividend | 17.01 | 10.20 |
| Capitalisation of Reserves | 0.00 | 100.07 |
| General Reserve | 15.00 | 75.00 |
| Profit transferred to Balance Sheet | 207.46 | 353.02 |

Standalone Key Financials for the last five financial periods:

| Year Ended | (in Rs. Lakhs) | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2008 | March 31, 2007 | March 31, 2006 | March 31, 2005 | March 31, 2004 |
| Total Income | 3889.84 | 2,033.44 | 755.99 | 511.40 | 212.38 |
| Net Profit after tax & adjustments | 531.80 | 466.92 | 117.59 | 48.76 | 42.10 |
| Equity Share Capital | 1250.84 | 500.34 | 400.27 | 400.27 | 400.27 |
| Reserves | 2415.10 | 504.37 | 207.77 | 135.81 | 87.05 |
| Dividend (%) | 12% | 12% | 10% | - | - |
| EPS (Rs.) | 6.40 | 9.13 | 2.80 | 1.22 | 1.05 |
| Book Value (Rs.) | 29.30 | 20.08 | 15.19 | 13.36 | 12.10 |



Consolidated Key Financials for the last two financial periods:

Since MRHPL was converted as subsidiary during the last financial year ended March 31, 2007 and there was no other subsidiary of the company prior to the conversion of MRHPL as a subsidiary.

(in Rs. Lakhs)

| Year Ended | March 31, 2008 | March 31, 2007 |
|------------------------------------|----------------|----------------|
| Total Income | 3382.17 | 2,023.44 |
| Net Profit after tax & adjustments | (8.47) | 456.92 |
| Equity Share Capital | 1250.84 | 500.34 |
| Reserves | 1864.83 | 494.37 |
| Dividend (%) | 12% | 12% |
| EPS (Rs.) | (0.10) | 8.93 |
| Book Value (Rs.) | 24.65 | 18.73 |

IV. ABOUT MANJEERA CONSTRUCTIONS LIMITED:

A.) INDUSTRY OVERVIEW

The information presented in this section has been extracted from publicly available documents, which have not been prepared or independently verified by the Company, the Lead Manager or any of their respective affiliates or advisors.

BUSINESS ENVIRONMENT IN INDIA

High Growth Economy

The current business environment in India features a strong economic growth, characterized by increasing prominence of services and knowledge based industries and increasing FDI flows. With an expected real GDP growth of over 8 - 9 % for the current fiscal, India is one of the high growth economies, ahead of its Asian counterparts such as Malaysia, Thailand, and Philippines, and developed economies such as United States & United Kingdom. According to the World Bank, India is now the fourth largest economy on the basis of its purchasing power parity.

Global Services Hub

The services sector is expected to be a major driver of economic growth. The share of services in GDP has consistently grown from 43% in early nineties to about 56% in 2003-2004. This rising contribution of the service industry is one of the most important growth drivers for India's economy. India's competitive edge in services is its large educated workforce with over 380 universities and 2.6 mn graduates (including 200,000 engineering graduates and 300,000 post graduates produced every year). The significant manpower advantage has resulted in India emerging as a major destination for outsourcing of R& D, IT and BPO services.

Increasing Foreign Participation

FDI has been recognized as one of the important drivers of economic growth of a country. The Indian Government has therefore taken a number of steps to invite and facilitate FDI investment, in many key sectors. As a result FDI inflows have increased significantly from 1994 to 2005. The government has decided to allow FDI of up to 100 % under the automatic route in townships, housing, built-up infrastructure and construction development projects (which would include, but not be restricted to housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities), subject to fulfillment of certain conditions.

The gradual opening up of the sector for FDI by the Government and support of state governments to realty developments has further aided the sector by bringing in the much-needed investment, apart from professional players equipped with expertise in real estate development. The introduction of new technology and quality real estate assets is expected to have demonstration effect on the local developers and lead to an improvement in the quality of related infrastructure.



CONSTRUCTION INDUSTRY

The construction sector plays a pivotal role in the economy of a nation. It is an integral part and defines a country's infrastructural and industrial landscape. It includes hospitals, schools, townships, offices, houses and other buildings; industrial construction; urban infrastructure (including water supply, sewerage, drainage); highways, roads, ports, railways, airports; power systems; irrigation and agriculture systems; telecommunications etc. Covering so wide a spectrum, construction forms a basic input for socio-economic development.

Role of the construction sector in the economy

The construction industry generates substantial employment and provides a growth impetus to other sectors through multiple linkages. Hence it is regarded as one of the most important nation building sectors in an economy.

The construction sector is the third largest employer in the country after agriculture and retail. In 1999-2000, the sector employed 17.62 million workers, a rise of 6 million over 1993-94. It also recorded the highest growth rate in generation of jobs in the last two decades, doubling its share in total employment.

COMPONENTS (SEGMENTS) OF THE CONSTRUCTION INDUSTRY

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

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

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

INFRASTRUCTURE SEGMENT

Valued at Rs.2, 070 bn., the infrastructure segment is the largest within the construction industry and can be broadly divided into environment and transport-related construction activities. While the environment segment includes dams, water supply, sewerage and solid waste treatment plants, the transport segment consists of roads, highways, bridges, ports and railways, airports etc. The infrastructure segment is expected to witness rapid growth over the next five to seven years as the central and state governments' thrust on the development of urban and rural infrastructure intensifies. Factors like total infrastructure development outlay of Rs. 1,738 billion between FY02-07 (Tenth Five Year Plan), high government expenditure and increasing privatisation will continue to stimulate growth in the construction industry. The sector is likely to receive prospective investments of Rs 3,000 billion over the next 2 years (2005-06 and 2006-07) - an over 25 per cent increase from the estimated investments in the last 2 years (2003-04 and 2004-05). Based on the proportion of civil construction related expenses in each sector, it is estimated that these projects have a potential to translate into orders worth Rs.1, 800 billion for the construction industry.

INDUSTRIAL CONSTRUCTION SEGMENT

Industrial construction projects include construction of manufacturing facilities, civil and structural activities for a number of capital-intensive industries like cement, fertilizers, petroleum etc. The total outlay for the industrial segment in the Tenth Five Year Plan is Rs.2560 billion, a growth of 103% from the outlay of Rs.1262.3 billion in the Ninth Five Year Plan. The total investments in the key segments of the manufacturing sector are projected to increase from Rs.220 billion per annum (1998-99 to 2004-05) to Rs.734 billion per annum over the next 5 years (2005-06 to 2009- 10), propelled by investments in oil and gas, and metals. Other industries such as automobiles, petrochemicals, cement, paper and fertilizers are also expected to record substantial investments during the forecasted period. Assuming civil construction to account for nearly 15% of the total capital cost of the projects, this huge investment is likely to generate construction demand of around Rs.550 billion from industrial projects.



HOUSING SEGMENT

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

Growth Drivers of Housing Segment

The main growth drivers of the Housing segments are as follows:

1. Resurgent Indian Economy

The Indian Economy has made great strides in the years since independence. Industry and service sectors have been growing in importance and now account for 26% and 48% of GDP respectively. Significant changes have taken place since the early nineties. These include liberalized foreign investment and exchange regimes, significant reductions in tariffs and other trade barriers, reform and modernization of the financial sector, and significant adjustments in government's monetary and fiscal policies. These reforms have made India among the fastest growing economies in the world. Today India is considered one of the most preferred economies by the investors among the developing countries.

2. Changing Demographics

The middle class segment has been gradually increasing in the recent years, which are having more disposable income to spend on consumer goods. Also, India has one of the youngest populations in the world. The literacy levels of population particularly middle class are going up. This implies that as the youth are getting better education; their adaptability to few technologies is increasing as result of which continuous urbanization is taking place, leading to increase in the consumption.

The Indian urban middle class (annual income Rs. 90,000 - Rs. 500,000), who holds the key to consumer spending, has seen its share in total urban households increase from about 45% in 1998-99 to about 51% in 2001-02. Urban middle class households in India are expected to account for about 63% of the total urban households by 2009-10. More importantly, the average income of the urban middle class has increased from Rs. 163,000 in 1998-99 to nearly Rs. 169,000 in 2001- 02, and is expected to increase to Rs. 194,000 by 2009-10. (Source: CRIS INFAC)

3. Increasing percentage of population in age group of 25-44

Given the rising income levels and the decreasing age of those buying homes (currently 35-36 years), the population in the 25-44 age group holds the key to the growth in housing demand. At present, about 28% of India's population is in the 25-44 age brackets. This figure is expected to increase to about 30.6 % by 2025, an addition of approximately 5.5 million people each year, which could translate to a further 2.75 million new households per year. (Source: CRIS INFAC)

4. Shrinking household size augments demand for houses

The joint family system in India is gradually giving way to nuclear families. Consequently, the average size of the Indian household has shrunk from about 5.59 persons in 1971 to about 5.30 persons in 2001. Increasing urbanization and migration for employment opportunities are expected to narrow down the size of the average household to about 4.97 persons by 2011. Given India's burgeoning population, the contraction in the size of the average household offers a strong positive outlook for housing demand. (Source: CRIS INFAC)

5. Increasing median home size

Rising income levels have increased the aspirations of borrowers to live a better life. This, coupled with easy availability of finance and steady real estate prices, has led to people shift towards larger houses.

Table: Proportion of household by size of dwelling units occupied.

| (Percent) | Urban | | | All India | | |
|-------------------|-------|-------|-------|-----------|-------|-------|
| | 1981 | 1991 | 2001 | 1981 | 1991 | 2001 |
| 1 to 1 rooms | 45.8 | 39.5 | 35.1 | 45.37 | 40.52 | 38.5 |
| 2 rooms | 27.9 | 30.4 | 29.5 | 28.62 | 30.58 | 30.0 |
| 3 rooms | 12.2 | 14.8 | 17.1 | 12.22 | 13.85 | 14.3 |
| 4 rooms and above | 14.1 | 15.3 | 18.3 | 13.79 | 15.05 | 17.2 |
| All sizes | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Census of India - 2001



6. Increasing Participation by Banks/Housing Finance Companies (HFCs)

Banks and Housing Finance Companies have been offering housing loans with add on benefits Viz. Individual Accident Cover, Loan Liability Repayment Insurance Cover in case of death etc. They have also been simplifying their products making the borrowing least hassle free.

7. Shift in consumer preference from rented houses to owned houses

Over the years, there has been a significant decline in the proportion of households staying in rented premises. This can, to some extent, be attributed to rising income levels. In addition, the old Rent Control Act (State Act) offered greater protection to the tenant and low rentals made returns on investments in rental property unattractive . But with fewer properties available on rent today and a rise in rentals, consumers have found it more prudent to invest in property for self occupancy. Rising aspirations levels and the easy availability of finance besides income tax benefits available to house purchasers are expected to fuel this trend. (Source: CRIS INFAC)

8. Changing Profile of Developers/Builders

Real estate developers and builders are also changing their profiles. They have started becoming more organized, with a clear focus on building superior infrastructure, using the best quality and the most economic materials. They are emphasizing on newer and better designs, with reliable construction management, employing trained professionals to help them implement new projects faster and in a more efficient manner. Technology has evolved in the construction business, so using them, as part of the process has been very vital in these competitive environments. The banks have also played an important role in the process, by increasing the availability of funds, which has helped evolve a new breed of developers.

9. Fiscal Incentives

In order to induce demand, the government provides tax incentives to the borrowers that reduce the cost of borrowing, making the option of availing of a loan to purchase/construct a house more economical. Interest payments up to certain levels on housing loans can be claimed as a deduction from the taxable income and annual principal repayment up to a particular level is eligible for a rebate from the tax liability. An exemption of long-term capital gains can be availed of in the case of re-investment in a second property.

Many States in India have Computerized Land Records & Rationalized Stamp Duty. Govt. of India has provided Tax Incentives to individuals with regard to interest payments on Housing Loans.

These drivers of growth have made India, one of the ideal destinations of real estate investment today in the world.

SHOPPING MALLS & COMMERCIAL COMPLEXES

Almost 80% of real estate developed is residential space and the rest comprises offices, shopping malls, hotels and hospitals. Rapid expansion in the retail space is taking place in the country and this is reflected in the purchase and development of real estate and the rapid construction of malls. It is estimated that 200 malls are likely to come up in next 2 – 3 years. In all 40 mn sq ft of retail space will be added in the next 2 -3 years. Rapid boom witnessed by India in the IT/ ITES sectors has resulted in an acute shortage for quality space for office and commercial structures. It has been estimated that there is a demand for approximately 75-85 mn. sq. ft. of IT space over the next five years. In effect, this will create substantial demand for construction of commercial complexes.

REAL ESTATE MARKET

The Indian real estate market had been growing at an annual rate of 30% with steady growth in Commercial, residential properties, hospitals, hotels, industrial buildings etc. In the commercial space, the business opportunity is led by the unprecedented outsourcing activity happening from India. The who's who of the IT world - Microsoft, Oracle, Dell, Intel, GE, Cognizant, etc has set-up their offshore centers in India. Studies reveal that the residential sector will also get a major boost as it gears up to house the new prosperous workforce of the IT and BPO industries. The retail sector is also expected to get increasingly organized, which would further increase the demand for real estate.



1. Commercial Real Estate

India is a pre-eminent destination for off shoring of IT and BPO services. The Indian IT and BPO industry generated exports of USD 12.5 bn. (RS. 550 bn.) during the year 2003-04. Going forward, India is expected to maintain its lead over other countries such as China, Ireland and Philippines. As per Nasscom-McKinsey Report, I T & BPO services revenues are expected to reach a level of USD 77 bn. (Rs. 3388 bn.) by year 2008. According to their estimates ITES sector in India will provide additional jobs for over 1.1 million people by 2008, which translates into space requirement of approx. 100 million sq. ft. The Indian IT and IT-enabled services industry is on track to meet the aspirations that were set. In fact, the industry has grown at a CAGR of 46% in the last 4 years, exceeding the 38% target set in the report. The Indian ITES sector, for example, has grown at over 100% CAGR over the last 5 years and currently employs over 100,000 people. Opportunities in the BPO industry are expected to open up in several industry verticals such as financial services, healthcare, utilities, airlines, retailing, pharmaceuticals, automotive and telecom industries.

The expected growth of about 40% in the IT and BPO industry will create a substantial demand for world-class infrastructure. An independent study by Cushman and Wakefield in 2002, estimated that approximately 40 mn sq. ft. of space would be required across the six key cities of Mumbai, Pune, Bangalore, Hyderabad, Chennai and Gurgaon until 2007. In 2003, the IT sector accounted for 8.5 mn sq. ft., or more than 80% of office space absorption in 2003 as against 43% in 2000.

2. Residential Real Estate

The residential property market constitutes almost 75% of the real estate market in India in terms of value. As per the Tenth Five Year Plan there is a shortage of 22.4 million dwelling units out of which more than 70% dwelling units are for middle and low income brackets. Additional requirement of housing per year during the plan period 2002-2007 has been estimated at 4.5 million units per year. The Indian Government's habitat policy envisages that by the year 2012 the housing shortage should be removed and everybody should have a house of his own. To meet this target the estimated investment involved is approx. Rs. 400,000 crores upto 2012.

The residential property market is growing all over the country. Increase in disposable incomes, a pro-housing tax regime, and low interest rates have served to generate more demand for mid and high-value apartments. According to a CRISIL Research, India's Home financing market is expected to grow by almost 30% this year resulting in more of the lower middle class population being able to buy houses. Due to the high demand of land across the country, residential prices are moving up, seeing peripheral metro locations on the rise because of the scarcity of land in central locations. So, development of planned satellite towns and suburbs is on the rise too. Besides, growth in IT and BPO sector in India would require investment of USD 25bn (Rs. 1,100 bn.) over the next five-year period (PWC estimates).

A significant aspect of the Indian residential real estate segment is that, compared to other countries India has a fairly low mortgage penetration (2% in India compared to 51% in USA), which is an indicator of huge potential for growth. There is, also shortage for housing in India, which will lead to tremendous potential in that segment too.

3. Retail Real Estate

This growth of the retail industry is credited to the increasing urban population, and the increase in the middle class population. The social factors like the dual household income culture has enhanced the spending power and these spends have moved into more lifestyle products and esteem enhancing services. The media and the advertising world have played a pivotal role in increasing consumption and altering the mix of consumption. The lifestyle shift has resulted in development of the international formats in retailing suited to Indian conditions. The most prominent has been the emergence of malls, which not only fulfill the shopping requirement of the customers but also provide them with a shopping experience.

A growth in consumption levels, changing lifestyles, the availability of quality real estate and significant investments in malls are expected to result in an increase in the size of the organized retail business in India. The organized retail market in India is expected to increase its share of the total retail market from 2% as of 2004 to reach 5-6% by 2007. (Source: BW Marketing Whitebook, 2005)

The number of malls in India is expected to increase from approximately 50 as of the end of 2004 to around 250 by the end of 2006. (Source: BW Marketing Whitebook, 2005, attributed to KSA Technopak)



MAIN CHARACTERISTICS OF THE INDIAN REAL ESTATE SECTOR

The Indian real estate market is still in its infancy, largely unorganized and dominated by a large number of small players, with very few corporates or large players having national presence. The Indian real estate market, as compared to the other more developed Asian and Western markets is characterized by smaller size and higher prices.

1. Highly fragmented market dominated by regional players

Rapid growth in the last decade has seen the emergence of larger players that have differentiated themselves through superior execution and branding. The larger players are able to capitalize on their early mover advantage. However, these players continue to operate in local/regional markets. While these players are now initiating efforts to develop a broader presence, their 'home' markets continue to support the majority of their profitability.

2. Local know-how critical success factor in the development phase

One of the key reasons for emergence of local leaders is the criticality of local know how and relationships in ensuring successful and timely development. Each development is dependent on a number of local clearances (e.g. municipal corporation, water, electricity) that requires strong experience and relationships.

3. High transaction costs and significant cash transactions

The sector has been burdened with high transaction cost in the form of stamp duty that varies across the country (statewise). These transaction costs have resulted in poor liquidity in this market. These transaction costs have led to significant cash transactions to reduce the stamp duty burden.

4. Residential development largely financed through mortgage loans

Most developers use mortgage for their residential projects. Apart for mortgages, the other key sources of funding are through high net worth individuals and large property brokers.

FOREIGN DIRECT INVESTMENT IN REAL ESTATE

In March 2005, Government has permitted Foreign Direct Investment (FDI) under automatic route in real estate sector. This will help to organise the real estate sector, bridge demand and supply gap, create more professionalism, bring superior technology, induce healthy competition and ensure availability of funds. This will help growth of country's GDP. A large number of companies are looking at the opportunity to invest in India. Some of the foreign players who have already tied up with Indian developers are Lee Kim Tah Holdings, CESMA International Pvt. Ltd., Evan Kim, Keppel Land from Singapore, Salim group from Indonesia, Edaw Ltd from USA, Emaar from Dubai, IJM, Ho Hup Construction Co. from Malaysia, etc.

A number of real estate venture capital funds are looking at opportunities in India. Some private funds have applied to SEBI for approval and few of them have already received the approval and started investing in real estate. This will ensure more availability of funds to the developers and faster growth of real estate sectors. Some examples are HDFC Real Estate Fund, ICICI - Tishman Speyer, Ascends India IT Park Fund, Kotak Mahindra Realty Fund, Kshitij Venture Fund, IDFC, Edelweiss Capital, etc.

OUTLOOK OF HOUSING SEGMENT

In today's scenario the real estate sector is seeing a giant leap in terms of both new real estate development and the need for quality housing. In view of the large-scale development across the all major cities of the country, the real estate sector is in a prime position among various segments of the economy. The metros and mini metros are fast making a transition from old cities into new age business destinations and this has been brought about by factors such as population growth, growth of industries and the overall increasing economic growth that the country has seen.

Housing and construction activity assumed predominance, particularly since 1980. Many townships have come up in the last decade. There is always unfulfilled demand for housing as it is one of the basic needs of ever increasing population of our country. High rate of population has also resulted in the growth of high-rise buildings as the cost of land is ever increasing.

One of the major price drivers is the rising income of professionals and businessmen. The high-income group is now graduating to luxury and super-luxury apartments of Rs. 1 crore plus. 'Live it up today' is no longer restricted to the IT class. More and more professionals look forward to a lifestyle of luxury that includes a swimming pool for each apartment, energy saving devices, high-end security systems, centralised



and fully air-conditioned spaces, etc. The high prices have had a domino effect with relatively lower end properties also being priced more than their worth.

Another driver of prices is the switchover of the middle-class from the leasing option to the purchase option. More and more buyers are coming forward with open minds and purchasing what ever suits them or fits them best. Once they find a property of their choice, they are willing to pay a premium on it if required.

The demand momentum is likely to be maintained due to the increasing middle class families, large student community influx and the growing IT & BPO industry. Prices across the metros & mini metros are likely to continue to maintain a steady increase due to the large-scale imbalance in the demand: supply ratio.

REAL ESTATE SCENARIO IN COMPANY'S PRESENT TARGET MARKET

Hyderabad

Hyderabad, with a population of approximately 6.1 million people, is the capital of the State of Andhra Pradesh and is the sixth largest metropolitan city of India. The city has the highest literacy rate in the State - the male literacy is 84.11% and the female literacy is 73.67%.

Hyderabad is well linked to other cities in India and to International destinations including Europe, Middle East and South East Asia. A project to create a new large international airport in 5000 acres is underway at Shamshabad, about 21 kilometers south of Hyderabad city and will become operational in 2008.

Hyderabad city is today known for its IT and IT Enabled Services, Pharmaceuticals and Entertainment industries. Many call centers, Business process outsourcing (BPO) firms, dealing with IT and other technological services were set up in the 1990s making it one of the major regions for call center setups in India. Ramoji Film City, the largest film studio in the world is located on the outskirts of the city.

The development of a township with state-of-the-art facilities called HITEC City prompted several IT and ITES companies to setup operations in the city. An aggressive promotion of growth in this area has led to the western part of the city being referred to as "Cyberabad". Hyderabad has also been referred to as the second Silicon Valley of India next to Bangalore. IT exports from the city are exceed Rs 12,500 crores (£ 1.42 billion) in the 2005-06 fiscal year. There have been extensive investments in digital infrastructure within the city promoting the setting up of several campuses by a vast array of companies within the city. This list includes several multinational corporations having established centres in the city. The major areas where such campuses have been setup include Madhapur and Gachibowli.

Hyderabad also has a distinction of being the "Software Training Capital" with the sheer number of software courses that are attended by thousands from all over.

Hyderabad has been the front runner in terms of attracting huge investments from Fortune 500 Companies. Hyderabad is poised to become a global city after the city has clinched Semiconductor Fab deals from Intellect Inc, Semindia. Hyderabad has been selected as the location for India's first Fab City, a silicon chip manufacturing facility, being setup with an investment of \$3 billion by the AMD-SemIndia consortium.

Hyderabad is a major center for pharmaceuticals with companies such as Dr. Reddy's Laboratories, Matrix Laboratories, Hetero Drugs Limited, Divis Labs, Aurobindo Pharma Limited and Vimta Labs being housed in the city. Initiatives such as Genome Valley are expected to create extensive infrastructure in bio-technology.

Some of the upcoming projects include:

- Genome Valley, Hyderabad, India - a biotech cluster setup near the city to provide world-class facilities to over 100 biotech companies. It is a 200 acre Knowledge Park (KP) which is a joint initiative of the ICICI Bank and the Andhra Pradesh government.
- Nanotechnology Park, Hyderabad, India - The Nanotechnology park is a 350-acre (140-hectare) hardware technology park, near the new International Airport, Shamshabad, in Andhra Pradesh.
- Nacharam, a suburb of Hyderabad, is home to the famous CDFD (Center for DNA Fingerprinting and Diagnostics), India's premier forensics lab.

Hyderabad is an important seat of learning in southern India. The City hosts two Central Universities, two Deemed universities, and six State Universities. Osmania University is one of the oldest Universities in India. Many institutes for technical education like Jawaharlal Nehru Technological University, International Institute of Information Technology and medical colleges are located here. Also based here are the Indian School of Business and the National Academy of Legal Studies & Research (NALSAR). Hyderabad has various



research institutes such as the Indian Institute of Chemical Technology and the Centre for Cellular and Molecular Biology. It is also the home of Maulana Azad National Urdu University as well as BR Ambedkar Open University. This educational infrastructure attracts students from all over the country and some beyond, especially from Africa and the Middle East.

Research Institutions and Labs:

Defence Research and Development Organization (DRDO) had set up Defence Electronics Research Laboratory (DLRL) in 1962, to work on the design and development of communication and radar systems. Currently DLRL is involved in the Integrated Guided Missile Development Programme (IGMDP) of DRDO. There are many other research laboratories at Hyderabad.

The employment opportunities, educational facilities, hospitals, industries and business opportunities in the city have resulted in continuous immigration into the city. Supportive policy environment, availability of cheap and talented technical manpower and competitive real estate costs has given an impetus to the growth of IT industry in the State. Much of this growth is around Hyderabad, which is now looked at as “the preferred IT destination”. While IT / ITES sector continues to play a major role, the NRI investments, investor friendly FDI norms, enhanced spending power and availability of loans are further fuelling a healthy growth of the real estate sector.

The city has efficient infrastructure in place in the form of well linked roads, MMTS, flyovers etc. The proposed outer ring road (ORR), Expressways and MRTS are expected to further strengthen the infrastructure. These infrastructure development initiatives of the state government have also acted as prime drivers of real estate developments in the city.

With IT / ITES driven development and rapid residential spread taking place in Cyberabad in the western part of the city, the twin city is now transforming into a tri-city.

The Retail Industry in India

The retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores.. India's vast middle class and its almost untapped retail industry are key attractions for global retail giants wanting to enter newer markets.

Organized retail currently accounts for only 2-3% of the retail market in India (compared to up to 20% in China), but the sector is undergoing structural change, with leading domestic retailers such as Pantaloon, Shopper Stop, Westside and Big Bazaar going through rapid growth, format migration and consolidation. Moreover, VAT was rolled out in April 2005 which has brought all retailers into the tax loop, will improve transparency. Retail consultancy KSA Technopak forecast that the share of organized retail in India will rise to 10-12% by 2010. This represents a huge opportunity for prospective new players.

The organized retail sector is expected to grow stronger than GDP growth in the next five years as per a KPMG report titled ‘Consumer Markets in India: the next big thing?’. Some 25 operational malls in 2003, India is expected to have over 150 by the end of 2006 with an estimated GLA of approximately 20 million sq. ft. according to JLL report “India – A Real Estate Investment future”. The structure of retailing is developing rapidly with shopping malls becoming increasingly common in large cities, and development plans being projected at 150 new shopping malls by 2008. “Large format” malls with Entertainment, Retail and Leisure components have sprung up in all major cities in India.

A study done by Knight Frank India indicates that by 2007, approximately 75 million. sq.ft. of mall space would be available in India. Within this, Mumbai, Pune, NCR (including Gurgaon, Noida, Greater Noida, Faridabad & Ghaziabad), Bangalore & Hyderabad will have a 74% share. The balance 26% will be made up by the cities like Kolkata, Chennai, Ahmedabad, Jaipur, Nagpur, Lucknow, Indore, Ludhiana & Chandigarh. India is rated the fifth most attractive emerging retail market. It has been ranked second in a Global Retail Development Index of 30 developing countries drawn up by AT Kearney.

- AT Kearney has estimated India's total retail market at US\$ 202.6 billion which is expected to grow at a compounded 30 per cent over the next five years.
- With the organized retail segment growing at the rate of 25-30 per cent per annum, revenues from the sector are expected to triple from the current US\$ 7.7 billion to US\$ 24 Billion by 2010.



- The share of modern retail is likely to grow from its current 2 per cent to 15-20 percent over the next decade, analysts feel. Hence, major national and international brands like Wal-Mart, Shopper's stop, Pantaloon, Reliance are foraying and/or expanding their presence in various parts of the country.

In the next couple of years, India will see at least two Indian retail businesses attaining the magic figure of US\$ 218 million in sales. Several others are expected to attain a critical mass as growth in the industry picks up momentum. This will be driven by two key factors:

- Availability of quality real estate and mall management practices
- Consumer preference for shopping in new environs

A whiff of things to come:

- The world's largest retailer Wal-Mart has huge plans for India. It is moving a senior official from its headquarters in Bentonville, Arkansas, to head its market research and business development functions pertaining to its retail plans in India.
- New York-based high-end fashion retailer Saks Fifth Avenue has tied up with realty major DLF Properties to set up shop in a mall in New Delhi.

Thus overall the Retail Industry in the country is booming and is on upward swing.

Retail Real Estate Scenario at Hyderabad:

The retail real estate market in the city is growing along expectations of growth dynamics of the twin cities. The rapid growth in population and the expansion by IT and ITES businesses, fuelled by continuous immigration with increased number of jobs and rise in income levels have triggered a corresponding increase in the retail activity in the city. With several national and international retail brands expanding into the city, the demand for retail space is very high. The Mall format has received an overwhelming response in the city and the success of Lifestyle, Big Bazaar, and Hyderabad Central corroborate this fact. Apart from malls, high street locations in the prime areas of the city continue to attract several retail brands. The rentals of retail spaces in prime areas of the city are in the range of Rs.70 to Rs. 100 per sq.ft. per month. At present most of the supply of approximately 1.5 million sq.ft. in the form of malls is coming up within the city by the end of 2007, while the suburban areas such as Kukatpally offer equal potential for such developments.

The organized retail space still forms only 5% of the total retail space. With the focus and preference shifting toward organized retail, this share is expected to grow substantially, offering a demand of 10.8 million square feet of organized retail space in the city over a period of next 3 years. Based on the ongoing and proposed projects, the expected supply in the next 3 years is around 3.5 to 4.0 million square feet, thus leaving a supply gap of about 6.0 million square feet.

To summarize, the drivers for Real Estate Boom at Hyderabad are:

- Stable and Proactive Government
- Overall growth in economy, rise in Income Levels, increase in spending, flexible home loan lending norms, fiscal sops.
- Hyderabad a Hub for National/ Multi-national Co's, Multinational Educational Institutes, such as Intel, Wipro, Hyundai, Infosys, ISB, IIIT, BITS.
- Impressive Improved Infrastructure compared to other South Indian cities - will improve further with International Airport/ Outer Ring Road, Fab City, Hardware Park.
- Availability of Skilled manpower
- Good Communication and Transport facilities.
- ITES Sector created vast pool of High Networth Individuals
- NRI money from US & Gulf

B). BUSINESS OVERVIEW

The company is focusing on Business segments of Real Estate, Hospitality and Construction. The company is mainly engaged in property development which includes location identification, site selection, land acquisition, planning out sourcing construction activity, marketing and formation of housing co-operative society.



The business process contains the following stages:

1. Location short listing
2. Site / Land identification
3. Price negotiation with vendor
4. Legal due diligence
5. Execution of development agreement/POA/Sale Deed.
6. Selection of Architects
7. Approval of Drawings
8. Statutory clearances
9. Selection and appointment of Sub-Contractors
10. Project planning & monitoring
11. Project marketing
12. Handing over and formation of housing society
13. After Sales Service

The company since inception has completed the following projects in housing and commercial segments with a total constructed area of 2.210 sq ft million in Hyderabad.

| S. No. | Name of the Project | Locality | Nature of Project | Approx. Built – up Area (sft) |
|---------------|----------------------------|-----------------|--------------------------|--------------------------------------|
| 1. | Prabhava Apartments | Vinay Nagar | Residential | 16,000 |
| 2. | Skandagiri Apartments | Padmarao Nagar | Residential | 14,000 |
| 3. | Manasa Apartments | Anand Nagar | Residential | 13,000 |
| 4. | Ashoka Apartments | Kavadiguda | Residential | 12,000 |
| 5. | Tejaswini Apartments | Erramanzil | Residential | 17,500 |
| 6. | Shreyas Apartments | Malakpet | Residential | 26,000 |
| 7. | Aditya Enclave | Ameerpet | Commercial | 100,000 |
| 8. | Manjeera Square | Ameerpet | Commercial | 70,000 |
| 9. | Manjeera Nest | Ameerpet | Residential | 22,000 |
| 10. | Manjeera Plaza | Ameerpet | Commercial | 16,000 |
| 11. | Manjeera Residency | Jubilee Hills | Residential | 56,000 |
| 12. | Chitra Layout | Saroor Nagar | Residential | 190,000 |
| 13. | Annapurna Block | Ameerpet | Commercial/Residential | 174,000 |
| 14. | Kanchanjunga Block | Ameerpet | Residential | 142,800 |
| 15. | Everest Block | Ameerpet | Residential | 101,000 |
| 16. | Nilgiri Block | Ameerpet | Commercial | 212,000 |
| 17. | Mythri Vihar | Ameerpet | Commercial | 195,000 |
| 18. | Vindhya Apartments | Ameerpet | Residential | 134,000 |
| 19. | Aditya Trade Center | Ameerpet | Commercial | 425,000 |
| 20. | Manjeera Heights Phase I | L.B.Nagar | Residential | 165,000 |
| 21. | Manjeera Residency | Jubilee Hills | Row Houses | 60,000 |
| 22. | Aditya-Hometal | Ameerpet | 3 Star Hotel | 48,850 |
| | | | Total | 22,10,150 |



Apart from above, Group is executing following Projects of diversified portfolio viz. Residential, Commercial, Shopping Mall, Multiplex through Ownership/Joint Ventures/Joint Development/Turnkey Contracts.

| Name of Project | Type of Development | Area(Sq Ft) |
|---------------------------|--------------------------------------|------------------|
| Manjeera Heights 2 | Residential Apartments | 260,000 |
| Hydershakote-CGEWHO | Residential Apartments | 514,520 |
| Bhuaneshwar- CGEWHO | Residential apartments | 690,688 |
| Smart Homes | Independent houses | 102,500 |
| Smart Homes | Apartments | 80,000 |
| Manjeera Diamond towers 1 | Apartments | 1,600,000 |
| Manjeera Diamond Villas | Gated community | 243,000 |
| Kukatpally | Mall, Multiplex, Office, Residential | 1,738,000 |
| Kukatpally | Residential towers | 300,000 |
| 34,Jubilee Hills | Luxury apartments | 24,000 |
| Hotel-Gacchibowli | 5 star hotel | 200,000 |
| Gacchibowli | IT/ITES/Commercial | 500,000 |
| Total | | 6,292,708 |

The company over the years has achieved the competitive strength in the following areas:

- a. Organized and professionally managed
- b. Quality projects and construction
- c. Access to skilled labour
- d. Ability to identify emerging trends in customer requirements
- e. Standardised and documented internal processes
- f. Focus on high-end housing projects, which have high selling potential
- g. Accredited with ISO 9001-2000 Certification
- h. Completed projects with constructed area of 0.532 sq ft. million

DETAILS OF LAND BANK

Following are the details of the land bank/ land reserves of MCL owned by itself, through its subsidiaries, joint development partners, etc.

| S.No. | Land Bank/Land Reserves (Category wise) | Acreage (Sq.ft million) | % of Total Acreage | Estimated developable area (Sq ft million) | % of developable area |
|-------|---|-------------------------|--------------------|--|-----------------------|
| (i) | Land Owned by the company 1. By itself 2. Through its subsidiaries 3. Through entities other than (1) and (2) above | 0.048159 | 8.08% | 0.160583 | 6.68% |
| (ii) | Land over which the company has sole development rights: 1. Directly by the company 2. Through its subsidiaries 3. Through entities other than (1) and (2) above | 0.053579 0.36133 | 8.99% 60.65% | 0.306 1.7375 | 12.73% 72.28% |



| | | | | | |
|---|--|----------|--------|----------|--------|
| (iii) | Memorandum of Understanding / Agreements to acquire/letters of acceptance to which company and/or its subsidiaries and/or its group companies are parties of which: 1. Land Subject to government allocation 2. Land subject to private acquisition (Cross reference to page where details given) | | | | |
| (A) | Sub-total (i)+(ii) + (iii): | 0.463068 | 77.72% | 2.204083 | 91.69% |
| Joint developments with partners | | | | | |
| (iv) | Land for which joint development agreements have been entered in to by: 1. By the company directly 2. Through the subsidiaries 3. Through entities other than (1) and (2) above | 0.110169 | 18.49% | 0.17708 | 7.37% |
| (v) | Proportionate interest in lands owned indirectly by the company through joint ventures (Cross reference to page where details given) | 0.022564 | 3.79% | 0.022564 | 0.94% |
| (B) | Sub-total (iv) + (v): | 0.132733 | 22.28% | 0.199644 | 8.31% |
| (C) | Total (i) + (ii)+(iii) +(iv) + (v): | 0.595801 | 100% | 2.403727 | 100% |

Note: a.) None of the agreements entered therein by the company contain revocation clause. b.) The land values mentioned above are not based on the future developed land value. c.) There are no valuation reports for the land details mentioned above

(i) Lands owned by itself i.e. the company (MCL)

| | |
|--|------------|
| Acreage (Sq.ft.Million) | - 0.048159 |
| % of Total Acreage | - 8.08% |
| Estimated Developable area (Sq.ft.Million) | - 0.160583 |
| % of developable area | - 6.68% |

MCL has purchased the following 2 sites viz. "Chitra Layout" from Hyderabad Urban Development Authority (HUDA) in the open auction for the following considerations:

| | |
|---|-----------------|
| Name of the site | : GHS-plot no.1 |
| Area of the site (Sq.ft.Million) | : 0.022905 |
| Value per Sq.ft | : Rs.580/- |
| Total Purchase price paid by company (Rs) | :1,32,85,318/- |

| | |
|--|-----------------|
| Name of the site | : GHS-plot no.2 |
| Area of the site (Sq.ft.Million) | : 0.025254 |
| Value per Sq.ft | : Rs.635.55/- |
| Total Purchase price paid by company (Rs.) | :1,60,50,606/- |

The cost of project of the aforesaid two plots with a total acreage of 0.048159 sq.ft mn is estimated at Rs.20.62 crores which is to be financed by way of Term Loan of Rs. 8 crores, internal accruals of Rs. 3.62 crores and balance of Rs.9 crores as advances from the customers. 100 % of the above purchase consideration was paid to HUDA and the sale deed was registered by HUDA in favour of the company on 7th April 2004. All the approvals from statutory authorities have already been obtained for execution of the project. 85% of the construction work is completed. Out of 131 flats to be constructed under the said project, 97 flats are already booked by customers.

Housing and Urban Development Corporation Limited (HUDCO) vide their letter no. HUDCO/HRO/MANJEERA-PH-II/19088/2007/2454 dated February 12, 2007 had sanctioned term loan of Rs. 12.40 crores for the residential projects for the three plots at Chitra Layout, Hyderabad, two owned by MCL itself and one owned by Mr. Y. Gopikrishna and others under joint development. As Mr. Y. Gopikrishna and others were not agreed to mortgage their land, HUDCO at the request of MCL decided to reduce the sanctioned term loan to Rs. Rs. 8 crores vide their letter no. HUDCO/HRO/AMENDT.LR/MANJEERA/19088/2007 dated May 4, 2007 and correspondingly



reduce the project cost and extruded the land owned by Mr. Y. Gopikrishna and others. For risk factors - please refer to page i of this LoF.

(ii) Lands over which the company has sole development rights

| | |
|--|------------|
| 1. Directly by the Company | |
| Acreage (Sq.ft.Million) | - 0.053579 |
| % of Total Acreage | - 8.99% |
| Estimated Developable area (Sq.ft.Million) | - 0.306 |
| % of developable area | - 12.73% |

For details of this land please refer to para below point ii (2)

| | |
|--|-----------|
| 2. Through its subsidiaries | |
| Acreage (Sq.ft.Million) | - 0.36133 |
| % of Total Acreage | - 60.65% |
| Estimated Developable area (Sq.ft.Million) | - 1.7375 |
| % of developable area | - 72.28% |

MCL has been designated as the successful bidder by Andhra Pradesh Housing Board (APHB) vide their letter of Award no. 256/AE/PC/05-07 dated 06-03-2006 to develop Multiplex & Shopping Mall or Shopping Mall at S3 site at Kukatpally, Hyderabad at a consideration of Rs.18 Crores per acre.

Further, MCL has also been designated as the successful bidder by APHB vide their Letter of Award no.256/AE/PC/05-06 dated 06-03-2006 to develop Theme Shopping, Mall, Office Area & Parking or Residential at S2 site Kukatpally, Hyderabad at a consideration of Rs 12 crores per acre.

MCL entered into a development agreement with APHB for the aforesaid S2 site and S3 site on 6th October 2006 and 22nd November 2006 respectively, inter-alia, receiving the rights and or further assigning its development rights to a Special Purpose Vehicle (SPV) company in regard to the Designing & Planning, Constructing, Financing, Marketing, Selling of shops, dwelling units, office space, multiplex, residential units, etc on the said sites. The agreements are valid up to 24 months from the date of issuing Power Of Attorney (POA) by APHB in favor of MRHPL. APHB has issued the said POA in favor of MRHPL on July 31, 2007. We are in the process of applying for extension

Areas of the site:

| | | |
|----|---|---------------------|
| S2 | : | 0.27 sq.ft. million |
| S3 | : | 0.14 sq.ft. million |

Accordingly, out of the total area of 0.27 sq.ft. million in Site S-2, , an area of 0.22 sq.ft. million is assigned to the SPV-Manjeera Retail Holdings Private Limited (as per point ii (2) above) for development, and the balance 0.05 sq.ft. million would be developed by MCL independently (as per point ii (1) above) with an approval of APHB. Further the entire area of 0.14 sq.ft. million in Site S-3 is assigned to the SPV-Manjeera Retail Holdings Private Limited (MRHPL) for development, with an approval of APHB.

We have paid the entire amount of Rs. 127 Crores towards land development to APHB

Total Project Cost : Rs.566.60 Crores + Rs. 25 Crores Performance Guarantee (PG) in favor of APHB (non-fund based)

Means of Finance:-

| | | |
|----------------------------|---|---|
| Equity /FCD | : | Rs. 125.00 Crores |
| Term Loans from banks/ FIs | : | Rs. 250.00 Crores + Rs. 25 Crores PG (non-fund based) |
| Advances from Buyers | : | Rs.191.60 Crores |
| Total | : | Rs. 566.60 Crores |

Equity / FCD of Rs. 125 crores had been brought in for the project. We have availed a loan of Rs. 63 crores from Banks and Financial Institutions. As on 31st March, 2009, we have secured an amount of Rs. 188.80 crores towards the project.

With regard to the raising of Advances from Customers, MRHPL has completed the excavation work at the site and when the construction starts, at an appropriate time, MRHPL would announce its



project for sell of facilities under the project and will mobilize advances from buyers/customers as booking amount, which is an industry phenomenon. For risk factors - please refer to page i of this LoF.

Joint Developments with Partners

Land for which joint development agreements have been entered into by the company directly:

| Name of the project | Area Sq.ft.Million | %of Total Acreage | Estimated Developable area (Sq.ft.Million) | %of developable area |
|---------------------|--------------------|-------------------|--|----------------------|
| Qutbullapur | 0.087264 | 14.65 | 0.088 | 3.67 |
| Manjeera Heights-II | 0.022905 | 3.84 | 0.089 | 3.70 |
| Total | 0.110169 | 18.49 | 0.177 | 7.37 |

There are two lands which are under joint development with the owners of the land as partners

- a) **Qutbullapur Project:** MCL has entered into a registered development agreement on 14th February 2007 with Mr. S. Lakshman Rao and others (Owners of the land) for development of 44 plots measuring about 0.087 sq.ft. million for construction of independent houses with super built up area of about 0.087 Sq ft million 42.5 % share in the built up area to the owners of the land while the remaining 57.5% share shall be retained by the MCL. The cost of the project is estimated at Rs. 10.60 crores which is to be financed by way of term loan of Rs. 4.50 crores from ICICI Bank, advances from customers of Rs. 5.60 crores and internal accruals of Rs. 0.50 crores. As per the development agreement MCL had paid the owners the entire interest fee refundable security deposit amounting to Rs.115 Lakhs to the owners of the land. The agreement is valid up to 18 months period with 6 months grace period from the date of receiving the permission for construction of the building without any penalty clause.
- b) **Manjeera Heights :** MCL had entered into a registered development agreement on 28th October 2006 with Mr. Y.Gopi Krishna and others (owners) for joint development of 0.0229 sq.ft. million of plot no.GHS-1 purchased by them from HUDA with sharing of built up area in the ratio of 42:58 between the owners and MCL. The cost of the project is estimated at Rs. 10.50 crores which is to be financed by way of Internal Accruals of Rs. 4 crores and balance by the advances of Rs. 6.50 crores from the customers of this project. All the approvals from statutory authorities are already obtained for execution of the project. The excavation work is already in progress. The agreement is valid up to 24 months period with 3 months grace period from the date of receiving the permission for construction of the building and in case of further delay, MCL shall pay Rs. 5,000/- per flat per month for the delayed period.

(V) Proportionate Interest in lands owned indirectly by the Company through Joint Ventures:

| | |
|--|------------|
| Acreage (Sq.ft.Million) | - 0.022564 |
| % of Total Acreage | - 3.79% |
| Estimated Developable area (Sq.ft.Million) | - 0.022564 |
| % of developable area | - 0.94% |

MCL, M/s. CSR Estates Limited and M/s. Ashoka Developers & Builders Pvt. Ltd are the joint owners of the land totally measuring 0.0805 sq.ft. million at Kothaguda with 28%, 28% and 44% ownership in the land respectively. The land is acquired from the Government of Andhra Pradesh on 20.09.2003 through sale confirmation proceedings bearing Nos. LC2/7282/2003 and LC2/7283/2003 in the sale conducted by way of public auction by the District Collector for a total consideration of Rs.2.64 Crores. The owners above have entered into a memorandum of agreement on 11th August 05 and as per the terms of MOU, MCL and CSR Estates Limited have agreed to entrust their share of land to Ashoka Developers & Builders Pvt. Ltd for the purpose of development and agreed to share the built up area in the ratio of 22.5 : 22.5 : 55. Since MCL is only part owner of the land with a share of 22.5% of the total built-up area, it would not be required to invest further amount in the project and the responsibility of execution of the project and deploying the necessary resources is solely vested with M/s. Ashoka Developers & Builders Pvt. Ltd. The agreement is valid up to 12 months period with 3 months grace period and if no measures are initiated by M/s. Ashoka Developers & Builders Pvt. Ltd., the agreement will automatically stands to be cancelled.

**PLANT & MACHINERY**

The company normally appoint sub contractor for undertaking the construction work and the scope of work of such contractors includes deploying their own machineries for the purpose. As such the company owns very few plant and machinery.

TECHNICAL KNOWHOW

The Promoters themselves are well experienced in this line of activity and hence do not need any technical collaboration. The Company has in its rolls well qualified and experienced persons to take care of all aspects.

UTILITY**1. Power**

Power sanction is from the Andhra Pradesh State Electricity Board taken by the Company as and when the projects for specific locations are taken up.

2. Water

To meet the water requirements, Corporation water is available in plenty at construction sites. Also whenever possible, tube wells are dug at respective construction sites.

3. Management

The Company employs its own personnel for all activities related to property identification, planning, construction, sales and administration of Project.

COMPETITIVE STRENGTHS**a. *We are an organized and professionally managed company***

We are a professionally managed company with qualified and experienced professionals in the senior management. In order to expedite the decision making process and to facilitate speedy implementation of our projects, we have adopted a model in which critical functions like project planning, procurement and project monitoring, pre-marketing and marketing are managed from our main office at Hyderabad and progress of the project construction work at various sites is managed by our professional employees at respective sites and periodical reports about the progress of the construction and key information as well as problems are reported to the main office.

b. *Quality projects and construction*

We believe that the quality of our construction differentiates us from other real estate developers. We place a special emphasis on ensuring that our quality standards are adhered to at every stage of a project and for every product provided to a client. Our quality standards are documented and our work force is trained to ensure our quality standards are met.

c. *Ability to identify emerging trends in customer requirements*

We believe our ability to identify emerging trends in customer requirements and developing projects to suit such requirements is our strength. Our marketing and sales team along with our Customer Relationship Management team ("CRM") is our interface to potential customers and clients. This interface provides us an insight into the customer requirement trends in terms of type, location and price of the product and guides us to plan our promotional activities.

d. *Our standardised and documented internal processes*

Under the guidance of Managing Director, the company has documented internal processes and methodologies which ensure that each department and each employee of Company are aware of their respective roles and obligations, and each activity of construction and development is as per the standards of quality that the company has set for it. This also ensures uniformity in all our processes.

e. *Focus on housing projects, which have high selling potential*

The company mainly concentrates on developing housing projects catering to MIG/ HIG customers as city of Hyderabad has huge population of such income group and their demand is continuously increasing which results in high selling potential of the projects of the company and thereby minimizing the risk

**f. Accredited with ISO 9001:2000 Certification**

The Company follows the policy for stringent quality control norms for all its projects and never compromises on this front. The company has received ISO 9001:2000 certificate from TUV India Private Limited (TUV NORD Group) dated December 30, 2005 which is considered as one of the strong feature of our marketing arrangement.

BUSINESS STRATEGY

The key elements of our business strategy are as follows:

a. To increase presence in the real estate market of Hyderabad

Our residential development activities have been focused on Hyderabad as Hyderabad has vast potential in respect of real estate development in the areas of residential projects, commercial projects, office complexes and other infrastructural facilities. As such the company is aiming to penetrate in the real estate market of Hyderabad on the strength of project execution expertise, stringent quality norms, cost effective projects and value added amenities. With the help of these strengths, the company wishes to grab the opportunity for any real estate project in Hyderabad and prove its competitive strengths. Thus, the strategy is to become a major real estate development company with the highest standards of professionalism, ethics and customer service and thereby to contribute to and benefit from the growth of the Indian economy.

b. Diversify our portfolio of projects

The company intends to expand the portfolio of projects, thereby further diversifying the revenue streams and enhancing the value and position of its brand. The company is engaged in property development – Housing Segment and to some extent in to Commercial Segment and intends to further develop business lines in which it has recently commenced activities, such as the development of shopping malls, office complexes etc.

c. Maintain high standards of quality and continue to enhance our brand and reputation by delivering value to our customers

The company intends to continue to promote and expand its brand. It will do so by continuing to focus on quality and innovation in its property projects in order to deliver in a timely manner and maximize client satisfaction. It also intends to continue to use technologically advanced tools and processes to ensure quality construction. It also intends to continue to further enhance its architectural, design, construction, and development capabilities to enable it to provide innovative, modern and quality products and services to its customers.

SALES

The company's sales efforts begin as soon as practicable after it enters into an agreement to acquire land. It typically builds, furnish and landscape model units for each residential project and maintain on-site sales offices. It generally opens an on-site sales office before the construction of the model unit is completed. This on-site sales office is utilized to commence the sales process to potential customers. The sales center is later generally moved to one of the model units.

The company generally sells its developments through sales representatives who typically work from the sales offices located at respective sites. When appropriate, the company also uses listing and cooperative brokers to sell its units. The company is generally able to sell a portion of its land inventory on a pre-development basis, thereby reducing the amount of external capital needed to complete improvements.

MARKETING AND POST – COMPLETION

The company's marketing department is responsible for procuring customers, for sales, for the units in our developments and for conducting pre-sales. It market company's units through marketing techniques such as newspaper. The company is not, however, engage on an exclusive basis the services of any real estate brokerage or mortgage lender in connection with the sale or lease of its developments.

A significant number of its residential development units are pre-sold prior to completion of the development. In connection with its pre-sales of residential units, the company requires that customers must pay advances on the purchase price, which advances its residential customers are required to increase in amount as it progresses through various milestones or stages of construction of its residential unit. The company's



marketing department is responsible for the booking of sales once customers are identified and collects all customer deposits.

The company seeks to foster good relations with our customers and to keep in touch with them by sending periodic newsletters and mail pieces. In each of its developments the company will provide all of its customers a pre-occupancy inspection with its site engineer as well as with a customer survey encouraging constructive feedback on its developments. We actively follow up with the collection of these surveys.

The company manages all of its commercial and retail properties and, in respect of its residential developments it also provide property management services for a limited time, until the formation of a co-operative residents association for each of its residential projects.

COMPETITORS

The real estate development industry in India, while fragmented, is highly competitive and the company faces competition in Hyderabad (where its business activities are presently focused) from other large Indian commercial, retail and residential real estate development and construction companies in the Hyderabad area, such as Ashoka Builders Limited, Janapriya Engineers Syndicate, etc. Given the strategy of expanding its business activities outside Hyderabad to include real estate development in other select regions in India, the company may experience competition in the future from various Indian commercial, retail and residential real estate investment and development companies with significant operations elsewhere in India, such as the DLF Group, Ansal Group, Parsvanath Developers, Unitech Limited and D.S. Kulkarni Limited. It may also face competition in the future from certain foreign real estate development companies and construction firms operating in India or which in the future may enter the Indian market.

INSURANCE

The company's operations are subject to hazards inherent in the construction industry, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. It may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods extended by us, which can range from 12 months from the date of their delivery to the client. We obtain specialized insurance for construction risks and third party liabilities for most projects for the duration of the project. The company generally maintains insurance covering our assets and operations at levels that it believes to be appropriate.

The Company has taken the following insurance policies for its various projects:

| S. No. | Name of Project | Name of Insurance Co. | Policy Period | Insured Amount (Rs.) |
|---------------|--|---|--------------------------|-----------------------------|
| 1 | GHs 2,3,Chitra Layout, Phase-2 LB Nagar, Hyderabad | The Oriental Insurance Company Limited | 18-09-2006 to 17-09-2009 | 13,55,00,000 |
| 2 | Smart Homes | ICICI Lombard Limited | 25-07-2007 to 24-07-2009 | 10,66,00,000 |
| 3 | Smart Apartments | ICICI Lombard General Insurance Company Ltd | 12-09-2008 to 11-08-2009 | 10,00,00,000 |
| 4 | Apartments at Kukatpally – S2B | The Oriental Insurance Company Ltd | | 60,00,00,000 |

HEALTH, SAFETY AND ENVIRONMENT

The company is committed to comply with applicable health, safety and environmental regulations and other requirements in its operations and also have workmen's compensation, group medical insurance and a personal accident insurance policy in place. To help ensure effective implementation of its practices, at the beginning of every project it identifies all potential material hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. The company believes that accidents and occupational health hazards can be significantly reduced through the systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors. The company seeks to work proactively towards minimizing or eliminating the impact of hazards to people and the environment. Project heads are principally responsible for ensuring that safety standards are met at project sites.



KEY INDUSTRY REGULATION

There are no specific regulations in India governing the real estate industry. Set for the below are certain significant legislation and regulations that generally govern this industry in India:

1. The Environment (Protection) Act, 1986
2. Transfer of Property Act, 1882
3. The list of regulatory bodies and approvals required for development of Real Estate projects in India are as below.

| Approvals/Clearances Required | Department to be Approached and Consulted |
|---|---|
| Incorporation of Company | Registrar of Companies |
| Allotment of land (in specific industrial zones) | <ul style="list-style-type: none"> • State District Industries Center (part of the Govt.) OR • State Industrial Development Corporation OR • State Infrastructure Development Corporation OR • Small Scale Industries Development Corporation |
| Permission for land use | a. Local Regulatory Authority including: <ul style="list-style-type: none"> • Municipal Corporations (for city areas) • Industrial Development Corporation (for industrial estates) • Dept. of Town and Country Planning |
| NOC and consent under Water and Air Pollution Control Acts | State Pollution Control Board |
| Approval of construction activity and building plan | a. Town and country planning b. Municipal and local authorities c. Chief Inspector of Factories d. Pollution Control Board e. Electricity Board OR THE SPECIFIC INDUSTRIAL DEVELOPMENT AUTHORITY (IN CASE OF SINGLE WINDOW) |
| Sanction of Power | State Electricity Board |
| Fire Safety Clearance | Fire Department |
| Building Completion Certificate | Local Building Regulatory Authority (Municipal Corporation in most cases, Industrial Development Corporations in Industrial Areas |

General

The Company is engaged in the business of real estate development. The Company undertakes construction by sub-contracting all the activities. Thus most of the legal requirements are taken care by such sub contractors. For the purpose of executing the work, the company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state and/or local governing bodies like Municipal Corporations, Fire Department, Environmental Department, etc. For details of such approvals please see "Government Approvals" on page 99 of this Information Memorandum.

Central Laws

Laws relating to land acquisition

The Urban Land (Ceiling and Regulation) Act, 1976 prescribes the limits to urban areas that can be acquired by a single entity. It has however been repealed in some states and union territories under the Urban Land (Ceiling and Regulation) Repeal Act, 1999. Further, land holdings are subject to the Land Acquisition Act, 1894 which provides for the compulsory acquisition of land by the central government or appropriate state government for public purposes, including planned development and town and rural planning. However, any person having an interest in such land has the right to object to such compulsory acquisition and the right to compensation.



Laws regulating transfer of property**Transfer of Property Act, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act, 1882 (“**T.P. Act**”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 (“Registration Act”) has been enacted with the object of providing public notice of the execution of documents affecting transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

The Indian Stamp Act, 1899

Stamp duty needs to be paid on all documents specified under the Stamp Act and at the rates specified in the Schedules thereunder. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified in Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

The Easements Act, 1882

The law relating to easements is governed by the Easements Act, 1882 (“Easements Act”). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

Property Tax:

Property tax is levied as a percentage of the Rateable Value (RV) of the property. The calculation of RV and the tax rate payable varies between states. The property tax payable also varies depending on whether the property is owner occupied or leased out. The RV is calculated on the basis of actual rental if the property is leased. If the property is owner occupied, the RV is calculated on the basis of the comparable rental that the property can achieve

Laws relating to employment

The employment of construction workers is regulated by a wide variety of generally applicable labour laws, including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the employees Provident Funds and Miscellaneous Provisions Act, 1952, the payment of Gratuity Act 1972, the workmen’s compensation Act 1923 and the Payment of Wages Act, 1936.



State Laws**Laws in Andhra Pradesh as applicable to our Company**

1. The A.P. Electricity Reform Act, 1998 along with Rules & Notifications
2. The Andhra Pradesh Ceiling on Agricultural Holdings Act, 1961
3. The Hindu Succession Act, 1956
4. The A.P. Rights in Land and Pattadar Pass Books Act, 1971
5. Andhra Pradesh Land Grabbing (Prohibition) Act, 1982
6. The Andhra Pradesh Urban Areas (Development) Act, 1975
7. The Andhra Pradesh Town Planning Act
8. Manual of Revenue Laws
9. The Andhra Pradesh Panchayat Raj Act, 1994
10. A.P.S.E.B. Service Regulations
11. Manual of Civil Laws in Andhra Pradesh
12. Law of Flats, Apartments & Buildings
13. Handbook on Survey, Settlements and Land Records in A.P.
14. Manual of Electricity Laws in A.P.
15. Manual of Co-operative Societies Laws in Andhra Pradesh
16. The Indian Stamp Act, 1899 (As applicable in A.P.) as amended by A.P. Act 19 of 2005 w.e.f. 1-8-2005 & Registration Act, 1908 (As applicable in A.P.)
17. A.P. Co-operative Law Manual
18. The A.P. Municipalities Manual
19. Housing Board Act & allied laws
20. Municipalities Act
21. Andhra Pradesh Buildings (Lease, Rent & Eviction) Control Act, 1960
22. Law Relating to Municipal Corporations in Andhra Pradesh
23. The Law of Electricity with Special Reference to A P
24. The A.P. Revenue Laws Manual

Construction Business***Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996***

The Central Government enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("BOCWA") as a comprehensive central legislation governing construction worker. The BOCWA aims at regulating the employment and conditions of service of construction workers and to provide for their safety, financial health among other welfare measures.

Under the BOCWA every employer employing ten or more building workers for building or construction work in the past twelve months must apply for registration of the establishment. The BOCWA vests the responsibility of providing for immediate assistance in case of accidents, old age pension, loans for construction of house, premium for group insurance, financial assistance for education, to meet medical expenses, maternity benefits etc to beneficiaries under the BOCWA on the Building and Other Construction Workers Welfare Board.

The BOWCA also prescribes health and safety measures for the construction workers. For this purpose comprehensive Central Rules i.e. Building and other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998 have been notified by the Central Government.

Regulations regarding foreign investment

The Government of India has permitted foreign direct investment ("FDI") of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects ("Real Estate Sector"), subject to certain conditions enumerated in Press Note No. 2 (2005 series). A short summary of the conditions is as follows:

- a. Minimum area to be developed is 10 hectares in case of serviced housing plots and 50,000 square metres in case of construction development projects. Where the development is a combination project, it can be either 10 hectares or 50,000 square metres.
- b. Minimum capitalization of US\$ 10 million for wholly owned subsidiary and US\$ 5 million for a joint venture has been specified and it is required to be brought in within six months of commencement of business of the company.



- c. Further, the investment is not permitted to be repatriated before three years from completion of minimum capitalization except with prior approval from FIPB.
- d. At least 50% of the project is required to be developed within five years of obtaining all statutory clearances and the responsibility for obtaining it is cast on the foreign investor. Further, the sale of undeveloped plots is prohibited.
- e. Compliance with rules, regulations and bye-laws of state government, municipal and local body has been mandated and the investor is given the responsibility for obtaining all necessary approvals.

C.) Financial Highlights:

Audited Financial Information for the year ended March 31, 2008 is as under:

| Particulars | Amount (Rs. in Lakhs) |
|---|----------------------------------|
| Share Capital | 8823.53 |
| Reserves (Excluding Revaluation Reserves) | 0.00 |
| Networth | 8823.53 |
| Total Income | 0.00 |
| PAT | (32.60) |
| EPS (Rs.) | (0.05) |
| NAV per share (Rs.) | 10.00 |
| Face Value per Share (Rs.) | 10.00 |

b. Details of Appointment and Compensation of our Directors

| Name of Directors | Contract/ Appointment Letter/Resolution | Details of Remuneration | Term |
|--------------------------|--|---|---|
| Mr. G Yoganand | Managing Director | Salary Rs. 3,50,000/- + Perquisites per month | Five years From 01.07.2005 to 30.06.2010 |

Compliance with Corporate Governance Requirements

Good corporate governance is a pre-requisite for enhancing shareholder's long-term value. The company's policies and practices are aimed at efficient conduct of business and effectively meeting its obligations to shareholders. MCL has been consistently improving transparency and accountability to all its shareholders. The Company complies with the current requirements relating to corporate governance, under the Listing Agreement entered into with the Stock Exchanges. MCL firmly believes that good corporate practices underscore its drive towards competitive strength and sustained performance. These practices are also powerful tool for building trust and long-term relationship with stakeholders of the Company. Company's thrust on transparency, integrity, accountability and disclosure has enabled it to accomplish best Corporate Governance practices.

The company has complied with SEBI Guidelines in respect of Corporate Governance specially with respect to composition of Board, constituting the committees such as shareholding / investor grievances committee, etc. Currently our board comprised of 4 Directors with 2 directors are from the promoters group and 2 are independent non-executive directors. The promoter, Mr. G. Yoganand is the Managing Director of MCL and MCL has not appointed any executive or non-executive chairman. Thus, MCL complies with the provisions of the Clause 49 of the Listing Agreement in respect of composition of the board of directors

I. Audit Committee

Audit Committee is constituted by Board of Directors consist of 3 directors, all of them are Non-executive Independent Directors. The Audit Committee provides necessary directions to and reviews year-end certificates Issued by the statutory auditors. Quarterly and Annual Accounts will be reviewed by the Audit Committee, prior to their presentation to the Board. Besides, Audit Committee will be authorized to exercise all such powers as are required under the amended Clause 49 of the Listing Agreement.



Composition of Audit Committee:

| Sr. No | Name of the Director | Designation | Nature of Directorship |
|--------|----------------------|-------------|--|
| 1. | Mr. D L S Sreshti | Director | Non-executive Independent Director |
| 2. | Mr. K. Krishnamurthy | Director | Non-executive Independent Director |
| 3. | Mr. G Shivaleelanand | Director | Non-executive Non-Independent Director |

The terms of reference of the audit committee are as follows:

- Regular review of accounts, accounting policies, disclosures, etc.
- Review of the major accounting entries, based on exercise of judgment by management and review of significant adjustments arising out of audit.
- Qualifications in the draft audit report.
- Establishing and reviewing the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- The Committee shall have post audit discussions with the independent auditors to ascertain any area of concern
- To look into the matters pertaining to the Director's Responsibility Statement with respect to compliance with Accounting Standards and accounting policies
- Compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable
- The Committee shall look into any related party transactions i.e., transactions of the company of material nature, with promoters or management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large
- Appointment and remuneration of statutory auditors
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee

The powers of the audit committee shall include the power to:

- Investigate activity within its terms of reference
- Seek information from any employees
- Obtain outside legal or other professional advice
- Secure attendance of outsiders with relevant expertise, if it considers necessary

II. Investor Grievance Committee

A board committee has been formed to specifically look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. This Committee is designated as 'Shareholders/Investors Grievance Committee. The Committee inter alia, approves the transmission / transfer of shares, issue of new / duplicate share certificates & oversees and reviews all matters connected with the Securities transfer.

Composition of Shareholders/ Investors Grievance Committee

| Sr. No | Name of the Director | Designation | Nature of Directorship |
|--------|----------------------|-------------|---|
| 1. | Mr. G. Shivleelanand | Director | Non-executive Non- Independent Director |
| 2. | Mr.D L S Sreshti | Director | Non-executive Independent Director |
| 3. | Mr. K. Krishnamurthy | Director | Non-executive Independent Director |

The committee is constituted in terms of the mandatory requirement of Clause 49 of the Listing Agreement to look into the redressal of grievances of investors like non receipt of share certificates, non-receipt of balance sheet, non-receipt of dividend warrants etc. As on March 31, 2009, no complaints were received from shareholders of the company.



III. Board Procedures

The board of directors meets regularly as per the requirement of the business. During the financial period ended March 31, 2009, the Board met 5 times on June 30, 2008, July 28, 2008, August 23, 2008, October 30, 2008 and January 30, 2009 to transact the various businesses.

The Company confirms that all material information has been disclosed to the Board of Directors. Also, the Report of Corporate Governance certifies that the requirement of Board procedures have been complied as per Clause 49 of the Listing Agreement entered into with Stock Exchanges.

IV. Management

The Management Discussion and Analysis report forms part of the annual report to the shareholders.

V. Shareholders

The Company has declared the Quarterly results within the expected time and the same have been reported to the Stock Exchanges as per the Listing Agreement. The Un-audited quarterly results were declared on the following dates and published in the national dailies and local newspapers as per Clause 49 of the Listing Agreement.

| | |
|--|---|
| April 1, 2004 to June 30, 2004 | July 30, 2004 |
| July 1, 2004 to September 30, 2004 | October 30, 2004 |
| October 1, 2004 to December 31, 2004 | January 24, 2005 |
| January 1, 2005 to March 31, 2005 | April 19, 2005. |
| April 1, 2005 to June 30, 2005 | July 23, 2005 |
| July 1, 2005 to 30 September 2005 | November 1, 2005 |
| October 1, 2005 to December 31, 2005 | February 7 2006 |
| January 1, 2006 to March 31, 2006 | May 27, 2006 |
| April 1, 2006 to June 30, 2006 | August 1, 2006 |
| 1 st , July 2006 to 30 th September 2006 | October 14, 2006 |
| October 1, 2006 to December 31, 2006 | February 2, 2007 |
| January 1, 2007 to March 31, 2007 | June 28, 2007 |
| April 1, 2007 to June 30, 2007 | August 1, 2007 |
| July 1, 2007 to 30 September 2007 | October 31, 2008 |
| October 1, 2007 to December 31, 2007 | January 5, 2008 |
| January 1, 2008 to March 31, 2008 | July 2, 2008 |
| April 1, 2008 to June 30, 2008 | July 30, 2008 |
| 1 st , July 2008 to 30 th September 2008 | November 1, 2008 |
| October 1, 2008 to December 31, 2008 | February 1, 2009 |
| January 1, 2009 to March 31, 2009 | (Audited results due for consideration in June 2009) |

VI. Compliance

The Company has obtained the Compliance Certificate from the Auditors of the Company dated ----- 2008 certifying compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement and has been filed along with the Annual return to the Stock Exchanges. Also, the said Compliance certificate forms part of the Annual Report sent to all the shareholders.

Shareholding of the Directors

| Sr. No. | Name | Relationship | No. of Shares | % of Share Capital |
|---------|-------------------|-------------------|---------------|--------------------|
| 1. | G Yoganand | Managing Director | 68,50,946 | 54.77 |
| 2. | G Shivaleelanand | Director | 43768 | 0.35 |
| 3. | K. Krishna Murthy | Director | 10000 | 0.07 |

The Other directors do not hold any Equity Shares in the Company.

Qualification Shares required to be held by Directors

Directors are not required to hold any qualification shares.



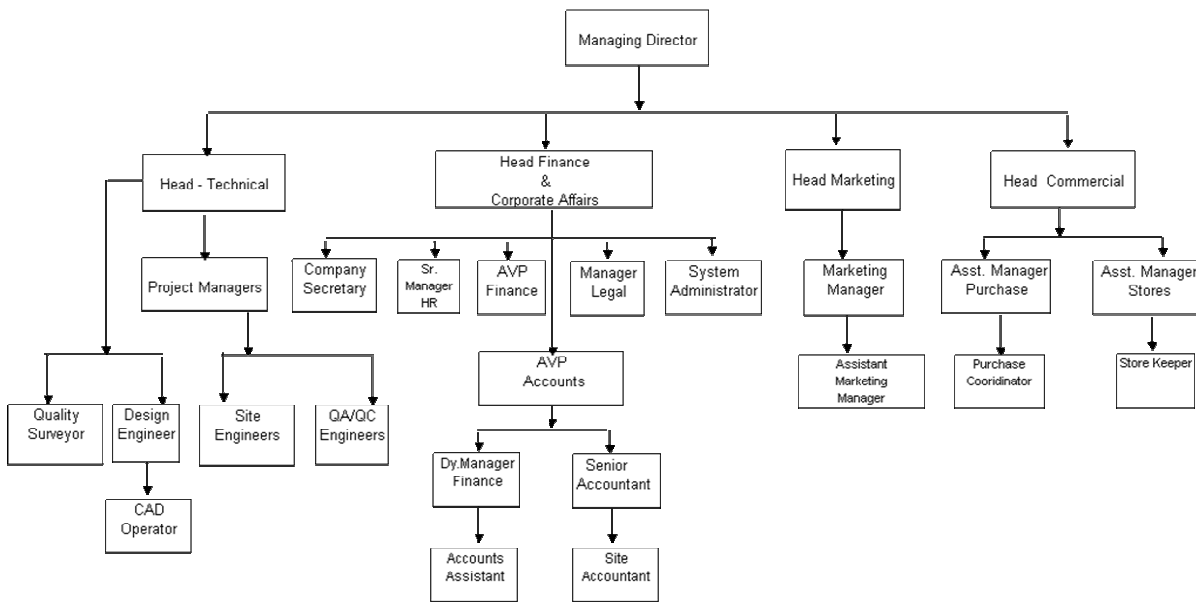
f. Interest of Directors (Other than the Promoter Directors)

All the directors may be deemed to be interested to the extent of the sitting fees and other remuneration for the services rendered and the reimbursement of expenses, if any, payable to them under the articles. The directors may also be deemed to be interested to the extent of:

- a. The shares, if any, held by them or by the relatives or by firms or companies of which any of them is a partner and a director/member respectively. The shares, if any, out of the present Issue that may be subscribed for and allotted to them or their relatives or any company in which they are directors/members of, to firms in which they are partners.
- b. Remuneration of Managing Director/ Executive Directors / Whole time Directors

The Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Information Memorandum in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them other than contracts in the normal course of business.

g. Management Organization Structure





h. Key Management Personnel

| Sr. No. | Name of the Employee | Qualification | Designation/ Nature of Duties | Age (years) | Date of Joining | Total Experience | Last Employment and Designation |
|---------|-----------------------------|---|---|-------------|-----------------|------------------|--|
| 1 | Mr. P. Sobhanadri | M.Sc | Sr. Vice President | 52 | 19/01/2006 | 30 years | AGM - Oriental Bank of Commerce |
| 2 | Mr. M. Balaramulu | M.E. (Civil-Structural Engineering) | Sr. Vice President | 50 | 08/02/2007 | 28 years | Govt. of Andhra Pradesh |
| 3 | Mr. B. Surya Prakasa Rao | FCA | Asst. Vice President-Finance & Accounts | 38 | 27/03/2006 | 11 Years | Internal Auditor -Oriental Bank of Commerce |
| 4 | Mr. K. Srinivas | M C A | Asst. V P Sales & Marketing | 38 | 01/04/1996 | 10 Years | - |
| 5 | Mr. N.V. Ramana Reddy | M.Tech | Manager-Project Management | 35 | 23/05/2005 | 11 Years | Head of Civil Engg Dept. - Vijay Electricals Ltd |
| 6 | Ms. Sudha Prathima | B.A, B.L | Manager Legal | 41 | 02/04/2007 | 10 Years | Legal Advisor Property Solutions, |
| 7 | Mr. S.V.G.ChandraSekhar Rao | B.E (Civil), M.Sc | Project Manager | 40 | 29/03/2007 | 16 Years | Divya Sree Holdings Pvt.Ltd |
| 8 | Mr. Christopher PC John | Post Graduate in Social Sciences, PG Diploma in IRPM, | Senior Manager - HR | 37 | 28/06/2007 | 13 years | Group Manager-HR Monarch Group Bangalore |



Brief Profile of Key Managerial Personnel:

- 1) Mr. P Sobhanadri, aged 53 is post graduate in Science and started his career in Banking sector. He is an experienced ex-Banker with nearly three decades of Banking experience and involved in organizing funding for various projects.
- 2) Mr. M Balaramulu aged 51, is a Master in Engineering (Civil – Structural Engineering) from Osmania University. He started his career with Roads and Buildings Department Government of Andhra Pradesh and worked in various departments of Government of Andhra Pradesh. He has 28 years rich experience in Structural Designing of multistoried and hospital buildings and took pre mature retirement as Executive Engineer. He is also Life member of Institution of Engineers, Institute for Steel Development and Growth and Indian Road Congress.
- 3) Mr. B Surya Prakasa Rao aged 39 years is a graduate in commerce and member of the Institute of Chartered Accountants of India. He started his career as Finance Manager with DFL Finance Limited. He has 11 years rich experience in the field of Finance, Banking, Taxation, Accounting, Auditing, Secretarial and Legal.
- 4) Mr. N V Ramana Reddy aged 36, is a post graduate in Engineering (M. Tech) from NIIT Warangal, started his career as Site Engineer with Nivee Properties Developers Ltd. Later he joined in Vijay Electrical Ltd and headed Civil Engineering Department of the company. He has 11 years experience in construction field.
- 5) Mr. K Srinivas, aged 38 is a post graduate in Computer Application (MCA) from Osmania University and started his career as EDP in charge. He has 10 years experience in Marketing Human Resource.
- 6) Ms. Sudha Prathima aged 42 years B.A., B.L., started her career as Associate Advocate. She has 10 years experience in field of legal matters.
- 7) Mr. SVG Chandrasekhara Rao aged 41 is graduate in Civil , M.Sc. Environmental Science, P.G. diploma planning Management. PGDCA., started his career in J.J. Associates as Site Engineer. He has 16 years of vast experience.
- 8) Mr. Christopher PC John aged 38 is post graduate in Social Sciences from Osmania University and started his career with Hotel Viceroy (now Marriotte). He has 13 years of experience in the field of Human Resource.

The persons whose names appear as key management personnel are on the rolls of the Company as permanent employees. There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any person was selected as director or member of senior management. None of the key managerial personnel have any relationship with the promoters or directors of the company.

Shareholding of the Key Managerial Personnel:

The shareholding of the Key Managerial Personnel of the Company as on June 30, 2007 is as under:

| Name of the Person | Designation | No. of Shares | % Shareholding |
|---------------------------|--|----------------------|-----------------------|
| G. Yoganand | Managing Director | 68,50,946 | 54.77 |
| P Sobhanadri | Sr. Vice President (Finance & Corporate affairs) | 60,313 | 0.48 |
| M Balaramulu | Sr. Vice President (Technical) | 30000 | 0.23 |
| B Surya Prakasa Rao | Asst. VP (Finance & Accounts) | 27,251 | 0.21 |
| K. Srinivas | Asst. VP (Sales & Marketing) | 61,330 | 0.49 |
| Sudha Prathima | Manager - Legal | 188 | 0 |
| Christopher PC John | Sr. Manager - HR | 188 | 0 |



Employees

The company employs well qualified and skilled employees and all its senior management, including the heads of each department, are professionally qualified. Its professionally qualified staff includes engineers, design consultants, marketing specialists, and finance professionals, costing consultants, procurement officers and accountants.

As of March 31, 2009, the company has 112 employees. The company does not employ any part-time or temporary employees. The workmen and the labourers employed by our sub-contractor are the employees of the sub-contractor and not of the company.

Employee Compensation

The company's employee compensation and benefits include salaries and provident fund.

The total manpower directly employed by the Company as on March 31, 2009 is 112 personnel. Our Company's HR policies are based upon the belief that the success of our Company is primarily dependent on its people and that the development of potential of each employee is good for the employee and the business. Our HR policies aim at attracting, retaining and motivating the best talent to achieve higher goals and attain greater opportunities for the advancement in their business career. The guiding principles of our HR policies are:

- To be fair and competitive.
- To encourage and facilitate employee potential and therefore growth.
- To offer compensation commensurate with responsibilities, performance and achievements.

Recruitment

Our Company's recruitment policy is to attract the best talent at the Induction level and after familiarization with our Company; we offer them a fair and open field for development and growth purely on performance and business success. The recruitment process, has the following objectives:

- To ensure that all positions identified in the organization structure are filled with people who have the requisite skills, knowledge, experience and qualifications required to perform them effectively.
- To provide career opportunities for deserving personnel in line with their skills and potential.
- To infuse fresh ideas and caliber in the organization to help alleviate current organizational skills, wherever required and possible.

i. Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme

The Company has no Employees Stock Option Scheme/ Employee Stock Purchase Scheme.

j. Other Benefits to the Officers of the Issuer Company


Except the payment of salaries and perquisites, the company provides other benefits to the employees that are uniform to all the employees of the company.



F.) PROMOTERS/ PRINCIPAL SHAREHOLDERS


a. Details of Promoters being Individuals

Name: Mr. G. Yoganand
Designation: Managing Director

| | | |
|---|--------------------------|---|
|  | Permanent Account Number | AAMPY6470G |
| | Passport Number | E4051018 |
| | Voter ID Number | BYX1371145 |
| | Driving License Number | 109246/HE/88 |
| | Bank Account Number | 10932011000632 (Oriental Bank of Commerce, Ameerpet Branch) |

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. G. Yoganand other than as mentioned in this Information Memorandum.

Name: Mr. G. Shivleelanand
Designation: Director

| | | |
|---|--------------------------|--|
|  | Permanent Account Number | AAPP6565P |
| | Voter ID No | Not Applied for |
| | Passport Number | E3291718 |
| | Driving License Number | 10715/HC/91 |
| | Bank Account Number | 10932010169220, Oriental Bank of Commerce, Ameerpet Branch, Hyderabad. |

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. G. Shivleelanand other than as mentioned in this Information Memorandum.

Common Pursuits

Manjeera Estates Private Limited and Ambica Chennakesava Projects Limited are in a line of business that is similar to ours. Though these companies are in the similar line of business activity, however they have arms length relationship with our company and between each other. However, we shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details on the related party transactions, to the extent which our Company is involved, see the section titled "Related Party Transactions"



Interest of Promoters

All the directors may be deemed to be interested to the extent of the sitting fees and other remuneration for the services rendered and the reimbursement of expenses, if any, payable to them under the articles. The directors may also be deemed to be interested to the extent of:

- The shares, if any, held by them or by the relatives or by firms or companies of which any of them is a partner and a director/member respectively.
- The shares, if any, out of the present Issue that may be subscribed for and allotted to them or their relatives or any company in which they are directors/members of, to firms in which they are partners.
- Remuneration of Managing Director/ Executive Director / Whole time Directors
- Benefits as duly disclosed in this Information Memorandum

Particulars of nature and extent of the interest of every director in any property acquired within two years of the date of Information Memorandum or proposed to be acquired: Save as stated in this Information Memorandum neither the Promoters nor the firms or companies in which they are members have any interest in the business of the Company, except to the extent of investments made by them and their group / investment companies in MCL and earning returns thereon. None of the Promoters or the firms or companies in which they are members has any interest in any property acquired by the Company within two years of the date of this Information Memorandum or proposed to be acquired by it. The promoters are also interested in the company to the extent of their shareholding, for which they are entitled to receive the dividend declared if any, by the company.

d. Payment or benefit to Promoters of the Issuer Company

Other than the salary and remuneration of the Promoter Directors, referred to in the section titled “Compensation to Whole Time Directors” of this Information Memorandum, there are no payment or benefit to promoters of the Company.

G.) CURRENCY OF PRESENTATION

In this Information Memorandum, all references to “Rupees” “Rs.” are to the legal currency of India, all references to “U.S. Dollars”, and “US\$” are to the legal currency of the United States and all references to “Pound Sterling”, and “GBP” are to the legal currency of the United Kingdom. Any percentage amounts, as set forth in “Risk Factors”, “Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Information Memorandum, unless otherwise indicated, have been calculated on the basis of our financial statements prepared in accordance with Restated Financial Statements prepared as per Indian GAAP. For the convenience of the Shareholders, as far as possible the reporting unit has been maintained as Rupees in Lakhs.

H.) DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

The Summary of dividends declared by Manjeera Constructions Limited during the last 3 years is as follows:

| Particulars | March 31, 2008 | March 31, 2007 | March 31, 2006 |
|--|-----------------------|-----------------------|-----------------------|
| Equity Shares | | | |
| Number of Shares (In Lakhs) | 125.08 | 50.03 | 40.02 |
| Face Value (Rs.) | 10 | 10 | 10 |
| Paid - up Value (Rs.in Lakhs) | 1250.84 | 500.33 | 400.27 |
| Rate of Dividend | 12% | 12% | 10% |
| Total dividend (Rs in Lakhs) | 105.07 | 60.04 | 40.03 |
| Corporate dividend tax on above (Rs. In Lakhs) | 17.01 | 10.20 | 5.61 |

The amounts paid as dividend in past is not indicative of the company's dividend policy in the future.



V: FINANCIAL STATEMENTS

A.) STANDALONE FINANCIAL INFORMATION OF THE ISSUER COMPANY

ANNEXURE - I

STATEMENT OF ASSETS AND LIABILITIES AS AT

(Rs. in Lakhs)

| Particulars | 31.03.08 | 31.03.07 | 31.03.06 |
|--|----------------|-----------------|-----------------|
| SOURCES OF FUNDS: | | | |
| Share Capital and Reserves | | | |
| Share Capital | 1250.84 | 500.34 | 400.27 |
| Reserves and Surplus | 2415.10 | 504.37 | 207.77 |
| Deferred tax Liability (Net) | 11.54 | 9.09 | 8.95 |
| Loan Funds | | | |
| Secured Loans | 3037.26 | 108.17 | 441.57 |
| Unsecured Loans | 92.82 | 1373.36 | 349.21 |
| TOTAL | 6807.56 | 2495.33 | 1407.77 |
| APPLICATION OF FUNDS: | | | |
| Fixed Assets (Gross Block) | 425.29 | 276.00 | 251.86 |
| Less: Depreciation | 98.98 | 65.95 | 44.40 |
| Net Fixed Assets | 326.30 | 210.05 | 207.46 |
| Capital works in progress | - | - | - |
| Investments | 5242.00 | 3004.00 | 4.00 |
| Current Assets, Loans and Advances | | | |
| Inventories | 4077.17 | 1461.84 | 1,093.22 |
| Receivables | 308.11 | 161.75 | 105.38 |
| Cash & Bank Balances | 153.36 | 43.51 | 20.98 |
| Loans & Advances | 889.66 | 332.08 | 308.01 |
| | 5428.30 | 1999.18 | 1,527.59 |
| Less:Current Liabilities and Provisions | | | |
| Current Liabilities | 3905.12 | 2631.46 | 256.06 |
| Provisions | 315.24 | 112.52 | 75.22 |
| | 4220.36 | 2743.98 | 331.29 |
| Net Current Assets | 1207.94 | (744.80) | 1196.31 |
| Miscellaneous Expenditure (to the extent not written off or adjusted) | 31.32 | 26.08 | - |
| TOTAL | 6807.56 | 2495.33 | 1407.77 |



ANNEXURE – II

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

| Particulars | Rs.in Lakhs | | |
|--|----------------|----------------|---------------|
| | 31.3.08 | 31.3.07 | 31.03.06 |
| INCOME | | | |
| Construction & Real estate operations | | | |
| Sales | 3804.50 | 2020.27 | 722.38 |
| Other Income | 85.34 | 13.17 | 33.62 |
| Total Income | 3889.84 | 2033.44 | 755.99 |
| EXPENDITURE | | | |
| Cost of Flats sold & Contract Expenses | 2599.67 | 1482.51 | 550.67 |
| Staff Cost | 209.49 | 27.48 | 7.47 |
| Administrative Expenses | 7.12 | 0.78 | 6.68 |
| Interest | 284.01 | 14.45 | 15.57 |
| Depreciation | 33.04 | 22.12 | 18.31 |
| Capital Issue Expenses Written Off | 8.46 | 2.54 | 1.42 |
| Total Expenditure | 3141.79 | 1549.88 | 603.46 |
| Net Profit Before Tax | 748.05 | 483.56 | 152.53 |
| Current Tax | 210.00 | 12.64 | 26.08 |
| FBT | 1.98 | 0.87 | 0.86 |
| Earlier year tax provided (Written back) | 1.82 | 3.00 | 4.55 |
| Deferred Tax provided | 2.45 | 0.13 | 3.44 |
| Adjusted Profit / (Loss) After Tax before Extraordinary items | 531.80 | 466.92 | 117.59 |
| Others - Extraordinary | 0.00 | 0.00 | 0.00 |
| Adjusted Profit / (Loss) After Tax after Extraordinary items | 531.80 | 466.92 | 117.60 |
| Brought forward Profit from Previous Year | 363.01 | 141.41 | 119.45 |
| Available for Appropriation | 894.81 | 608.33 | 237.05 |
| APPROPRIATIONS | | | |
| Proposed Dividend | 105.07 | 60.04 | 40.03 |
| Tax on Dividend | 17.01 | 10.20 | 5.61 |
| Capitalisation of Reserves | 0.00 | 100.07 | - |
| General Reserve | 15.00 | 75.00 | 50.00 |
| Profit transferred to Balance Sheet | 757.73 | 363.01 | 141.41 |



ANNEXURE - III

CASHFLOW STATEMENT

(Rs. in Lakhs)

| Particulars | Period / Year Ended | | | | |
|--|---------------------|-----------------|----------------|-----------------|----------------|
| | 31.3.07 | 31.03.06 | 31.03.05 | 31.03.04 | 31.03.03 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Net Profit Before Tax and Extraordinary Items | 483.56 | 122.53 | 69.23 | 41.30 | 15.58 |
| Adjustment for | - | - | - | - | - |
| -Depreciation | 22.12 | 18.31 | 5.05 | 4.37 | 5.40 |
| -Net Interest & other expenses | 27.75 | 14.64 | 2.32 | (13.03) | 1.71 |
| -Profit/(Loss) on Sale of Investments | 0.06 | (30.00) | - | (12.00) | - |
| -Capital issue Expenses and Preoperative Exp w off | 2.54 | 1.42 | 1.58 | 1.64 | 2.26 |
| -Profit on sale of Fixed Assets | (0.06) | (0.25) | (0.20) | (0.68) | 0.00 |
| -Loss on sale of fixed assets | - | - | - | - | - |
| Operating Profit before WC Changes | 535.97 | 126.65 | 77.98 | 21.60 | 24.95 |
| (Increase) / Decrease in Sundry Debtors | (56.37) | - | - | - | 0.00 |
| (Increase) / Decrease in Inventories | (368.62) | (316.89) | 101.56 | (629.82) | (29.22) |
| (Increase) / Decrease in Loans & Advances | (24.07) | (176.75) | 12.58 | (130.76) | (1.02) |
| Increase / (Decrease) in Current Liabilities | 2332.19 | 149.81 | (186.85) | 271.40 | (21.33) |
| Cash Generated from Operations | 2419.10 | (217.18) | 5.27 | (467.58) | (26.62) |
| Less: Interest Charges | 31.89 | 14.64 | 2.32 | (13.03) | 1.71 |
| Net Cashflow from Operating Activities | 2387.21 | (231.82) | 2.95 | (454.55) | (28.33) |
| Less: Direct Taxes paid | 9.43 | (34.43) | (20.75) | (12.85) | (9.46) |
| Less: Extraordinary Income (Profit on sale of investments) | - | 30.00 | - | 12.00 | - |
| Cash flow before extraordinary items | 2377.78 | (236.25) | (17.80) | (455.40) | (37.79) |
| B. CASHFLOW FLOW FROM INVESTING ACTIVITIES | | | | | |
| Purchase of Fixed Assets | (24.90) | (61.26) | (155.99) | (0.96) | - |
| Sale / (Purchase) of Investments | - | 90.00 | 60.00 | 16.00 | - |
| Investments in equity shares | (3000.00) | (4.00) | - | - | - |
| Miscellaneous Expenses not written off | (28.61) | - | - | - | - |
| Interest Received | 3.11 | 0.93 | 4.33 | 17.09 | 5.09 |
| Inter Cooperate Deposits Received/other advances received | 76.03 | 333.92 | 12.44 | 80.64 | (40.40) |
| Sale of Fixed assets | 0.25 | 4.50 | 4.78 | 1.00 | 0.00 |
| Net Cash Flow from Investing Activities | (2974.12) | 364.09 | (74.44) | 113.77 | (35.31) |
| C. CASH FLOW FROM FINANCING ACTIVITY | | | | | |
| Term Loan Received | - | 37.57 | 172.03 | (47.52) | 100.00 |
| Inv Subsidy Recd/Collections from calls in arrears | - | - | - | 4.38 | - |
| Increase / (Decrease) in Borrowings | - | - | - | - | - |
| Increase / (Decrease) in Unsecured Loans | 1024.16 | 0.14 | 15.14 | - | - |
| Increase / (Decrease) in Share Capital | - | - | - | - | - |
| Fixed deposits received | - | - | - | - | - |
| Issue / (Repayment) Non- convertible debenture (NCDs) | - | - | - | - | - |
| Repayment of fixed deposits | - | - | - | - | - |
| Repayment of term loan | (333.40) | (153.36) | (81.08) | 385.32 | (11.40) |
| Dividends paid | (40.03) | - | - | - | - |
| Interest paid | (31.86) | (0.88) | (4.66) | (17.16) | (5.91) |
| Net Cash flow from Financing Activity | 618.87 | (116.53) | 101.43 | 325.02 | 82.69 |
| Net Increase in Cash and Equivalents | 22.53 | 11.31 | 9.19 | (16.61) | 9.59 |
| Cash and Equivalents at the beginning of the period | 20.98 | 9.67 | 0.48 | 17.09 | 7.50 |
| Cash and Equivalents at the end | 43.51 | 20.98 | 9.67 | 0.48 | 17.09 |

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



C.) FINANCIAL INFORMATION OF THE GROUP COMPANIES

GROUP COMPANIES

The group companies within the meaning of erstwhile Section 370 (1B) of the Companies Act, 1956 are as enumerated below:

Group Companies:

i. Manjeera Estates Private Limited

The company was incorporated on December 21, 1992. The Company is engaged in the business of real estate development. The Board of Directors comprises of two directors namely, G. Yoganand and G. Padmaja.

Shareholding Pattern as on March 31, 2008:

| Name of the Shareholder | No. of Shares | % Holding |
|--------------------------------|----------------------|------------------|
| G. Yoganand | 16299 | 8.95 |
| G Padmaja | 125800 | 69.08 |
| D B Ramgopal Laxminarayan | 1 | 0.01 |
| G. Yoganand (HUF) | 40000 | 21.96 |
| Total | 182100 | 100 |

Financial Highlights

The Audited financial highlights for the last 3 years are as follows:

| Particulars | Rs.in Lakhs | | |
|--|---|-------------|-------------|
| | For Financial Year Ended March 31, | | |
| | 2008 | 2007 | 2006 |
| Share Capital | 18.21 | 18.21 | 18.21 |
| Reserves (Excluding Revaluation Reserve) | 529.90 | 500.21 | 377.64 |
| Net Worth | 548.11 | 518.42 | 395.85 |
| Total Income | 393.14 | 870.97 | 553.60 |
| PAT | 29.69 | 122.57 | 152.34 |
| EPS (Rs.) | 16.30 | 67.30 | 83.66 |
| NAV Per Share (Rs.) | 300.99 | 284.68 | 217.38 |
| Face Value Per Share (Rs.) | 10 | 10 | 10 |

The Company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. There are no litigations pending by or against the company except as disclosed under section 'Outstanding Litigation, Defaults and Material Developments



ii. Manjeera Hotels & Resorts Limited

The company was incorporated on December 21, 1992. The Company is engaged in Hospitality business having its 3 star hotel in Hyderabad, namely, Aditya Park. The Board of Directors comprises of five directors namely, Mr. G.Yoganand, Mr.Kiran Kumar, Mr. M. V. Sudarsan, Mr. K Shiva Kumar and Mr. Bhupinder Singh.

Shareholding Pattern as on March 31, 2008:

| Name of the Shareholder | No. of Shares | % Holding |
|--|----------------------|------------------|
| G.Yoganand | 988850 | 9.79 |
| D.Kiran Kumar | 1000 | 0.01 |
| G.Padmaja | 576000 | 5.70 |
| S.Suhashini Gupta | 85000 | 0.84 |
| K Srinivas | 1000 | 0.01 |
| D.Krishna Murthy | 2000 | 0.02 |
| Gajjala Investments & Holdings Pvt Ltd | 250000 | 2.48 |
| G Yoganand (HUF) | 5496150 | 54.42 |
| Manjeera Estates Private Limited | 2700000 | 26.73 |
| Total | 10100000 | 100.00 |

Financial Highlights

The Audited financial highlights for the last 3 years are as follows:

| Particulars | <i>in Rs. Lakhs</i> | | |
|--|---|-------------|-------------|
| | For Financial Year Ended March 31, | | |
| | 2008 | 2007 | 2006 |
| Share Capital | 1010.00 | 650.00 | 650.00 |
| Reserves (Excluding Revaluation Reserve) | 1445.03 | 648.27 | 325.36 |
| Net Worth | 2455.03 | 1298.27 | 970.07 |
| Total Income | 1422.75 | 1,516.97 | 1,143.55 |
| PAT | 256.76 | 322.91 | 222.01 |
| EPS (Rs.) | 2.05 | 4.96 | 3.41 |
| NAV Per Share (Rs.) | 19.64 | 19.97 | 14.92 |
| Face Value Per Share (Rs.) | 10 | 10 | 10 |

The Company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. There are no litigations pending by or against the company except as disclosed under section 'Outstanding Litigation, Defaults and Material Development

iii. Gajjala Investments and Holdings Private Limited

The company was incorporated on 21-01-1998 The Company is engaged in the business of investment, holding, selling etc. The Board comprises of 2 directors namely Mr. G. Yoganand and Mrs. G Padmaja.

Shareholding Pattern as on March 31, 2008:

| Name of the Shareholder | No. of Shares | % Holding |
|--------------------------------|----------------------|------------------|
| G.Yoganand (HUF) | 50,000 | 16.55 |
| G Yoganand | 1,91,000 | 63.25 |
| G.Padmaja | 61,000 | 20.20 |
| Total | 3,02,000 | 100 |


Financial Highlights

The Audited financial highlights for the last 3 years are as follows:

| Particulars | in Rs. Lakhs | | |
|--|------------------------------------|-------|-------|
| | For Financial Year Ended March 31, | | |
| | 2008 | 2007 | 2006 |
| Share Capital | 30.20 | 30.20 | 30.20 |
| Reserves (Excluding Revaluation Reserve) | 65.39 | 60.06 | 8.84 |
| Net Worth | 95.59 | 90.26 | 39.04 |
| Total Income | 5.91 | 51.55 | 15.52 |
| PAT | 5.33 | 51.22 | 6.24 |
| EPS (Rs.) | 1.76 | 16.96 | 2.07 |
| NAV Per Share (Rs.) | 31.65 | 29.88 | 12.78 |
| Face Value Per Share (Rs.) | 10 | 10 | 10 |

The Company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. There are no litigations pending by or against the company except as disclosed under section 'Outstanding Litigation, Defaults and Material Development'

iv. Ambica Chennakesava Projects Limited

The company was incorporated on October 17, 2005. The Company is engaged in the business of purchase, acquire, buy, construct, sell, take on lease for the purpose of investment or resale or otherwise, of land, building, etc. The Company has been awarded a turnkey project at Hyderabad by CGEWHO, Ministry for Urban Affairs, New Delhi. The land is ad-measuring 0.284 sq.ft. million. The building approval has been granted by HUDA. As regards the present work status, the 4th stage of is under progress out of the total 5 stages. The Board of Directors comprises of Mr. A Sudarsan, Mr. B Nagi Reddy, Mr. G Yoganand and Mr. R Suresh Gupta.

Shareholding Pattern as on March 31, 2008:

| Name of the Shareholder | No. of Shares | % Holding |
|-------------------------------|---------------|------------|
| A Sudarshan | 9999 | 12.50 |
| A Ramanjaneyulu | 9999 | 12.50 |
| A Ramachandra Rao | 9999 | 12.50 |
| Manjeera Construction Limited | 39994 | 50.00 |
| G Chennakesavulu | 1 | 0 |
| R Suresh Gupta | 1 | 0 |
| B Nagi Reddy | 9999 | 12.50 |
| Total | 79992 | 100 |

Financial Highlights

The Audited financial highlights for the last 3 years are as follows:

| Particulars | in Rs. Lakhs | | |
|---|------------------------------------|-------|------|
| | For Financial Year Ended March 31, | | |
| | 2008 | 2007 | 2006 |
| Share Capital | 7.99 | 33.21 | 7.99 |
| Reserves (Excluding Revaluation Reserve) | - | - | - |
| Net Worth (excluding Misc. expenditure not w/off) | 6.94 | 31.81 | 6.25 |
| Total Income | - | - | - |
| PAT | - | - | - |
| EPS (Rs.) | - | - | - |
| NAV Per Share (Rs.) | 8.67 | 8.24F | 7.81 |
| Face Value Per Share (Rs.) | 10 | 10 | 10 |



The Company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. There are no litigations pending by or against the company except as disclosed under section 'Outstanding Litigation, Defaults and Material Development

v. Bharathi Infraprojects Private Limited (erstwhile, Chennakesava Finance & Investments Private Limited)

The company was incorporated on 19-10-1992. The Company is engaged in the business of Finance, Investments, trading, hire purchase, leasing and to finance lease operations of all kinds etc. The Board of Directors comprises of Mr. M V Sudarsan, Mr. K. Srinivas, Mrs. G Padmaja and Mr. D. Kiran Kumar.

Shareholding Pattern as on March 31, 2008:

| Name of Shareholder | No. of. Shares Held | % Holding |
|-----------------------|---------------------|------------|
| G Yoganand | 2000 | 0.50 |
| G Padmaja | 99600 | 24.90 |
| G Yoganand (HUF) | 21500 | 5.38 |
| G Sivaleelanand | 10000 | 2.50 |
| D Kiran Kumar | 73000 | 18.25 |
| M V Sudarsan | 88000 | 22.00 |
| Sundari CBT | 2000 | 0.50 |
| V B Malleswar Rao | 10000 | 2.50 |
| V B Sujatha | 20000 | 5.00 |
| D Pushpa | 8000 | 2.00 |
| D Krishna Murthy | 9000 | 2.25 |
| K Srinivas | 16000 | 4.00 |
| G Vivekanand | 11000 | 2.75 |
| G Veena | 21700 | 5.42 |
| A Ramanjaneyulu | 4600 | 1.15 |
| A Ramanjaneyulu (HUF) | 3600 | 0.90 |
| Total | 400000 | 100 |

Financial Highlights

The Audited financial highlights for the last 3 years are as follows:

| Particulars | in Rs. Lakhs | | |
|--|------------------------------------|-------|-------|
| | For Financial Year Ended March 31, | | |
| | 2008 | 2007 | 2006 |
| Share Capital | 40.00 | 40.00 | 33.55 |
| Reserves (Excluding Revaluation Reserve) | 12.21 | 11.10 | 10.51 |
| Net Worth | 52.21 | 51.10 | 44.06 |
| Total Income | 2.64 | 4.45 | 28.12 |
| PAT | 1.12 | 0.59 | 24.74 |
| EPS (Rs.) | 0.27 | 0.14 | 7.38 |
| NAV Per Share (Rs.) | 13.05 | 12.77 | 13.13 |
| Face Value Per Share (Rs.) | 10 | 10 | 10 |

The Company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. There are no litigations pending by or against the company except as disclosed under section 'Outstanding Litigation, Defaults and Material Development



vi. Aashraya Hotels & Estates Private Limited

The company was incorporated on 06-01-1997. The Company is engaged in Hospitality business having its 3 star hotel in Hyderabad, namely, Aditya Hometel. The Board of Directors comprises of Mr. D Kiran Kumar, Mr. B Shyam sunder Goud and Mr. G Yoganand.

Shareholding Pattern as on March 31, 2008:

| Name of the Shareholder | No. of Shares | % Holding |
|-----------------------------------|----------------------|------------------|
| Manjeera Hotels & Resorts Limited | 4500000 | 81.81 |
| B Shyamsunder Goud | 1000000 | 18.19 |
| Total | 5500000 | 100 |

Financial Highlights

The Audited financial highlights for the last 3 years are as follows:

| Particulars | <i>in Rs. Lakhs</i> | | |
|--|---|-------------|-------------|
| | For Financial Year Ended March 31, | | |
| | 2008 | 2007 | 2006 |
| Share Capital | 550.00 | 494.00 | 9.06 |
| Reserves (Excluding Revaluation Reserve) | 5.52 | 5.20 | 5.20 |
| Net Worth | 555.52 | 499.20 | 14.26 |
| Total Income | 18.04 | 0.14 | - |
| PAT | 0.32 | - | - |
| EPS (Rs.) | - | - | - |
| NAV Per Share (Rs.) | 10.10 | 10.86 | 15.74 |
| Face Value Per Share (Rs.) | 10 | 10 | 10 |

The Company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. There are no litigations pending by or against the company except as disclosed under section 'Outstanding Litigation, Defaults and Material Development

VENTURES WITH WHICH PROMOTERS HAVE DISASSOCIATED IN THE LAST 3 YEARS:

The Promoters have not disassociated themselves from any of the companies / firms during preceding three years

DETAILS OF OTHER COMPANIES / FIRMS WITH WHICH PROMOTERS ARE ASSOCIATED:

As stated above

Other relevant details about the group companies

There are no sales or purchase between companies in the Promoters' group, wherein such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Issuer Company. The material items of income or expenditure arising out of transactions in the Promoters' group are disclosed under "Related Party Disclosures"

D.) CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

Nil



E.) MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements

a. Overview of the Business of MCL / Business Outlook:

The Company was incorporated on March 2, 1987 under the name and style of Manjeera Constructions Private Limited by Mr. G. Yoganand, a post graduate in civil engineering. The company was converted into a public limited company w.e.f. December 15, 1995 for undertaking the construction business particularly in the housing segment.

The company since inception has completed 9 projects in housing segment and 4 projects in commercial segment with a total constructed area of 5.32 lakh sq ft in Hyderabad. The projects completed by the company in Hyderabad are given below:

b. Significant Development Subsequent to Last Financial Period

The Directors of the Company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements, i.e. March 31, 2008 as disclosed in the Information Memorandum and which materially and adversely affect or are likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

c. Factors that may affect Results of Operations

Except as otherwise stated in this Information Memorandum, the Risk Factors given in this Information Memorandum and the following important factors could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company's ability to successfully implement its strategy and its growth and expansion plans;
- Factors affecting real estate development activity;
- Increasing competition in the industry;
- Increases in labour costs, raw materials prices, insurance premia, etc;
- Amount that the Company is able to realize from the clients;
- Changes in laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Withdrawal of incentives in respect of income tax for investment in housing

d. Discussion on Results of Operations

Analysis of Financial Performance of Manjeera Constructions Limited (Standalone)

The following discussion of our financial condition and results of operations should be read together with the audited financial statements for the financial years ending March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003, including the notes thereto and the reports thereon which appear in the Information Memorandum. The Audited Financial Statements are prepared in accordance with the Indian Accounting Standards.



SUMMARY OF STATEMENT OF PROFIT AND LOSS ACCOUNT

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR

(Rs. in Lakhs)

| Particulars | Period /Year Ended | | | | |
|--|--------------------|---------------|---------------|---------------|--------------|
| | 31.3.07 | 31.03.06 | 31.03.05 | 31.03.04 | 31.03.03 |
| INCOME | | | | | |
| Construction & Real estate operations | | | | | |
| Sales | 2020.27 | 722.37 | 500.92 | 180.67 | 72.55 |
| Other Income | 13.17 | 3.62 | 10.48 | 19.71 | 8.15 |
| Total Income | 2033.44 | 725.99 | 511.40 | 200.38 | 80.70 |
| EXPENDITURE | | | | | |
| Cost of Flats sold & Contract Expenses | 1482.51 | 550.67 | 409.46 | 138.42 | 44.80 |
| Staff Cost | 10.94 | 7.47 | 5.37 | 1.56 | 1.25 |
| Administrative Expenses | 17.32 | 10.02 | 14.07 | 9.40 | 4.87 |
| Interest | 14.45 | 15.57 | 6.64 | 3.69 | 7.16 |
| Depreciation | 22.12 | 18.31 | 5.05 | 4.37 | 5.40 |
| Capital Issue Expenses Written Off | 2.54 | 1.42 | 1.58 | 1.64 | 1.64 |
| Total Expenditure | 1549.88 | 603.46 | 442.17 | 159.08 | 65.12 |
| Net Profit Before Tax | 483.56 | 122.53 | 69.23 | 41.30 | 15.58 |
| Current Tax | 12.64 | 26.08 | 23.08 | 19.44 | 8.87 |
| FBT | 0.87 | 0.86 | 0.00 | 0.00 | 0.00 |
| Earlier year tax provided (Written back) | 3.00 | 4.55 | (4.89) | (8.17) | 0.01 |
| (Increase) / Decrease in Deferred Tax (refer Annexure – III) | 0.13 | 3.44 | 2.28 | (0.07) | (0.10) |
| Adjusted Profit / (Loss) After Tax before Extraordinary items | 466.92 | 87.60 | 48.76 | 30.10 | 6.80 |
| Others - Extraordinary | 0.00 | 30.00 | - | 12.00 | - |
| Adjusted Profit / (Loss) After Tax after Extraordinary items | 466.92 | 117.60 | 48.76 | 42.10 | 6.80 |
| Brought forward Profit from Previous Year | 141.41 | 119.45 | 70.69 | 28.59 | 21.79 |
| Available for Appropriation | 608.33 | 237.05 | 119.45 | 70.69 | 28.59 |
| APPROPRIATIONS | | | | | |
| Proposed Dividend | 60.04 | 40.03 | - | - | - |
| Tax on Dividend | 10.20 | 5.61 | - | - | - |
| Capitalisation of Reserves | 100.07 | - | - | - | - |
| General Reserve | 75.00 | 50.00 | - | - | - |
| Profit transferred to Balance Sheet | 363.02 | 141.41 | 119.45 | 70.69 | 28.59 |
| | 608.33 | 237.05 | 119.45 | 70.69 | 28.59 |



VI. LEGAL AND OTHER INFORMATION

A.) OUTSTANDING LITIGATION, DEFAULTS AND MATERIAL DEVELOPMENTS

The company certifies that except as stated herein, there are no:

- Other pending litigations against the company.
- Outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).
- Such cases of pending litigations, defaults etc in respect of Companies/firms/ventures with which the promoters were associated in the past but are no longer associated, and their names continue to be associated with particular litigation.
- Disciplinary action/ investigation has been taken by Securities and Exchange Board of India(SEBI)/ Stock Exchanges against the Company, its directors , promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.
- Cases against the Company or its Promoters of economic offences in which penalties were imposed on promoters.
- Pending litigation, disputes, defaults, non-payment of statutory dues, proceedings initiated for offences (including past cases and irrespective of whether specified in paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956) against the promoters and there business ventures.
- Pending litigations, defaults, non payment of Statutory dues, proceedings initiated for economic offences/civil offences, any disciplinary action taken by the Board /Stock Exchanges against the Company/Promoters and their business ventures/Directors other than those mentioned in this Information Memorandum and that no litigations have arisen and the Company and its Directors take full responsibility of the information mentioned in the Information Memorandum.

In the opinion of the Company there have been no material developments after the date of latest balance sheet, which would have an impact on the performance and the prospects of the Company other than what has been set out in this Information Memorandum.

- a. **Outstanding Criminal cases against the Company and the Promoters of the Company**
NIL
- b. **Outstanding Criminal cases by the Company and the Promoters of the Company**
NIL



c. Outstanding Civil cases against the Company and the Promoters of the Company
Against the Promoters of the company – Nil

Against the Company: As Stated Below

| S-No. | Parties and Case No. & Date | Authority department against which pending | Claim Amount (Rs.) | Brief case history | Status of the case |
|-------|--|--|---|---|---|
| 1. | <p>O.S.No. 1587/2007 And I.A. No.1982/2007 IN O.S.No. 1587/2007</p> <p>1. M.Raghava Rao 2.Sneha Lakshmi 3. International Graphics Limited Plaintiffs</p> <p><i>Versus</i></p> <p>1. The Central Govt. Employees welfare Housing Organization rep. by its Project Manager 2. M/s Manjeera constructions Ltd Defendants</p> | <p>Additional Junior Civil Judge, Ranga Reddy District Court,</p> | <p>Plaintiff valued the Suit notionally at Rs 50,000/-</p> | <p>The present suit is filed for Perpetual Injunction against the Defendants Restraining them from interfering with the Plaintiff's possession of Ac.1.22. guntas in Sy. No.42/2</p> | <p>No Interim Orders were granted in Interim Application so far. MCL suitably filed counter and Written stating that there is no prima facie case established against it. The suit is coming up for framing of issues on 26-06-2009</p> |
| 2. | <p>O.S.168/2008 And I.A. 218 of 2008 IN OS. 168 of 2008</p> <p>Between:</p> <p>B.Venkat Reddy & 11 others Plaintiffs</p> <p>Vs</p> <p>1) M/s Manjeera Constructions Ltd 2) Greater Hyderabad Municipal Corporation, Kukatpally circle Defendants</p> | <p>VIII ADDL. SENIOR CIVIL JUDGE, R.R. DIST.</p> <p>TRANSFERRED FROM II ADDL. SENIOR CIVIL JUDGE, R.R.Dist</p> | <p>Plaintiff valued the suit notionally at Rs. 1,10,000/-</p> | <p>The present suit is filed by the individuals against the MCL for perpetual Injunction restraining MCL and its agents, employees, servants, workmen and all persons claiming through them from in any way digging the existing road and constructing the nala in the road area.</p> | <p>I. A. 218 /2007 was also filed by petitioners/plaintiffs for temporary Injunction restraining MCL and its agents, employees, servants, workmen and all persons claiming through them from in any way digging the existing road and constructing nala in the road, pending disposal of the main suit. Counter filed by MCL in Said I.A. No interim Orders were passed till date from the date of filing</p> |



| S-No. | Parties and Case No. & Date | Authority department against which pending | Claim Amount (Rs.) | Brief case history | Status of the case |
|-------|---|--|---|--|---|
| | | | | | counter even. In main suit written Statement is filed and it is coming up for framing of issues. Def .No. 2 made set Ex-parte the matter posted for framing of issues on 03-07-2009 |
| 3. | <p>O.S. 2924 of 2008</p> <p>Between:</p> <p>A. Parthava Plaintiff</p> <p style="text-align: center;">Vs</p> <p>1) K. Yadagiri Reddy 2.) Vittal Rao 3) P. Indra Karan Reddy 4) Ms. M Radha 5)M/s. Manjeera Constructions limited Defendants</p> | <p>XIX th JUNIOR CIVIL JUDGE, CITY CIVIL COURT, HYDERABAD</p> | <p>Plaintiff valued the suit notionally at Rs. 50,000/-</p> | <p>The present suit is filed by an Individual against the defendant No. 1 to 4 who are residents of same Apartment. Defendant No. 5 is the developer of the Apartment. Plaintiff purchased a flat along with car parking space When Defendant 1 to 4 forcibly encroaching upon the car parking space of plaintiff causing inconvenience, the plaintiff filed the suit for perpetual Injunction restraining Defendant No.1 to 4 from interfering with the possession and enjoyment of the plaintiff or his tenant over the car parking space.</p> | <p>Though the developer handed over the possession long back, nothing to do with the day to day affairs of the Apartment, being made party to the suit. Defendant No 5 suitably filed counter and Written Statement stating that plaintiff has got any prima facie case against it. The case is coming up on 05-06-2009</p> |



- d. **Outstanding Civil cases by the Company and the Promoters of the Company**
NIL
- e. **Outstanding cases pertaining to Securities Laws against the Company and the Promoters of the Company**
NIL
- f. **Outstanding cases pertaining to Securities Laws by the Company and the Promoters of the Company**
NIL
- g. **Outstanding cases pertaining to Statutory Laws including tax disputes against the Company and the Promoters of the Company**
NIL
- h. **Outstanding cases pertaining to Statutory Laws including tax disputes by the Company and the Promoters of the Company**

| Parties and Case No. & Date | Authority department against which pending | Brief case history | Status of the case |
|--|--|--|--|
| M/s Manjeera Constructions Ltd., Versus State of Andhra Pradesh Tribunal Appeal No. 483 of 2006 (Appeal filed on 16.09.06) | Appellate Tribunal in the Sales Tax tribunal, Andhra Pradesh | For the Asst. Year 2000-01, CTO allowed exemption on a Turnover of Rs.63,75,825/-. Subsequently CTO withdrew the exemption. We have preferred an appeal before ADC(CT) who had dismissed the appeal. Now it is appealed to the Tribunal. | The appeal has been admitted and is pending hearing in the Appellate Tribunal. |
| M/s Manjeera Constructions Ltd., Versus State of Andhra Pradesh (Appeal filed on 1.12.08) | Sales Tax Appellate Tribunal, Andhra Pradesh | For the Asst. Year 2004-05, CTO has disallowed exemption on L1 option during assessment proceedings. We have preferred an appeal before ADC(CT) who had dismissed the appeal. Now it is appealed to the Tribunal | The appeal has been admitted and is pending hearing in the Appellate Tribunal |

Amounts Owed to Small Scale Undertakings

None of the persons selling goods and materials and/or rendering services as claimed to be small-scale undertaking.

Defaults

There are no defaults outstanding in meeting statutory dues, institutional dues and towards instrument holders like debentures, fixed deposits etc.

B.) GOVERNMENT APPROVALS

The Company has received all the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no further approvals are required by the company for carrying on the present business activities of the Company. No further approvals from any Government authority/Reserve Bank of India (RBI) are required by the Company to undertake the existing activities, save and except those approvals, which may be required to be taken in the normal course of business from time to time.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.



| Sr. No. | Issuing Authority | Registration/ License No. | Nature of Registration/License | Validity / Date |
|---------|---|---------------------------|---|-----------------------|
| 1 | Commercial taxes department (Government of Andhra Pradesh) | TIN No 28800257250 | Value Added Tax Registration | Valid from 16-04-2005 |
| 2 | Commissioner of central excise and Customs Service Tax Cell: Hyderabad-II Commissionerate | STC No AABCM4763GST001 | Certificate of Registration under Section -69 of The Finance Act, 194 (32 of 194) | Valid from 08-08-2005 |

VII. OTHER REGULATORY AND STATUTORY DECLARATIONS

A) Prohibition by SEBI

The Company, its Promoters, its Directors or any of the Company's associates or group companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

The listing of any securities of the Issuer has never been refused at any time by any of the Stock Exchanges in India or abroad. Further the Promoters, their relatives (as per Act), the Company, group companies, associate companies are not detained as willful defaulters by RBI / Government authorities.

IX MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have meaning that has been given to such terms in the articles of association.

Pursuant to Schedule II of the Companies Act, 1956 and SEBI Guidelines, the main provisions of the Articles of Association of the company are set forth below:

Share Capital

- 3 a) The Authorised Share Capital of the Company is mentioned in Cause V of the Memorandum of Association of the Company.
- b) Subject to the provisions of the Act, any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are or at the option of the Company, are liable to be redeemed on such terms and in such manner as the Company before the issue of the shares as may by special resolution determine
- c) Where at any time subsequent to the first allotment of shares it is proposed to increase the subscribed capital by the issue of new shares, subject to any directions to the contrary which may be given by the company in general meeting and subject only to these Directions, such new shall be issued in accordance with the provisions of the Act, or any statutory modifications thereof.
- d) The company shall have power to issue shares at a discount but in doing so, the company shall comply with the provisions of the Act.
- e) The Company shall have power to issue shares at a premium but in doing so the company shall comply with the provisions of the Act.

Provided that notwithstanding anything to the contrary contained in the foregoing Articles or contained in any other provisions of these Articles, it shall be permissible for the directors of the Company, without requiring any Resolution of the Company in General Meeting or without making any offer to the existing share holders of the company, in the event of the increase of



the subscribe capital of the company being cause by allotment and/or reservation of any bonus shares and/or right shares by the exercise of any option to the debentures issued or loans raised by the company from the Government or any institution specified by the Central Government in this behalf under the provisions of the Act.

4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board, who may allot or otherwise dispose of the same to such person on such terms and conditions at such times as the Board think fit and with full power to allot shares of any class of the company either, subject to the provisions of the Act, at a premium or at par or at a discount provided that option or right to call for allotment of shares shall not be given to any person except with the sanction of the company in General Meeting. The Board shall cause to be made the returns as to allotment provided for in the Act.
5. Subject to the provisions of the Act and these Articles, the Directors, may allot and issue shares in the capital of the company in payment for any property or assets of any kind whatsoever sold, supplied or transferred, or for goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the company or the conduct of it's business, and any shares which may be so allotted may be issued as fully paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares, as the case may be.

Alteration of Share Capital

6. 1) The Company shall have power to alter the conditions of the Memorandum as follows, this is to say, it may:
 - a) Increase its shares capital by such amount as it thinks expedient by issuing new shares.
 - b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - c) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - d) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled provided however the cancellation of shares in pursuance of the exercise of this power shall not be deemed to be reduction of share capital within the meaning of the Act.
 - e) The powers conferred by this regulation shall be exercised by the company in general meeting.
7. Subject to the Provisions of the Act the company in General Meeting may, from time to time by Special Resolution reduce its Capital Redemption Reserve Account or share premium account in any manner for the time being that it may be called up again or otherwise. This Article is not to derogate from any power the company would have if it were omitted.

Underwriting and Brokerage

8. Subject to provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares of debentures in the Company, or procuring or agreeing to produce subscription (whether absolute of conditional) for any shares or debentures in the company; but so that the commission shall not exceed in the case of shares, five percent of the price at which the shares are issued, and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in other way.
9. The Company may pay a reasonable sum for brokerage, which may be lawful.



Variation of Shareholders' Rights

10. a) If any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the share of that class) may subject to the provisions of the Act, and whether or not the Company is being wound up be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders shares of that class.
 - b) Subject to the provisions of the Act, to every such separate General Meeting, the provisions of these Regulations relating to General Meeting shall mutatis mutandis apply but so that the necessary quorum shall be two persons atleast holding or representing by proxy one third of the issued shares of the class in question.
 - c) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
11. Except as required by law, no persons shall be recognized by the company as holding any share upon any trust and the company shall not be bound or be compelled in any way to recognize (even when having notice thereof) any equitable contingent, future or partial interest in any shares, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any shares except an absolute right to the entirety thereof in the registered holder.

Share Certificates

12. 1) The Certificate of title to shares shall be issued under the seal of the Company and shall be issued, sealed and signed in conformity with the provisions of the companies (issue of Shares Certificates) Rules 11960 or any statutory modification or re-enactment thereof for the time being in force. Any two or more joint allottees or owners of a share shall, for the purpose of this Article, be treated as a single member and the Certificate of any share may be delivered to any one of such joint allottee or owners on behalf of all of them. The company shall comply with the provisions of the Act.
- 2) The Company, unless prohibited by any provision of law or of any order of any court, tribunal or other authority, shall within ten weeks of closure of subscription list of any of its shares, debentures or debenture stock and within one month after the application for the registration of the transfer of any such shares, debentures or debenture-stock, deliver, in accordance with the procedure laid down in Section 53, the certificates of all shares, debentures and certificates of debenture stocks allotted or transferred.

Provided that the Company law Board may, on an application being made to it in this behalf by the company, extent any of the periods within which the certificates of all debentures and debenture stocks allotted or transferred shall be delivered to a further period not exceeding nine months, if it is satisfied that it is not possible for the company to deliver such certificates within the said periods.

- 3) a) The Board of Directors may renew a Share Certificate or issue a duplicate of a share certificate, if such share certificate
 - i) is provided to have been lost or destroyed; or
 - ii) having been defaced or mutilated or torn is surrendered to the company; or
 - iii) is old decrepit or worn out or where the cages on the reverse for the recording transfers are fully utilized.
- b) The Company shall observe such rules and conditions as be prescribed by the Government or required by the Stock Exchanges on which the shares are listed for renewal of Share Certificates.



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- c) The company shall not charge any fee for sub-division or consolidation of share and debenture certificates or for sub-division of letter of allotment or for splitting consolidation or renewal of pucca transfer receipts into denominations corresponding to the market units of trading or for issue of new certificates in replacement of those which are old or torn out or where the cages of the reverse for recording transfers have been fully utilized.
 - d) The Company shall not charge any fees exceeding those which may be agreed upon with the Stock Exchange on which the shares are listed for issue of new certificates in replacement of these which torn, defaced, lost or destroyed or sub-division or consolidation of shares and debentures certificates or for sub-division of letter of allotment or for splitting, consolidation or renewal of pucca transfer receipts into denomination other than those fixed for the markets units of trading.

Calls on Shares

- 13. a)
 - i) The Board may, from time to time mark call upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the share or be payable at less than one month from the date fixed for the payment of the last proceeding call.
 - ii) Each member shall subject to receiving atleast fourteen day's notice specifying the time or times and place of payment pay to the company at the time or times and place so specified the amount called on his shares.
 - iii) A call may be revoked or postponed at the discretion of the board.
- b) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
- c) The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- d)
 - i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof, the time of actual payment at 6% per annum or any such lower rate, if any as the Board may determine.
 - ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- e)
 - i) Any sum which by the terms of issue of a share becomes

Debentures

- 19. The Company shall have power to issue debentures but in exercising this power the provisions the Act shall be complied with.

Debentures, debenture stock bonds or other securities conferring the right to allotment or conversion into share or the option right to call for allotment of shares shall not be issued except with the sanction of the Company in General Meeting.

General Meeting

- 20.
 - a) The Company shall comply with the provisions of the Act in the calling and conduct of the meeting.
 - b) The Company shall hold a General Meeting of the members of the Company, which shall be called the Statutory meeting and the provisions of the Act shall be complied with.
 - c) Without prejudice to the provisions of the Act, the Company shall in addition to any other meetings hold a General Meeting which shall be styled the Annual General Meeting at such intervals and in accordance with the provisions of the Act.



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- d) All General Meetings other than the Annual General Meeting of the Company shall be called Extraordinary General Meeting.
 - e)
 - i) The Board may whenever it thinks fit call an Extraordinary General Meeting.
 - ii) If at any time they are not within India, directors capable of acting who are sufficient in number to form a quorum any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.
 - iii) Extraordinary General Meeting may be called by the members under provisions of the act and by the Central Government or Company Law Board under conditions mentioned in the Act.
 - f) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exceptions of:
 - i) The consideration of accounts, balance sheet and the reports of the Board of Directors and auditors;
 - ii) The declaration of a dividend
 - iii) The appointment of Directors in the place of those retiring; and
 - iv) The appointment of and fixing of the remuneration of auditors.
 - g) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid the provisions of the Act shall be complied with.

Notice for General Meetings

- 21. a) A General Meeting of the Company may be called by giving not less than twenty one days notice in writing or after giving such shorter notice as provided for in the Act.
- b) Notice of every meeting of the Company shall be given;
 - i) To every member of the Company;
 - ii) To the persons entitled to a share in consequence of the death or insolvency of a manner.
 - iii) To the auditor or auditors for the time being of the Company in the manner provided for in the Act.
- c) Accidental Commission to give notice to or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

Contents of Notice

- 22. a) Every notice of meeting of Company shall contain the following;
 - i) It shall specify the place, date and time of the meeting;
 - ii) It shall contain a statement of the business to be transacted therein.
- b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and that proxy need not be a member.
- c) The Company shall in the case of a resolution to moved as a special resolution, duly specify in the notice calling the general meeting or other intimation given to the members of the intention to propose the resolution as a special resolution.
- d) The Company shall in compliance with Act give to its members notice of resolution requiring special notice at the same time and in the same time and in the same manner as it gives notice of the meeting or if that is not practicable shall give them notice thereof either by advertisement in a newspaper having circulation in the State in which the registered office is situated not less than 21 days before the meeting.
- e) Subject to the provisions of the act the receipt of representation, if any made under Section 225 by a retiring auditor or by a Director sought to be removed from office as a Director must be



stated in the notice of meeting given to the members of the Company if the representations are received in time.

23. A copy of the representation if any made under the Act by a retiring auditor or under Section 284 by a Director sought to be removed from office shall be sent to the members of the Company as provided for in the Act.
24. Subject to the provisions of the Act members resolution shall be circulated to the members of the Company entitled to receive notice of the next annual general meeting.
25. The Company shall give inspection of documents referred to in the act at the commencement of or before the meeting.

Representation at Meetings

26. a) A body corporate (whether a Company within the meaning of this Act or not) may if it is a member of the company be resolution of the Board of Directors or other Government body authorised such person as it thinks fit to act as representative at any meeting of members of the company.
 - b) The person authorised by the resolution as aforesaid shall be entitled to exercise the same right to vote by proxy on behalf of the body corporate, which he represents as that body could exercise if it were a member.
27. a) Any member of the company entitled to attend and vote at a General Meeting of the company shall be entitled to appoint another person whether a member or not as his proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting provided however the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding poll.
 - b) The instrument appointing a proxy and the power of attorney or authority if any under which it is signed or a notorally certified copy of that power or authority shall be deposited at the registered office of the Company not less than 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than 24 hours before the appointed time for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
 - c) An instrument appointing a proxy shall not be questioned if it is in any of the forms set out in Schedule IX of the Act.
 - d) A note give in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

- e) Every member entitled to vote at a meeting of the Company on any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the company provided not less than three days notice in writing of the intention so to inspect is given to the Company.

Quorum

28. a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to transact business. Five members present in person shall be a quorum.
 - b) If within half an hour from the time appointed for holding a meeting of the Company quorum is not present the meeting if called upon by the requisition of members shall stand dissolved.



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- c) In any other case, the meeting shall stand adjourned to the same day and in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.
 - d) If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum.

Chairman of The Meeting

29. 1) a) The Chairman if any of the Board shall preside as Chairman every general meeting of the Company.
- b) If there is no such chairman or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act a Chairman of the meeting the Directors present shall elect one of their member to be Chairman of the meeting.
 - c) If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their member to be Chairman of the meeting in accordance with the provisions of the Act.
 - d) i) The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and place to place.
 - ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
 - iii) When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting.
 - iv) Save as aforesaid it shall not be necessary to give any notice of any adjournment or of the business to be transacted at any adjourned meeting.
 - e) IN case of an equality of votes, whether on a show of hands or on a poll the Chairman of the meeting at which the show of hands has taken place or at which the poll is demanded will be entitled to a second or casting vote provided he is a member entitled to vote at the meeting and on the resolution.
 - f) Any business other than that upon which a poll has been demanded may be proceeded which pending the taking of the poll.
 - g) Where a resolution is passed at an adjourned meeting of the Company the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
30. a) On a show of hands every member present in person shall have one vote and on a poll the voting rights of members shall be as laid down in the act.
- b) Voting rights shall be exercised in accordance with the provisions of the Act.
 - c) In the case of joint holders the total of the senior who tenders vote whether in person or by proxy shall be accepted to the exclusion of the votes of the order joint-holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of such joint holding.
 - d) A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.
 - e) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
 - f) i) No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.



- ii) Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
31. At a general meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.
32. In the election of a Director the provisions of the Act shall be complied with.
33. In giving notice of an intention to propose a resolution as a special resolution of any matter, the Company shall have regard to the provisions of the Act.
34. After passing of the resolution at the General Meeting of the Company, the Company, shall comply with provisions of the Act.

Directors and Board of Directors

35. a) Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than three or more than twelve inclusive of the nominee directors, technical directors, debenture directors, alternate directors, additional directors co-opted directors and administrative directors, if any.
- b) Only an individual and not a body corporate, association or firm shall be appointed Director of the Company.
- c) Subject to the provision of the Act, the Company may in General Meeting increase or reduce the number of Directors.
- d) The persons named below shall be the first directors of the Company.
- 1) G. Yoganand
 - 2) P. Shyam Sunder Murthy

The Board of Directors shall have power to appoint additional directors provided such additional directors shall hold office only up to the date of the next Annual General Meeting of the Company provided further that the number of Directors and additional Directors together shall not exceed the maximum strength fixed for the Board by clause (a) above

36. Subject to the provisions of the Act, the Board of Directors shall have the power to fill up casual vacancies.
37. Subject to the provisions of the Act, the Board of Directors shall have power to appoint a person as Alternate Director during the absence of a Director two here missing.
38. Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), the Industrial Credit & Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Finance Corporation or Credit Corporation or any other Financing company or body herein after in this Article referred to as ("The Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation hold shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors which director or directors is / are herein referred to as "Nominee Director/s" on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominees Director/s shall not be liable to retirement rotation of Directors. Subject as aforesaid the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.



The Nominee Director/s appointed shall hold the said office only so long as the Corporation holds shares in the Company as a result of underwriting or director subscription or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately after the monies owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures or shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Articles shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and meetings of the Committee of which the Nominee Director/s is a member as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sittings fees and expenses to which the other Directors of the Company are entitled, and any other fees, commission monies or remuneration in any form which is payable to the Directors of the Company. The fees, commission monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s. Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

In the event of the Nominee Director/s being appointed as whole-time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole-time Director in the Management of the affairs of the Company. Such Nominee Directors shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.

39. A person who is not a retiring Director shall not be appointed Director of the Company unless he has by himself or by his agent authorised in writing, signed and filed with the Registrar his consent in writing to act as such Director.
40. No share qualification shall be necessary for any Director.
41. 1) The Officers of a Director shall be vacated if :
- a) He is found to be of unsound mind by a Court of Competent jurisdiction.
 - b) He applies to be adjudicated as insolvent.
 - c) He is adjudged an insolvent.
 - d) He is convicted by a Court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months.
 - e) He fails to pay any call in respect of shares of the company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call.
 - f) He absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board.
 - g) He, or any firm, in which he is a part or any Private Company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the company in contravention of the Act.
 - h) He acts in contravention of Section 299.
 - i) He becomes disqualified by an order of Court under Section 203, or
 - j) He is removed in pursuance of Section 284.
- 2) Notwithstanding anything in clause (c) (d) and (i) of Sub-section (1), the disqualification referred to in those clauses shall not take effect;
- a) For thirty days from the date of adjudication, sentence or order.
 - b) Where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition, is disposed of, or
 - c) Where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed,



would result in the removal of the disqualification, until such further appeal or petition is disposed of.

42. 1) Subject to the provisions of the Act, a Director or his relative, a firm in which such Director or relative is a partner any other partner in such a firm or a Private Company, of which such Director is member or director may enter into a contract with the Company for the sale, purchase or any supply of goods, materials or services or for underwriting the subscription of any shares in, or debentures of the Company provided that the consent of the Director obtained by a Resolution passed at a meeting of the Directors before the contract is entered into. No such consent however, shall be necessary to any such contract or contracts for the purchase or sale, purchase or supply of goods, materials or services in which either the Company or the Directors firm, partner or Private Company, as the case may be, regularly trades or does business provided that the value of such goods and the costs of such services do not exceed five thousand rupees in the aggregate in any calendar year comprised in the period of the contact or contracts. The Directors so contracting or being so interested shall not be liable to the Company for any profit realized by and such contract or the fiduciary relation thereby established.
- 2) A Director who is in any way, whether directly, or indirectly, concerned or interest in a contract or arrangement entered into, or a proposed contract or arrangements to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest in a meeting of the Board in the manner provided in the Act; provided that it shall not be necessary for a Director to disclose his concerned or interest in any contact or arrangement entered into or to be entered into with living is missing any other Company where any of the Directors of Company or Company any such other as the case may be. A general notice given to the Board by the Director, to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into which the body corporate firm, shall be deemed to be a sufficient disclosure, any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless either is given at meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- 3) NO director shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is any way, whether directly or indirectly concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time any such discussion or vote, and if he does vote, his vote shall be void; provided, however, that nothing herein contained shall apply to;
- a) Any contract of indemnity against any loss which the Directors, or any one or more of them, suffer by reason of becoming or being sureties or a surety for the Company.
 - b) Any contract or arrangement entered into or to be entered into with a public Company or a private Company which is subsidiary of a public company in which the interests of the Director consists solely.
 - i) In his being :
 - a) a Director of such Company; and
 - b) the holder of not more than shares of such number or value therein as is required to qualify him for appointment as Director thereof he having been nominated as such Director by the Company; or
 - ii) In his being a member holding not more than two percent of its paid up shares capital.
- 2) The Director to retire by rotation at every Annual General Meeting shall be those who have been longest in Office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by lot.
- 3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.



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- 4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next live Missing succeeding day is not a public holiday at the same time and place.
 - 5) In the adjourned meeting also the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless;
 - i) at the meeting or at the previous meeting as resolution for the appointment of such Director has been put to the meeting and lost.
 - ii) The retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so recommended.
 - iii) He is not qualified or is disqualified for appointment.
 - iv) A resolution whether special or ordinary is required for his appointment by virtue of any provisions of the Companies Act, 1956 or
 - v) The provisions to sub-section (2) of Section 263 is applicable to the case where a Director is to retire at an Annual General Meeting by virtue of Clause 2 thereof.

Proceedings of the Board

52. (a) The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meeting as it thinks fit, provided however the Board shall meet once in every three months in accordance with the Act.
- (b) A Director may and the Manager or Secretary on the requisition of a Director shall at any time summon a meeting of the Board.
- (c) The Board shall cause notice to be circulated to every Director of the Company who is for the time being in India accordance with the Act.
- (d) The quorum for a meeting of the Board shall be two Directors or one-third of its total strength whichever is greater as provided for in the Act.
- (e) The continuing Director may act notwithstanding any vacancy in its body but if and so long as their number is reduced below the quorum fixed by Act for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a General Meeting of the Company, but for no other purpose.
- (f) The Board may elect a Chairman of its meetings and determine the period for which he is to hold office.
- (g) If no such Chairman is elected, or if at any meeting, the Chairman is not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one of their number to be Chairman of the Meeting.
- (h) The questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.
- (i) Save as otherwise expressly provided by the Companies Act, 1956, a resolution in writing signed by all the members of the Board or of a Committee thereof for the time being entitled to receive notice of a meeting of the Board or Committee shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee duly convened and held.
- (j) All acts done by any meeting of the Board or any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defects in the appointment of Directors or persons acting as aforesaid or that they or he or any of them were or was disqualified be as valid as if every such person had been duly appointed and was qualified to be a Director.



- (k) The Company shall cause to be kept minutes of all proceedings at meetings of its Board of Directors or of Committee of the Board. The minutes of a meeting shall contain a fair and correct summary of the proceedings thereat.

The minutes shall also contain:

- i) The names of the Directors present at the meeting.
- ii) In the copy of each resolution passed at the meeting the names of Directors, if any, dissenting there-from or not concurring in the resolution and
- iii) The Directors shall cause to be kept a Register of Directors in accordance with the provisions of Companies Act, 1956. The Register aforesaid shall be open to inspection by any member of the public at any time during office hours on payment of the prescribed fee. The Company shall also keep a Register of Directors, share-holdings giving the particulars required by the Companies Act, 1956.

General Power of the Board of Directors

53. a) The Board of Directors shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do;

Provided that the Board shall not exercise any power or do any act or thing, which is director or required by the Act or any other provision of law or by the Memorandum of Association of the Company or by these Articles, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provision contained in the behalf in the Act or any other provision

- b) No regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Specific powers of the board

54. Without prejudice to the general powers, the Board shall have the following specific powers:

- a) To carry out the objects and exercise the powers contained in clause III of the Memorandum of Association of the Company.
- b) To have the superintendent, control and direction over Managing Director, Managers, whole time Directors and all other officers of the Company.
- c) To delegate subject to the provisions of the Act, by a resolution passed at a meeting, to any Committee of Directors, Managing Director or the Manager of the Company.
 - i) Power to borrow money otherwise than on Debentures
 - ii) The power to invest the funds of the Company
 - iii) The power to make loans

Provided however that every resolution delegating the power in clause (i) shall specify the total amount up to which moneys may be borrowed by the delegate, every resolution delegating the power referred to in clause (ii) shall specify the total amount upto which the funds may be invested and the nature of investment which may be made, every resolution delegating the power in clause (iii) shall specify the total amount up to which loans may be made, the purposes for which the loans may be made, and the maximum amount of loans which may be made for each such purpose in individual cases.

- d) To provide for the management of the affairs of the Company in any specified locality in or outside India and to delegate to person in charge of the local management such powers (not exceeding those which are delegatable by the Directors under these regulations)
- e) To appoint at any time and from time to time by a power of attorney under seal and person or authorities to exercise such of the powers delegated to them (not exceeding those which are delegatable by the Directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit, with power for such attorneys to sub-



delegate all or any of the powers, authorities and discretions vested in the attorney for the time being.

- f) To acquire by lease, mortgage, purchase or exchange or otherwise any property, rights or privileges which the Company is authorized to acquire at any such price generally on such terms and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose of absolutely or conditionally any property, rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as they think fit, subject however to the restrictions imposed on the Board by Act.
- g) To open any account or accounts with such Bank or Banks as the Board may elect or appoint, to operate on such accounts, to make sing, draw , accept endorse or otherwise execute all cheques, promissory notes, drafts, hundies, orders, bills of exchange, bills of lading and other discharges for money payable to the Company and for the claims and demands of the Company to make contracts and to execute deeds, provided however the provisions of the Act shall be complied with.
- h) To appoint officer (s), clerks and servants for permanent, temporary or special service as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instances and to such amount as the Board may think fit and to remove or suspend any such officers, clerks and servants.
- i) To sanction, pay and reimburse to the officers of the Company in respect of any expenses incurred by them on behalf of the Company.
- j) To invest and deal with any of the moneys of the Company to vary or release such investment's subject to the provisions of the Act.
- k) To refer claims or demands by or against the Company to arbitration in accordance with the provisions of the Act.
- l) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment of satisfaction or any debt due and of claims or demands by or against the Company and of appoint Solicitors, Advocates, Counsel and other legal advisers for such purposes or for any other purposes or for any other purposes and settle and pay their remunerations.
- m) To act on behalf of the Company in all matters in which the Company is interested.
- n) To pay and give gratuities, pensions and allowances to any persons including and Director, to his widow, children or dependants, that may appear to the Directors just or proper whether any such person, widow, children or other dependants have or not a legal claim upon the Company and whether such person is still in the service of Company or has retired from its service, or to make contributions to any funds and pay premiums for the purchase or provisions of any such gratuity , pension or allowance.
- o) To establish maintain, support and subscribe to any charitable or public object or any society institution or club which may be for the benefit of the Company or its employees.
- p) To set aside portion of the profits of the Company to form a fund or funds before recommending any dividends for the objects mentioned above.
- q) To make and alter rulels and regulations concerning the manner of payment of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits or the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said funds as Directors shall from time to time think fit.
- r) To exercise the powers conferred by the Act, with regard to having an seal for use abroad.
- s) To exercise the powers conferred on the Company by the Act with regard to the keeping of foreign registers.



- t) To authorize any person to sell any goods or articles manufactured or produced by the Company or to purchase, obtain or acquire machinery, stores, goods or materials for the purpose of the company, or to sell the same when no longer required for those purposes.
- u) To exercise other powers referred to under these regulations not specifically mentioned in this regulation but referred to in other regulations in these Articles.

Specific Duties of the board

55. a) The Board shall call Extraordinary General Meeting on requisition by members in accordance with the Act.
- b) There shall be attached to every Balance Sheet laid before the Company in General Meeting a report by the Board of Directors in accordance with the provisions of the Act.
- c) The Board shall cause to be laid before the Company in General Meeting the Balance Sheet and Profit and Loss Account in accordance with the Act.
- d) The Board shall cause to be kept at its Registered Office. Registers, Books and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, and Schedule VIII to the Act be kept open for such inspection by the persons entitled thereto, during office hours, under the above said provisions to be extent. In the manner and on payment of the fees, if any, specified on the aforesaid provisions at Registered Office of the Company during office hours on any working day, except when the registers and books are closed under the provisions of the Companies Act, 1956, or by the Articles of Association of the Company.

Provided however that the Register required to be maintained under the Act shall be open for inspection of the members of holders of debentures of the Company, if any aforesaid between the times above mentioned during the period prescribed by the sub-section 5 (a) of Section 307

- e) The Board shall cause to be sent to the Registrar as and when required the returned mentioned in the Act.
- f) The Board shall cause to give copies of documents to any member or to any other persons in accordance with the provisions of the Act.
- g) The Board shall cause the dispatch of abstracts and memorandum referred to in the Act.

Capitalisatin of Profits

80. a) The Company in General Meeting may upon the recommendation of the Board resolve:
- (i) That it is desirable to capitalize any part of the amount for the time being to the credit of any of the Company's reserve accounts or to the credit of the Profit and Los account or otherwise available for distribution, and
 - (ii) That such sum be accordingly set free for distribution amongst the members who would have been entitled thereto. If distributed by way of dividend and in the same proportions.
- b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:-
- (i) Paying up any amounts for the time being unpaid on any shares held by such members respectively
 - (ii) Paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members as the proportions aforesaid; or
 - (iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- c) A share premium account and a capital redemption reserve fund may for the purpose of the regulation, only be applied in the payment up of unissued shares to be issued to members of the Company as fully paid bonus shares.



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- d) The Board shall give effect to the resolution passed by the Company in pursuance of the regulation.
81. a) Whenever such a resolution as aforesaid shall have been passed the Board shall:
- i) Make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any and
 - ii) Generally to do all acts and things required to give effect thereto.
- b) The Board shall have full powers:
- i) To make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions, and also
 - ii) To authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing share.
- c) Any agreement made under such authority shall be effective and binding on all such members.
82. The Company shall comply with the provisions of the Act with regard to the keeping of accounts, preparation of Balance Sheet and Profit and Loss Account.
83. a) The Board shall from time to time determine whether and to what extent and at what times and places and under which conditions or regulations the accounts and books of the company or any of them shall be given to the inspection of members not being Directors.
- b) No member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the regulations or authorized by the Board or by the Company in General Meeting.
84. Every Account of the Company, when audited and approved by an Annual General Meeting, shall be conclusive.

Winding Up

85. If the Company shall be wound up, and the assets, available for distribution among the members as such, shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members, shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders issued upon special terms and conditions.
86. If the Company shall wound up, whether voluntarily or otherwise, the liquidators may, in with the sanction of special resolution, divide among the contributors, in specie or kind any part of the assets of the company in trustees upon such trusts for the benefit of the contributors or any of them, as the Liquidators, with the like sanction, shall think fit, but that any member shall be compelled to accept any shares or other securities whether there is any liability.

Security

87. Every Director, Secretary, Manager, Auditor, Trustee, Member of committee Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall before entering upon the duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with consumers and the state of accounts with individuals and



in all matters, relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may have come to his knowledge in the discharges of his duties except when required to do so by the Directors or by any meeting of the share holders or by a Court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles of Association.

88. Any Director or Officer or the Company shall be entitled, if he thinks fit to, decline to answer any question concerning the business of the Company which may be put to him on any occasion including any meeting of the Company on the ground that the answer to such question would disclose or tend to disclose the trade secret of the company.
89. Any officer of employees of the Company proved to the satisfaction of the Board of directors to have been guilty of disclosing the secret of the Company shall be liable to instant dismissal without notice and payment of damages.
90. a) Every Director of the Company, Manager, Secretary and other officer or employee or the company shall be indemnified by the Company against, and it shall be the duty of the Directors to pay out the funds of the Company costs losses and expenses (including traveling expenses) which any such Director, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such director, officer or servant or in any way in the discharge of his duties.
- b) Subject to as aforesaid every Director, Manager Secretary or other Officer of the Company shall be indemnified against any liability incurred by him in defending any proceeding whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under the provisions of this Act in which relief is given to him by the Court.
91. No Director, Auditor or other Officer of the Company shall be liable for the acts, receipts or defaults of any other Directors or Officer, for joining in any receipts or other acts for confirmity any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for on behalf of the company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty neglect or default.



DECLARATION

This is to confirm that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956 and rules made there under. All the legal requirements connected with this said offer as also the guidelines, instructions etc., issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

Undertaking

We, the Directors of Manjeera Constructions Limited, declare and confirm that no information/ material likely to have a bearing on the decision of the investor in respect of the equity shares offered in terms of this Information Memorandum have been suppressed/ withheld and/ or incorporated in a manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time till allotment/ refund, as the case may be, that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, we undertake to refund the entire application moneys to all the subscribers within seven days thereafter, without prejudice to the provisions of Section 63 of the Act.

Since the date of last financial statement disclosed in this Information Memorandum, there have been no circumstances that materially and adversely affects or is likely to affect the profitability of the Company or the value of its assets or its ability to pay off its liabilities within a period of next twelve months.

The Directors and Mr. P. Sobhanadri, Sr. Vice President certify that all disclosures made in the Information Memorandum are true and correct.

For MANJEERA CONSTRUCTIONS LIMITED

G. Yoganand
(Managing Director)

Place: Hyderabad
Dated: May 22, 2009