



**AUDITORS' REPORT**

TO THE BOARD OF DIRECTORS  
MANJEERA CONSTRUCTIONS LIMITED

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

Place : Hyderabad  
Date : 10.06.2010



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

*(Signature)*

(D.VIJAYA KUMAR)  
PARTNER

Membership No: 051961  
Firm Regn.No. 321012E

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**BRANCHES :**

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R-246, Greater Kailash-1, New Delhi-110048, E-mail : pradipt@sancharnet.in

**MANJEERA CONSTRUCTIONS LIMITED**

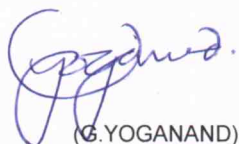
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010**


	Schedule	Rs.	As at 31.03.2010 Rs.	Rs.	As at 31.03.2009 Rs.
<b>SOURCES OF FUNDS</b>					
1	Shareholders funds				
	a. Share capital	1	125084180	125084180	
	b. Reserves and surplus	2	<u>405328860</u>	<u>322342418</u>	447426598
2	Loan funds				
	a. Secured loans	3	1289356721	962693273	
	b. Unsecured loans	4	<u>445167390</u>	<u>437511620</u>	1400204893
3	Minority Interest		428815118		429785796
4	Deferred tax liability		11150186		9628142
	<b>TOTAL</b>		<b><u>2704902456</u></b>		<b><u>2287045430</u></b>
<b>APPLICATION OF FUNDS</b>					
1	Fixed assets	5			
	a) Gross block		101325612	88548069	
	b) Less: Depreciation		<u>30960345</u>	<u>20674568</u>	
	c) Net block		70365267		67873501
2	Investments	6		73800000	74199960
3	Current assets, loans and advances (A)				
	a) Inventories	7	2854154307	2442601311	
	b) Sundry debtors	8	94461657	43674439	
	c) Cash and bank balances	9	65252093	68027168	
	d) Loans and advances	10	<u>143297371</u>	<u>111931208</u>	
			3157165428	2666234125	
	Less : Current liabilities and provisions (B)				
	a) Current liabilities	11	541778630	470324240	
	b) Provisions	12	<u>56088819</u>	<u>53223481</u>	
			597867449	523547721	
	Net current assets (A) - (B)			2559297979	2142686402
4	Miscellaneous expenditure (to the extent not written off or adjusted)	13		1439210	2285566
	<b>TOTAL</b>		<b><u>2704902456</u></b>		<b><u>2287045430</u></b>
Accounting policies and Notes on Accounts.	19				

For and on behalf of the Board of Directors

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

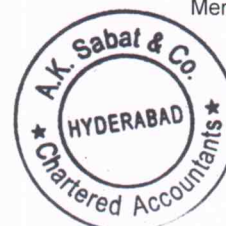
Place : Hyderabad  
Date : 10.06.2010

  
(G.YOGANAND)  
Managing Director

  
(G.SHIVALEELANAND)  
Director

  
(CEEPTI T)  
Company Secretary

  
(D.VIJAYA KUMAR)  
Partner  
Membership No. : 051961



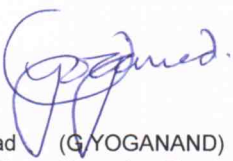
**MANJEERA CONSTRUCTIONS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010**

	Schedule	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
<b>INCOME</b>			
Sale of space - Manjeera Heights project		234868256	145629395
- Smart Homes (Villas) Project		12906150	2173200
- Smart Homes Apartments project		31897115	2294150
Contract receipts		312645848	461475612
Energy sales		6073432	5102621
Property management services		-	20000000
Miscellaneous income	14	6206224	1733480
		<b>604597025</b>	<b>638408458</b>
<b>EXPENDITURE</b>			
Cost of apartments sold	15	167920648	84955612
Contract expenses	16	273273313	378717971
Administrative & Selling expenses	17	22466563	26584120
		<b>463660524</b>	<b>490257704</b>
<b>PROFIT</b>			
Profit before interest, Depreciation & Tax		140936501	148150754
Interest & Financial expenses	18	7374763	15823690
<b>Profit before Depreciation &amp; Tax</b>		<b>133561738</b>	<b>132327064</b>
Depreciation		10285777	10692794
<b>Profit before taxation</b>		<b>123275961</b>	<b>121634270</b>
Provision for taxation		22235061	14074094
Provision for Deferred tax liabilities for the year		1522044	8474405
<b>Profit after tax</b>		<b>99518856</b>	<b>99085771</b>
Profit brought forward		153605516	74110950
Profit for appropriation		253124373	173196721
<b>APPROPRIATION</b>			
General Reserve		-	3000000
Proposed Dividend		15010102	15010102
Income tax on Proposed Dividend		2492990	2550967
Share of Loss transferred to Minority Interest		970678	969864
Balance transferred to Reserves & Surplus		<b>236591958</b>	<b>153605516</b>
Earnings per share - (basic & diluted) (Rs.)		7.96	7.92
Accounting policies and Notes on Accounts	19		

For and on behalf of the Board of Directors

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

  
Place : Hyderabad (G.YOGANAND)  
Date : 10.06.2010 Managing Director

   
(G.SHIVALEELANAND) (DEEPTHI T)  
Director Company Secretary

  
(D.VIJAYA KUMAR)  
Partner  
Membership No. : 051961

