



**MANJEERA**  
Life Elevated

Date: 30.09.2016

To,  
The Secretary  
BSE Limited  
P. J. Towers, Dalal Street  
Mumbai - 400 001

Dear Sir/ Madam,

**Sub: Annual Report for Financial Year 2015-16 (Scrip Code: 533078)**

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed Annual Report for the Financial Year 2015-16 as it has been approved and adopted in the 29<sup>th</sup> Annual General Meeting of the Company held on September 30, 2016.

We request you to kindly take the same on record.

Thanking You,

Yours Sincerely,  
Manjeera Constructions Limited

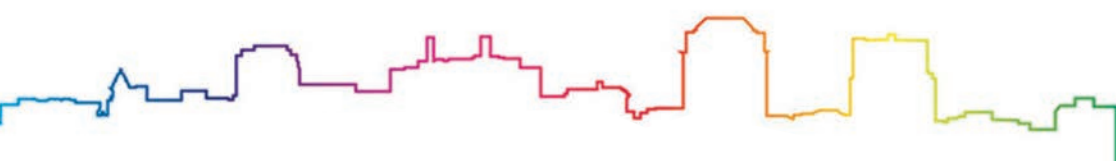
Sucharitra Sahoo  
Company Secretary

Encl: a/a

**Manjeera Constructions Ltd.**

#304 Aditya Trade Centre Aditya Enclave Road Ameerpet Hyderabad - 500 038 Ph.: +91 40 2373 5194 / 0231 / 2374 3017, 4417 4444  
Fax: +91 40 2373 3763 E-mail: info@manjeera.com www.manjeera.com

**CIN: L45200TG1987PLC007228**



**MANJEERA**  
Life Elevated

# EXPANDING NEWER HORIZONS

ANNUAL REPORT 2015-16





## Chairman's Message

Dear Shareholders,  
Greetings to all of you.

**I**t gives me immense pleasure to communicate with you once again and share with you the progress your Company has made during the last financial year.

During our last financial year, your Company has been able to sustain operational stability despite an increasingly challenging economic environment. Most of the projects have been completed and inventory levels have declined significantly contributing to the Company's revenue stream.

During the year under review, your Company on a standalone basis has achieved a turnover of Rs. 4071.70 Lakhs, as against the turnover of Rs. 2141.79 Lakhs in the previous year. The net profit after tax stood at Rs. 557.39 Lakhs, as against Rs. 270.34 Lakhs in the previous year. The Basic Earnings per share for the year ended 31.03.2016 is Rs.4.46 as against Rs.2.16 for the corresponding previous year ended 31.03.2015. The performance on a consolidated basis has been impacted as the Mall properties have been mostly retained, and rents are being received by the subsidiary company.

### Entering newer territories

We have been steadfast in meeting our targets and achieving our goals. With 'Commitment-to-Quality' as our hallmark, we at Manjeera realise the need to move into newer territories and segments to include more satisfied customers into our fold.

One new territory identified for this purpose is the new capital region of Andhra Pradesh, Amaravati. We are expanding our operations to Vijayawada with the launch of the premium luxury apartment, Manjeera Monarch. The project is strategically located on the Guntur-Vijayawada highway and is poised for tremendous appreciation with the development of the State Capital in the region.

The project, being developed over five acres of land, will offer a total of 567 residential apartments with a fully loaded 20,000 sq ft Club house equipped with all the modern facilities. The project is targeted to be completed and handed over in the last quarter of calendar year 2019.

Your company is also actively pursuing a Commercial/Hospitality/Entertainment project in partnership with Manjeera Hotels and Resorts Pvt Ltd in Rajahmundry, Andhra Pradesh on PPP with Andhra Pradesh Tourism Development Corporation.



# *expanding newer horizons*

## **Newer initiatives**

With the ERP package firmly in place now, new efficiencies have rolled out, enhancing our bandwidth to deliver. All the activities related to the Company will now be online, leading to better manpower, material and operational efficiencies, resulting in sharper focus on productivity.

We will soon be moving to our new, modern office space that will have all the new-age facilities to enhance employee efficiency and give a boost to our growth. We are firmly on track to deliver 25 to 30% growth rates.

## **The outlook**

FY 2016 fiscal year saw various positive announcements for the real estate sector. The Real Estate (Regulation and Development) Act was enacted in the latter part of the year. The Act would provide customers and investors more confidence, and promote considerable parity among industry operators. This year we have also witnessed a further policy rate-cut by the Reserve Bank of India and this has translated to a reduction in home loan rates. Additionally, the Indian Government's renewed focus and thrust on the housing sector through several initiatives which include 'housing for all'; 100 'smart cities'; relaxation on 'Foreign Direct Investment' rules

as well as tax benefits on small housing units, are all sure signs of the priority this sector has been given.

Propelled by the Government's growth-oriented strategy the economy as a whole is beginning to show distinct signs of revival. Largely due to the deft handling of macro-economic issues and several positive sector-specific policy initiatives, the industrial outlook has improved overall.

I trust that the slew of path-breaking policies of the Government would yield the desired results and lead to rapid growth of the economy in the years ahead.

My sincere gratitude is due to all my colleagues on the Board for their untiring support and wealth of knowledge and insights that create immense value for our organization in many ways.

We are confident about our future growth and we will continue to build on our strategy of growth by focusing on completing projects – on time and in a transparent manner.

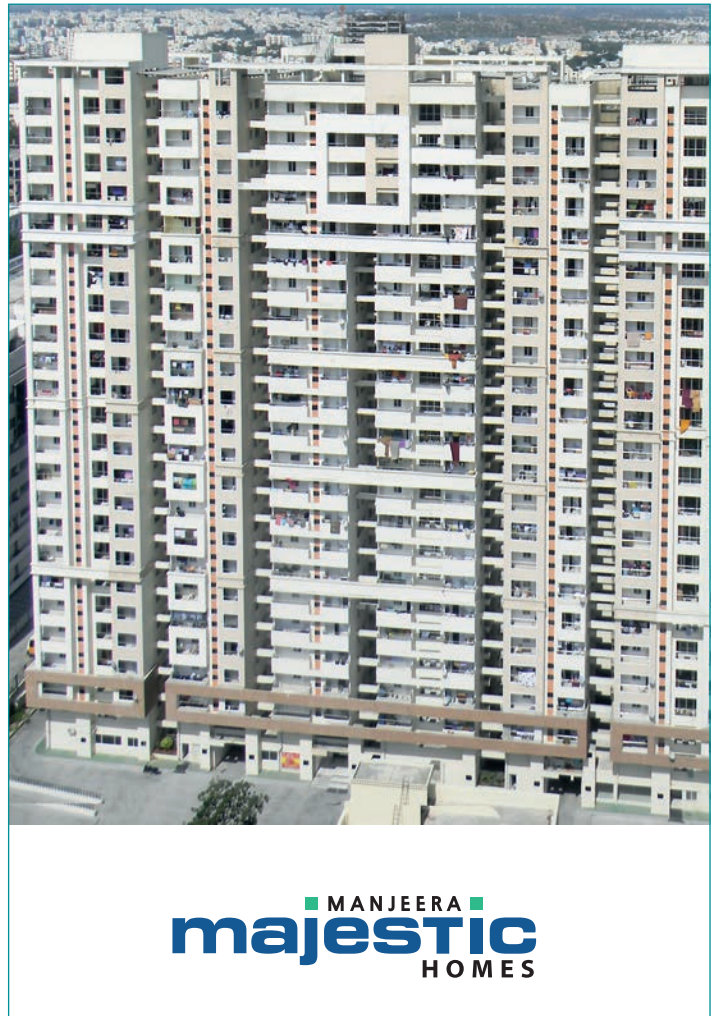
On behalf of our management and employees, I thank you for your sustained support and look forward to meeting you at our ensuing Annual General Meeting.

Best wishes

**G Yoganand**  
*Chairman and MD*



## Recently Completed Projects







MANJEERA  
**DIAMOND**  
TOWERS

MANJEERA  
**TRINITY**  
CORPORATE



**MANJEERA**  
MALL



## *On Going Projects*



**Purple  
town**  
premium villas from Manjeera

### **Manjeera Monarch, Vijayawada Project**





# Board of Directors

**Mr G Yoganand**  
Managing Director

**Mr K Krishna Murty**  
Independent Director

**Mr DLS Sreshti**  
Independent Director

**Mrs G Padmaja**  
Director

**Mr G Vivekanand**  
Director

**Mrs Sucharitra Sahoo**  
Company Secretary and Compliance Officer

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## AUDIT COMMITTEE

Mr DLS Sreshti  
Mr K Krishna Murty  
Mrs G Padmaja

## NOMINATION & REMUNERATION COMMITTEE

Mr DLS Sreshti  
Mr K Krishna Murty  
Mrs G Padmaja

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr K Krishna Murty  
Mr DLS Sreshti

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## STATUTORY AUDITORS

**M/s AK Sabat & Co.,**  
Chartered Accountant, Hyderabad

## PRINCIPAL BANKERS

Oriental Bank of Commerce  
Canara Bank

## REGISTERED OFFICE

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

## REGISTRAR & SHARE TRANSFER AGENTS

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





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# Notice to Members

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of "**Manjeera Constructions Ltd**" will be held on Friday, the 30<sup>th</sup> September, 2016 at 9.30 a.m. at Hotel Aditya Park, Ameerpet, Hyderabad - 500038 to transact the following business:

## ORDINARY BUSINESS:

### **Item No.1- Adoption of Financial Statements**

To consider and adopt the Audited Balance Sheet as at 31 March, 2016 and the Statement of Profit & Loss Account (including the consolidated financial statements) of the Company for the year ended on that date together with the Reports of the Directors and Statutory Auditors thereon.

### **Item No.2- Appointment of Mrs. G Padmaja as a Director liable to retire by rotation**

To appoint director in place of Mrs. G Padmaja (DIN: 02231720), who retires by rotation and being eligible offer herself for reappointment.

### **Item No. 3- Re-appointment of Auditor**

To appoint the Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 and other applicable rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. A K Sabat & Co., Chartered Accountants, (Firm Registration No.321012E), the retiring auditors, be and are hereby reappointed as Statutory Auditors of the Company, to hold office from the conclusion of this 29th Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company at a remuneration to be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

By order of the Board of Directors  
Manjeera Constructions Limited

Place: Hyderabad  
Date: 13.08.2016

Sucharitra Sahoo  
Company Secretary

## Route map of the venue of AGM



## NOTES:

- 1) **A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.**

A proxy is not entitled to speak at the meeting or vote except on poll. The Instrument appointing a proxy to be valid must be duly stamped, executed and deposited at the Registered office of the Company not less than forty-eight hours before commencement of the meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

- 2) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting in terms of Section 113 of the Companies Act, 2013.
- 3) In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
- 4) Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- 5) Members who hold shares in dematerialized form are requested to write their Client-ID and DP-ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- 6) Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the company at # 304, Aditya Trade Centre, Ameerpet, Hyderabad – 500038 on all working days of the company, between 10.00 A.M. and 1.00 P.M up to the date of Annual General Meeting.
- 7) The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 24.09.2016 to Friday, 30.09.2016 (both days inclusive).
- 8) Members are requested to intimate the Registrar and Share Transfer Agents i.e. M/s. XL Softech Systems Limited (RTA), Plot No. 3, Sagar Society, Banjara Hills, Hyderabad - 500 034, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of shares held in dematerialized form.



- 9) Pursuant to the provisions of Section 72 of Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form-SH-13 (which will be made available on request) to the Registrar & Share Transfer Agents, M/s. XL Softech Systems Limited.
- 10) Members may kindly refer "Corporate Governance Report" (Forms part hereof), for details, about the Directors to be appointed / re-appointed.
- 11) The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its Members. In line with the Ministry's direction your Company intends to send all future communication to members by e-mail including Notices, Annual Report etc., to the e-mail address you have already registered with your respective Depository Participants (DPs). In case you are yet to register your e-mail address, please update the same with your DP. Members holding shares in physical form may register their e-mail address either with the Company or with the Registrar & Share Transfer Agent (RTA) of the Company viz. M/s. XL Softech Systems Limited., Hyderabad. If the e-mail addresses are already registered with the respective DPs/RTA of the Company by the shareholders, it is requested to ensure that registered e-mail ids are current, operative and all the addressed correspondences are received through it.
- 12) All NRI Members of the Company are hereby requested to get their Indian Postal addresses, e-mail ids and bank details with their NRI/NRE account nos. registered with their respective DPs/RTA of the Company, so as to facilitate to provide smooth, faster, cost effective and proper service to them by the Company.
- 13) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.
- 14) All dividend remaining unclaimed/unpaid for a period of seven years from the date it became due for payment, will be transferred to the Investor Education and Protection Fund established by the Central Government.

The details of dividend paid for the financial year 2008-09 onwards are given below:

Financial Year	Date of Declaration of Dividend	Due date to transfer to IEPF
2008-09	30.09.2009	November, 2016
2009-10	30.09.2010	November, 2017
2010-11	30.09.2011	November, 2018
2011-12	28.09.2012	November, 2019
2012-13	30.09.2014	November, 2020

Members who have not yet encashed their dividend warrant(s) for the year 2008-09 and /or any subsequent year(s) are requested to write to the Company for revalidation of dividend warrants before such unclaimed dividend is transferred to the Investor Education and Protection Fund without any delay.

- 15) Members are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons. The Meeting is for members or their proxies only. Please avoid being accompanied by non-member/children.
- 16) Members may note that as per the Secretarial Standard-2 notified by Government, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to members at or in connection with the meeting and hence the earlier practice of distribution of packaged items is being discontinued.
- 17) Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The e-voting period will commence from 9.00 a.m. (IST) on 27.09.2016 and will end at 5.00 p.m. (IST) on 29.09.2016. The Company has appointed Mr. S. Sarweswar Reddy, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder:

## PROCEDURE FOR E-VOTING:

Share holders who wish to opt for e-voting can cast their vote by logging on to the CDSL website: <https://www.evotingindia.com> and follow the procedure to login to e-voting website as given below by CDSL for the information of the members:

Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

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

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

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

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

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

- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting can be downloaded from google play store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- (xix) The voting period begins on 27.09.2016 at 9.00 A.M. (IST) and ends on 29.09.2016 at 5.00.P.M. (IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the 23.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xx) Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.09.2016 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- (xxi) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.09.2016 for e-voting purpose.
- (xxii) Mr. S. Sarweswar Reddy, Practicing Company Secretary, C.P. No. 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiii) The Scrutinizer shall
  - a) Immediately after the conclusion of voting at general meeting, first count the votes
  - b) Unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company
  - c) Not later than three days of conclusion of the meeting, make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who should countersign the same.
- (xxiv) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.manjeera.com](http://www.manjeera.com) and on the website of CDSL immediately after the result is declared by the chairman. Simultaneously forward the results to the concerned stock exchange and the stock exchange should place the results on its website.
- (xxv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Place : Hyderabad  
Date : 13.08.2016

By order of the Board of Directors  
Sucharitra Sahoo  
Company Secretary



# Directors' Report

To

The Members

M/s. Manjeera Constructions Limited  
# 304, Aditya Trade Centre, Ameerpet,  
Hyderabad – 500 038.

Your Directors have a great pleasure in presenting the 29<sup>th</sup> Annual Report of your Company along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2016.

## Financial Highlights

During the year under review, performance of the Company on standalone and consolidated basis is as under:

(Rupees in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Total Income	4071.70	2141.79	6710.42	6868.86
Less: Total Expenditure	3091.76	1393.02	5728.55	4003.19
Profit before Interest, Depreciation and tax	979.94	748.77	981.87	2865.67
Less: Interest and Financial Expenses	310.28	316.16	1356.92	2243.85
Less: Depreciation	28.86	36.94	530.29	240.82
Profit before tax	640.79	395.67	(905.34)	381.00
Tax Expense				
Current Tax	157.59	94.67	157.59	94.67
Tax for Previous Year	(75.11)	39.50	(75.11)	39.50
Deferred Tax	0.93	(8.84)	(59.75)	46.09
Profit / (loss) after Tax	557.39	270.34	(928.07)	200.74
Proposed Dividend / Dividend paid	0.00	0.00	0.00	0.00
Tax on Dividend paid	0.00	0.00	0.00	0.00
Reserves & Surplus	7054.49	6497.10	7105.84	7162.30
Paid Up Equity share Capital	1250.84	1250.84	1250.84	1250.84

## Operational Performance Review

Your Company on a standalone basis has achieved a turnover of Rs. 4071.70 Lacs as against the turnover of Rs.2141.79 Lacs in previous year. The net profit after tax stood at Rs.557.39 Lacs as against Rs.270.34 Lacs in the previous year. The Basic Earnings per share for the year ended 31.03.2016 is Rs.4.46 as against Rs.2.16 for the corresponding previous year ended 31.03.2015. The performance on consolidated basis is impacted as the property of Mall is mostly retained and only rents are received by the subsidiary Company, and further due to bad market conditions, the sales of the office spaces is sluggish.

## State of Company's Affairs

Your Company as a member of the Consortium jointly with one of its group Company namely **"Manjeera Hotels and Resorts Private Limited"** has received a Letter of Intent (LOI) dated 6<sup>th</sup> July, 2016 from Andhra Pradesh Tourism Development Corporation Ltd (APTDC), as the Preferred Bidder for the development of land admeasuring 6 acres situated on Survey No. 107/2B & 107/3A2 in Lalacheruvu, Rajahmundry Urban, East Godavari District, Andhra Pradesh into Convention cum Exhibition Centre with Hotel Facility at Rajahmundry, Andhra Pradesh on PPP basis.

Your Company has also entered into a Development Agreement on 24<sup>th</sup> September, 2015 with Mr. Maganti Adarsh and others for Joint development of land admeasuring 7 acres situated on Survey No's. 399, 399/1 at Atmakur village, Mangalagiri Mandal, Guntur District in the state of Andhra Pradesh into Residential/Commercial.

## Change in Nature of Business

During the period under review, there has been no change in the nature of business of the Company.

## Material changes if any affecting the financial position of the Company

There was no material change or commitment affecting the financial position of the Company.

## Dividend

With a view to redeploy the profits for current/future business of the Company, the Board of Directors has not recommended the Dividend for the Financial Year 2015-16.

## Amounts Transferred to Reserves

No amount is proposed to be carried to general reserve and amount of Rs. 5.57 Crores is retained as surplus in the Statement of Profit and Loss Account of Standalone Financials.

## Share Capital

The paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2016 is Rs. 12.508 crores. During the year, the Company has neither issued shares with differential voting rights nor granted stock option or sweat equity.

## Number of Board Meetings

Regular meetings of the Board were held to review the performance of the Company, to discuss and decide on various business strategies, policies and other issues.

During the Financial year 2015-16, 6 meetings of the Board of Directors of the Company were held on 30.05.2015, 13.07.2015, 12.08.2015, 14.11.2015, 12.02.2016 and 31.03.2016. The intervening gap between two consecutive meetings was not more than 120 days. Detailed information on the meetings of the Board is included in the Corporate Governance Report which forms part of the Annual Report.

## Public Deposits

As per the provisions of Section 73 of the Companies Act, 2013 read along with Companies (Acceptance of Deposits) Rules, 2014,

- (a) Your Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Non-Financial Companies (Reserve Bank) Directions, 1966, during the year under review.
- (b) The company does not have any unclaimed or unpaid deposits at the end of the year under review or any other previous year.

## Directors and Key Managerial Personnel

- (i) Directors:
  - (a) Mrs. G. Padmaja, the Director of the Company is liable to retire by rotation. Her tenure expires in ensuing Annual General Meeting and being eligible for reappointment at the forthcoming Annual General Meeting of the Company has offered herself for reappointment.  
The proposal regarding re-appointment of the aforesaid Director is placed for your approval.
- (ii) Key Managerial Personnel: During the year under review, Ms. A Yamini Krishna, Company Secretary resigned from the position of Company Secretary & Compliance Officer on 5th February, 2016 and Mrs. Sucharitra Sahoo was appointed as the Company Secretary & Compliance Officer on 30th May, 2016.

As required under Regulation 36 (3) of the SEBI (LODR), Regulations, 2015, a brief profile of Mrs. G Padmaja, Director who is seeking re-appointment is as follows:

Name of Director	G. Padmaja
Date of Appointment	14/08/2014
Qualification	B. Com
No. of Shares held in the Company	8,54,750
Directorships held in other Companies (excluding private limited and foreign Companies)	NIL
Positions held in mandatory committees of other Companies	Member of Audit Committee & Nomination & Remuneration Committee

## Policy on Directors' Appointment and Remuneration and other Details

The assessment and appointment of members to the Board is based on a combination of criteria that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board member is also assessed on the basis of independence criteria defined in Section 149 (6) of the Companies Act, 2013, Clause 49 of the Listing Agreement and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013, Clause 49 (IV) (B) of the Listing Agreement and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs). The salient aspects covered in the Nomination and Remuneration Policy has been outlined in the Corporate Governance Report which form part of this report.

## Statement indicating the manner in which formal annual evaluation has been made by the board of its own performance, its directors, and that of its committees.

Pursuant to provisions of section 134(p) of the Companies Act 2013, and the corporate Governance requirements as prescribed by Securities and Exchange Board of India (LODR) Regulations, 2015, the Board has to carry out annual evaluation of its own performance and that of its committees as well as performance of the Directors individually. In this regard your Board is working with the nomination and remuneration committee to lay down evaluation criteria for performance of executive/non-executive/independent directors.

## Receipt of any commission by MD/WTD from Company or receipt of commission/remuneration from its holding or subsidiary.

Details of Remuneration /commission received by MD/WTD from Company, its holding/subsidiary companies is provided in the extract of Annual return in prescribed form MGT 9.

## Director's Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Extract of Annual Return

As required under the provisions of Section 134(3) (a) and of section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of annual return in Form No.MGT-9 forms part of this report as **Annexure I**.

## Statutory Auditors

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

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



The Standalone Financial Statements doesn't contain any qualification, but the auditors of the Subsidiary Company **"Manjeera Retail Holdings Private Limited"** have expressed following qualified opinion and disclaimer of opinion respectively which are reflected in the consolidated financial statements:

**Qualified Opinion:** Inventory of properties under development as at 31<sup>st</sup> March 2016 includes interest cost on the borrowings and other liabilities capitalized to the tune of Rs. 370,457,089, which in our opinion, is not consistent with the provisions of Accounting Standard (AS) 16 "Borrowing Cost". Had the Company followed the accounting principles as laid down under AS 16, the loss for the year would have been higher and consequently, the balance of inventory of properties under development and reserves and surplus as at 31<sup>st</sup> March 2016 would have been lower by the aforesaid amount.

**Disclaimer of opinion:** The Company has not established its IFCoFR based on or considering the essential components of internal control stated in the Guidance Note issued by the ICAI. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

## Cost Auditor

Your Company does not qualify for the eligibility norms of Companies (Cost Records and audit) Rules, 2014 regarding appointment of Cost Auditor for conducting cost audit. Accordingly, Cost Audit was not conducted for the Financial Year 2015-16. However, the company is maintaining adequate cost records as stated under the said rules.

## Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors of your Company at its meeting held on 30th May, 2016 has appointed Mr. Naresh Kumar Chanda, Practicing Company Secretary (CP No. 8153) as Secretarial Auditor to undertake the Secretarial Audit of the Company.

The secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as **Annexure II** to this report.

The Secretarial Auditor has given his opinion stating that the Board of Directors of the Company is not in compliance with Regulation 17 of the SEBI (LODR) Regulations, 2015.

## Particulars of Loan, Guarantees and Investments and Securities

Particulars of loans, investments made, guarantees given or security provided are provided in note no's 13, 14 & 17 to the Standalone financial statements.

## Particulars of Contracts / Arrangements with Related Parties

During the financial year 2015-16, your Company has entered into transactions with related parties as defined under Regulation 23 of the SEBI (LODR) Regulations, 2015 and section 2(76) of the Companies Act, 2013 read with Companies (Specifications of definitions Details) Rules, 2014, all of which were in ordinary course of Business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued there under and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations.

The details of the related party transactions as per Accounting Standard 18 are set out in Note (32) to the standalone financial Statements forming part of this report.

The particulars of contracts/arrangements made with related parties as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set as **Annexure III**.

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

As the Company is not engaged in the manufacturing activity and at present it carries out the construction activities only, the prescribed information regarding compliance of rules relating to conservation of Energy & Technology absorption pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not provided as the same is not applicable to the Company.

The Company does not have any Foreign Exchange Earnings & Outgo during the financial year and hence provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3)(c) of the Companies (Accounts) Rules, 2014 regarding disclosure of Foreign Exchange Earnings & Outgo is not applicable.

## Composition of Audit Committee

(a) The Audit Committee comprises of three directors:

- Mr. DLS Sreshti – Chairman
- Mr. K Krishna Murty – Member
- Mrs. G. Padmaja – Member

The Company Secretary acts as Secretary to the committee. The primary objective of the committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosure, with transparency, integrity and quality of financial reporting.

## Composition of Nomination & Remuneration Committee: -

The Nomination & Remuneration Committee comprises of three directors:

- Mr. DLS Sreshti – Chairman
- Mr. K. Krishna Murty – Member
- Mrs. G. Padmaja – Member

The Company Secretary acts as a secretary to the committee. The primary objective of the committee is to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

## Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. [www.manjeera.com](http://www.manjeera.com)

- i. Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, 2015
- ii. Policy on preservation of Documents
- iii. Risk Management Policy

## Details of Subsidiary, Joint Venture or Associates

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

MTM Estates and Properties Private Limited is a wholly owned subsidiary of MCL. The Company has not yet taken up any business activity.

Other details of Subsidiary companies & Associates are attached as **Annexure IV** in Form AOC-1 to the Directors report

## Significant and Material Orders Passed By the Courts/ Regulators

During financial year 2016, there were no significant and / or material orders, passed by any Court or Regulator or Tribunal, which you may impact the going concern status or the Company's operations in future.

## Internal Financial Control System

The Companies Act, 2013 has mandated the Company to have a formal framework of Internal Finance Controls (IFC) and has also laid down specific responsibilities on the Board, Audit Committee, Independent Director and Statutory Auditors with regard to IFC.

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organization to maintain the same standard of the control systems and in managing any default on timely basis because of strong reporting mechanisms followed by the Company.

The Statutory Auditors of the Company has audited the IFC over Financial Reporting and their Audit Report is annexed as Annexure – A to the Independent Auditor's Report under Standalone Financial Statements.

## Declaration by Independent Directors

Mr. K. Krishna Murty and Mr. DLS Sreshti are the Independent Directors on the Board of the Company. The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Section 149 of the Companies Act, 2013 and SEBI Listing Regulations with the Stock Exchange.

### Disclosure on Establishment of Vigil Mechanism

Your Company is committed to ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015 to enable the Directors and Employees to report their genuine concerns or grievances.

Policy on Vigil Mechanism is available on the Company's website at the web link [www.manjeera.com](http://www.manjeera.com).

### Corporate Social Responsibility (CSR) policy

The Company has constituted Corporate Social Responsibility Committee (CSR) of the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014. The brief outline of the CSR Policy, including overview of the program proposed to be undertaken, the composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of amount spent on CSR activities during the year have been disclosed in **Annexure V** to this Report, as mandated under the said Rules.

### Particulars of Employees

Table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VI** to this Report.

During the year none of the employees have received remuneration more than the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Management Discussion and Analysis Report

The Management Discussion and Analysis for the year under review, as stipulated under Regulation of the Listing Agreement with Stock Exchange in India forms an integral part of this Annual report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company is attached as **Annexure VII**.

### Report on Corporate Governance

Pursuant to Regulation 34 of the Listing Regulations, a separate report on Corporate Governance together with a certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance is attached as **Annexure VIII** to this report.

### Risk Management Policy

The Company has a risk management policy in place. The policy works at various levels of the organization. Risk management process has been established and is designed to identify the elements of risk including those that may threaten the existence of the Company.

Policy on Risk Management is available on the Company's website at the web link [www.manjeera.com](http://www.manjeera.com).

### Disclosures under sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act 2013

Your Company believes in providing a safe and harassment free workplace for every individual working in the company premises through various interventions and practices. The Company endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. In this light, the company has framed a well defined policy on Prevention of Sexual Harassment for an employee.

### Secretarial Standards

The Company is in compliance with SS-1 & SS-2.



## Event Based Disclosure

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including Sweat Equity Shares), to employees of the Company under any Scheme including ESOS.
3. Significant & material orders passed by the regulators or courts or tribunal
4. Significant orders passed by the authorities which impact the going concern status and Company's operations in future.

## Acknowledgement

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

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

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 13.08.2016

G. Yoganand  
Managing Director  
(DIN 00850735)

K. Krishna Murty  
Director  
(DIN 01466390)

## Annexure - I

### Form No. MGT-9

#### Extract of Annual Return as on the Financial Year Ended on 31<sup>st</sup> March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and Other Details:

i.	CIN	L45200AP1987PLC007228
ii.	Registration Date	02/03/1987
iii.	Name of the Company	Manjeera Constructions Ltd.
iv.	Category / Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	No.304, Aditya Trade Centre, Ameerpet, Hyderabad-38, Ph: 040-44174444
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Ltd., No. 3, Sagar Society, Road no. 2, Banjara Hills, Hyderabad-34. Ph: 040-23545913/14/15

#### II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction work	Section F, Division 45, Group 452, Sub-class 45201, 45202 and others as applicable.	100%

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Manjeera Retail Holdings Private Limited 304, Aditya Trade Centre, Ameerpet Hyderabad-500016	U72200TG2000PTC033700	Subsidiary	51%	2(87)
2.	MTM Estates and Properties Private Limited 304, Aditya Trade Centre, Ameerpet Hyderabad-500016	U70102TG2012PTC084429	Wholly owned subsidiary	100%	2(87)
3.	GM Infra Ventures Private Limited	U70102TG2007PTC053937	Associate	36%	2(6)

#### IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter									
Indian									
Individual / HUF	82,36,089	-	82,36,089	65.84%	81,92,321	-	81,92,321	65.49%	-0.35 %
Central Govt									
State Govt(s)									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
Bodies Corp	10,76,256	-	10,76,256	8.60%	10,76,256	-	10,76,256	8.60%	0%
Banks / FI									
Any Other									
Sub-total(A)(1):-	93,12,345	-	93,12,345	74.45%	92,68,577		92,68,577	74.10%	-0.35 %
Foreign									
NRIs-Individuals									
Other-Individuals									
Bodies Corp.									
Banks / FI									
Any Other....									
Sub-total (A)(2):-									
Total Promoter Shareholding (A)=(A)(1)+ (A)(2)	93,12,345	-	93,12,345	74.45%	92,68,577		92,68,577	74.10%	-0.35%
Public Shareholding									
Institutions									
Mutual Funds									
Banks / FI									
Central Govt									
State Govt(s)									
Venture Capital Funds									
Insurance Companies									
FIs									
Foreign Venture Capital Funds									
Others (specify)									
Sub-total (B)(1)									
2. Non Institutions									
Bodies Corp.									
(i) Indian	6,51,166	-	6,51,166	5.21%	6,83,626	-	6,83,626	5.47%	0.26%
(ii) Overseas									
Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,31,544	1,44,090	3,75,634	3.00%	2,28,934	1,42,215	3,71,149	2.97%	-0.03%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	19,72,458	1,76,993	21,49,451	17.18%	19,88,920	1,76,993	21,65,913	17.32%	0.14%
Others(Specify)									
c) i) NRI's	7,600	11,500	19,100	0.15%	7,610	11,500	19,110	0.15%	0.00%
c) ii) Clearing Members	722	-	722	0.01%	43	-	43	0.00%	-0.01%
Sub-total (B)(2)	28,63,490	3,32,583	31,96,073	25.55%	29,09,133	3,30,708	32,39,841	25.90%	0.35%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	28,63,490	3,32,583	31,96,073	25.55%	29,09,133	3,30,708	32,39,841	25.90%	0.35%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1,21,75,835	3,32,583	1,25,08,418	100%	1,21,77,710	3,30,708	1,25,08,418	100%	0.00%

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	G Yoganand	68,50,946	54.77%	9.59%	68,50,946	54.77%	9.59%	-
2.	G Padmaja	854,750	6.83%	-	854,750	6.83%	-	-
3.	Gajjala Investments and Holdings Private Ltd.	8,24,979	6.60%	-	8,24,979	6.60%	-	-
4.	G Yoganand (HUF)	4,86,625	3.89%	-	4,86,625	3.89%	-	-
5.	Manjeera Estates Private Limited	1,54,894	1.24%	-	1,54,894	1.24%	-	-
6.	Manjeera Hotels and Resorts Private Limited	96,383	0.77%	-	96,383	0.77%	-	-
7.	G Shivaleelanand	43,768	0.35%	-	-	-	-	-100%
	Total	93,12,345	74.45%	9.59%	92,68,577	74.10%	9.59%	-0.47%

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease) In share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	G Shivaleelanand	43,768	0.35	30.06.2015	(43,768)	Change in Shareholding category from promoter to public shareholding	43,768	0.35

iv. Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Komaravelly Shiva Kumar	3,45,738	2.76	3,45,738	2.76
2.	Chennakesava Finance and Investment Private Limited	3,06,383	2.45	3,06,383	2.45
3.	Sri Sai Venkat Financial Services Private Limited	1,55,693	1.24	1,55,693	1.24
4.	S Suhasini Guptha	1,00,698	0.81	89,197	0.71
5.	Suresh S V Chaitanya Guptha	87,556	0.70	82,751	0.66
6.	Vasanth Kumari Sakkari	64,096	0.51	64,096	0.51
7.	R Suresh Guptha	74,409	0.59	63,409	0.51
8.	Srinivas Kura	61,330	0.49	61,330	0.49
9.	Domakonda Kiran Kumar	61,000	0.49	61,000	0.49
10.	Domakonda Pushpa	60,819	0.49	60,819	0.49



v. Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. G. Yoganand				
	At the beginning of the year	68,50,946	54.77	68,50,946	54.77
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	68,50,946	54.77	68,50,946	54.77
2.	G. Padmaja				
	At the beginning of the year	8,54,750	6.83	8,54,750	6.83
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	8,54,750	6.83	8,54,750	6.83
3.	K. Krishna Murty				
	At the beginning of the year	7,785	0.062	7,785	0.062
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	7,785	0.062	7,785	0.062
4.	DLS Sreshti				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	-	-	-	-
5.	G Vivekanand				
	At the beginning of the year	10,225	0.082	10,225	0.082
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc):	-	-	-	-
	At the End of the year	10,225	0.082	10,225	0.082
6.	R Venkata Rao (Chief Financial Officer)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	-	-	-	-
7.	Sucharitra Sahoo (Company Secretary)				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc):	-	-	-	-
	At the End of the year	-	-	-	-

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	33,45,99,108	81,18,781	-	34,27,17,889
ii) Interest due but not paid	1,546	-	-	1,546
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	33,46,00,654	81,18,781	-	34,27,19,435
Change in Indebtedness during the financial year				
- Addition	45,86,45,716	43,76,20,781	-	89,62,66,497
- Reduction	(49,09,47,798)	(24,21,73,269)	-	(73,31,21,067)
Net Change	(3,23,02,082)	19,54,47,512	-	16,31,45,430
Indebtedness at the end of the financial year				
i) Principal Amount	29,48,80,186	20,35,66,293	-	49,84,46,479
ii) Interest due but not paid	96,325	-	-	96,325
iii) Interest accrued but not due	73,22,061	-	-	73,22,061
Total (i+ii+iii)	30,22,98,572	20,35,66,293	-	50,58,64,865

## VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	-	-	-	18,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - Others, specify.	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	18,00,000				18,00,000
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTd/ Manager				Total Amount
	Independent Directors (Mr. DLS Sreshti & Mr. Krishna Murty) • Fee for attending board committee meetings • Commission • Others, please specify	45,000				45,000
	Total (1)					
	Other Non-Executive Directors (Mrs. G.Padmaja & Mr. G. Vivekanand) • Fee for attending board committee meetings • Commission • Others, please specify	30,000 - -				30,000
	Total (2)					
	Total (B)=(1+2)	75,000				75,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		2,02,558.00	10,58,792.00	12,61,350.00
	Stock Option		-	-	-
	Sweat Equity		-	-	-
	Commission - as % of profit - Others, specify...		-	-	-
	Others, please specify		-	-	-
	Total				

VII. Penalties / Punishment / Compounding of Offences:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## Annexure - II

# Secretarial Audit Report for the Financial Year Ended March 31, 2016

[Pursuant to Section 204(1) of Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,  
Manjeera Constructions Limited  
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Manjeera Constructions Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2016** (hereinafter called the "audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2016** and made available to me, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder (to the extent notified and applicable) and the Companies Act, 1956 (to the extent applicable);
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;  
Not applicable as the company is not having any Overseas Direct Investment and Joint ventures.
- V. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;  
Not applicable as the Company did not issue any securities during the audit period
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;  
Not applicable as the Company has not granted any options to its employees during the audit period
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
Not applicable as the Company has not issued any debt securities during the audit period
  - f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;  
The Company has duly appointed a SEBI Authorized Category I Registrar and Share Transfer Agent as required under the law.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and No delisting was done during the audit period
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.  
Not applicable as the Company has not bought back any of its securities during the audit period



I have also examined compliance with the applicable clauses of the following:

- I The Secretarial Standards issued by The Institute of Company Secretaries of India which came into effect from 01.07.2015;
- II. The Listing Agreements entered into by the Company with:
  - a. BSE Limited (which were applicable up to 30.11.2015);
  - b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable from 01.12.2015 ); and
  - c. Uniform Listing Agreement entered with BSE Limited (applicable from 23.03.2016).

I report that, during the year under review, the Company has complied with the provisions of the acts, rules, regulations, guidelines, standards and listing agreements mentioned above.

I further report that, based on the industry of the company and on examination of the relevant documents and records the Company has complied with the concerned laws and statutory provisions to the extent applicable thereunder.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like Economic Laws, Labour Laws and Environmental Laws.

I further report that, the compliance by the Company of applicable financial laws are not reviewed since the same have been subject to reviewed under statutory audit.

I further report that, the Board of Directors of the Company does not have proper composition of independent and non-independent directors. The board is advised to take necessary steps to comply with the relevant provisions of the companies Act, 2013.

#### OBSERVATIONS:

As per Regulation 17 of SEBI (LODR) Regulations 2015, where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors:

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

It is observed from our verification that the composition of the Board of Directors of the Company is not in compliance with the concerned requirements of Regulation 17 of the SEBI (LODR) Regulations, 2015 with respect to composition of Board of Directors of the Company.

I hereby advice the Board of Directors to take necessary steps to comply with the requirements of Regulation 17 of the SEBI (LODR) Regulations, 2015 to avoid penal provisions of the relevant provisions of the SEBI Act.

Place : Hyderabad  
Date : 11th August, 2016

Naresh Kumar Chanda  
Company Secretary in Practice  
FCS No. 6092, CP No. 8153

This report is to be read with my letter of even date which is annexed as Annexure – A and forms an integral part of this report.

## Annexure - "A"

To

The Members,  
Manjeera Constructions Limited  
Hyderabad

My report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.

I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Where ever required, I have obtained management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, guidelines, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad  
Date : 11th August, 2016

Naresh Kumar Chanda  
Company Secretary in Practice  
FCS No. 6092, CP No. 8153

## Annexure - III

### FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not on Arm's length basis.

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Amount paid as advances, if any
1	Manjeera Retail Holdings Private Limited (Subsidiary Company)	Loan given by Company	Short Term Loan	18% p.a interest.	19,46,59,188

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 13.08.2016

G. Yoganand  
Managing Director  
(DIN 00850735)

K. Krishna Murty  
Director  
(DIN 01466390)

## Annexure - V

# Annual Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. A brief outline of the Bank's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Policy is available in the Company's website, [www.manjeera.com](http://www.manjeera.com)

The core theme of the Company's CSR policy is giving back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged. In alignment with vision of the company, through its CSR initiatives will continue to enhance value creation in the society, through its services, conduct & initiatives, so as to promote sustained growth of the society, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

Manjeera Constructions Limited is a Construction and real estate Company engaged in the business of Construction of residential and commercial buildings mostly in the state of Telangana. Therefore, the Company would like to give preference to the areas in the states of Telangana for spending the amount allocated for CSR activities.

2. The Composition of the CSR Committee:

- Mr. K Krishna Murty
- Mr. G Yoganand
- Mr. DLS Sresthi

3. **Average Net Profit of the Company for the last three financial year** : Rs. 617.52 Lakhs

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above)** : Rs. 12.35 Lakhs

5. **Detail of CSR spent during the Financial Year** : NIL

a) Total amount to be spent for the financial year : Rs. 12.35 Lakhs

b) Amount unspent, if any : Rs.12.35 Lakhs

c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project/ activity identified	Sector in which the project is covered	Projects/ Programs (1) Local area or others (2) Specify the state and district where project or programs were undertaken	Amount of outlay budget project or program wise (Rs.)	Amount spent on the project or programs Subheads: (i) Direct expenditure on projects or programs (2)Over-heads (Rs)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent direct or through implementing agency
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

The CSR Committee had series of meetings and detailed discussions regarding various activities/projects/ programs to be undertaken by the Company in line with its CSR Objectives. However, still the Committee could not identify any suitable NGO partner for this purpose and required more time to achieve its CSR objectives.

Further, Your Company have spent for the Society Development through Non-Profit Organization (NPO) registered as Company under Section 8 of the Companies Act, 2013 namely Vasavi Foundation for Empowerment, which works for the empowerment of society through education, employment and entrepreneurship. Since the activities undertaken by the NPO are not recognized under Schedule VII of the Companies Act, 2013, hence your Company can not claim the mentioned spending as CSR Expenditure.

7. **Henceforth, the CSR Committee of the Board of Directors hereby confirms that the CSR Policy will be implemented, in compliance with CSR objectives and CSR Policy of the Company.**

G Yoganand  
(Managing Director)

K Krishna Murty  
(Chairman-CSR Committee)

Place : Hyderabad  
Date : 13/08/2016



## Annexure - VI

### (A) Details /Disclosures of Ratio of Remuneration to each Director and KMP (Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014):

S No.	Requirement	Disclosure			
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Managing Director - 10.90:1			
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	CFO -Nil %, Managing Director-Nil, Company Secretary-Nil.			
3	The percentage increase in the median remuneration of employees in the financial year;	1.00%			
4	The number of permanent employees on the rolls of company;	There were 39 employees as on 31st March 2016			
5	The explanation on the relationship between average increase in remuneration and company performance;	Financial performance of the Company & inflation.			
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Salary of Managerial Personnel is 5.54 % of Profit			
		Company Net Sale increase to 151 %			
		PBT is increased to 61.93%			
		PAT is increased to 106.16 %			
7	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Particulars	2015-16	2014-16	Increase/(Decrease)
		Market Capitalisation	6116.61 Lacs	5641.29 Lacs	8.42
		Price Earning Ratio	11	20.88	-47.49
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Salary increase of Managerial personnel -Nil			
		Salary increase of other than Managerial personnel increased by 0.58%			
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;		<b>Mr. G Yoganand</b>	<b>Mr. R Venkata Rao</b>	<b>Ms. A Yamini Krishna</b>
		Remuneration in FY 2015-16 (Rs. In Lacs)	18	10.54	2.33
		Remuneration as % of Revenue	0.63	0.37	0.081
		Remuneration as % of PBT	2.81	1.64	0.36
10	The key parameters for any variable component of remuneration availed by the directors;	Nil			
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	0.96:1			
12	Affirmation that the remuneration is as per the remuneration policy of the company.	It is affirmed that the remuneration is as per the remuneration policy of the Company			

### (B) Statement showing Details of Employees of the Company as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Not Applicable

For and on behalf of the Board of directors

G Yoganand  
Managing Director

K Krishna Murthy  
Director

## Annexure - VII

# Management Discussions & Analysis Report

### Global Economic Condition

The global economy struggled to gain momentum as many developed countries continued to struggle and emerging economies were less dynamic than in the past. High-income countries are likely to see growth of 2.2 percent in 2015-17, up from 1.8 percent in 2014, on the back of gradually recovering labour markets, fiscal consolidation and lower financing costs. Sizable uncertainty about oil prices has added a new risk dimension to the global growth outlook.

### Overview of Indian Economy

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). Gaining momentum, economy grew by 7.9 per cent in March quarter to consolidate India's position as the fastest growing major economy with a five-year high growth rate of 7.6 per cent for the full fiscal on robust manufacturing growth.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5 per cent in 2016, due to improved investor confidence, lower food prices and better policy reforms.

### Industry Structure

Real Estate is one of the fastest growing sectors contributing about 6 percent to India's GDP. After witnessing fluctuating business cycles in the last decade, the real estate sector witnessed a slowdown in FY15 due to moderate end user demand, rising inventory and high finance costs. To cope with this reduced demand and high pricing, developers are now reducing the sizes of apartments in new projects in order to target mid income customers. A number of factors are expected to contribute to the growth of housing demand in India. Chief among them are rapid urbanisation rates, a decreasing average household size and easier availability of home loans. Housing and urban development are key priorities of the new government. The new Government is expected to drive reforms and regulations that are long overdue. The recent policy measures to relax Foreign Direct Investment (FDI) norms, provide housing for all by 2022, create 100 smart cities and approve Real Estate Investment Trusts (REITs) have boosted the confidence of stakeholders. While all of these policies have some direct benefits, the larger benefit is the signalling of intent to support growth in the sector, which in turn will lead to an improvement in sentiment in the sector and amongst customers.

### Outlook

The real estate and construction activity in and around Hyderabad is in a growing pace particularly in residential and commercial sectors and it has become a favourite hub for investors as the city has not only provided quality infrastructure for property investments but also added attractions like special economic zones, industrial parks, IT campuses, and a new international airport to its credit. Hyderabad real estate market has shown tremendous potential owing to the demands of the IT and ITES industry anchoring in the city. The primary demands of the Hyderabad real estate are driven by IT/ITES, Biotech, Pharmaceutical and Engineering, Telecom, Retail Banking, Financial and Insurance Services. The commercial real estate sector of the city draws interest from the leading corporate houses and thus there has been quite high demand for international standards in office spaces.

### Developments

Construction work for corporate / commercial spaces of the Company witnessed sluggish demand and recorded moderate sales during 2015-16.

The businesses of the Company are also focusing on the improved execution efficiencies, cost competitiveness and better services to existing & potential customers.

The key aspects of business philosophy of Manjeera group are on-time delivery; cost competitiveness, high quality standards with focus on best in class Healthy Safety Environment. Integrated strengths coupled with experienced and highly skilled work force, are the key enablers in delivering critical and complex projects. Manjeera Group has managed to create several landmark projects in residential, commercial, retail and hospitality sectors. The projects developed by the Company mostly to the middle and high income groups. Having made its mark in the city of its birth, Manjeera is now in the process of expanding into other cities like Bengaluru and Vijayawada and is weighing its options for foraying into infrastructural activities. Its projects stand as hallmarks of quality construction, clear titles and value for money.

## Segment-Wise Performance

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

## Strengths and Opportunities

Wide range of expertise spanning over 29 years in the construction sector, professional and competent senior management team.

Well established brand recognition and goodwill owing to innovative marketing strategies.

Diversified product mix ranging across residential, commercial and retail.

Strategically located projects with high selling potential.

Identifying customer requirements and developing quality products with active post completion follow up and assistance.

The Company's brand image has increased manifold during the year under review, owing to aggressive marketing campaigns through various media and participation in several property shows and events both in the city and abroad.

Good responses generated and yielding revenues fuelled by the strategic location of its projects.

## Weaknesses and Threats

- High attrition rates in human resources.
- Bureaucracy causing delay in approvals and change in policies.
- Low entry barriers in the industry causing several unorganized regional players.

## Risks and Concerns

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

## Internal Control Systems

The growing business activities call for a constant review of the efficacy of the Company's internal control mechanism. To facilitate this, the Company has initiated, implementation of an ERP Solution i.e. QNeon which would support adequate systems of internal control to check various aspects of business. The Company has an internal process to facilitate formulation and revision of policies and guidelines to align with the changing needs.

## Financial Performance & Operational Review

Your Company on a standalone basis has achieved turnover of Rs. **4071.70** Lacs as against the turnover of Rs. **2141.80** Lacs in previous year. The net profit after tax stood at Rs. 557.39 Lacs as against Rs. 270.34 Lacs in the previous year. The Basic Earnings per share for the year ended 31.03.2016 is Rs.4.46 as against Rs.2.16 for the corresponding previous year ended 31.03.2015. The performance on consolidated basis is impacted as the property of Mall is mostly retained by the subsidiary Company, and further due to bad market conditions, the sales of the office spaces is sluggish.

With a view to redeploy the profits for business development of the Company, the Board of Directors have decided not to declare the dividend for the financial year 2015-16.

## Details of Projects

All the Company's ongoing and completed projects are based in Hyderabad, & Bhubhaneshwar. The Company has developed several landmark projects, both residential and commercial.

Brief details of the ongoing projects are given hereunder:

Project	Location	Total Area (Sft.) (approx.)
Purple Town Villas	Gopanpally – Gachibowli	1,56,910
Manjeera Monarch	Vijayawada	8,51,429

## Human Resources and Industrial Relations

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

The Company believes that its real strength lies in the commitment and quality of its people. Employees are provided opportunity to grow and prosper. The authority and responsibility chain is clearly defined and the employees are free to convey their ideas and suggestions to their superiors. Team meetings are held at frequent intervals to improve communication and interactions between the employees. Industrial relations remained stable throughout the financial year 2015-16.

As on 31 March 2016, the number of people employed by the Company was 39.

## Corporate Social Responsibility (CSR)

Your Company is committed to conduct business in an accountable manner that creates a sustained positive implication in society. Its core corporate responsibility is to practice corporate values through commitment to grow in a socially and environmentally responsible way, while meeting the interests of the stakeholders and also it endeavours to make a positive contribution towards social cause. To further the CSR objective, your Company in association with the Rotary Club and the Round Table organizes Health & Blood Donation Camps. The Health camps provide medicines and also follow up in the hospitals.

## Cautionary Statement

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



## Annexure - VIII

### Report on Corporate Governance

The Company hereby submits in compliance with Clause 49 of the Listing Agreement with Stock Exchange and also with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 entered into with the Stock Exchanges, the report on Corporate Governance as mentioned in the said clause and practices followed by the Company.

#### 1. Company's Philosophy on Corporate Governance

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

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company's 'Corporate Governance Report is given below:

#### 2. Board of Directors

##### a. Composition of the Board

In consonance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company's Board is constituted with appropriate of executive and non-executive Directors to maintain its independence and to exercise effective governance and control over its executive functioning. The Company's Board of Directors comprises of total five Directors, two of which are Independent Directors and one Managing Director and two non-executive directors, out of which one is women director. The Managing Director is responsible for the conduct of the Business and the day-to-day affairs of the Company. Two-thirds of total number of Directors (excluding Independent directors) retire by rotation. The Directors possess wide range of experience in diverse fields and bring in technical and financial expertise.

- None of the Directors are disqualified for their office as per the provisions of Section 164 of the Companies Act 2013 and the Company has obtained declarations from all the directors to this effect.
- The Board normally meets four times in a year and also as and when required. The Board has duly met six times in the year under review, on 30.05.2015, 13.07.2015, 12.08.2015, 14.11.2015, 12.02.2016, 31.03.2016. The time gap between two Board Meetings has not exceeded the limit of one hundred and twenty days as specified under SEBI (LODR) Regulations, 2015 with the Stock Exchanges.
- Details of attendance of Directors at Board Meetings, last Annual General Meeting and the details of other Directorships and Memberships/Chairmanships of Committees of each Directorship in other Companies are as follows for the year ended 31.03.2016:

Name of the Director	Category of Directorship and Designation	Attendance Particulars		No. of Other Directorships and Committee Memberships / Chairmanships in other Public Limited Companies		
		Board Meetings	Last AGM	Directorships*	Memberships	Chairmanships
Mr. G. Yoganand	Promoter, Executive Chairman and Managing Director	6	Yes	Nil	Nil	Nil
Mr. K. Krishna Murty	Independent Non-Executive Director	6	Yes	Nil	Nil	Nil
Mr. D. L. S. Sreshti#	Independent Non-Executive Director	5	Yes	1#	Nil	Nil
Mr. G. Vivekanand	Non-Executive Director – International Marketing	2	Yes	Nil	Nil	Nil
Mrs. G. Padmaja	Non-Executive Women Director	6	Yes	Nil	Nil	Nil

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

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

#### b. Committees of the Board

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

Details of the Committees, relationship inter-se and their Membership are provided hereunder:

Name of the Director	Name of the Committee			Relationship with each other
	Audit	Stakeholders Relationship Committee	Nomination & Remuneration	
Mr. G. Yoganand	No	No	No	Father of Mr. G Vivekanand
Mr. G. Vivekanand	No	No	No	Son of Mr. G Yoganand
Mrs. G. Padmaja	Yes	No	Yes	Wife of Mr. G Yoganand
Mr. K. Krishna Murty	Yes	Yes	Yes	**
Mr. D.L.S. Sreshti	Yes	Yes	Yes	

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

\*\* No inter-se relationship with any of the Directors of your Company.

The shareholding of the Non-Executive Directors of your Company as on 31<sup>st</sup> March, 2016 is as follows:

Name of the Director(s)	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
Mr. K. Krishna Murty	Non-Executive Director / Independent	7,785	0.062
Mr. D.L.S. Sreshti	Non-Executive Director / Independent	Nil	Nil
Mr. G. Vivekanand	Non-Executive Director	10,225	0.082
Mrs. G. Padmaja	Non-Executive Director	8,54,750	6.83

#### c. Familiarization programme for Independent Directors:

The Company has in place a familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates and business model of the Company.

A copy of the familiarization programme for Independent Directors is available on the website at the link: [www.manjeera.com](http://www.manjeera.com).

### 3. Board/Committee Meetings and Procedure

#### a) Decision Making Process:

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

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

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

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

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

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

**d) Compliance:**

While preparing the Agenda, Notes on agenda, minutes of the meeting(s), adequate care is taken to ensure adherence to all the applicable Laws and Regulations including the Companies Act, 2013 read with the Rules issued there under.

**e) Role of Independent Directors**

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

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

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

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

#### **4. Audit Committee**

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

**a) Terms of Reference**

The terms of reference of the Audit Committee inter alia, cover the matters specified under SEBI (LODR) Regulation, 2015 as well as the provisions specified in Section 177 of Companies Act, 2013 and more particularly include the following:

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

**b) Role of Audit Committee**

The role of the audit committee includes the following activities:

Recommends to the Board, the appointment or re-appointment of Statutory Auditors and the audit fees payable to them.

To discuss with statutory auditors about the nature & scope of audit prior to the commencement of audit and areas of concern, if any, arising post audit.

Approving fees payable to statutory auditors for other services rendered by them.

To investigate any activity within its terms of reference.

To Review Statutory Dues, Inter Corporate Deposits, Analysis of Debtors, Insurance Coverage of assets of Company etc.

#### c) Composition and Meetings of the Committee

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

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

During the year under review, the Audit Committee met four times. The Audit Committee Meetings were held on 30.05.2015, 12.08.2015, 14.11.2015 and 12.02.2016.

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

Name of the Member	Designation	Nature of Directorship	No. of Meetings Attended
Mr. D.L.S. Sreshti	Chairman	Independent & Non-Executive Director	3
Mr. K. Krishna Murty	Member	Independent & Non-Executive Director	4
Mrs. G. Padmaja	Member	Non-Executive & Non-Independent Director	4

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

## 5. Nomination & Remuneration Committee

The Company is already having a Remuneration Committee and Mr. DLS Sreshti & Mr. K. Krishna Murty are the Members of the said Committee. However, as per the provisions of section 178 (1) of Companies Act, 2013, the Board of Directors of every listed, shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than 1/2 shall be independent directors. Accordingly, the Board has renamed the Remuneration committee to Nomination & remuneration committee in the Board meeting held on 14.08.2014.

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

#### i) Remuneration Policy

The Remuneration Committee recommends to the Board the Compensation payable to the Executive Directors and Non-Executive Directors of the Company. The Committee also recommends the appointment, removal and remuneration payable to Key managerial personnel and senior management.

The remuneration policy lays down evaluation criteria for Independent and Executive directors including Chairman as per SEBI (LODR) Regulation, 2015.

#### ii) Terms of Reference

- To recommend to the Board a policy relating to the remuneration of directors, Key managerial personnel and other employees, devise policy on Board diversity.
- To review and recommend the remuneration package for the Executive Directors on the Board as per the policy laid down by the committee.
- To identify persons who are qualified to be directors and who may be in senior management position.
- Recommend to the Board appointment and removal of directors, evaluate the performance of the directors, and formulate criteria for determining qualifications, positive attributes and independence of a director.

#### iii) Composition and Meetings of Committee

As per the provisions of section 178 (1) of Companies Act, 2013, the Committee comprises of the following Members after re-constitution of the committee on 14.08.2014.

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

#### iv) Remuneration paid to Directors

##### Executive Directors

The details of remuneration paid/payable to the Managing Director for the financial year 2015-16 are as given below:

(Amount in Rs.)

Name of the Director	Salary, Allowances & Perks	Commission	Loans and Advances from the Company	Total
Mr. G. Yoganand	18,00,000	Nil	Nil	18,00,000

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

##### Non-Executive Directors

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

The details of sitting fees paid to Non-Executive Directors for the financial year 2015-16 are as under:

Name of the Director	Sitting Fees (Amount in Rs.)
Mr. K. Krishna Murty	25,000
Mr. D.L.S. Sreshti	20,000
Mrs. G. Padmaja	25,000
Mr. G. Vivekanand	5,000

## 6. Stakeholders Relationship Committee

The Company is already having a Share Transfer & Investors Grievance Committee and Mr. DLS Sreshti & Mr. K. Krishna Murty are the Members of the said Committee under the provision of Listing Agreement. As per the provisions of the clause 49 of updated Listing Agreement applicable from 01.10.2014 & SEBI (LODR) Regulations, 2015 Company need to Constitute Stakeholders Relation Committee before 01.10.2014, to comply with the same.

In this regard Board of the Company had renamed Share Transfer & Investors Grievance Committee to **Stakeholders Relation Committee** in the Board meeting held on 14.08.2015 with following members:

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

The Stakeholders Relation Committee is constituted to look into the matters related to approval of share transfers, transmissions, dematerialization, issue of duplicate share certificates, non-receipt of Annual Reports, non-receipt of dividends and other issues concerning shareholders / investors. Mr. K. Krishna Murty is the Chairman of the Committee.

Mrs. Sucharitra Sahoo, Company Secretary of the Company was nominated as Compliance Officer under SEBI (LODR) Regulations, 2015 and is responsible for expediting the share transfer formalities. She also looks into the investor grievances and supervises & co-ordinates with **M/s. XL Softech Systems Limited, Registrar & Share Transfer Agent for redressal of grievances. Every quarter the Company is publishing the status of complaints received and their respective redressal.**

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

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



Mrs. Sucharitra Sahoo  
Company Secretary & Compliance Officer

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

## 7. General Body Meetings

### a) Annual General Meetings

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

Meeting	Venue	Date	Time	Special Resolutions passed
28th AGM	Hotel Aditya Park, Ameerpet, Hyderabad	30.09.2015	9.30 A.M	i. Borrowing power of the Board ii. Creation of Charge on the assets of the Company Appointment of Mr. Vivekanand, as additional Directors of the Company.
27th AGM	Hotel Aditya Park, Ameerpet, Hyderabad	30.09.2014	9.30 A.M.	i. Borrowing power of the Board ii. Creation of charge on the assets of the Company iii. Amendment of Articles of Association of the Company.
26th AGM	Hotel Aditya Park, Ameerpet, Hyderabad	30.09.2013	9.30 A.M.	Appointment of Mr. G. Vivekanand as Whole-Time Director of the Company.

### b) Extra-Ordinary General Meetings

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

### c) Postal Ballot

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

## 8. Subsidiary

The Company has two subsidiaries, M/s/ Manjeera Retail Holdings Private Limited & MTM Estates and Properties Private Limited of which M/s. Manjeera Retail Holdings Private Limited is a material non-listed Indian subsidiary within the meaning of the explanations given in Regulations 16 of SEBI (LODR) Regulations, 2015 with the Stock Exchanges.

Pursuant to Regulation 24 of SEBI (LODR) Regulations, 2015 with the Stock Exchanges, Mr. K. Krishna Murty, Independent Director of the Company is on the Board of Manjeera Retail Holdings Private Limited, a material non-listed Indian subsidiary of the Company.

## 9. Disclosures

### i) Related Party Transactions

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

### ii) Compliances

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

### iii) Code of conduct for Board and Senior Management

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

### iv) Policy on Prevention of Insider Trading:

In line with the commencement of the Companies Act 2013, the Company has adopted a policy for prevention of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 15<sup>th</sup> May 2015, applicable to all the directors and other designated employees who may have access to unpublished price-sensitive information,. Accordingly such officials are prohibited from trading in the securities of the Company during the notified "trading window" period. This policy is an amendment of the policy made under SEBI (Prohibition of Insider Trading) Regulations, 1992.

**v) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non-mandatory requirements of the Listing Regulations.

**vi) Accounting Treatment in preparation of Financial Statements:**

The guidelines /accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material aspects.

**vii) Web link determining policy for material subsidiary**

The Company has formulated the policy on materiality subsidiary and on dealing with related party transactions and it is available at the website of the Company at [www.manjeera.com](http://www.manjeera.com).

**viii) The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging is not required.**

**ix) There is no Non-compliance of any requirement of Corporate Governance Report of Schedule V of the Listing Regulations.**

**x) Communication To Shareholders**

The Company regularly interacts with the shareholders from time to time and promptly and efficiently disseminates information through the Annual report and the Company's website.

- Quarterly /Half-Yearly /Annual Results:

The Financial Results are generally published in The Financial Express, English daily newspaper circulating in substantially the whole of India and in Andhra Bhoomi, Telugu vernacular daily newspaper and are also posted on the Company's website [www.manjeera.com](http://www.manjeera.com)

- News Releases:

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

- Website:

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

- Designated email-id:

The Company has also designated the email-id [investors@manjeera.com](mailto:investors@manjeera.com) exclusively for investor servicing.

- Annual Report:

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

- SEBI Complaints Redress System (SCORES):

The investors' complaints are also being processed through the centralized web base complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints and uploading online action taken reports by the Company. Through SCORES, the Investors Can View Online, The Actions Taken And Current Status Of The Complaints.

## 10. General Shareholders' Information

### Company Registration Details:

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

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

- a) Details of 29<sup>th</sup> Annual General Meeting  
Date and Time : 30.09.2016 at 9.30 A.M.  
Venue : Hotel Aditya Park, Ameerpet, Hyderabad-500038
- b) Financial Year : April 1 to March 31

c) Financial Calendar (Tentative)

Results for the First Quarter ending 30.06.2016	2nd week of August, 2016
Results for the Second Quarter ending 30.09.2016	2nd week of November, 2016
Results for the Third Quarter ending 31.12.2016	2nd week of February, 2017
Annual Results for year ending 31.03.2017	3rd / 4th week of May, 2017

- d) Date of Book Closure : 24.09.2016 to 30.09.2016 (Both days inclusive)

- e) Dividend Payment Date : No dividend declared during the year

f) Listing on Stock Exchanges

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

- i) Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001

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

The Company has paid the Annual Listing Fee for the year 2015-16 and the Annual Custodian Fee to National Securities Depository India Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

g) Stock Code

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

h) Market Price Data:

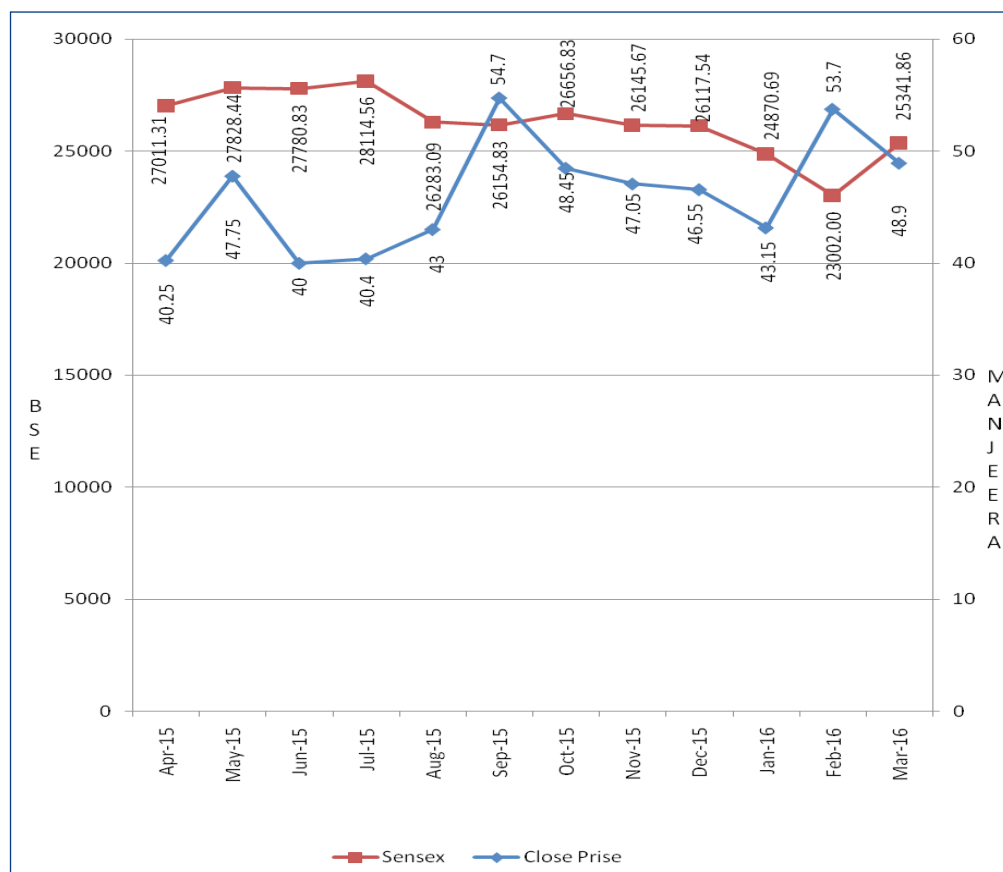
The Equity Shares of the Company are traded on National Stock Exchange and Bombay Stock Exchange.

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

Month	BSE		
	High (Rs)	Low (Rs)	No. of Shares Traded
April, 2015	56.10	39.05	184
May, 2015	59.25	40.00	63
June, 2015	49.50	39.40	65
July, 2015	47.95	40.10	67
August, 2015	46.70	40.10	32
September, 2015	57.55	44.50	20
October, 2015	56.90	48.45	38
November, 2015	49.90	42.70	26
December, 2015	51.50	40.65	40
January, 2016	48.00	41.25	33
February, 2016	53.75	45.00	17
March, 2016	58.00	48.90	14

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

## MANJEERA VS. SENSEX



### j) Details of Registrars and Share Transfer Agents:

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

Plot No. 3, Sagar Society, Banjara Hills,

Road No. 2, Hyderabad - 500 034

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

Email: xlfield@gmail.com

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

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

### k) Share Transfer System:

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

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

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

The company obtains a half-yearly audit certificate with regard to compliance of share transfer formalities as required under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 with Stock Exchanges and also the Reconciliation of Share Capital Audit Report from a Company Secretary in Whole-time Practice, and also files copies of the same with the Stock Exchanges.

### l) Distribution of Shareholding:

The distribution of shareholding as on 31<sup>st</sup> March, 2016 is detailed below:

Sl. No	Category		No. of Shareholders	Percentage (%) of Shareholders	Share Amount In Rs.	Share Amount %
	From	To				
1	Upto	- 5000	566	73.60	452280	0.36
2	5001	- 10000	55	7.15	396720	0.32
3	10001	- 20000	43	5.59	615940	0.49
4	20001	- 30000	12	1.56	296400	0.24
5	30001	- 40000	10	1.30	355630	0.28
6	40001	- 50000	5	0.65	237660	0.19
7	50001	- 100000	20	2.60	1640190	1.31
8	100001 & above		58	7.54	121089360	96.81
	Total		769	100.00	125084180	100

#### Details of Shareholding

The details of shareholding pattern of the company as on 31<sup>st</sup> March, 2016 is as follows:

Category of Shareholder	No. of shares	%
Promoters and Promoter group	9268577	74.10
Public:		
Bodies Corporate	683626	5.47
Individuals	2537062	20.28
Non-Resident Individuals	19110	0.15
Clearing Members	43	0.01
Total	1,25,08,418	100

#### m) Dematerialization of Shares and Liquidity

The Company's securities are being held in dematerialized form in both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). 1,21,77,710 equity shares aggregating to 97.36% of the total Equity Capital is held in dematerialized form as on 31<sup>st</sup> March, 2016.

#### n) There is no ADR and / or GDR holding in the Company.

#### o) Plant Locations: Project details as given in Management Discussion and Analysis Report.

#### p) Equity Shares in the Suspense Account

In accordance with the requirement of Regulations 34(3) and Schedule V Part F of SEBI (LODR) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialized form pursuant to the public issue of the Company:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
NIL	NIL	NIL	NIL

**\*\* Voting Rights on these shares shall remain frozen till the rightful owner of such shares claims the shares**

#### q) Address for Communication

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

**Mrs. Sucharitra Sahoo**

Company Secretary & Compliance Officer

Manjeera Constructions Limited

# 304, Aditya Trade Centre,

Ameerpet, Hyderabad – 500 038

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

Fax: 040-2373 3763

E-mail Id: sucharitra.s@manjeera.com, investors@manjeera.com

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



Financial Year	Date of Declaration of Dividend	Due date to transfer to IEPF
2008-09	30.09.2009	November, 2016
2009-10	30.09.2010	November, 2017
2010-11	30.09.2011	November, 2018
2011-12	28.09.2012	November, 2019
2012-13	30.09.2014	November, 2020

## 11. Subsidiary Monitoring Frame Work

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

## 12. Compliance Certificate of Auditors

The Company has obtained a certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance is attached to this report.

Details of the Directors seeking appointment at the forthcoming Annual General Meeting (pursuant to SEBI (LODR) Regulations, 2015):

Name of the Director	Mrs. G. Padmaja
Date of Birth	04/02/1967
Designation	Non Executive Director
Date of Appointment	14.08.2014
Educational qualifications	B.Com
Areas of experience	Having 15 years of experience in real estate Business
Other public Companies in which He/She holds Directorship	NIL
Membership /Chairmanship of Board Committees	Member of Audit Committee & Nomination & Remuneration Committee
Shareholding	8,54,750

## CEO's Declaration

I, G Yoganand, Chairman and Managing Director do hereby declare that pursuant to the provisions of SEBI (LODR) Regulations, 2015, all the members of the Board and the Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company in respect of the financial year ended 31<sup>st</sup> March, 2016.

Place: Hyderabad  
Date: 30.05.2016

**G.Yoganand**  
Chairman and Managing Director

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## CEO/CFO Certification

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

In accordance with Clause 49 of the listing Agreement with the Stock Exchanges and Regulation 17(8) of SEBI (LODR) Regulations, 2015 we, G Yoganand, Managing Director & Chief Executive Officer and R. Venkata Rao, AGM (Finance & Accounts) and Chief Financial Officer of Manjeera Constructions Ltd. (the Company) hereby certify that:

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

**G.Yoganand**  
Managing Director & Chief Executive Officer

**R. Venkata Rao**  
AGM (Finance & Accounts) & CFO

Place : Hyderabad  
Date : 30.05.2016

# Independent Auditors' Compliance Certificate

To the Members of Manjeera Constructions Limited

1. We have examined the compliance of conditions of Corporate Governance by Manjeera Constructions Limited ("the Company"), for the year ended on March 31, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange.
5. We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

D. Vijaya Kumar  
Partner  
(Membership No.051961)

Hyderabad, Dated May 30, 2016

# Independent Auditors' Report

## TO THE MEMBERS OF MANJEERA CONSTRUCTIONS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **MANJEERA CONSTRUCTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 27 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Hyderabad, May 30, 2016



## Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MANJEERA CONSTRUCTIONS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Hyderabad, May 30, 2016

## Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of its fixed assets:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. The Company is in the process of reconciling the assets verified with its book records and does not expect any material discrepancies.
- The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

ii. In respect of its Inventories:

Physical verification of Inventory has been conducted at reasonable intervals by the management. As explained to us, there was no material discrepancies noticed on such physical verification of inventories.

iii. The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

iv. In respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies act, 2013 have been complied with.

v. The Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

- Undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, where applicable, have been generally regularly deposited with the appropriate authorities. However, undisputed amounts payable in respect of the aforesaid dues which were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable are:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of payment
Income Tax Act, 1961	Tax deducted at Source	25,70,184	April 2015 to August 2015	Various dates	Not yet paid

- Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax, where applicable, which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (in Rupees)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4,53,50,373	Assessment year 2011-12	ITAT
Income Tax Act, 1961	Income Tax	10,80,140	Assessment year 2013-14	CIT(A)

- viii. There are no loans or borrowings payable to government except for dues payable to schedule banks and financial institutions. The Company has defaulted in repayment of loans / borrowings to the following.

Name of bank / financial Institution	Amount (Rs.)	Range of delays
Oriental Bank of Commerce	3,00,00,000	8 days
IFCI Factors Limited	1,12,90,000	53-74 days

- ix. In our opinion, monies raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer, including debt instruments.
- x. In our opinion, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Hyderabad, May 30, 2016

# Balance Sheet as at March 31, 2016

(In Rupees)

	Note No.	As at 31-03-2016	As at 31-03-2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	12,50,84,180	12,50,84,180
Reserves and surplus	4	70,54,49,327	64,97,10,075
		83,05,33,507	77,47,94,255
<b>Non-current liabilities</b>			
Long-term borrowings	5	30,33,185	8,94,06,656
Deferred tax liabilities (net)	6	47,09,792	46,16,804
Long-term provisions	7	7,51,237	12,10,456
		84,94,214	9,52,33,917
<b>Current liabilities</b>			
Short-term borrowings	8	38,39,12,646	22,21,80,217
Trade payables	9	9,78,57,305	6,72,97,857
Other current liabilities	10	40,56,85,461	34,63,14,261
Short-term provisions	11	1,03,80,851	2,06,40,329
		89,78,36,263	65,64,32,664
<b>TOTAL</b>		<b>1,73,68,63,984</b>	<b>1,52,64,60,836</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	12		
- Tangible assets		3,09,31,591	3,31,37,050
- Intangible assets		45,112	75,463
- Capital work-in-progress		25,83,481	11,33,981
Non-current investments	13	49,25,22,400	52,65,42,400
Long-term loans and advances	14	11,69,91,202	2,01,45,067
		64,30,73,786	58,10,33,961
<b>Current assets</b>			
Inventories	15	40,53,56,000	33,17,97,625
Trade receivables	16	9,10,88,045	30,31,45,247
Cash and bank balances	17	3,80,87,144	3,61,91,194
Short-term loan and advances	18	55,92,59,009	27,42,71,390
Other current assets	19	-	21,419
		1,09,37,90,198	94,54,26,875
<b>TOTAL</b>		<b>1,73,68,63,984</b>	<b>1,52,64,60,836</b>

See accompanying Notes 1-34 forming part of the Financial Statements

In terms of our report attached

**For A.K. Sabat & Co.**

Chartered Accountants

(Firm Registration No.321012E)

**D. VIJAYA KUMAR**

Partner

Membership No.051961

Hyderabad, Dated May 30, 2016

For and on behalf of the Board of directors

**G. YOGANAND**

Managing Director

DIN:00850735

**K. KRISHNA MURTHY**

Director

DIN:01466390

**R. VENKATA RAO**

Chief Financial Officer

**SUCHARITRA SAHOO**

Company Secretary



# Statement of Profit and Loss for the Year Ended March 31, 2016

(In Rupees)

	Note No.	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>Revenue</b>			
Revenue from operations	20	28,62,44,107	11,34,77,986
Other operating revenue	21	7,67,664	7,67,660
Other income	22	12,01,58,587	9,99,34,026
<b>Total Revenue</b>		<b>40,71,70,358</b>	<b>21,41,79,672</b>
<b>Expenses</b>			
Cost of sales and contract expenses	23	26,70,53,558	9,23,89,264
Employee benefits expense	24	1,68,43,485	1,14,09,315
Finance costs	25	3,10,28,856	3,16,16,398
Depreciation and amortisation expense	12	28,86,004	36,94,358
Other expenses	26	2,52,78,241	3,55,03,145
<b>Total Expenses</b>		<b>34,30,90,144</b>	<b>17,46,12,480</b>
<b>Profit before tax</b>		<b>6,40,70,653</b>	<b>3,95,67,192</b>
<b>Tax expense</b>			
Current tax		1,57,59,477	94,66,864
Excess provision for tax relating to prior years		(75,11,503)	39,50,322
Deferred tax		92,987	(8,84,152)
		<b>83,40,961</b>	<b>1,25,33,035</b>
<b>Profit for the year</b>		<b>5,57,39,253</b>	<b>2,70,34,157</b>
<b>Earning per equity share (Face value of Rs.10 each)</b>	33		
Basic (in Rs.)		4.46	2.16
Diluted (in Rs.)		4.46	2.16

See accompanying Notes 1-34 forming part of the Financial Statements

In terms of our report attached  
**For A.K. Sabat & Co.**  
Chartered Accountants  
(Firm Registration No.321012E)

**D. VIJAYA KUMAR**  
Partner  
Membership No.051961

Hyderabad, Dated May 30, 2016

For and on behalf of the Board of directors

**G. YOGANAND**  
Managing Director  
DIN:00850735

**R. VENKATA RAO**  
Chief Financial Officer

**K. KRISHNA MURTHY**  
Director  
DIN:01466390

**SUCHARITRA SAHOO**  
Company Secretary

# Cash Flow Statement for the Year Ended March 31, 2016

(In Rupees)

	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>A. Cash flow from operating activities</b>		
Profit before tax	6,40,80,213	3,95,67,192
Adjustments for:		
Depreciation and amortisation expense	28,86,004	36,94,358
Premium on debentures redeemed by associate	(3,24,00,000)	-
Gain on buy back of shares by associate	(42,75,000)	-
(Profit) / Loss on sale of assets	(2,56,619)	4,139
Finance costs	3,10,28,856	3,16,16,398
Interest income	(7,71,47,140)	(4,70,37,592)
	(8,01,63,899)	(1,17,22,697)
Operating (loss) / profit before working capital changes	(1,60,83,685)	2,78,44,495
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(7,35,58,375)	(4,06,26,550)
Trade receivables	21,20,57,202	(5,27,55,137)
Short-term loans and advances	(28,49,87,619)	3,31,99,805
Long-term loans and advances	17,83,63,535	(1,00,00,000)
Other current assets	21,419	12,00,659
	3,18,96,162	(6,89,81,223)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	3,05,59,448	(4,55,46,750)
Other current liabilities	5,19,54,360	(5,39,94,280)
Short-term provisions	(1,98,077)	(2,45,623)
Long-term provisions	(4,59,219)	(1,61,918)
	8,18,56,512	(9,99,48,570)
Cash generated from / (used in) operations	9,76,68,988	(14,10,85,298)
Income tax paid (Net)	(1,83,09,374)	(1,09,72,713)
<b>Net cash flow (used in) operating activities (A)</b>	<b>7,93,59,614</b>	<b>(15,20,58,010)</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from buy back of shares by associate	2,13,75,000	-
Proceeds from debentures redeemed by associate	4,93,20,000	(26,42,400)
Capital expenditure on fixed assets	(42,93,076)	(6,86,416)
Proceeds from sale of fixed assets	24,50,000	5,500
Loan-Subsidiary	(27,52,09,670)	12,70,81,240
Loan-Associate	-	9,40,863
Interest received-Subsidiary	7,43,00,414	4,44,46,392
Interest received-Others	28,46,726	25,91,200
<b>Net cash flow (used in) / from investing activities (B)</b>	<b>(12,92,10,606)</b>	<b>17,17,36,378</b>
<b>C. Cash flows from financing activities</b>		
(Repayment) / Proceeds of long-term borrowings	(8,63,73,471)	12,01,05,624
Proceeds / (Repayment) of short-term borrowings	16,17,32,429	(9,13,08,767)
Finance costs	(2,36,12,016)	(3,37,25,177)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>5,17,46,942</b>	<b>(49,28,321)</b>
Net increase in Cash and cash equivalents (A+B+C)	18,95,950	1,47,50,047
Cash and cash equivalents at the beginning of the year	3,61,91,194	2,14,41,147
Cash and cash equivalents at the end of the year	<b>3,80,87,144</b>	<b>3,61,91,194</b>

See accompanying Notes 1-34 forming part of the Financial Statements

In terms of our report attached

**For A.K. Sabat & Co.**

Chartered Accountants

(Firm Registration No.321012E)

**D. VIJAYA KUMAR**

Partner

Membership No.051961

Hyderabad, Dated May 30, 2016

For and on behalf of the Board of directors

**G. YOGANAND**

Managing Director

DIN:00850735

**R. VENKATA RAO**

Chief Financial Officer

**K. KRISHNA MURTHY**

Director

DIN:01466390

**SUCHARITRA SAHOO**

Company Secretary

# Notes to the Financial Statements

## 3 Share capital

	As at		As at	
	31-03-2016		31-03-2015	
Authorised :				
Equity shares 2,50,00,000 (Previous year 2,50,00,000), Rs.10 par value			<b>25,00,00,000</b>	<b>25,00,00,000</b>
Issued,subscribed and fully paid up :				
Equity shares 1,25,08,418 (Previous year 1,25,08,418), Rs.10 par value			<b>12,50,84,180</b>	<b>12,50,84,180</b>
a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year:				
	As at	As at		
	31-03-2016	31-03-2015		
Equity shares opening balance	Nos.1,25,08,418	1,25,08,418	12,50,84,180	12,50,84,180
Add: Shares issued during the year	-	-	-	-
Equity shares closing balance	Nos.1,25,08,418	1,25,08,418	12,50,84,180	12,50,84,180
b) The rights and restrictions attached to equity shares :				
The Company has one class of equity share having par value Rs. 10 per share. Each holder of equity share is entitled to one vote per share held. All the equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
c) Details of Shareholders holding more than 5% equity shares :				
Name of shareholder	Nos.	%	Nos.	%
G. Yoganand	68,50,946	54.77	68,50,946	54.77
G. Padmaja	8,54,750	6.83	8,54,750	6.83
Gajjala Investments and Holdings Private Limited	8,24,979	6.60	8,24,979	6.60
d) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceding March 31				
Bonus shares issued in 2010-11 (Nos.)			10,00,675	10,00,675

## 4 Reserves and surplus

	As at	As at
	31-03-2016	31-03-2015
a) Securities premium account	15,01,00,860	15,01,00,860
b) General reserve		
As at beginning and at end of the year	2,70,00,000	2,70,00,000
c) Surplus balance in Statement of Profit and Loss		
At the beginning of the year	47,26,09,215	44,66,02,173
Add : Profit for the year	5,57,39,253	2,70,34,157
Less : Assets whose remaining useful life is nil (Refer Note 12)	-	10,27,115
At the end of the year	52,83,48,467	47,26,09,215
<b>Total</b>	<b>70,54,49,327</b>	<b>64,97,10,075</b>

## 5 Long-term borrowings

	As at 31-03-2016	As at 31-03-2015
Secured-Vehicle loans from banks	27,00,381	2,36,101
Secured-Term Loan from banks	11,18,33,341	12,03,01,571
Total Long term borrowings	11,45,33,722	12,05,37,672
Less: current maturities of long-term borrowings	11,15,00,537	3,11,31,016
<b>Total</b>	<b>30,33,185</b>	<b>8,94,06,656</b>
a) Details of security		
<ul style="list-style-type: none"> <li>- Vehicle loans Rs.27,00,381 (previous year Rs.2,36,101) is secured by hypothecation of vehicles purchased.</li> <li>- Term-loan outstanding to the tune of Rs.11,00,00,000 (previous year Rs.11,74,92,493) is secured by exclusive hypothecation charge on construction materials and work in progress. Equitable mortgage of total land area of Ac 5.01 Gts with proposed construction of 23 Villas with total build up area of 78335.71 sq.feet belonging to G. Yoganad, Managing Director and Manjeera Estates Private Limited including land measuring 6998.37 sq.yards covering above villas out of total land area of Ac. 5.01 Gts besides assignment of developmental right over the entire project. Present interest at 12.75% with monthly vests. Margin 44% for construction and 51% for overall project including advance from buyers. Term Loan repayable in five quarterly equal installments after a moratorium of 12 months from the date of first disbursement. Personal guarantee of G. Yoganand, Managing Director.</li> <li>- Term-loan outstanding to the tune of Rs.18,33,341 (previous year Rs.28,09,078) is secured by hypothecation of 2 Nos. of 250 KVA DG sets with its cabling and erected at Residential Project "Manjeera Trinity Homes", Kukatpally valuing Rs.40.5 lacs. Repayable in 36 Nos. of equal monthly installments with nill moratorium period. Personal guarantee of Managing director and corporate guarantee of Manjeera Estates Private Limited. Interest presently at 12.75% with monthly vests.</li> <li>- Term loan outstanding Rs.Nil (previous year 2,04,059 is secured by hypothecation of all machinery and equipments-standard and non-standard. Equitable mortgage of Wind Mill plant's land. Standard equipment loan Rs.150 lacs repayable in 35 equal monthly installments, Non-standard equipment loan Rs.285 lacs repayable in 23 equal monthly installments and generator loan Rs.315 lacs repayable in 24 quarterly installments. Amount outstanding guaranteed by G. Yoganand, Managing Director.</li> </ul>		
b) Repayment schedule		
upto 1 year	11,15,00,537	3,13,35,075
2 to 5 years	30,09,013	8,92,02,597
Total	11,45,09,550	12,05,37,672
c) Period and amount of continuing default as on the balance sheet date		
Term loans from banks-delay 8 days	3,00,00,000	-
Interest on term loan from banks-range of delay 1-60 days	34,02,675	-

## 6 Deferred tax liabilities (net)

	As at 31-03-2016	As at 31-03-2015
a) Deferred tax liability		
- On difference between book balance and tax balance of fixed assets	51,77,581	52,89,109
b) Deferred tax asset		
- Provision for gratuity and compensated absence	4,67,789	6,72,305
Deferred tax liabilities (net) : (a) - (b)	<b>47,09,792</b>	<b>46,16,804</b>
The Company has been recognising in the financial statements the Deferred tax assets / liabilities, in accordance with Accounting Standard (AS) 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year the Company has charged to the Statement of Profit and Loss with deferred tax liability (Net) of Rs.92,987 (Previous year credited Rs.8,84,152).		

## 7 Long-term provisions

	As at 31-03-2016	As at 31-03-2015
Provision for employee benefits		
- Gratuity (Non-funded)	5,80,467	9,18,248
- Compensated absence	1,70,770	2,92,208
<b>Total</b>	<b>7,51,237</b>	<b>12,10,456</b>

## 8 Short-term borrowings

	As at 31-03-2016	As at 31-03-2015
Secured-Cash Credit from bank	15,59,36,353	18,19,28,899
Secured-Domestic Purchase bill factoring from others	2,44,10,000	3,21,32,537
Unsecured-Inter-corporate deposits from related parties* (refer Note 32)	16,51,20,000	-
Unsecured-Inter-corporate deposits from others	3,84,46,293	81,18,781
<b>Total</b>	<b>38,39,12,646</b>	<b>22,21,80,217</b>
*(Relates to Inter-corporate deposits from a Private Limited company in which managing director is a director)		
a) Details of security		
- Cash credit is secured by hypothecation of current assets of construction contract business division (excluding assets of real estate division). Margin 25%. Present rate of interest 12.75% with monthly Vests.)		
- Domestic purchase bill factoring is secured by collateral security with minimum asset cover of 2.5 times of the entire facility of Rs. 7.5 crore by pledge of shares of promoters of Company and partly by equitable mortgage of Commercial property owned by Manjeera Estates Private Limited. Personal Guarantee of G. Yoganand, Managing director and corporate guarantee of Gajjala Investment and Holdings Private Limited and Manjeera Estates Private Limited.		
b) Period and amount of continuing default		
Domestic Purchase bill factoring from others-default in repayment of bills-range 53 to 74 days	1,12,90,000	1,40,00,000

## 9 Trade payables

	As at 31-03-2016	As at 31-03-2015
Retention monies retained - contractors	1,89,28,829	1,61,04,783
Sub-contracted works payable	4,59,29,210	2,00,72,789
Contracted works payable	46,89,454	74,79,358
Trade payable - goods purchased	94,99,649	66,64,668
Employee benefits payable *	30,35,271	16,93,676
Other payables	1,57,74,891	1,52,82,583
<b>Total</b>	<b>9,78,57,305</b>	<b>6,72,97,857</b>
*(Includes amounts due to related parties (Refer Note 32))	<b>17,36,175</b>	<b>3,13,874</b>



## 10 Other current liabilities

	As at 31-03-2016	As at 31-03-2015
Current maturities of long-term debt:		
Secured-Vehicle loans from banks	4,59,926	2,16,999
Secured-Term Loan from banks	11,10,40,611	3,11,18,076
Interest accrued but not due on borrowings	96,325	1,546
Interest accrued and due on borrowings	73,22,061	-
Statutory dues		
Employee State Insurance Corporation	10,505	15,058
Provident Fund	1,42,158	1,67,824
Professional Tax	4,850	6,100
Service Tax	92,94,699	1,33,66,096
Tax deducted at source	91,33,521	49,93,027
Advances from customers	6,26,87,682	6,34,11,342
Corpus fund collections	62,60,000	57,05,000
Advances from others	7,40,62,929	13,12,44,992
Revenue Share - Manjeera Trinity Homes Project	10,21,51,814	8,80,44,821
Security deposit	2,30,18,380	80,23,380
<b>Total</b>	<b>40,56,85,461</b>	<b>34,63,14,261</b>

## 11 Short-term provisions

	As at 31-03-2016	As at 31-03-2015
Current portion of employee benefits		
- Gratuity (Non-funded)	5,02,652	5,12,138
- Compensated absence	1,60,953	3,49,544
Provision for Income tax (net of taxes paid)	97,17,246	1,97,78,647
<b>Total</b>	<b>1,03,80,851</b>	<b>2,06,40,329</b>

## 12 Fixed assets (Annexed)

(In Rupees)

Asset	GROSS BLOCK (AT COST)			DEPRECIATION					NET BLOCK		
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Up to 31.03.2015	Adjusted in Retained earnings	For the Year	Deductions/ Adjustments	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS											
Land	1,68,006	-	-	1,68,006	-	-	-	-	-	1,68,006	1,68,006
Building	1,62,73,913	-	-	1,62,73,913	61,97,551	-	2,01,896	-	63,99,447	98,74,466	1,00,76,362
Plant and equipment	5,99,55,627	-	67,57,081	5,31,98,546	3,93,13,929	-	17,38,821	46,61,255	3,63,91,495	1,68,07,051	2,06,41,698
Furniture and fixtures	21,71,705	-	-	21,71,705	17,11,840	-	1,34,293	-	18,46,133	3,25,572	4,59,865
Vehicles	69,31,059	28,33,005	15,55,760	82,08,304	58,77,420	-	4,13,850	14,11,275	48,79,995	33,28,309	10,53,639
Office equipment	17,60,019	-	-	17,60,019	15,35,895	-	1,12,670	-	16,48,565	1,11,454	2,24,124
Computers	24,92,141	57,500	-	25,49,641	22,94,022	-	1,14,151	-	24,08,173	1,41,468	1,98,119
Electrical equipment	16,42,425	-	-	16,42,425	13,27,188	-	1,39,972	-	14,67,160	1,75,265	3,15,237
	9,13,94,895	28,90,505	83,12,841	8,59,72,559	5,82,57,845	-	28,55,653	60,72,530	5,50,40,968	3,09,31,591	3,31,37,050
Previous year	9,15,69,231	53,414	2,27,750	9,13,94,895	5,37,22,123	10,27,115	37,26,720	2,18,111	5,82,57,845	3,31,37,050	3,78,47,108
INTANGIBLE ASSETS											
Computer software	11,70,854	-	-	11,70,854	10,95,391	-	30,351	-	11,25,742	45,112	75,463
Previous year	16,71,835	-	5,00,981	11,70,854	11,27,753	-	(32,362)	-	10,95,391	75,463	5,44,082

### 13 Non-current investments (Unquoted and at cost)

	As at 31-03-2016	As at 31-03-2015
Other Investments		
4,50,00,000 (4,50,00,000) equity shares of Rs.10 each fully paid up in subsidiary company - Manjeera Retail Holdings Private Limited	45,00,00,000	45,00,00,000
10,26,000 (13,68,000) equity shares of Rs.10 each fully paid up [includes 4,03,920 (7,45,920)) acquired at a Premium of Rs.40 per share and 2,66,400 (2,66,400) acquired at par and 3,55,680 (3,55,680) acquired at Rs.55 per share] in Associate company - GM Infra Ventures Private Limited	4,24,22,400	5,95,22,400
NIL (Previous year 1,69,200) Optionally Fully Convertible Debentures (III Series) of Rs.100 each in Associate company - GM Infra Ventures Private Limited	-	1,69,20,000
10,000 (10,000) equity shares of Rs.10 each fully paid up in subsidiary company - MTM Estates and Properties Private Limited	1,00,000	1,00,000
<b>Total</b>	<b>49,25,22,400</b>	<b>52,65,42,400</b>

### 14 Long-term loans and advances (unsecured, considered good)

	As at 31-03-2016	As at 31-03-2015
Advance for land	-	96,53,865
Security Deposit-Development of Property	11,65,00,000	1,00,00,000
Electricity and other deposits	4,91,202	4,91,202
<b>Total</b>	<b>11,69,91,202</b>	<b>2,01,45,067</b>

### 15 Inventories (As valued as per Accounting Policy Note 2.f)

	As at 31-03-2016	As at 31-03-2015
Space held for sale (Projects)		
Manjeera Heights - Phase I	22,42,743	22,42,743
Smarthome Villas	-	59,44,828
Manjeera Trinity Homes	10,66,16,664	14,12,46,623
Property development-in-progress (Projects)		
Manjeera Diamond Villas	20,66,70,499	15,46,24,704
Manjeera Monarch	2,88,11,577	28,85,542
Yelahanka, Bangalore	2,98,81,249	-
Infrastructure Works	1,62,58,561	2,01,38,861
Hydro power project (In Progress)	47,14,323	47,14,323
Land - Kothaguda	1,01,60,385	-
<b>Total</b>	<b>40,53,56,000</b>	<b>33,17,97,625</b>
Borrowing costs capitalised during the period as inventory	3,65,11,252	1,60,27,833

### 16 Trade receivables (unsecured, considered good)

	As at 31-03-2016	As at 31-03-2015
Outstanding for a period exceeding six months from the date they are due for payment	6,10,54,162	5,31,27,386
Other debts	3,00,33,883	25,00,17,861
<b>Total</b>	<b>9,10,88,045</b>	<b>30,31,45,247</b>

## 17 Cash and Bank balances

	As at 31-03-2016	As at 31-03-2015
Cash on hand	2,76,102	2,80,193
Balance with banks		
In Current Accounts	8,48,277	19,10,211
Other deposits-Margin money	3,69,62,765	3,40,00,791
<b>Total</b>	<b>3,80,87,144</b>	<b>3,61,91,194</b>

## 18 Short-term loan and advances (unsecured, considered good)

	As at 31-03-2016	As at 31-03-2015
Loan to related parties* (refer Note 32)	49,06,05,537	21,53,95,867
Advance for contracted works	90,75,150	1,22,43,588
Advance for goods	24,30,147	5,62,347
Advance for expenses	90,000	55,000
Sales Tax deposits	13,44,146	13,44,146
Mobilisation advance paid	17,49,667	17,49,667
Maintenance works	2,04,08,210	1,38,23,392
Other advances	1,77,89,972	1,28,58,145
Prepaid expenses	1,39,56,871	1,45,04,634
Staff advance	18,09,309	17,34,605
<b>Total</b>	<b>55,92,59,009</b>	<b>27,42,71,390</b>

\*Relates to Inter-corporate deposits to subsidiary company.

## 19 Other current assets

	As at 31-03-2016	As at 31-03-2015
Other advances	-	21,419

## 20 Revenue from operations

	For the year ended 31-03-2016	For the year ended 31-03-2015
Revenue from sale of residential spaces (projects)	7,52,49,031	3,58,57,618
Contract receipts (projects)* (Refer note 32)	37,42,990	5,14,39,388
Sub-contracted contract receipts (projects)	20,28,51,897	2,13,64,237
Wind-mill energy sales	44,00,189	48,16,743
<b>Total</b>	<b>28,62,44,107</b>	<b>11,34,77,986</b>

\*(Includes contract receipts Rs.Nil (previous year Rs.1,76,25,967) from partnership firm in which managing director is a partner).

## 21 Other operating revenue

	For the year ended 31-03-2016	For the year ended 31-03-2015
Rent receipts	7,67,664	7,67,660

## 22 Other income

	For the year ended 31-03-2016	For the year ended 31-03-2015
Interest income		
On bank deposits	28,46,726	25,91,200
On inter-corporate deposits	7,43,00,414	4,44,46,392
	<b>7,71,47,140</b>	<b>4,70,37,592</b>
Reimbursements of expenses	54,82,404	64,42,400
Premium on Debentures redeemed by associate	3,24,00,000	3,24,00,000
Credit balance written back	-	1,37,49,534
Gain on buyback of shares by associate	42,75,000	-
Profit on sale of asset	2,56,619	-
Scrap Sales	5,97,424	3,04,500
<b>Total</b>	<b>12,01,58,587</b>	<b>9,99,34,026</b>

## 23 Cost of sales and contract expenses

	For the year ended 31-03-2016	For the year ended 31-03-2015
Cost of sale of residential spaces (Projects)	7,32,36,295	3,00,71,108
Contract expenses (Projects)	32,72,449	4,12,41,999
Sub-contracted contract expenses (Projects)	18,95,14,687	2,01,56,649
Wind-mill energy expenses	10,30,128	9,19,508
<b>Total</b>	<b>26,70,53,558</b>	<b>9,23,89,264</b>

## 24 Employee benefits expense

	For the year ended 31-03-2016	For the year ended 31-03-2015
Salaries and wages	1,43,82,154	77,91,585
Employee gratuity	(2,26,198)	(12,483)
Employee Leave Encashment	(2,92,545)	(2,56,638)
Contribution to provident fund and others	11,48,674	13,98,008
Staff welfare expenses	31,400	46,243
Directors remuneration	18,00,000	24,42,600
<b>Total</b>	<b>1,68,43,485</b>	<b>1,14,09,315</b>

## 25 Finance cost

	For the year ended 31-03-2016	For the year ended 31-03-2015
Interest expense		
On vehicles term loan	87,017	39,755
On cash credit	2,20,07,403	2,06,59,844
On term loans	44,63,147	75,51,043
On processing fee	4,18,641	-
On inter-corporate deposits	40,52,648	33,65,756
<b>Total</b>	<b>3,10,28,856</b>	<b>3,16,16,398</b>



## 26 Other expenses

	For the year ended 31-03-2016	For the year ended 31-03-2015
Filing fees	2,04,869	1,31,118
Travel and conveyance	19,38,209	9,91,485
Vehicle maintenance	94,481	1,74,084
Repairs and maintenance - others	41,480	1,17,696
Printing and stationery	1,29,547	4,27,862
Communication	2,90,199	93,565
Donations	6,50,000	-
Power and fuel	16,08,188	13,07,795
Office maintenance	14,82,024	15,57,118
Professional charges	8,79,335	18,88,488
Subscriptions and fees	1,19,800	3,28,291
Sitting fees	65,250	50,000
Security services	2,32,729	2,14,142
Legal charges	5,22,020	7,200
Insurance	2,17,630	7,65,663
Audit fee:		
Statutory audit fee	2,00,000	2,00,000
Tax audit fee	70,000	50,000
Other services	2,60,000	1,76,068
Selling expenses-Advertisement	28,09,469	12,28,695
General expenses	1,72,266	5,27,591
Interest - Service Tax delayed payment	3,61,951	-
Interest - TDS delayed payment	8,11,176	25,437
Interest - APHB delayed payment	1,12,67,993	2,41,21,040
Bank charges and Commission	5,66,047	5,07,793
Tender expenses	36,500	3,66,021
Loss on sale of fixed assets	-	4,139
Property Tax	2,47,078	2,41,855
<b>Total</b>	<b>2,52,78,241</b>	<b>3,55,03,145</b>

# Significant Accounting Policies and Additional Notes

## 1. Corporate Information

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except to the extent disclosed.

### B. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities and the reported amount of income and expenses during the year. Difference between the actual results and estimates are recognized in the period in which the results are known/materialise.

### C. Fixed assets

#### Tangible Assets

- Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its intended use.
- Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- Projects under which are assets are not ready for their intended use are shown as Capital work-in-progress.

#### Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition.

### D. Depreciation and amortization

#### (i) Tangible assets

Depreciation has been provided on the useful life of its tangible assets as per the useful life prescribed in Schedule II to the Companies Act, 2013.

#### (ii) Intangible assets

Intangibles which were acquired under an agreement are amortised on a straight line basis over period of five years from the date of the agreement.

### E. Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### F. Investments

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

### G. Inventories

Properties under development represent costs incurred in respect of unsold area of properties under development and costs incurred on projects/ portion of projects when revenue is yet to be recognised. Such costs include cost of land, development rights, direct materials, labour, borrowing costs and an appropriate portion of construction overheads based on normal operating capacity. Borrowing costs directly attributable

to properties under development which necessarily take a substantial period of time to get ready for sale are considered. Any expected loss on real estate projects is recognised as an expense when it is certain that the total cost will exceed the total revenue.

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

#### **H. Foreign currency transactions**

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year-end are restated at year end rates.
- iii. Non-monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

#### **I. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the collectability is reasonably assured.

##### **i) A) Projects where revenues are recognized before 1 April 2012:**

Revenue from sale of real estate under development is recognized upon transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards in accordance with erstwhile Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India (ICAI) in 2006. In such cases, the revenue is recognized on percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress. Revenue is recognized in proportion to the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. All the projects of the Company have been commenced prior to 1 April 2012 and there have been no projects during the year where revenue has been recognized for the first time after 1 April 2012.

##### **B) Projects where revenues are recognized for the first time on or after 1 April 2012**

Revenue from real estate projects including revenue from sale of undivided share of land is recognised upon transfer of all significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognised by applying the percentage of completion method only if the following thresholds have been met:

- all critical approvals necessary for the commencement of the project have been obtained;
- the expenditure incurred on construction and development costs (excluding land cost) is not less than 25% of the total estimated construction and development costs;
- at least 25% of the saleable project area is secured by the contracts/agreements with the buyer; and
- at least 10% of the contracts/agreements value are realized at the reporting date in respect of such contracts/agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue (including from sale of undivided share of land) and project costs associated with the real estate project are recognised as revenue and expense by reference to the stage of completion of the project activity at the reporting date arrived at with reference to contract costs incurred for work performed up to the reporting date bearing to the estimated total contract costs (including land costs).

- ii. On construction contracts (undertaken as contractors)  
The Company follows percentage completion method for accounting of Construction contracts undertaken.
- iii. Price escalation is carried out in the year of settlement of claims/bills.
- iv. Rent Receipts are recognized on accrual basis.
- v. Interest on deployment of funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.
- vi. Property management services are recognized on rendering services and billing thereof.
- vii. Dividend income is accounted when the right to receive dividend is established.

## **J. Employee benefits**

- i. Regular monthly contribution to Employees' Provident Fund Scheme which is in the nature of defined contribution plan is charged against revenue when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. The Company provides for gratuity, a defined benefit plan covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each year of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yield on government securities as at the balance sheet date. Actuarial gains/losses are recognized immediately in the statement of profit and loss.

The Liability with respect to the Gratuity Plan is determined based on actuarial valuation done by an independent actuary at the year end and any differential between the fund amount as per the insurer and actuarial valuation is charged to the statement of profit and loss.

- iii. Earned Leave encashment liability which is in the nature of defined benefit obligation are provided for on actuarial basis, based on independent actuarial valuation on Projected Unit Credit Method on the date of the financial statements as per the requirements of Accounting Standard-15 on "Employee Benefits".

Actuarial gains/losses are recognized immediately in the Statement of Profit and Loss.

## **K. Taxes on income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses the unrecognized deferred tax assets. It recognizes the unrecognized deferred tax assets to the extent that it is reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## **L. Provisions, contingent liabilities and contingent assets**

Provision recognised in the accounts when there is a present obligation as a result of past event(s), and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## **M. Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

## **N. Earnings per share**

'Basic' earnings per share are calculated by dividing the net profit or loss for the period attributable to the shareholders by the weighted average number of the equity shares outstanding at the year end.

'Diluted' earnings per share using the weighted average numbers of equity shares and dilutive potential equity shares outstanding at the year end, except when the result would be anti-dilutive.

## **O. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is

adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**P. Barter transactions**

Barter transactions are recognised at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred.

## 27. Capital commitment and contingent liabilities

### A. Contingent liabilities

(i) Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs.4,64,30,513 (Previous year Rs.4,53,50,373). No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal.

(ii) Bank Guarantees on account of contractors not provided for Rs.30,82,90,454 (previous year Rs.29,09,81,600).

### B. Commitments: NIL

## 28. Micro, Small and Medium enterprises

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

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

## 29. Disclosure as per AS 7 'Construction Contracts'

The company followed percentage completion method consistently for accounting of construction contracts undertaken.

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Contract revenue recognized during the year	20,64,94,887	7,28,03,625
Contracts in progress:	As at 31.03.2016	As at 31.03.2015
Aggregate of revenue recognized	26,16,30,592	5,64,79,738
Aggregate of contract costs incurred	23,52,85,137	4,70,91,966
Advances received	50,34,087	58,32,733
Retention money	1,27,40,437	1,27,40,437
Gross amount due from customers	1,96,76,725	29,61,904

## 30. Employee benefits

### Defined Contribution plans

The Company makes Provident Fund and Employee State Insurance scheme contributions to the relevant authorities, which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs.10,28,200 (Previous year Rs.11,23,694 for Provident Fund contributions and Rs.1,20,474 (Previous year Rs.1,74,701) for Employee State Insurance in the Statement of Profit and Loss.

The following table set out the unfunded status of the retirement benefits plans and the amount recognised in the financial statements:



i) Change in defined Benefit Obligation

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of the year	14,30,386	15,47,869	3,72,828	3,47,654
Current Service Cost	2,20,778	3,11,177	2,40,636	3,32,302
Interest Cost	1,11,141	1,34,583	28,969	29,785
Actuarial (gain) / loss	(2,12,304)	(4,58,243)	(2,93,227)	(3,03,493)
Benefits paid	(4,66,882)	(1,05,000)	(17,484)	(33,420)
Defined Benefit obligation at year end	10,83,119	14,30,386	3,31,723	3,72,828

ii) Amount recognized in the Balance Sheet

	Gratuity (Unfunded)		Compensate Absences (Unfunded)	
	As at 31st March		As at 31st March	
	2016	2015	2016	2015
Fair value of Plan assets	-	-	-	-
Present value of obligation	10,83,119	14,30,386	3,31,723	3,72,828
Amount recognised in Balance Sheet	(10,83,119)	(14,30,386)	3,31,723	3,72,828

iii) Expenses recognised in Statement of Profit and Loss

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2016	2015	2016	2015
Current Service Cost	2,20,778	3,11,177	2,40,636	3,32,302
Interest Cost	1,11,141	1,34,583	28,969	29,785
Expected return on Plan assets	-	-	-	-
Actuarial (gain) / loss	(2,12,304)	(4,58,243)	(2,93,227)	(3,03,493)
Other Transfer	-	-	-	-
Net Cost	1,19,615	(12,483)	(23,621)	58,594

iv) Principal Actuarial assumptions

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Mortality Table	2006-08	2006-08	2006-08	2006-08
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.85%	7.77%	7.85%	7.77%
Expected rate of return on plan assets (per annum)	5%	5%	5%	5%
Rate of escalation in salary (per annum)	5%	5%	5%	5%

v) Amounts recognised in current year and previous four years

Particular	As at 31 <sup>st</sup> March			
	2016	2015	2014	2013
Gratuity				
Defined benefit obligation	10,83,119	14,30,386	15,47,869	16,39,463
Fair value of plan assets	-	-	-	-
Surplus / Deficit in the plan	10,83,119	14,30,386	15,47,869	16,39,463
Actuarial (gain) / loss on plan obligation	(2,12,304)	(4,58,243)	(3,84,647)	(2,39,169)

vi) The expected contributions for Defined Benefit Plan for the next financial year will be in line with the current year.

**Notes:**

1. The discount rate is based on the prevailing market yield of Indian Government Securities as at the balance sheet date for the estimated term of obligations.
2. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**31. Segment reporting**

The Company's operations fall within a single business segment "Development and sale of residential" and single geographical segment and therefore segment information as required under AS-17 is not applicable.

**32. Related Party Disclosures**

As per Accounting Standard 18, the disclosures of transactions with the related parties are:

- (a) List of related parties and nature of the relationship:

	Name of the Related Party	Nature of Relationship
1	Manjeera Retail Holdings Private Limited	Subsidiary company
2	MTM Estate and Prosperities Private Limited.	Subsidiary company
3	GM Infra Ventures Private Limited	Associate company
4	G.Yoganand – Managing Director	Key Management Person
5	K. Krishna Murty – Director	Key Management Person
6	DLS Sreshti – Independent Director	Key Management Person
7	G. Vivekanand – Director	Key Management Person (w.e.f 30.09.2015)
8	G. Padmaja	Key Management Person
9	R. Venkata Rao – Chief financial officer	Key Management Person
10	A. Yamini Krishna-Company secretary	Key Management Person (up to 31.01.2016)
11	Manjeera Estates Private Limited	Entity under significant influence of KMP
12	Manjeera Hotels & Resorts Private limited	Entity under significant influence of KMP
13	Gajjala Investments & Holdings Private Limited	Entity under significant influence of KMP
14	Aashraya Hotels And Estates Private Limited	Entity under significant influence of KMP
15	Manjeera Projects	Entity under significant influence of KMP

Related Parties have been identified by the management.

- (b) Details of transactions during the year and balances at year end with related parties

Transactions	Subsidiary company	Associate company	Key management person	Entity Under Significant Influence
(A) Transaction during the year				
a) Revenue from operations				
Contract Receipt – Manjeera Projects	-			-
	-	-		(12,29,385)
b) Other operating revenue				
Rent Receipt – Manjeera Retail Holding Private Limited	7,67,664	-		-
	(7,67,660)	-		-
c) Other Income				

Interest – Manjeera Retail Holdings Private Limited	7,43,00,414	-		-
	(4,44,46,392)	-		-
Premium on redemption of debentures – GM Infra Ventures Private Limited	-	3,24,00,000		-
	-	(3,24,00,000)		-
Profit on buy back of shares – GM Infra Ventures Private Limited	-	42,75,000		-
	-	(-)		-
Reimbursement of Expenses (Received)				
Manjeera Retail Holdings Private Limited	54,82,404	-		-
	(64,42,400)	-		-
d) Employee Benefits				
Director Remuneration – G. Yoganand	-	-	18,00,000	-
	-		(18,00,000)	-
Director Remuneration – G.Vivek	-	-	-	-
	-	-	(6,42,600)	-
e) Finance cost				
Manjeera Estates Private Limited	-	-		6,37,647
	-	-		(-)
f) Short term borrowings				
Manjeera Estates Private Limited	-	-		16,51,20,000
	-	-		(-)
g) Non-current investment				
GM Infra Ventures Private Limited- Debentures redeemed	-	1,69,20,000		-
	-	(1,69,20,000)		-
GM Infra Ventures Private Limited-Shares buy back	-	1,71,00,000		-
	-	(-)		-
h) Short term loans and advances				
Loan given-Manjeera Retail Holdings Private Limited	26,97,16,925	-		-
	-	-		-
Loan repaid-Manjeera Retail Holdings Private Limited	-	-		-
	(12,70,81,419)	-		-
(B) Guarantees given:				
(i) Personal guarantee given by G. Yoganand, Managing Director in respect of Term Loans availed from Oriental Bank of Commerce and Domestic Purchase bill factoring from IFCI Factor Limited.				
(ii) Corporate guarantee given by Manjeera Estates Private Limited, Entity under significant influence of KMP, in respect of Term Loans availed from Oriental Bank of Commerce and towards Domestic Purchase bill factoring from IFCI Factor Limited				
(iii) Corporate guarantee given by Gajjala Investments and Holding Private Limited, Entity under significant influence of KMP, in respect of Domestic Purchase bill factoring from IFCI Factor Limited.				
(C) Balances for the year ended 31-03-2016				
a) Short term borrowings				
Manjeera Estates Private Limited	-	-		16,51,20,000
	-	-		-
b) Trade payable				
G. Yoganand	-	-	17,36,175	
	-	-	(3,13,874)	
Aashraya Hotels and Estates Private Limited	-	-		77,609
	-	-		(1,70,643)
Manjeera Hotels & Resorts Private Limited	-	-		20,84,300
	-	-		(6,00,537)
c) Non-current investments				
Equity Shares-GM Infra Ventures Private Limited	-	4,24,22,400		-
	-	(5,95,22,400)		-

Debentures-GM Infra Ventures Private Limited	-	-		-
	-	(1,69,20,000)		-
Equity Shares- Manjeera Retail Holdings Private Limited	45,00,00,000			-
	(45,00,00,000)			-
d) Short term loans and advances				
Manjeera Retail Holdings Private Limited	49,06,05,537	-	-	-
	(21,53,95,867)	-	-	-
GM Infra Ventures Private Limited	-	-	-	
	-	14,58,627	-	
Manjeera Estates Private Limited	-	-	-	16,82,199
	-	-	-	(10,88,851)

### 33. Earnings per equity share

	Year ended 31.03.2016	Year ended 31.03.2015
Profit after Tax (Rs.)	5,57,39,253	2,70,34,157
Number of shares as at 01.04.2015	1,25,08,418	1,25,08,418
Number of shares as at 31.03.2016	1,25,08,418	1,25,08,418
Weighted average number of shares (Nos.)	1,25,08,418	1,25,08,418
Earnings per share (Basic and Diluted) (Rs.)	4.46	2.16
Nominal value per share (Rs.)	10	10

### 34. Previous year's figures have been re-grouped/re-classified wherever necessary to correspond with the / disclosure.

In terms of our report attached  
**For A.K. Sabat & Co.**  
Chartered Accountants  
(Firm Registration No.321012E)

**D. VIJAYA KUMAR**  
Partner  
Membership No.051961

Hyderabad, Dated May 30, 2016

For and on behalf of the Board of directors

**G. YOGANAND**  
Managing Director  
DIN:00850735

**R. VENKATA RAO**  
Chief Financial Officer

**K. KRISHNA MURTHY**  
Director  
DIN:01466390

**SUCHARITRA SAHOO**  
Company Secretary

# Consolidated Independent Auditors' Report

## TO THE MEMBERS OF MANJEERA CONSTRUCTIONS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **MANJEERA CONSTRUCTIONS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### Basis for Qualified Opinion

The inventories are carried in the Consolidated Balance Sheet at Rs.4,37,26,55,053 (As at 31st March 2015: Rs.3,94,98,72,182). In one subsidiary of the Holding Company, the other auditor who audited the financial statements of the subsidiary has reported that inventory of properties under development as at 31 March 2016 includes interest cost on the borrowings and other liabilities capitalised to the tune of Rs.37,04,57,089, which in their opinion, is not



consistent with the provisions of Accounting Standard (AS) 16 "Borrowing Cost". The report of the other auditor states that had the company followed the accounting principles as laid down under AS 16, the loss for the year would have been higher and consequently, the balance of inventory of properties under development and reserves and surplus as at 31 March 2016 would have been lower by the aforesaid amount.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

In one subsidiary of the Holding Company, the other auditor who audited the financial statements of the subsidiary has drawn attention to Note 30(A)(iii)(a) to the accompanying consolidated financial statements which describes the significant uncertainty relating to the outcome of the ongoing negotiations between the company and the Andhra Pradesh Housing Board in connection with the waivers of certain conditions imposed with respect to the approval for extension of the project completion date. Pending final outcome of these negotiations, no adjustments have been recorded in the accompanying financial statements.

Our opinion is not modified in respect of this matter.

### Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.605,27,50,572 as at 31st March, 2016, total revenues of Rs.34,1223,949 and net cash flows amounting to Rs.2,09,66,179 for the year ended on that date and financial statements of the associate in which the share of profit of the Group is Rs.76,53,594 as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate company, incorporated in India, none of the other directors of the Group's companies and its associate company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting in the Holding company and its subsidiary companies and associate incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 30 to the consolidated financial statements.
  - ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies and associate company incorporated in India.

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

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

Hyderabad, Dated May 30, 2016

## Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Manjeera Constructions Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries and associate all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries and associate all incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe, except for the matter described by the other auditor who audited the financial statements of a subsidiary in Disclaimer of Opinion paragraph below, that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Disclaimer of Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for Disclaimer of Opinion by the other auditor who audited the financial statements of a subsidiary that the company has not established its IFCoFR based on or considering the essential components of internal control stated in the Guidance Note issued by the ICAI and that they have considered the disclaimer in determining the nature, timing, and extent of audit tests applied, the Holding Company, its subsidiaries and associate all incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and were operating effectively as at March 31, 2016, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. The disclaimer does not affect our opinion on the consolidated financial statements of the Company.

## Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary and associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Hyderabad, Dated May 30, 2016

# Consolidated Balance Sheet as at March 31, 2016

	Note No.	As at 31-03-2016	As at 31-03-2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	12,50,84,180	12,50,84,180
Reserves and surplus	4	71,05,84,704	72,29,79,817
		83,56,68,884	84,80,63,997
<b>Minority Interest</b>		40,83,75,839	48,11,34,267
<b>Non-current liabilities</b>			
Long-term borrowings	5	1,71,58,43,194	2,57,59,38,587
Deferred tax liabilities (net)	6	47,09,791	1,06,85,025
Other-long term liabilities	7	9,07,18,188	9,91,22,911
Long-term provisions	8	26,11,297	27,83,325
		1,81,38,82,470	2,68,85,29,848
<b>Current liabilities</b>			
Short-term borrowings	9	1,17,48,89,845	68,52,09,467
Trade payables	10	27,02,36,120	29,72,23,767
Other current liabilities	11	2,36,58,21,459	1,63,21,66,029
Short-term provisions	12	1,04,11,513	2,15,01,857
		3,82,13,58,937	2,63,61,01,120
<b>TOTAL</b>		<b>6,87,92,86,130</b>	<b>6,65,38,29,232</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	13	1,87,82,66,231	1,93,06,14,467
- Intangible assets		24,71,612	75,463
- Intangible assets under development		25,83,481	35,60,481
Non-current investments	14	7,26,70,428	9,90,36,834
Long-term loans and advances	15	17,44,11,401	8,61,79,070
Other non-current assets	16	4,49,27,837	4,33,54,425
		2,17,53,30,990	2,16,28,20,740
<b>Current assets</b>			
Inventories	17	4,37,26,55,053	3,94,98,72,182
Trade receivables	18	18,58,60,472	42,13,27,391
Cash and bank balances	19	6,21,88,737	3,92,61,234
Short-term loan and advances	20	7,79,08,817	7,28,23,653
Other current assets	21	53,42,061	77,24,032
		4,70,39,55,140	4,49,10,08,492
<b>TOTAL</b>		<b>6,87,92,86,130</b>	<b>6,65,38,29,232</b>

See accompanying Notes 1-45 forming part of the Consolidated Financial Statements

In terms of our report attached

**For A.K. Sabat & Co.**

Chartered Accountants

(Firm Registration No.321012E)

**D. VIJAYA KUMAR**

Partner

Membership No.051961

Hyderabad, Dated May 30, 2016

For and on behalf of the Board of directors

**G. YOGANAND**

Managing Director

DIN:00850735

**R. VENKATA RAO**

Chief Financial Officer

**K. KRISHNA MURTHY**

Director

DIN:01466390

**SUCHARITRA SAHOO**

Company Secretary

# Consolidated Statement of Profit and Loss for the Year Ended March 31, 2016

	Note No.	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>Revenue</b>			
Revenue from operations	22	62,14,68,757	60,32,42,994
Other income	23	4,95,73,315	8,36,43,177
Prior period items (net)	29	(31,98,247)	19,37,64,748
<b>Total Revenue</b>		<b>66,78,43,825</b>	<b>88,06,50,918</b>
<b>Expenses</b>			
Cost of sales and contract expenses	24	31,72,17,918	30,53,59,146
Operating expenses	25	14,18,41,906	13,95,92,042
Employee benefits expense	26	3,39,00,985	3,00,95,917
Finance costs	27	13,56,92,481	22,43,85,400
Depreciation and amortisation expense	13	5,30,28,781	2,40,82,091
Other expenses	28	7,66,96,149	11,61,50,257
<b>Total Expenses</b>		<b>75,83,78,220</b>	<b>83,96,64,853</b>
<b>Profit / (loss) before tax (a)+(b)</b>		<b>(9,05,34,395)</b>	<b>4,09,86,065</b>
<b>Profit / (loss) from continuing operations before tax - (a)</b>		<b>(2,79,24,787)</b>	<b>3,97,22,422</b>
Tax expense (ordinary activity)			
- Current tax including Minimum Alternate Tax (MAT)		1,57,59,477	95,09,894
- Less: Credit for MAT		-	(43,030)
- Provision for / (excess) tax relating to prior years		(75,11,503)	39,50,322
- Deferred tax charge / (benefit)		92,987	(8,84,152)
<b>Profit / (loss) from continuing operations after tax</b>		<b>(3,62,65,748)</b>	<b>2,71,89,387</b>
<b>Profit / (loss) from discontinuing operations before tax - (b)</b>		<b>(6,26,09,608)</b>	<b>12,63,643</b>
Tax expense (discontinuing operations)			
- Current tax - Minimum Alternate Tax (MAT)		-	2,52,970
- Less: Credit for MAT		-	(2,52,970)
- Deferred tax charge / (benefit)		(60,68,221)	54,93,221
<b>Loss from discontinuing operation after tax</b>		<b>(5,65,41,387)</b>	<b>(42,29,578)</b>
<b>Profit / (loss) for the year after tax (before adjustment for Minority Interest)</b>		<b>(9,28,07,136)</b>	<b>2,29,59,809</b>
Share of Profit of Associate		76,53,594	76,49,137
Minority Interest		(7,27,58,428)	(19,67,170)
<b>Profit / (loss) for the year after taxes and Minority interest</b>		<b>(1,23,95,113)</b>	<b>3,25,76,116</b>
<b>Earning per equity share of Rs.10 each</b>	40		
Basic & Diluted (in Rs.)		<b>(0.99)</b>	<b>2.60</b>

See accompanying Notes 1-45 forming part of the Consolidated Financial Statements

In terms of our report attached  
**For A.K. Sabat & Co.**  
Chartered Accountants  
(Firm Registration No.321012E)

**D. VIJAYA KUMAR**  
Partner  
Membership No.051961

Hyderabad, Dated May 30, 2016

For and on behalf of the Board of directors

**G. YOGANAND**  
Managing Director  
DIN:00850735

**R. VENKATA RAO**  
Chief Financial Officer

**K. KRISHNA MURTHY**  
Director  
DIN:01466390

**SUCHARITRA SAHOO**  
Company Secretary



## Cash Flow Statement for the Year Ended March 31, 2016

	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>A. Cash flow from operating activities</b>		
Profit before tax	(9,05,34,396)	4,09,48,686
Adjustments for :		
Depreciation and amortisation expense	5,30,28,781	2,40,82,091
Prior Period items	-	(19,37,64,748)
Provision for employee benefits	(5,43,675)	9,54,842
Premium on debentures redeemed by associate	(3,24,00,000)	-
Gain on buy back of shares by associate	(42,75,000)	-
(Profit)/Loss on sale of assets	(2,56,619)	4,139
Advances written off	47,83,668	-
Provision for doubtful receivables	99,14,774	-
Bad-debts written-off	-	11,23,600
Interest expense included in cost of inventory sold	91,90,325	4,23,77,618
Finance costs	12,87,53,475	18,28,09,116
Interest income	(64,04,769)	(45,53,060)
	16,17,90,960	5,30,33,598
Operating (loss)/profit before working capital changes	7,12,56,565	9,39,82,284
Changes in working capital :		
Adjustments for (increase) / decrease in operating assets :		
Inventories	(6,43,04,193)	(51,41,20,932)
Trade receivables	22,47,36,253	(1,91,10,890)
Short-term loans and advances	(26,21,37,031)	10,30,05,659
Long-term loans and advances	17,83,63,535	(1,00,00,000)
Other current assets	21,419	12,00,659
	7,66,79,983	(43,90,25,504)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(2,70,43,849)	(4,82,75,138)
Other current liabilities	41,03,18,153	9,49,22,520
Short-term provisions	(1,98,077)	(2,45,623)
Long-term provisions	(4,59,219)	(1,61,918)
	38,26,17,008	4,62,39,842
Cash generated from/(used in) operations	53,05,53,555	(29,88,03,378)
Income tax paid (Net)	(3,26,37,042)	(3,06,05,438)
<b>Net cash flow (used in) operating activities (A)</b>	<b>49,79,16,512</b>	<b>(32,94,08,815)</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from buy back of shares by associate	2,13,75,000	-
Proceeds from debentures redeemed by associate	4,93,20,000	(26,42,400)
Capital expenditure on fixed assets	(3,99,41,297)	(1,36,54,239)
Proceeds from sale of fixed assets	24,50,000	5,500
Redemption/(investment) in fixed deposit	(63,24,066)	(1,55,72,455)
Loan-Associate	-	9,40,863
Interest received-Others	65,06,144	45,49,836
<b>Net cash flow (used in)/from investing activities (B)</b>	<b>3,33,85,781</b>	<b>(2,63,72,896)</b>
<b>C. Cash flows from financing activities</b>		
(Repayment)/Proceeds of long-term borrowings	(49,32,52,437)	1,05,64,04,081
Proceeds/(Repayment) of short-term borrowings	48,96,80,378	(44,00,20,203)
Finance costs	(50,78,33,679)	(29,87,76,222)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(51,14,05,738)</b>	<b>31,76,07,656</b>
Net increase in Cash and cash equivalents (A+B+C)	<b>1,98,96,555</b>	<b>(3,81,74,055)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>51,18,942</b>	<b>4,32,92,997</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,50,15,497</b>	<b>51,18,942</b>
cash on hand	3,10,843	3,12,853
Balances with banks in current accounts	2,47,04,655	48,06,089
<b>Total cash and cash equivalents</b>	<b>2,50,15,497</b>	<b>51,18,942</b>

# Notes to the Consolidated Financial Statements

## 3 Share capital

		As at 31-03-2016	As at 31-03-2015
Authorised :			
Equity shares 2,50,00,000 (Previous year 2,50,00,000), Rs.10 par value		<b>25,00,00,000</b>	<b>25,00,00,000</b>
Issued, subscribed and fully paid up :			
Equity shares 1,25,08,418 (Previous year 1,25,08,418), Rs.10 par value		<b>12,50,84,180</b>	<b>12,50,84,180</b>
a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year:			
	As at 31-03-2016	As at 31-03-2015	
Equity shares opening balance	Nos.1,25,08,418	1,25,08,418	12,50,84,180
Add: Shares issued during the year	-	-	-
Equity shares closing balance	Nos.1,25,08,418	1,25,08,418	12,50,84,180
b) The rights and restrictions attached to equity shares :			
The Company has one class of equity share having par value Rs. 10 per share. Each holder of equity share is entitled to one vote per share held. All the equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.			
c) Details of Shareholders holding more than 5% equity shares:			
Name of shareholder	Nos.	% Held	Nos. % Held
G. Yoganand	68,50,946	54.77	68,50,946 54.77
G. Padmaja	8,54,750	6.83	8,54,750 6.83
Gajjala Investments and Holdings Private Limited	8,24,979	6.60	8,24,979 6.60
d) Equity shares allotted as fully paid Bonus shares for the period of five years immediately preceding March 31			
Bonus shares issued in 2010-11 (Nos.)		10,00,675	10,00,675

## 4 Reserves and surplus

	As at 31-03-2016	As at 31-03-2015
Securities premium account	15,01,00,860	15,01,00,860
General reserve	-	-
As at beginning and at end of the year	2,70,00,000	2,70,00,000
Surplus balance in Statement of Profit and Loss	-	-
At the beginning of the year	54,58,78,957	51,43,29,957
Add : Profit for the year	(1,23,95,113)	3,25,76,116
Less : Assets whose remaining useful life is nil (Refer Note 13)	-	10,27,115
At the end of the year	53,34,83,844	54,58,78,957
<b>Total</b>	<b>71,05,84,704</b>	<b>72,29,79,817</b>

## 5 Long-term borrowings

	As at 31-03-2016	As at 31-03-2015
Secured-Term Loan from banks	2,30,08,49,724	2,71,59,92,041
Secured-Vehicle loans from banks	27,00,381	4,40,981
Unsecured-367,647 (31 March 2015: 367,647) 14% Cumulative Mandatorily Convertible Debentures ("CCDs") of Rs.1,000 each	36,76,47,000	36,76,47,000
<b>Total</b>	<b>2,67,11,97,105</b>	<b>3,08,40,80,022</b>
Less: Current maturities of long term borrowings	95,53,53,912	50,81,41,435
<b>Total</b>	<b>1,71,58,43,194</b>	<b>2,57,59,38,587</b>
<b>a) Details of security</b>		
<ul style="list-style-type: none"> <li>- Vehicle loans Rs.27,00,381 (previous year Rs.2,36,101) is secured by hypothecation of vehicles purchased.</li> <li>- Term-loan outstanding to the tune of Rs.11,00,00,000 (previous year Rs.11,74,92,493) is secured by exclusive hypothecation charge on construction materials and work in progress. Equitable mortgage of total land area of Ac 5.01 Gts with proposed construction of 23 Villas with total build up area of 78335.71 sq.feet belonging to G. Yoganand, Managing Director and Manjeera Estates Private Limited including land measuring 6998.37 sq.yards covering above villas out of total land area of Ac. 5.01 Gts besides assignment of developmental right over the entire project. Present interest at 12.75% with monthly vests. Margin 44% for construction and 51% for overall project including advance from buyers. Term Loan repayable in five quarterly equal installments after a moratorium of 12 months from the date of first disbursement. Personal guarantee of G. Yoganand, Managing Director.</li> <li>- Term-loan outstanding to the tune of Rs.18,33,341 (previous year Rs.28,09,078) is secured by hypothecation of 2 Nos. of 250 KVA DG sets with its cabling and erected at Residential Project "Manjeera Trinity Homes", Kukatpally valuing Rs.40.5 lacks. Repayable in 36 Nos. of equal monthly installments with nil moratorium period. Personal guarantee of Managing director and corporate guarantee of Manjeera Estates Private Limited. Interest presently at 12.75% with monthly vests.</li> <li>- Term loan outstanding Rs.Nil (previous year Rs. 2,04,059) is secured by hypothecation of all machinery and equipments-standard and non-standard. Equitable mortgage of Wind Mill plant's land. Standard equipment loan Rs.150 lacs repayable in 35 equal monthly installments, Non-standard equipment loan Rs.285 lacs repayable in 23 equal monthly installments and generator loan Rs.315 lacs repayable in 24 quarterly installments. Amount outstanding guaranteed by G. Yoganand, Managing Director.</li> <li>- The subsidiary company has allotted 367,647 CCDs of face value Rs.1,000 each fully paid up at par to Trinity Capital (Six) Limited (TC6L). The CCDs were allotted as follows: 245,098 on 22 March 2007 and 122,549 on 29 November 2007. Pursuant to the terms of the debenture subscription agreements (as amended), the CCDs carry a coupon rate of 14% per annum, which shall accrue on achieving the positive cash flows for all the projects undertaken by the company since its inception. Pursuant to the terms of allotment, CCDs shall be mandatorily convertible into equity shares of Rs.10 each fully paid-up, post expiry of 36 months from the closing date as per the then lowest certifiable value based on the valuation guidelines. Pursuant to the terms of the Debenture Sale Agreement dated 17 December 2013 entered between Manjeera Constructions Limited (MCL), TC6L, MTM Estates and Properties Private Limited and the company, the outstanding debentures held by TC6L in the company shall be acquired by MCL.</li> <li>- Term loan outstanding to the tune of Rs.1,142,976,775 (31 March 2015: Rs.1,476,124,357) is secured by way of equitable mortgage of Manjeera Trinity Corporate building ("MTC"), Hyderabad, one of the projects of the subsidiary company and construction thereon, hypothecation of machinery/ equipment, corporate guarantee of MCL and personal guarantee of Mr. G. Yoganand, Managing Director. The loan carries interest linked to the lender lending rate which is currently 14% per annum (31 March 2015: 14.25% per annum) payable on a monthly basis. The loan is repayable in 24 equal monthly installments commencing from 1 October 2015.</li> <li>- Term loan outstanding to the tune of Rs.978,467,085 (31 March 2015: Rs.995,200,000) is secured by way of equitable mortgage of Manjeera Trinity Mall ("MTM"), Hyderabad, assignment of future rental income of 12 years from MTM, corporate guarantee of MCL and personal guarantee of Mr. G. Yoganand, Managing Director. The loan carries interest linked to the lender lending rate which is currently 11.25% per annum (31 March 2015: 11.25% per annum) payable on a monthly basis. The loan is repayable in 138 monthly structured installments as per the agreement beginning 31 December 2014.</li> <li>- Term loan outstanding to the tune Rs.45,853,133 (31 March 2015: Rs.90,660,574) is secured by exclusive equitable mortgage of immovable property of 52,565 square feet of office space and undivided share of land located in Manjeera Majestic Commercial ("MMC"), Hyderabad, corporate guarantee of MCL and personal guarantee of Mr. G. Yoganand, Managing Director. The loan carries interest linked to the lender lending rate which is currently 14.45% per annum (31 March 2015: 15% per annum) payable on monthly basis and is repayable in 10 quarterly installments.</li> <li>- Term loan outstanding to the tune of Rs.18,940,913 (31 March 2015: Rs.Nil) is secured by way of mortgage of unsold space of 10,772 square feet in MMC with undivided share of land of 268 square yards and assignment of future rental income of 9 years from MMC shop number 12, and a personal guarantee of Mr. G. Yoganand, Managing Director. The loan carries interest linked to the lender lending rate which is currently 12.75% per annum (31 March 2015: Nil) payable on monthly basis and is repayable in 85 monthly installments.</li> <li>- Term loan outstanding to the tune Rs.2,778,477 (31 March 2015: Rs.33,705,539) is secured by way of mortgage of unsold space of 20,084 square feet in MMC, corporate guarantee of MCL and personal guarantee of Mr. G. Yoganand, Managing Director. The loan carries interest linked to the lender's lending rate which is currently 16.95% per annum (31 March 2015: 16.95% per annum) payable on monthly basis and is repayable in 30 monthly installments.</li> </ul>		
<b>b) Repayment schedule*</b>		
upto 1 year	95,53,53,912	47,70,10,419
2 to 5 years	64,96,05,215	1,43,28,87,528
Above 5 years	69,85,66,806	77,52,00,000
	<b>2,30,35,25,933</b>	<b>2,68,50,97,947</b>
*excluding CCDs.		
<b>c) Period and amount of continuing default as on the Balance Sheet date:</b>		
Term loans from banks-range of delay 1 - 60 days	6,60,88,872	1,61,00,000
Interest on term loan from banks-range of delay 1 - 60 days	4,13,25,831	6,72,46,413

## 6 Deferred tax liabilities (net)

	As at 31-03-2016	As at 31-03-2015
a) Deferred tax liability		
- Difference between book and tax balance of fixed assets	7,96,78,547	1,13,57,330
b) Deferred tax asset		
- Brought forward losses and unabsorbed depreciation	7,38,87,522	-
- Employee benefits provision	10,81,234	6,72,305
Deferred tax liabilities (net) : (a) - (b)	<b>47,09,791</b>	<b>1,06,85,025</b>
The Group has been recognising in the Consolidated financial statements the Deferred tax assets / liabilities, in accordance with Accounting Standard (AS) 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year the Group has credited Rs.59,75,233 (Previous year charged Rs.46,09,069) to the Statement of Profit and Loss with deferred tax liability (Net).		

## 7 Other-long term liabilities

	As at 31-03-2016	As at 31-03-2015
Security deposits from customers	<b>9,07,18,188</b>	<b>9,91,22,911</b>

## 8 Long-term provisions

	As at 31-03-2016	As at 31-03-2015
Provision for employee benefits		
Gratuity (Non-funded)	17,48,116	18,40,057
Compensated absences	8,63,181	9,43,268
<b>Total</b>	<b>26,11,297</b>	<b>27,83,325</b>

## 9 Short-term borrowings

	As at 31-03-2016	As at 31-03-2015
Secured-Cash Credit from bank	15,59,36,353	18,19,28,899
Secured-Domestic Purchase bill factoring from others	2,44,10,000	3,21,32,537
Unsecured-Working capital loan	24,00,00,000	-
Unsecured-loan repayable on demand from related party (refer Note 39)	69,12,16,958	47,11,48,031
Unsecured-Inter-corporate deposits from others	6,33,26,535	-
<b>Total</b>	<b>1,17,48,89,845</b>	<b>68,52,09,467</b>
*(Relates to Inter-corporate deposits from a Private Limited company in which managing director is a director)		
a) Details of security		
<ul style="list-style-type: none"> <li>- Cash credit is secured by hypothecation of current assets of construction contract business division (excluding assets of real estate division). Margin 25%. Present rate of interest 12.75% with monthly Vests.)</li> <li>- Domestic purchase bill factoring is secured by collateral security with minimum asset cover of 2.5 times of the entire facility of Rs. 7.5 crore by pledge of shares of promoters of Company and partly by equitable mortgage of Commercial property owned by Manjeera Estates Private Limited. Personal Guarantee of G. Yoganand, Managing director and corporate guarantee of Gajjala Investment and Holdings Private Limited and Manjeera Estates Private Limited.</li> <li>- Unsecured working capital loan outstanding to the tune of Rs.240,000,000 (31 March 2015: Rs.Nil) is secured by way of corporate guarantee of Manjeera Constructions Limited (MCL) and personal guarantee of Mr. G. Yoganand, Managing Director. The loan carries interest of 18.5% per annum (31 March 2015:Nil) and is repayable in 4 structured installments as per the agreement beginning 30 April 2016.</li> <li>- The company has taken 180 day interest bearing refundable advance from Cinepolis India Private Limited("CIPL") and carries an interest of 15% per annum for first six months and 24% per annum thereafter (31 March 2015: 24% per annum). However, CIPL has waived off the additional interest payable at 9% per annum and has charged interest at the rate of 15% per annum from the start of the loan term. The said deposit is secured by way of corporate guarantee of MCL.</li> <li>- Unsecured loans taken from related parties carries interest of 18% per annum (31 March 2015: 18% per annum) compounded on quarterly basis and is repayable on demand.</li> </ul>		
b) Period and amount of continuing default		
Domestic Purchase bill factoring from others-range of delay: 53 - 74 days	1,12,90,000	1,40,00,000
Inter-corporate deposit-range of delays: 1 - 1095 days	2,47,39,556	30,00,00,000
Interest on Inter-corporate deposit-range of delays: 1 - 1095 days	1,38,06,959	1,46,71,261

## 10 Trade payables

	As at 31-03-2016	As at 31-03-2015
Retention monies retained - contractors	6,35,90,225	7,32,22,710
Sub-contracted works payable	4,59,29,210	2,00,72,789
Contracted works payable	5,12,41,152	3,99,89,855
Trade payable - goods purchased	8,84,41,242	13,25,49,432
Trade payable - services rendered	5,40,999	1,12,78,508
Employee benefits payable*	30,35,271	16,93,676
Other payables	1,74,58,021	1,84,16,797
<b>Total</b>	<b>27,02,36,120</b>	<b>29,72,23,767</b>

\* (Includes amount due to related party Rs.17,36,175 (31 March, 2015 Rs.3,13,874- refer note 39)

## 11 Other current liabilities

	As at 31-03-2016	As at 31-03-2015
Current maturities of long-term debt:		
Secured-Term Loan from banks	95,48,93,986	50,81,28,495
Secured-Vehicle loans from banks	4,59,926	2,16,999
Creditors for capital goods	-	3,56,48,222
Interest accrued but not due on borrowings	70,34,838	3,75,321
Interest accrued and due on borrowings	5,90,52,177	8,19,17,674
Statutory dues	4,68,81,449	2,69,24,954
Advances from customers	68,08,50,696	42,20,40,172
Refunds to customers	1,87,38,393	-
Corpus fund collections	62,60,000	57,05,000
Unearned rental income	-	28,78,997
Advances from others	7,83,43,625	13,84,40,021
Revenue Share payable	44,79,50,649	38,79,14,166
Security deposit	4,81,83,473	1,75,99,461
Book overdraft	1,71,72,247	43,76,547
<b>Total</b>	<b>2,36,58,21,459</b>	<b>1,63,21,66,029</b>

## 12 Short-term provisions

	As at 31-03-2016	As at 31-03-2015
Current portion of employee benefits		
-Gratuity	5,21,353	7,86,717
-Compensated absence	1,72,914	9,36,493
Provision for Income tax (net of taxes paid)	97,17,246	1,97,78,647
<b>Total</b>	<b>1,04,11,513</b>	<b>2,15,01,857</b>



## 13 Fixed assets

	TANGIBLE									INTANGIBLE		Total Assets
	Land*	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Electrical equipment	Total	Computer software		
GROSS BLOCK												
As at 01 April 2014	34,47,93,006	71,59,65,855	23,02,79,154	2,63,69,817	1,07,89,840	39,90,058	53,76,916	4,70,78,357	1,38,46,43,003	16,71,835		1,38,63,14,838
Additions	10,00,00,000	48,92,43,586	14,43,97,677	1,58,06,651	-	18,114	55,300	2,84,70,786	77,79,92,114	-		77,79,92,114
Disposals / adjustments	-	9,30,90,427	2,23,69,561	29,92,351	-	-	2,59,686	59,53,046	12,46,65,071	5,00,981		12,51,66,052
As at 31 March 2015	44,47,93,006	1,11,21,19,014	35,23,07,270	3,91,84,117	1,07,89,840	40,08,172	51,72,530	6,95,96,097	2,03,79,70,046	11,70,854		2,03,91,40,900
Additions			-	-	28,33,005	-	57,500	-	28,90,505			28,90,505
Disposals / Adjustments			67,57,081	-	15,55,760	-	-	-	83,12,841			83,12,841
As at 31 March 2016	44,47,93,006	1,11,21,19,014	34,55,50,189	3,91,84,117	1,20,67,085	40,08,172	52,30,030	6,95,96,097	2,03,25,47,710	11,70,854		2,03,37,18,564
DEPRECIATION												
Up to 01 April 2014	-	1,73,06,296	4,51,92,041	52,41,355	67,47,127	15,26,913	24,53,962	39,64,430	8,24,32,124	11,27,753		8,35,59,877
Adjustments**	-	-	1,79,538	4	4,36,474	3,15,829	82,261	13,009	10,27,115	-		10,27,115
For the year	-	1,24,29,527	1,42,04,132	33,22,638	12,12,029	6,45,090	3,36,914	49,41,043	3,70,91,373	(32,362)		3,70,59,011
On Disposals / Adjustments ***	-	75,72,009	40,75,825	7,68,201	6,78,558	(4,65,639)	(59,705)	6,25,784	1,31,95,033	-		1,31,95,033
Up to 31 March 2015	-	2,21,63,814	5,54,99,886	77,95,796	77,17,072	29,53,471	29,32,842	82,92,698	10,73,55,579	10,95,391		10,84,50,970
For the Year	-	1,85,16,020	2,12,82,328	47,76,055	8,97,519	4,18,863	1,53,688	69,53,957	5,29,98,430	30,351		5,30,28,781
On Disposals/Adjustments	-	-	46,61,255	-	14,11,275	-	-	-	60,72,530			60,72,530
Up to 31 March 2016	-	4,06,79,834	7,23,00,497	1,25,71,855	76,39,790	36,88,163	31,68,791	1,52,59,664	15,53,08,594	11,25,742		15,64,34,336
NET BLOCK												
As at 31 March 2016	44,47,93,006	1,07,14,39,180	27,32,49,692	2,66,12,262	44,27,295	3,20,009	20,61,239	5,43,36,433	1,87,72,39,116	45,112		1,87,72,84,228
As at 31 March 2015	44,47,93,006	1,08,99,55,200	29,68,07,384	3,13,88,321	30,72,768	10,54,701	22,39,688	6,13,03,399	1,93,06,14,467	75,463		1,93,06,89,930

\*Includes Rs.44,46,25,000 land taken pursuant to the development agreement with the Andhra Pradesh Housing Board, which is pending registration as at 31 March 2016.

\*\* Represents assets whose remaining useful life is nil adjusted in retain earnings.

\*\*\*Represents adjustment on account of changes in method of depreciation from written down value method to straight line method.

#### 14 Non-current investments (Unquoted and at cost)

	As at 31-03-2016	As at 31-03-2015
Other Investments in GM Infra Ventures Private Limited, Associate:		
i) 10,26,000 (13,68,000) equity shares of Rs.10 each fully paid up	4,24,22,400	5,95,22,400
Add: Share in accumulated profits	3,02,48,028	2,25,94,434
	7,26,70,428	8,21,16,834
ii) NIL (Previous year 1,69,200) Optionally Fully Convertible Debentures (III Series) of Rs.100 each	-	1,69,20,000
<b>Total</b>	<b>7,26,70,428</b>	<b>9,90,36,834</b>

#### 15 Long-term loans and advances (unsecured, considered good)

	As at 31-03-2016	As at 31-03-2015
Advance for land	-	96,53,865
Advance for Development of Property	11,65,00,000	1,00,00,000
Electricity and other deposits	4,91,202	4,91,202
Security deposits	1,39,84,852	81,93,569
Advance tax (net of provision)	3,50,45,042	2,06,74,344
Deposits with Government authorities	45,48,305	45,48,305
Balances with Government authorities	-	2,87,32,755
MAT credit entitlement	38,42,000	38,85,030
<b>Total</b>	<b>17,44,11,401</b>	<b>8,61,79,070</b>

#### 16 Other non-current assets (Unsecured, considered good)

	As at 31-03-2016	As at 31-03-2015
Deposits with maturity of more than 12 months*	3,68,93,119	3,36,00,000
Unamortised expenses	80,34,718	97,54,425
	<b>4,49,27,837</b>	<b>4,33,54,425</b>

\*(Represents deposits held as collateral against the borrowings)

#### 17 Inventories (As certified by Management and valued as per Accounting Policy Note 2G)

	As at 31-03-2016	As at 31-03-2015
Space held for sale (Projects)		
Manjeera Heights - Phase I	22,42,743	22,42,743
Smarthome Villas	-	59,44,828
Manjeera Trinity Homes	10,66,16,664	14,12,46,623
Property development-in-progress (Projects)*		
Manjeera Diamond Villas	20,66,70,499	15,46,24,704
Manjeera Monarch	2,88,11,577	28,85,540
Yelahanka, Bangalore	2,98,81,249	-
Infrastructure Works	1,62,58,561	2,01,38,861
Properties under Development*	3,95,96,41,937	3,61,19,28,530
Hydro power project (In Progress)	47,14,323	47,14,323
Land - Kothaguda	1,01,60,385	-
Building materials and consumables	76,57,116	61,46,030
<b>Total</b>	<b>4,37,26,55,053</b>	<b>3,94,98,72,182</b>

\*(Includes interest expenses inventorised to the tune of Rs. 40,69,68,341 (previous year Rs. 30,76,03,300) during the year on qualifying properties on development)

## 18 Trade receivables

	As at 31-03-2016	As at 31-03-2015
Amounts due for a period exceeding six months		
Unsecured, considered good	11,24,55,413	11,80,23,555
Unsecured, considered doubtful	99,14,774	-
Less: Provision for doubtful receivables (unsecured, considered good)	(99,14,774)	-
Other receivables	7,34,05,059	30,33,03,836
<b>Total</b>	<b>18,58,60,472</b>	<b>42,13,27,391</b>

## 19 Cash and Bank balances

	As at 31-03-2016	As at 31-03-2015
Cash and cash equivalents		
Cash on hand	3,10,843	3,12,853
Balances with banks in current accounts	2,47,04,655	48,06,089
	2,50,15,497	51,18,942
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months	3,71,73,240	3,41,42,291
<b>Total</b>	<b>6,21,88,737</b>	<b>3,92,61,233</b>

## 20 Short-term loan and advances (unsecured, considered good)

	As at 31-03-2016	As at 31-03-2015
Advance for contracted works	90,75,150	1,22,43,588
Advance for goods	1,02,11,347	1,23,07,990
Advance for expenses	90,000	55,000
Sales Tax deposits	13,44,146	13,44,146
Mobilisation advance paid	17,49,667	17,49,667
Maintenance works	2,04,08,210	1,38,23,392
Other receivables	1,92,64,116	1,50,60,631
Prepaid expenses	1,39,56,871	1,45,04,634
Staff advance	18,09,309	17,34,605
<b>Total</b>	<b>7,79,08,817</b>	<b>7,28,23,653</b>

## 21 Other Current Assets (unsecured, considered good)

	As at 31-03-2016	As at 31-03-2015
Other advances	917	22,336
Unamortised expenses	36,37,823	67,12,892
Interest accrued but not due	8,44,209	9,45,584
Accrued revenue receivables	8,15,892	-
Preliminary expenses	43,220	43,220
<b>Total</b>	<b>53,42,061</b>	<b>77,24,032</b>

## 22 Revenue from operations

	For the year ended 31-03-2016	For the year ended 31-03-2015
Revenue from sale of residential spaces (projects)	12,69,62,854	20,92,71,859
Contract receipts (projects)* (Refer note 39)	37,42,990	5,14,39,388
Sub-contracted contract receipts (projects)	20,28,51,897	2,13,64,237
Wind-mill energy sales	44,00,189	48,16,743
Sale of services	-	-
-Rental income	12,97,13,146	13,69,95,065
-Maintenance and other charges	15,37,97,681	17,93,55,702
<b>Total</b>	<b>62,14,68,757</b>	<b>60,32,42,994</b>

\*(Includes contract receipts Rs.Nil (previous year Rs. 1,76,25,967) from partnership firm in which managing director is a partner).

## 23 Other income

	For the year ended 31-03-2016	For the year ended 31-03-2015
Interest income on bank deposits	64,04,769	45,53,060
Interest income on inter-corporate deposits	-	3,04,80,796
Reimbursements of expenses	-	9,60,000
Profit on sale of fixed assets	2,56,619	-
Credit balance written back	55,36,265	1,37,49,534
Premium on Debentures redeemed by associate	3,24,00,000	3,24,00,000
Gain on buyback of shares by associate	42,75,000	-
Sale of scrap	5,97,424	14,31,807
Miscellaneous income	1,03,238	67,980
<b>Total</b>	<b>4,95,73,315</b>	<b>8,36,43,177</b>

## 24 Cost of sales and contract expenses

	For the year ended 31-03-2016	For the year ended 31-03-2015
Cost of sale of residential spaces (Projects)	12,34,00,655	21,96,54,936
Contract expenses (Projects)	32,72,449	6,46,28,053
Sub-contracted contract expenses (Projects)	18,95,14,687	2,01,56,649
Wind-mill energy expenses	10,30,128	9,19,508
<b>Total</b>	<b>31,72,17,918</b>	<b>30,53,59,146</b>

## 25 Operating expenses

	For the year ended 31-03-2016	For the year ended 31-03-2015
Power and fuel	5,69,55,916	5,70,84,927
Rent	3,32,04,510	2,59,92,741
Legal and professional charges	67,28,648	92,08,214
Repairs and maintenance - others	57,60,976	25,10,431
Rates and taxes	1,51,47,516	1,62,73,165
Security charges	70,79,600	87,10,562
Facilities maintenance	1,69,64,740	1,98,12,002
<b>Total</b>	<b>14,18,41,906</b>	<b>13,95,92,042</b>

## 26 Employee benefits expense

	For the year ended 31-03-2016	For the year ended 31-03-2015
Salaries and wages	2,99,54,037	2,52,48,533
Contribution to provident fund and other funds	20,60,777	22,70,573
Staff welfare expenses	86,171	1,34,211
Directors remuneration	18,00,000	24,42,600
<b>Total</b>	<b>3,39,00,985</b>	<b>3,00,95,917</b>

## 27 Finance cost

	For the year ended 31-03-2016	For the year ended 31-03-2015
Interest expense		
On vehicle term loan	87,017	76,904
On cash credit	2,20,07,403	2,06,59,844
On term loans	10,31,13,630	17,73,73,207
On Inter-corporate deposits	88,65,789	2,62,75,445
Other borrowing costs		
On processing charges	16,18,641	-
<b>Total</b>	<b>13,56,92,481</b>	<b>22,43,85,400</b>

## 28 Other expenses

	For the year ended 31-03-2016	For the year ended 31-03-2015
Filing fees	2,16,069	1,34,813
Travel and conveyance	60,25,151	42,01,378
Vehicle maintenance	94,481	1,74,084
Repairs and maintenance - others	41,480	8,19,126
Rates and taxes	27,89,055	5,34,055
Printing and stationery	1,29,547	7,82,037
Communication	2,90,199	6,26,934
Power and fuel	16,08,188	13,07,795
Office maintenance	14,82,024	15,57,118
Legal and Professional charges	1,34,35,980	64,57,754
Subscriptions and fees	1,19,800	3,28,291
Sitting fees	65,250	50,000
Security services	31,15,238	27,00,557
Insurance	16,25,901	7,65,663
Audit fee		
Statutory audit fee	10,50,000	10,20,000
Tax audit fee	1,40,000	1,20,000
Other services	2,80,000	3,15,883
Selling expenses-Advertisement	71,30,728	3,99,75,266
General expenses	31,17,871	37,34,000
Interest - Delayed	1,24,41,120	2,41,46,477
Bank charges and Commission	5,66,047	31,09,108
Loss on sale of fixed assets	-	4,139
Tender expenses	36,500	3,66,021
Provision for doubtful receivables	99,14,774	-
Advances written-off	47,83,668	-
Bad-debts written-off	-	11,23,600
Donations	59,50,000	13,73,182
Property Tax	2,47,078	2,41,856
Claim and compensation	-	2,01,81,121
<b>Total</b>	<b>7,66,96,149</b>	<b>11,61,50,257</b>

# Significant Accounting Policies and Additional Notes to the Consolidated Financial Statements for the year Ended March 31, 2016

## 1. Corporate Information

- 1.1 Manjeera Constructions Limited (the "Company"), its subsidiaries and Associate (collectively referred to as the "Group") operate in the business of development and construction of real estate, civil construction contracts and infrastructure projects development. These consolidated financial statements comprise a consolidation of the accounts of Manjeera Constructions Limited (the Company), its subsidiaries and associate as listed below:

Company	Relation	Country of Incorporation	Percentage (%) of holding by the Company as at	
			31.03.2016	31.03.2015
Manjeera Retail Holdings Private. Limited	Subsidiary	India	51	51
MTM Estates and Properties Private Limited	Subsidiary	India	100	100
GM Infra Ventures Private Limited	Associate	India	36	36

The financial statements of the parent and its subsidiary MTM Estates and Properties Private Limited have been audited by the statutory auditors of the Company. The financials statements of the other subsidiary Manjeera Retail Holdings Private Limited and the associate have been audited by the other auditors whose audited financial statements along with auditor's report having furnished to us.

- 1.2 Brief description of significant subsidiaries and associate

a) Subsidiaries

- i. Manjeera Retail Holdings Private Limited ("MRHPL") is in the business of construction of property being developed for residential, retail and commercial purposes. Manjeera Constructions Limited and Trinity Capital (Six) Limited have entered into debenture cum subscription and shareholders agreement with the company and hold 51% and 49% respectively in the equity share capital of the company as at the balance sheet date. Further, Manjeera Constructions Limited also continues to financially support the company on a need basis.

- ii) MTM Estates and Properties Private Limited is in business of construction of property for mixed use.

b) Associate

- GM Infra Ventures Private Limited is in the business of construction of property being developed for residential, retail and commercial purposes.

## 2 Significant Accounting Policies

### A. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except to the extent as disclosed.

### B. Principles of consolidation

The consolidated financial statements relate to Manjeera Constructions Limited ('the Company') and its subsidiary companies and associates. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- ii. The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.



- iii. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- iv. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- iv. Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- v. The Company accounts for its share in change in net assets of the associate, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associate to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associate' Profit or Loss through its reserves for the balance, based on available information.
- vi. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

## C. Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that effect the reported amount of assets and liabilities, disclosure of contingent liabilities and the reported amount of income and expenses during the year. Difference between the actual results and estimates are recognised in the periods in which the results are known/ materialise

## D. Fixed assets

### Tangible Assets

- a. Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its intended use.
- b. The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains or losses, as the case may be are included in the Statement of Profit and Loss.
- c. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- d. Projects under which are assets are not ready for their intended use are shown as Capital work-in-progress.

### Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition.

## E. Depreciation and Amortization

### (i) Tangible assets

Depreciation has been provided on the useful life of its tangible assets as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

### (ii) Intangible assets

Intangibles which were acquired under an agreement are amortised on a straight line basis over period of five years from the date of the agreement.

## F. Investments

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

## G. Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## H. Inventories

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

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

## I. Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on the settlement of monetary items or on the reporting of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

## J. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the collectability is reasonably assured.

- i) Recognition of revenue from sale of real estate from projects where revenues are recognized before 1 April 2012

Revenue from sale of real estate under development is recognized upon transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements, except for contracts where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards in accordance with erstwhile Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India (ICAI) in 2006. In such cases, the revenue is recognized on percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress. Revenue is recognized in proportion to the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. All the projects of the Group have been commenced prior to 1 April 2012 and there have been no projects during the year where revenue has been recognized for the first time after 1 April 2012.

- ii) Recognition of revenue from sale of real estate from projects where revenues are recognized for the first time on or after 1 April 2012

Revenue from real estate projects including revenue from sale of undivided share of land is recognised upon transfer of all significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognised by applying the percentage of completion method only if the following thresholds have been met:

- all critical approvals necessary for the commencement of the project have been obtained;
- the expenditure incurred on construction and development costs (excluding land cost) is not less than 25% of the total estimated construction and development costs;

- at least 25% of the saleable project area is secured by the contracts/agreements with the buyer; and
- at least 10% of the contracts/agreements value are realized at the reporting date in respect of such contracts/agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue (including from sale of undivided share of land) and project costs associated with the real estate project are recognised as revenue and expense by reference to the stage of completion of the project activity at the reporting date arrived at with reference to contract costs incurred for work performed up to the reporting date bearing to the estimated total contract costs (including land costs).

iii) Rental income

Rental income from leases with scheduled rent increases, incentives, and other rent adjustments is recognized on a straight-line basis over the respective lease term. Amounts recognized as income in the current year and expected to be received in later years is disclosed as "Accrued rental income". Amounts received in the current year but recognized as income in future years, are disclosed as "Unearned rental income". Recognition of rental income is commenced from the date determined based on terms of lease agreements.

iv) Tenant recoveries

Tenant recoveries related to maintenance and other charges are recognized on an accrual basis in accordance with the terms of the lease agreement with the tenant and those related to reimbursement of utilities, repairs and maintenance, and other operating expenses are recognized as revenue in the period the applicable expenses are incurred.

v) On construction contracts (undertaken as contractors)

The Company follows percentage completion method for accounting of Construction contracts undertaken. Price escalation is carried out in the year of settlement of claims/bills.

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

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

## K. Employee benefits

- Regular monthly contribution to Employees' Provident Fund Scheme which is in the nature of defined contribution plan is charged against revenue when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- The Company provides for gratuity, a defined benefit obligation covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each year of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yield on government securities as at the balance sheet date. Actuarial gains/losses are recognized immediately in the statement of profit and loss.

The Liability with respect to the Gratuity Plan is determined based on actuarial valuation done by an independent actuary at the year end and any differential between the fund amount as per the insurer and actuarial valuation is charged to the statement of profit and loss.

- Earned Leave encashment liability which is in the nature of defined benefit obligation are provided for on actuarial basis, based on independent actuarial valuation on Projected Unit Credit Method on the date of the financial statements as per the requirements of Accounting Standard-15 on "Employee Benefits".

Actuarial gains/losses are recognized immediately in the Statement of Profit and Loss.

## L. Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Lease rents in respect of non-cancelable operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term.

## M. Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses the unrecognized deferred tax assets. It recognizes the unrecognized deferred tax assets to the extent that it is reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit

Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

## N. Borrowing costs

In case of subsidiary

Borrowing costs that are attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use are capitalized as part of the cost of such assets. Interest income earned on the temporary investment of specific borrowings pending its expenditure on qualifying assets is deducted from the costs of qualifying assets. Other borrowing costs are recognised as an expense, in the period in which they are incurred.

## O. Provisions, contingent liabilities and contingent assets

Provision recognised in the accounts when there is a present obligation as a result of past event(s), and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## P. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

## Q. Earnings per share

'Basic' earnings per share are calculated by dividing the net profit or loss for the period attributable to the shareholders by the weighted average number of the equity shares outstanding at the year end.

'Diluted' earnings per share using the weighted average numbers of equity shares and dilutive potential equity shares outstanding at the year end, except when the result would be anti-dilutive.

## R. Segment reporting

In case of subsidiary

The company's operating businesses are organized and managed separately according to the nature of services provided with each segment representing a strategic business unit that offers different products and services. The analysis of geographical segments is based on the areas in which the company operates.

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

## S. Cash flow statement

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

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and include short term investments with an original maturity of three months or less.

## T. Barter transactions

Barter transactions are recognised at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/ services provided/received adjusted by the amount of cash or cash equivalent transferred.

## 29. In case of subsidiary – Prior period items, net

	For the year ended 31 March	
	2016	2015
Interest expense (refer note below)	-	193,764,748
Rates and taxes	(3,198,247)	-
	(3,198,247)	193,764,748

Pursuant to the arrangement between the holding Company and the holders of CCDs, the interest on the instruments shall accrue only on occurrence of certain future events, the happening of which is not considered to be probable as at 31 March 2016.

## 30. Capital commitment and contingent liabilities

### A. Contingent liabilities

- (i) Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs.4,64,30,513 (Previous year Rs.4,53,50,373). No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal.
- (ii) Bank Guarantees on account of contractors not provided for Rs.30,82,90,454 (previous year Rs.29,09,81,600).
- (iii) In case of subsidiary:
  - a. As stipulated in the development agreement entered with the Andhra Pradesh Housing Board ("the APHB"), the scheduled completion date of all the projects undertaken by the Company was 30 July 2009. However, on account of delays in receipt of approvals from statutory authorities, the Company made an application for extension of project completion date. The APHB has agreed to extend the time of completion of the projects, subject to a condition that the Company enters into a supplementary development agreement, which includes a condition of recalculating the fair value of the land consideration and charging some additional levies due to delays in execution of the project. However, pursuant to an application made by the Company and other developments in this regard, the matter has been referred to a Committee formed by APHB for this purpose. Accordingly, pending final outcome of the proceedings with the Committee, no adjustments have been considered necessary in the financial statements.
  - b. In accordance with the terms and conditions of the Debenture cum Share Subscription and Shareholders Agreement dated 24 January 2007, the interest on CCDs shall accrue to the holders of the instruments only on occurrence of certain uncertain future events which are not considered to be probable as at 31 March 2016. Accordingly, no adjustments have been made to these financial statements in respect of interest on CCDs.

## B. Commitments

In case of subsidiary:

- The Company enters into construction contracts with its service providers. The final amounts payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed. Estimated amount of contracts (net of advances) remaining to be executed on account of balance construction work not provided for Rs.24,82,87,301 (31 March 2015: Rs.32,27,74,034).
- Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for Rs.Nil (31 March 2015: Rs.1,69,10,476).
- Refer note 31 for commitments under lease contracts.

## 31. Operating leases as a lessee and lessor

In the case of subsidiary:

### a) As a lessee

The company has entered into non-cancellable operating lease agreements with lessors for lease of premises, with remaining lease terms of 1 to 2 years. Further, the company may have an option for renewal and rent escalation.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at 31 March	
	2016	2015
Not later than one year	15,483,441	31,794,293
Later than one year and not later than five years	1,225,038	18,586,319
Later than five years	-	-

### b) As a lessor

The Company gives premises along with plant and machinery, furniture and fixtures to tenants on operating lease. The non-cancellable leases have remaining terms of 1 to 3 years. Further, the lessee may have an option for renewal and rent escalation.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	As at 31 March	
	2016	2015
Not later than one year	112,998,528	144,997,313
Later than one year and not later than five years	81,120,574	197,776,485
Later than five years	-	-

### c) Disclosures in respect of assets leased by the company

	As at 31 March	
	2016	2015
Gross carrying amount:		
Land	444,625,000	444,625,000
Buildings	1,095,845,101	1,095,845,101
Plant and machinery	289,572,634	289,572,634
Electrical equipment	67,262,386	7,262,386
Furniture and fixtures	35,214,690	35,214,690
Accumulated depreciation:		
Land	-	-
Buildings	34,354,112	15,966,263
Plant and machinery	35,099,269	15,784,774
Electrical equipment	12,781,897	6,055,658
Furniture and fixtures	8,250,713	3,848,877



### 32. Micro, Small and Medium enterprises

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

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

### 33. Proposed scheme of arrangement

In the case of subsidiary:

The Board of Directors of the company at their meeting held on 12 June 2013 have approved a Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956, pursuant to which the Manjeera Trinity Mall, one of the projects of the company is proposed to be vested into MTM Estates and Properties Private Limited, a fellow subsidiary of the company with the Appointed date as 1 April 2013. Pursuant to the Scheme of Arrangement, the paid-up share capital of the company will be restructured from 88,235,294 equity shares of Rs.10 each fully paid-up to 51,469,880 equity shares of Rs.10 each fully paid-up. Remaining share capital will be treated as cancelled and the resultant reduction for each shareholder shall be in proportion to the existing shareholding pattern. The Scheme of Arrangement has been filed with the Honorable High Court of the combined state of Andhra Pradesh and Telangana, which was subsequently dismissed vide its order date 15 June 2015 for want of representation. The management is in the process of seeking necessary approvals from its lenders and APHB in order to enable it to make a fresh application with the Honorable High Court of the combined state of Andhra Pradesh and Telangana. However, considering the continued plan of the Board of Directors of the company to demerge the mall operations, the same has been considered as discontinuing operations for the purpose of these Financial Statements. The disclosures required under Accounting Standard AS-24 'Discontinuing Operations' are as follows:

- a. Carrying amounts, as of the balance sheet date, of the total assets to be disposed of and the total liabilities to be settled:

	As at 31 March	
	2016	2015
Total assets	2,141,070,456	2,071,425,484
Total liabilities	1,750,399,749	1,304,536,727
Net assets	390,670,707	766,888,757

- b. The amounts of revenue and expenses in respect of the ordinary activities attributable to the discontinuing operation during the year ended 31 March 2016 are as follows:

	For the year ended 31 March	
	2016	2015
Revenues		
Revenue from operations	269,680,401	352,997,854
Other income	2,944,507	-
Total revenues	272,624,908	352,997,854
Expenses		
Cost of inventories sold	(1,255,268)	23,386,054
Operating expenses	141,077,357	139,592,042
Employee benefits expense	11,533,306	7,907,037
Finance costs	114,873,508	160,964,535
Depreciation expense	49,117,956	19,276,932
Other expenses	16,689,410	12,652,524
Prior period items	3,198,247	(12,044,913)
Total expenses	335,234,516	351,734,211
Profit/(loss) before tax	(62,609,608)	1,263,643

### 34. Value of imports calculated on CIF basis

In the case of subsidiary:

	For the year ended 31 March	
	2016	2015
Interest expense (refer note below)	-	193,764,748
Rates and taxes	(3,198,247)	-
	(3,198,247)	193,764,748

Pursuant to the arrangement between the holding Company and the holders of CCDs, the interest on the instruments shall accrue only on occurrence of certain future events, the happening of which is not considered to be probable as at 31 March 2016.

### 35. Disclosure as per AS 7 'Construction Contracts'

The Group followed percentage completion method consistently for accounting of construction contracts undertaken.

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Contract revenue recognized during the year	20,64,94,887	7,28,03,625
Contracts in progress:	As at 31.03.2016	As at 31.03.2015
Aggregate of revenue recognized	26,16,30,592	5,64,79,738
Aggregate of contract costs incurred	23,52,85,137	4,70,91,966
Advances received	50,34,087	58,32,733
Retention money	1,27,40,437	1,27,40,437
Gross amount due from customers	1,96,76,725	29,61,904

### 36. Employee benefits

#### Defined Contribution plans

The Company makes Provident Fund and Employee State Insurance scheme contributions to the relevant authorities, which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs.13,87,772 (Previous year Rs.11,23,694 for Provident Fund contributions and Rs.1,53,680 (Previous year Rs.2,65,824) for Employee State Insurance in the Statement of Profit and Loss.

In respect of the Company, the following table set out the unfunded status of the retirement benefits plans and the amount recognised in the financial statements:

#### i) Change in defined Benefit Obligation

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of the year	14,30,386	15,47,869	3,72,828	3,47,654
Current Service Cost	2,20,778	3,11,177	2,40,636	3,32,302
Interest Cost	1,11,141	1,34,583	28,969	29,785
Actuarial (gain) / loss	(2,12,304)	(4,58,243)	(2,93,227)	(3,03,493)
Benefits paid	(4,66,882)	(1,05,000)	(17,484)	(33,420)
Defined Benefit obligation at year end	10,83,119	14,30,386	3,31,723	3,72,828

#### ii) Amount recognized in the Balance Sheet

	Gratuity (Unfunded)		Compensate Absences (Unfunded)	
	As at 31st March		As at 31st March	
	2016	2015	2016	2015
Fair value of Plan assets	-	-	-	-
Present value of obligation	10,83,119	14,30,386	3,31,723	3,72,828
Amount recognised in Balance Sheet	(10,83,119)	(14,30,386)	3,31,723	3,72,828

**iii) Expenses recognised in Statement of Profit and Loss**

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2016	2015	2016	2015
Current Service Cost	2,20,778	3,11,177	2,40,636	3,32,302
Interest Cost	1,11,141	1,34,583	28,969	29,785
Expected return on Plan assets	-	-	-	-
Actuarial (gain) / loss	(2,12,304)	(4,58,243)	(2,93,227)	(3,03,493)
Other Transfer	-	-	-	-
Net Cost	1,19,615	(12,483)	(23,621)	58,594

**iv) Principal Actuarial assumptions**

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Mortality Table	2006-08	2006-08	2006-08	2006-08
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.85%	7.77%	7.85%	7.77%
Expected rate of return on plan assets (per annum)	5%	5%	5%	5%
Rate of escalation in salary (per annum)	5%	5%	5%	5%

**v) Amounts recognised in current year and previous four years**

Particular	As at 31st March			
Gratuity	2016	2015	2014	2013
Defined benefit obligation	10,83,119	14,30,386	15,47,869	16,39,463
Fair value of plan assets	-	-	-	-
Surplus / Deficit in the plan	10,83,119	14,30,386	15,47,869	16,39,463
Actuarial (gain) / loss on plan obligation	(2,12,304)	(4,58,243)	(3,84,647)	(2,39,169)

**vi) The expected contributions for Defined Benefit Plan for the next financial year will be in line with the current year.**

**Notes:**

1. The discount rate is based on the prevailing market yield of Indian Government Securities as at the balance sheet date for the estimated term of obligations.
2. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

## 37. Segment Reporting

The Company's operations fall within a single business segment "Development and sale of residential" and single geographical segment and therefore segment information as required under AS-17 is not applicable.

In the case of Subsidiary:

**a) Business segments:**

The Company has disclosed business segment as the primary segment for reporting. Segments have been identified taking into account the nature of activities of the Company, the differing risks and returns, the organization structure and internal reporting system.

The Company's operations predominantly relate to "Development and sale of residential, retail and commercial space" and "Leasing and maintenance of commercial space".

Business segment disclosures for the year ended 31 March 2016

Particulars	Development and sale of residential, retail and commercial space	Leasing and maintenance of commercial space (Discontinued operations)	Eliminations	Total
External sales	51,713,823	283,510,827	-	335,224,650
Internal sales	-	-	-	-
Segment revenue	51,713,823	283,510,827	-	335,224,650
Segment result	(10,841,772)	81,377,475	-	70,535,703
Other income				9,197,546
Finance costs				266,883,532
Un-allocable expenditure				178,964,039
Prior period items, net				52,125,772
Profit before tax				(3,198,247)
Tax benefit				(154,554,809)
Profit after tax				6,068,221
Other information				(148,486,588)
Segment assets	4,030,122,992	1,885,801,586	-	5,915,924,578
Un-allocable assets				136,825,994
Total assets				6,052,750,572
Segment liabilities	793,048,016	305,225,227	-	1,098,273,243
Un-allocable liabilities				4,121,057,248
Total liabilities				5,219,330,491
Capital expenditure	-	-	-	-
Depreciation expense	2,086,548	48,830,419	-	50,142,777
Non-cash expenses other than depreciation	4,783,668	9,914,774	-	14,698,442

**b) Geographical segment:**

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

**38. Expenditure during construction period pending capitalization**

In the case of subsidiary:

	As at 31 March	
	2016	2015
Opening balance	-	386,365,042
Addition during the year		
Salaries and wages	-	5,609,665
Interest expense	-	(107,403,000)
Legal and professional charges	-	1,899,354
Rates and taxes	-	2,369,811
Insurance	-	336,960
Manpower charges	-	319,408
	-	289,497,240
Less: Capitalization during the year	-	289,497,240
Closing balance	-	-

### 39. Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are:

(a) List of related parties and nature of the relationship:

	Name of the Related Party	Nature of Relationship
1	GM Infra Ventures Private Limited	Associate company
2	G. Yoganand – Managing Director	Key Management Person
3	K. Krishna Murty – Director	Key Management Person
4	DLS Sreshti – Independent Director	Key Management Person
5	G. Vivekanand – Director	Key Management Person (w.e.f 30.09.2015)
6	G. Padmaja – Director	Key Management Person
7	D. Kiran Kumar	Key Management Person
8	R. Venkata Rao – Chief financial officer	Key Management Person
9	A. Yamini Krishna – Company secretary	Key Management Person (up to 31.01.2016)
10	Manjeera Estates Private Limited	Entity under significant influence of KMP
11	Manjeera Hotels & Resorts Private Limited	Entity under significant influence of KMP
12	Gajjala Investments & Holdings Private Limited	Entity under significant influence of KMP
13	Aashraya Hotels And Estates Private Limited	Entity under significant influence of KMP
14	Manjeera Projects	Entity under significant influence of KMP
15	Trinity Capital (Six) Limited (TC6L)	Entity under significant influence of KMP
16	ATC Property Maintenance Private Limited (ATC)	Entity under significant influence of KMP
17	Gowra Aerospace Private Limited	Entity under significant influence of KMP

Related Parties have been identified by the management.

(b) Details of transactions during the year and balances at year end with related parties

Transactions	Associate company	Key management person	Entity Under Significant Influence
(A) Transaction during the year			
a) Revenue from operations			
Contract Receipt - Manjeera Projects	-	-	-
	-	-	(12,29,385)
b) Other Income			
Premium on redemption of debentures – GM Infra Ventures Private Limited	3,24,00,000	-	-
	(3,24,00,000)	-	-
Profit on buy back of shares – GM Infra Ventures Private Limited	42,75,000	-	-
	(-)	-	-
c) Sale of properties			
Manjeera Hotels & Resorts Private Limited	-	-	7,58,83,000
	-	-	-
Manjeera Estates Private Limited	-	-	4,43,65,500
	-	-	(-)
d) Employee Benefits			
Director Remuneration – G.Yoganand	-	18,00,000	-
	-	(18,00,000)	-
Director Remuneration – G.Vivek	-	29,91,358	-
	-	(18,66,868)	-
Director Remuneration - D. Kiran Kumar	-	-	-
	-	(30,75,000)	-
e) Finance cost			
Manjeera Estates Private Limited	-	-	6,37,647
	-	-	(-)
Manjeera Hotels & Resorts Private Limited	-	-	7,74,58,373
	-	-	(9,44,81,877)

Transactions	Associate company	Key management person	Entity Under Significant Influence
f) Other expenses			
Manjeera Hotels & Resorts Private Limited	-	-	-
	-	-	(16,80,046)
ATC Property Maintenance Private Limited	-	-	18,02,970
	-	-	-
g) Short term borrowings			
Manjeera Estates Private Limited	-		28,61,20,000
	-		(-)
Manjeera Hotels & Resorts Private Limited	-	-	4,81,18,989
	-	-	(2,80,31,850)
ATC Property Maintenance Private Limited	-	-	31,00,000
	-	-	(-)
Gowra Aerospace Private Limited	-	-	1,00,00,000
	-	-	(-)
h) Non-current investment			
GM Infra Ventures Private Limited-Debentures redeemed	1,69,20,000	-	-
	(1,69,20,000)	-	-
GM Infra Ventures Private Limited-Shares buy back	1,71,00,000	-	-
	(-)	-	-
(B) Guarantees given:			
(i) Personal guarantee given by G. Yoganand, Managing Director in respect of Term Loans availed from Oriental Bank of Commerce and Domestic Purchase bill factoring from IFCI Factor Limited.			
(ii) Corporate guarantee given by Manjeera Estates Private Limited, Entity under significant influence of KMP, in respect of Term Loans availed from Oriental Bank of Commerce and towards Domestic Purchase bill factoring from IFCI Factor Limited			
(iii) Corporate guarantee given by Gajjala Investments and Holding Private Limited, Entity under significant influence of KMP, in respect of Domestic Purchase bill factoring from IFCI Factor Limited.			
(C) Balances for the year ended 31-03-2016			
a) Short term borrowings			
Manjeera Estates Private Limited	-	-	28,61,20,000
	-	-	(-)
Manjeera Hotels & Resorts Private Limited	-	-	39,89,34,774
	-	-	(41,99,83,295)
Trinity Capital (Six) Limited (TC6L)	-	-	36,76,47,000
	-	-	(36,76,47,000)
b) Trade payable			
G. Yoganand	-	17,36,175	-
	-	(3,13,874)	-
Aashraya Hotels and Estates Private Limited	-	-	77,609
	-	-	(1,70,643)
Manjeera Hotels & Resorts Private Limited	-	-	20,84,360
	-	-	(6,00,537)
Gowra Aerospace Private Limited	-	-	40,00,000
	-	-	(-)
ATC Property Maintenance Private Limited	-	-	49,87,396
	-	-	(84,426)
c) Non-current investments			
Equity Shares-GM Infra Ventures Private Limited	4,24,22,400	-	-
	(5,95,22,400)	-	-
Debentures-GM Infra Ventures Private Limited	-	-	-
	(1,69,20,000)	-	-
d) Short term loans and advances			
Manjeera Hotels & Resorts Private Limited	-	-	16,89,388
	-	-	(10,88,851)
G. Vivekanand	-	29,91,358	-
	-	(12,24,268)	-



Transactions	Associate company	Key management person	Entity Under Significant Influence
GM Infra Ventures Private Limited	14,58,627	-	-
	(-)	-	-
Manjeera Estates Private Limited	-	-	16,82,199
	-	-	(-)

#### 40. Earnings per equity share

	Year ended 31.03.2016	Year ended 31.03.2015
Profit after Tax (Rs.)	(1,23,95,113)	3,25,76,116
Number of shares as at 01.04.2015	1,25,08,418	1,25,08,418
Number of shares as at 31.03.2016	1,25,08,418	1,25,08,418
Weighted average number of shares (Nos.)	1,25,08,418	1,25,08,418
Earnings per share (Basic and Diluted) (Rs.)	(0.99)	2.60
Nominal value per share (Rs.)	10	10

#### 41. In case of subsidiary

During the year ended 31 March 2016, management has capitalized interest cost aggregating to Rs. 370,457,089 to the properties under development. Management, on the basis of assessment of the progress of the construction work for the aforesaid year, is of the view that active construction work was witnessed during the said year without any temporary suspension, thereby warranting capitalization of the interest cost in accordance with the provisions of Accounting Standard 16, Borrowing Costs.

#### 42. In case of subsidiary

Over the last couple of years the real estate Industry, particularly in Hyderabad had experienced slowdown due to certain adverse political and other conditions, which had resulted in delays in leasing or sale of properties. In the recent past with the stable and progressive government, management believes that the overall atmosphere is quite positive and conducive for the sector. In view of the positive business environment and business friendly policies of the government, management is confident that the company would see a significant upside in terms of leasing of space and sale of commercial properties. Management also believes that the company is well placed to meet the growing demand for the commercial space in the City due to projects substantially completed and available to occupy. In view of these developments, management expects to generate sufficient cash flows in the ensuing financial year and is confident to meet all of its financial obligations as and when they fall due for payment.

**43.** Additional information as required under paragraph 5 of the part II of the Schedule III to the Act to the extent either 'Nil' or 'Not Applicable' has not been furnished.

**44.** Significant accounting policies, statutory and explanatory information of the Company and its subsidiaries are disclosed in the respective separate financial statements. Policies and information which have material bearing on the true and fair view of the consolidated financial statement have been disclosed in the consolidated financial statement

**45.** Previous year's figures have been re-grouped/re-classified wherever necessary to correspond with the /disclosure.

In terms of our report attached  
**For A.K. Sabat & Co.**  
Chartered Accountants  
(Firm Registration No.321012E)

**D. VIJAYA KUMAR**  
Partner  
Membership No.051961

Hyderabad, Dated May 30, 2016

For and on behalf of the Board of directors

**G. YOGANAND**  
Managing Director  
DIN:00850735

**R. VENKATA RAO**  
Chief Financial Officer

**K. KRISHNA MURTHY**  
Director  
DIN:01466390

**SUCHARITRA SAHOO**  
Company Secretary

## Annexure-IV

### FORM AOC - 1

#### PART - A: SUBSIDIARIES INFORMATION in Rs.

S. No.	Particulars	Details	
1	Name of Subsidiary	Manjeera Retail Holdings Private Limited	MTM Estates And Properties Private Limited.
2	The date since when subsidiary was acquired	23-02-2007	14-11-2013
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2015-2016	2015-2016
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
5	Share capital	88,23,52,940	1,00,000
6	Reserves & Surplus	(48,93,28,259)	(1,56,895)
7	Total Assets	6,05,27,50,572	1,29,081
8	Total Liabilities	5,21,93,30,491	1,85,976
9	Investments	-	-
10	Turnover	34,44,22,196	-
11	Profit/(loss) before taxation	(15,45,54,809)	(59,800)
12	Provision for taxation	(60,68,221)	-
13	Loss after taxation	(14,84,86,588)	(59,800)
14	Proposed Dividend	Nil	Nil
15	% of shareholding	51%	100%

#### PART - B: ASSOCIATES

S. No.	Name of Associates	GM Infra Ventures Private Limited
1	Latest Audited Balance Sheet Date	31-03-2016
2	Date on which the Associate or Joint Venture was associated or acquired	
3	Shares of Associate held by the Company on the year end	
	No.	10,26,000
	Amount of Investment in Associates/Joint Venture	10,26,000
	Extent of Holding %	36%
4	Description of how there is significant influence	Key persons are director in Associate company
5	Reason why the associate is not consolidated	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet	17,46,47,301
7	Profit for the year	2,12,59,984
	i. Considered in Consolidation	76,53,594
	ii. Not Considered in Consolidation	1,36,06,390



**PROXY FORM**

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



CIN : L45200AP1987PLC007228  
 Name of the company : Manjeera Constructions Limited  
 Registered office : #304, Aditya Trade Centre, Ameerpet, Hyderabad – 500038, Telangana, India.

Name of the member(s): \_\_\_\_\_  
 Registered Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Folio No./Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

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

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the company, to be held on Friday, 30<sup>th</sup> day of September, 2016 at 9:30 P.M. at Hotel Aditya Park, Ameerpet, Hyderabad- 500038 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business**

1. Approval of financial statements for the year ended 31.03.2016.
2. Re-appointment of Director, Mr. G Padmaja who retires by rotation.
3. Re-appointment of Statutory Auditors and fixation of their remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix Re.1  
Revenue  
Stamp

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

**Manjeera Constructions Limited**

L45200AP1987PLC007228

Registered Office: #304, Aditya Trade Centre, Ameerpet, Hyderabad – 500038

**ATTENDANCE SLIP**

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

Folio No: \_\_\_\_\_ DP ID\*: \_\_\_\_\_  
 No. of shares held: \_\_\_\_\_ Client ID\*: \_\_\_\_\_

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

Address: \_\_\_\_\_

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 30<sup>th</sup> day of September, 2016 at 9.30 a.m. at Hotel Aditya Park, Ameerpet, Hyderabad-500038

Signature of Shareholders/Proxy:

**Note:** \* Applicable for investors holding shares in electronic form. # Please read the instructions printed in the Notice dated 13.08.2016 of the Annual General Meeting of the Company.









## Manjeera Constructions Ltd.

An ISO 9001:2000 Company

CIN : L45200AP1987PLC007228

304, Aditya Trade Centre

Aditya Enclave Road, Ameerpet

Hyderabad – 500038, AP India.

Ph: +91-40-66176617, 44174417

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