

**MANJEERA CONSTRUCTIONS LIMITED**

BOARD OF DIRECTORS : Mr.G.YOGANAND –Managing Director  
Mr.G.SHIVALEELANAND  
Mr.K.KRISHNAMURTHY  
Mr.J.RAMESH

COMPANY SECRETARY : Mr. S BRAHMAIAH

AUDITORS : M/s. A.K.SABAT & CO.  
Chartered Accountants  
1-9-485/15/A/1,  
Ramnagar Gundu,  
Hyderabad - 500 044.

BANKERS : **ICICI Bank**  
S R Nagar, Hyderabad.  
**Oriental Bank of Commerce,**  
S. D. Road, Secunderabad.

**Oriental Bank of Commerce,**  
Ameerpet, Hyderabad.

REGISTERED OFFICE : #304, Aditya Trade Centre,  
Aditya Enclave Road, Ameerpet,  
Hyderabad-500 038.  
Phone: 23735194/23743017/23730231  
Fax: 91(040)23733763  
Email: manjeera\_group@yahoo.com

SHARE TRANSFER AGENTS : **XL Softech Systems Limited**  
Plot No.3, Sagar Society,  
Banjara Hills, Road No.2  
Hyderabad – 500 034.

## MANJEERA CONSTRUCTIONS LIMITED

### NOTICE TO MEMBERS

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of **MANJEERA CONSTRUCTIONS LIMITED** will be held on Saturday, the 29<sup>th</sup> September, 2007 at 11.00 A.M. at Aditya Park Inn Hotel, Ameerpet, Hyderabad-500 038 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007 and the Profit and Loss account of Company for the year ended on that date together with the Reports of the Directors and Statutory Auditors thereon.
2. To consider and appoint a Director in place of Mr. G Shivaleelanand, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and approve the declaration of dividend for the Financial year ended 31<sup>st</sup> March, 2007.
4. To appoint M/s A K Sabat & Co., Chartered Accountants as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration as may be decided and approved by the Board of Directors of the Company.

#### SPECIAL BUSINESS:

##### **Item No. 5 Increasing the borrowing powers of the Company.**

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

**“RESOLVED THAT** in supersession of earlier

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

##### **Item No. 6 Increase in remuneration payable to Managing Director**

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

**RESOLVED THAT**, in partial modification of the Resolution Passed at the 18<sup>th</sup> Annual General Meeting of the company held on 30.09.2005 and pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to increase the remuneration from Rs. 75,000/- to Rs.2,50,000/- per month to Mr. G Yoganand, Managing Director of the Company,

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

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

**Item No. 7 Alteration of Articles of Association of the Company**

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

**RESOLVED THAT** pursuant to section 31 and other applicable provisions if any of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to amend Article 71 of the Articles of Association of the Company as follows :

71. Until otherwise determined by a General

Meeting, the remuneration by way of sitting fee for each Director shall be such sum not exceeding Rs.2500/- or such other amount as may be determined by the Board subject to ceiling as may be prescribed under the Companies Act, 1956 or rules made thereunder for every meeting of the Board or its committee meetings duly attended by the Directors.

**Item No. 8 Consideration and approval of equity investment**

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

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

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

**By order of the Board of Directors**

**Place: Hyderabad**  
**Date: 30.07.2007**

**S Brahmaiah**  
**Company Secretary**

**NOTES:**

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

provisions of section 173(2) of the Companies Act 1956 is annexed to this report.

5. The Register of members and share transfer books of the Company shall remain closed from Tuesday, the 25<sup>th</sup> September'07 to 29<sup>th</sup> September'07(both days inclusive) for the purpose of payment of Dividend to those members whose names stand on the Register of Members as on 25<sup>th</sup> September,07. The Dividend in respect of Shares held in electronic form will be payable to the beneficial owners of the Shares as at the end of Business hours on 25<sup>th</sup> September'07 as per the details furnished by the Depositories for this purpose.

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

**Item No. 5.**

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

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

Directors recommend the resolution for your approval.

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

**Item No. 6.**

Mr. G Yoganand was re-appointed as the Managing Director of the company for a period of 5 years with effect from 01.07.2005 on the terms and conditions as approved by the shareholders at the 18<sup>th</sup> Annual General Meeting held on 30.09.2005.

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

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

Directors recommend the resolution for your approval.

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

**Item No. 7.**

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

Directors recommend the resolution for your approval.

**Item No. 8**

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

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

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

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

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

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

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

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

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

The Directors recommend the resolution for approval of shareholders.

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

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

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

**By order of the Board of Directors**

Place: Hyderabad  
Date: 30.07.2007

**S Brahmaiah**  
Company Secretary



## MANJEERA CONSTRUCTIONS LIMITED

### DIRECTORS' REPORT

To

The Members,

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

#### 1. FINANCIAL RESULTS:

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

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

#### 2. OPERATIONS:

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

#### 3. DIVIDEND

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

#### 4. RIGHTS ISSUE:

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

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

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

#### 5. DIRECTORS:

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

#### 6. PUBLIC DEPOSITS:

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

#### 7. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

### 8. MANAGEMENT DISCUSSION AND ANALYSIS

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

### 9. CORPORATE GOVERNANCE REPORT

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

### 10. SUBSIDIARY COMPANY

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

### 11. AUDITORS:

M/s. A.K.SABAT & CO., Chartered Accountants, Hyderabad, the present Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting. As required under the provisions of section 224 (1B) of the companies Act, 1956, the company has obtained a written certificate from the above auditors proposing to be re-appointed to the effect

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

### Directors' reply to the auditors qualificaion in their report

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

### 12. BONUS ISSUE AND CAPITAL INCREASE

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

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

### 13. PARTICULARS OF EMPLOYEES:

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

### 14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

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



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carries out the construction activities only, prescribed information regarding compliance of rules relating to conservation of Energy & Technology, absorption pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of the Directors) rules, 1988 is not provided as the same is not applicable to the Company.

Companies, Municipal Corporation of Hyderabad, Hyderabad Urban Development Authority, Stock Exchanges, Shareholders and other stake holders for their continued support to the Company.

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

For and on behalf of the Board

### 15. INDUSTRIAL RELATIONS

The Industrial Relations during the year has been cordial.

**G.YOGANAND**  
Managing Director

**G SHIVALEELANAND**  
Director

### 16. ACKNOWLEDGEMENT

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

**Place: Hyderabad**  
**Date: 30.07.2007**

## REPORT ON CORPORATE GOVERNANCE:

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

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

### 2. BOARD OF DIRECTORS:

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

#### A) The constitution of the Board is as follows:

Director	Whole-time/ Independent	Number of outside Directorships held *	Number of member- ships on Board Committees of other companies.
Mr. G.Yoganand	Managing Director	2	Nil
Mr. G.Shivaleelanand	Non- Independent	Nil	Nil
Mr.J.Ramesh	Independent	Nil	Nil
Mr. K.Krishna Murthy	Independent	Nil	Nil

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

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

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

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

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

**3. AUDIT COMMITTEE:**

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

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

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

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

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