

MANJEERA CONSTRUCTIONS LIMITED

***21st Annual Report
2007-2008***

MANJEERA CONSTRUCTIONS LIMITED

BOARD OF DIRECTORS	:	Mr.G.Yoganand –Managing Director Mr.G.Shivaleelanand Mr.K.Krishnamurthy Mr. J Ramesh (Up to 31 st December 2007) Mr. D.L.S. Sreshti (From 03 rd January 2008)
COMPANY SECRETARY	:	Ms. S Sujana
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. YES Bank Somajiguda, Hyderabad. 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
REGISTRAR & 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 21st Annual General Meeting of the Members of **MANJEERA CONSTRUCTIONS LIMITED** will be held on Saturday the 20th Day of September, 2008 at 10.00 A.M. at Aditya Park Hotel, Ameerpet, Hyderabad-500 038 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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 approve the declaration of dividend for the financial year ended 31st March 2008.
3. To consider and appoint a Director in place of Mr. K Krishna Murthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint 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: 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 pursuant to the provisions

of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of the earlier resolution (s) passed at the 18th Annual General Meeting of the Company held on 30th September 2005 and 20th Annual General Meeting held on 29th September 2007, the consent of the members of the Company be and is hereby accorded to increase the remuneration from Rs.2,50,000/- plus perquisites to Rs.3,50,000/- plus perquisites per month to Sri G Yoganand, Chairman and Managing Director of the Company with effect from 1st April, 2008 till the expiry of his present term of office i.e. 30th June 2010 and that the other terms and conditions of the appointment remain unchanged.

RESOLVED FURTHER THAT in case of absence or inadequacy of profits in any financial year during the tenure of office of Sri. G Yoganand, Chairman and Managing Director, the above remuneration shall be payable as per relevant applicable provisions of law including provisions as contained in Schedule XIII to the Companies Act, 1956.”

Item No. 6: 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 alter the Articles of Association of the Company as follows:

70. The Directors shall from time to time decide their own remuneration for the attendance of the Board Meeting. But in

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no case it shall exceed Rs.5000/- for every meeting of the Board of Directors attended by them.

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.5000/- 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.

By order of the Board of Directors

**Sd/-
S Sujana
Company Secretary**

**Place: Hyderabad
Date: 28/07/2008**

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 him 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, Sagar 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 18.09.2008 to 21.09.2008 (both days inclusive) for the purpose of payment of Dividend to those members whose names stand on the Register of Members as on 18th September 2008. 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 18th September 2008 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.

Sri G Yoganand is a Promoter Director and presently acting as a Chairman and Managing Director of the Company. Since inception, he steered the Company with total dedication, hard work and effective leadership resulting in the profitable growth of the Company's operations. His timely decisions to expand and acquire various properties have yielded tremendous results. He was re-appointed as Managing Director of the Company for a period of 5 years with effect from 01.07.2005 on the terms and conditions as approved by the shareholders at the 18th Annual General Meeting held on 30.09.2005.

The Board after reviewing the performance achieved by the Company during the year under review appreciated the management for their untiring efforts in achieving the exponential growth, both in terms of total income and profitability. The Board, considering the increased responsibilities shouldered on Sri G Yoganand due to increase in the volume of business, has decided to remunerate him suitably. It is proposed to increase the remuneration payable to Sri G Yoganand from the existing Rs.2,50,000/- to Rs.3,50,000/- plus perquisites as mentioned in the resolution passed at the 18th Annual general meeting of the Company held on 30.09.2005. Such proposal requires the approval of members in general meeting as per the Companies Act, 1956.

None of the Directors of the Company except Sri G Yoganand, Managing Director is interested in the resolution.

Directors recommend the resolution for your approval

Item No. 6.

Keeping in view the increased responsibilities pressed on Directors of the Company and the volume of business to be transacted at the Board Meetings of the Company, it is considered fair that the remuneration of the Directors by way of sitting fees be increased so as to commensurate with the responsibilities shouldered on them. The Company proposes to pay Rs. 5000/- as remuneration by way of sitting fee for each Board meeting duly attended by the Directors; hence this resolution is required to be approved by the members.

Directors recommend the resolution for your approval.

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

- | | |
|-------------------------|--|
| 1. Name of the Director | : Mr. K Krishna Murthy |
| 2. Date of birth | : 01.01.1938 |
| 3. Qualifications | : B E (Hons), M.Tech, FIE, FIV, |
| 4. Experience | : 45 years of experience in Consultancy, Project Management etc. |
| 5. Other Directorships | : Nil |

By order of the Board of Directors

Place : Hyderabad
Date: 28.07.2008

Sd/-
S. Sujana
Company Secretary

MANJEERA CONSTRUCTIONS LIMITED

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts for the financial year ended 31st March, 2008.

1. FINANCIAL RESULTS:

Rs.In Lacs

Particulars	FY 2007-08	FY 2006-07
Sales & Other Income	3889.84	2033.44
Less: Total Expenditure	3108.75	1527.75
Profit after Interest but before Depreciation and tax	781.09	505.69
Depreciation	33.04	22.12
Provision for Tax	216.25	16.65
Profit after Tax	531.80	466.92
Interim Dividend	30.02	—
Tax on Interim Dividend	4.26	—
Proposed Final Dividend	75.05	60.04
Tax on proposed Dividend	12.75	10.20
Reserves & Surplus	2415.10	504.37
Paid Up Equity share Capital	1250.84	500.34

2. OPERATIONS:

Your company has achieved turnover of Rs. 3889.84 lacs as against the turnover of Rs. 2033.44 lacs in previous year 2006-2007 registering a growth at 91.28%. The net profit after tax stood at Rs. 531.80 lacs as against Rs. 466.92 lacs in the previous year 2006-07 registering a growth at 13.90 % .

3. DIVIDEND

Keeping in view of the sound financial position of the Company, your Directors are happy to recommend a dividend of 6% on the expanded capital of the Company arising out of the Rights issue in the ratio of 2: 3 for the year ending 31st March 2008

in addition to the interim dividend paid @ 6% on the pre rights issue capital. After considering the interim dividend of 6%, the total dividend stands at 12% for the Year 2007-08.

4. DIRECTORS:

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

5. PUBLIC DEPOSITS:

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

6. 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 adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and

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detecting fraud and other irregularities.

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

7. MANAGEMENT DISCUSSION AND ANALYSIS

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

8. 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.

9. SUBSIDIARY COMPANY

Manjeera Retail Holdings Private Limited, subsidiary of Manjeera Constructions Limited is developing a project at Kukatpally envisaging construction of about 18 lacs sft of Built up area of Office, Retail/Multiplex/Commercial/Residential apart from Car Parking space of about 9 lac sft. at a total estimated cost of Rs. 550 crores. The project is expected to be completed within a period of three years.

A statement pursuant to Section 212 of the Companies Act, 1956, containing the particulars of the subsidiary Company, forms part of the Annual Report.

10. AUDITORS:

M/s. A.K.SABAT & CO., Chartered Accountants, Hyderabad, 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 proposed to be re-appointed to the effect that their reappointment if made, would be in conformity with the limits specified in the said section.

11. RIGHTS ISSUE

During the year under review, the company has issued 75,05,043 equity shares of Rs.10/- each at a premium of Rs.20/- per share on rights basis i.e. three shares for every two shares held on 14.09.2007.

The said shares were allotted and got listed on the stock exchanges where the company's shares were listed. The Rights Issue resulted in increase of the paid up capital of the company from Rs. 5,00,33,750/- To Rs. 12,50,84,180/-

12. 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.

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

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

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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.

The Company has no Foreign Exchange Earnings & Outgo during the financial year and hence provisions of Section 217 (1) (e) regarding disclosure of Foreign Exchange Earnings & Outgo is not applicable

14. INDUSTRIAL RELATIONS

The Industrial Relations during the year has

been cordial.

15. ACKNOWLEDGEMENT

Your Directors wish to convey their sincere thanks to all the Bankers, Registrar of Companies, Greater Hyderabad Municipal Corporation, 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 all categories of employees.

For and on behalf of the Board

Place: Hyderabad
Date: 28.07.2008

Sd/-
G.YOGANAND
Managing Director

Sd/-
K KRISHNA MURTHY
Director

MANJEERA CONSTRUCTIONS LIMITED**MANAGEMENT DISCUSSION AND ANALYSIS****CONSTRUCTION & REAL ESTATE SECTOR:**

Year 2008-09 will be a challenging year for the Indian construction industry as higher commodity prices, volatile capital market and forthcoming elections will leave their mark on the industry. Construction segment being the backbone of infrastructure development is a major employment driver, the second largest employer in the country, next only to agriculture. This is because of the chain of backward and forward linkages that the sector has with other sectors of the economy. About 250 ancillary industries such as cement, steel, brick, timber and building material are dependent on the construction industry.

India's GDP maintained its steady rise in 2007-08 to clock 9% growth. The average GDP for the last four years has been 8.6%, signifying stable economic growth and domestic demand.

The construction industry is also a key indicator and driver of economic activity and wealth creation. But, the industry's future prosperity will depend on its capacity to evolve on business, technological and environmental fronts. The construction industry is expected to play a critical role in the building of modern India.

The year 2007-08 has witnessed a global economic slowdown as a result the world is looking at emerging markets like India, China etc. to be the beacons of growth.

The rapidly growing real estate market in India is moving towards maturity with increasing participation from large local and international players, rising investor interests and market

friendly approach. The Indian real estate Market is worth US \$ 40-45 billion. The segment is growing at an exponential pace of Compounded Annual Growth Rate (CAGR) 19.50% and is expected to reach US\$ 97.5 billion by 2010. This growth also brings to light the dire need for professional realtors in an otherwise unorganized sector.

Key Growth Drivers: The propellants for the real estate sector are

- Growth of India's middle class creating demand for housing.
- Strong demographic impetus: India has the second largest population in the world and the growth rate of population is still rapid.
- Rising FDI levels has increased commercial space requirements by foreign firms.
- Expansion of organized retail sector.
- Easy availability of finance.

Housing Real Estate Demand: Several factors including rapid population growth, rising incomes, emergence of nuclear families, tax incentives, availability of home loans at competitive rates are responsible for the growing demand for houses and hence extensive residential construction. There is currently a shortage of around 20 million units and the demand is expected to rise in the forthcoming years. The current scenario is very conducive for investment in the housing real estate sector.

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Major Projects under progress:

Your Company independently as well as in joint venture / SPV's currently has the following projects under construction / contract execution.

S.No.	Name of Project	Type of Development	Approx Built-up Area(Sq Ft)
1.	Manjeera Heights Phase II	Residential Apartments	315,289
2.	Hydershakote-CGEWHO	Residential Apartments	514,520
3.	Bhuwaneshwar- CGEWHO	Residential apartments	690,688
4.	Smart Homes	Independent houses	102,500
5.	Smart Homes	Apartments	84,040
6.	Manjeera Diamond Towers	Apartments	20,89,224
7.	Manjeera Diamond Villas	Gated community	143,487
8.	Kukatpally (S2A)	Commercial	1,800,000
9.	Kukatpally (S2B)	Residential	534,706
10.	Kukatpally (S3A)	Commercial	401,438
11.	Kukatpally (S3B)	Residential	508,136
12.	34,Jubilee Hills	Luxury apartments	19,936
13.	Gatchibowli	IT/ITES/Commercial	500,000
	Total		77,03,964

WIND POWER GENERATION SECTOR:

The power sector has been in the forefront of lightning up the Indian growth story. As the economy continues to surge ahead, electrification and electricity services have been expanding concurrently to support the growth rate. Growing energy demand, heightened environmental awareness and concerns over energy security have resulted in increased demand for "green" power in developing as well as developed countries. Wind energy is one of the cleanest forms of energy around. It is non-polluting with no emissions, excessive noise or waste heat byproducts.

Wind power installations are heavily

concentrated in Europe, the United States, India and China, which accounted for about 95.9 % of cumulative installed capacity as of 2007. The real growth was visible in the Asian market.

India's annual budget for the new fiscal has a mixed bag for the wind industry. The non-withdrawal of customs duty for power generation projects and Transmission & Distribution (T&D) projects might affect upcoming grid infrastructure. However, the continuation of accelerated depreciation on windmills, exemption from central excise and CENVAT and adoption of renewable portfolio standards by some states will go a long way in encouraging the industry.