Anthurium Developers Limited

Annual Report

2010-11

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their First Report together with the audited accounts of the Company for the period ended 31st March, 2011.

Incorporation

Your Company was incorporated on 2nd June, 2010 and has obtained its Certificate of Commencement of Business on 13th July, 2010.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

	For the period 2nd June, 2010 to 31st March, 2011
Total Income	—
Profit /(Loss) Before Depreciation, Interest and Taxation	(1,14,866)
Less : Depreciation	—
Profit / (Loss) Before Interest and Taxation	(1,14,866)
Less :Interest	—
Profit / (Loss) Before Taxation	(1,14,866)
Less : Provision for Taxation	
Current Tax	—
Deferred Tax	—
Profit / (Loss) for the period after Taxation	(1,14,866)
Balance carried forward to the Balance Sheet	(1,14,866)

Operations

During the year, your Company reviewed various proposals to undertake large format developments including residential developments. Your Company is looking out for suitable business opportunities in this area.

Dividend

In view of the losses, your Directors do not recommend a dividend for the period under review.

Capital

The Authorised Equity Share Capital of your Company is Rs.10 lakh and the paid-up equity share capital of your Company is Rs. 5 lakh.

Your Company is a wholly-owned subsidiary of Mahindra Lifespace Developers Limited and consequently a subsidiary of the ultimate holding company, Mahindra & Mahindra Limited.

Directors

Ms. Anita Arjundas, Mr. Rajan Narayan and Mrs. Beroz Gazdar being the first Directors of the Company holds office upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received notices from a member signifying the intention to propose Ms. Anita Arjundas, Mr. Rajan Narayan and Mrs. Beroz Gazdar as candidates for the office of Director, and consequently their appointments at the forthcoming Annual General Meeting are recommended for your approval.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the loss of the Company for the period ended on that date;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the period under review, received declarations under the Code from the Board Members of the Company affirming compliance with the Code.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, the first Auditors of the Company, who were appointed by the Board of Directors, retire as Auditors of the Company at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members are requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s. B. K. Khare & Co, Chartered Accountants, Mumbai, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

Public Deposits and Loans / Advances

The Company has not accepted deposits from the public or employees during the period under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the Rules made thereunder

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than Rs. 60,00,000 p.a. during the year ended 31st March, 2011, or was employed for a part of Financial Year and was in receipt of remuneration of not less than Rs. 5,00,000 p.m. during any part of the period.

Acknowledgment

The Directors are thankful to all consultants and associates of your Company for the support received from them during the period under review.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 19th April, 2011

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH, 2011.

A. CONSERVATION OF ENERGY

(a)	Energy conservation measures taken	:	The operations of your Company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption.
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy	:	Nil
(c)	Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	:	Not Applicable
(d)	Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule	:	Not Applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1.	Areas in which R & D is carried out	:	The Company has not carried out any R&D activities during the period
2.	Benefits derived as a result of the above efforts	:	Not Applicable
3.	Future Plan of action	:	Further quality improvement
4.	Expenditure on R & D	:	Nil
5.	Technology absorption, adaptation and innovation	:	Nil
6.	Imported Technology for the last 5 years	:	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the period under review.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 19th April, 2011

AUDITORS' REPORT

TO THE MEMBERS OF ANTHURIUM DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of Anturium Developers Limited as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. 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. As required by the Companies (Auditor's Report) Order, 2003, (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 the books.

   c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2011,

      ii) in the case of the Profit and Loss Account, of the loss for the period ended on that date, and

      iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2011, and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
B. K. Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
M. No. 44784

Place: Mumbai
Dated: April 19, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of Anthurium Developers for the year ended March 31, 2011.

1. The company did not own any fixed assets at the beginning or at the end of the year. Also it has not purchased or sold any fixed assets during the year. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (i) of para 4 of the Order are not applicable.
2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. Since the company has not dealt in purchase and sale of any finished goods, stores, spares and raw materials. Also neither it owned any fixed assets at the beginning or at the end of the year nor has purchased or sold any fixed assets during the year. Therefore provisions of sub-para (iv) of para 4 of the Order are not applicable.
5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
   a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of Rs. five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
   b) As there are no transactions exceeding the value of Rs. five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable
6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.
7. The provisions relating to internal audit are not applicable to the Company.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.
9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on March 31, 2011, for a period more than six months from the date they became payable.
   (ii) There are no disputed dues outstanding as on March 31, 2011 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.
10. The company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the period is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the period.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not obtained any term loans during the period ended March 31, 2011.
17. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the period.
19. The company has not issued any debentures during the period.
20. During the period the company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the period, nor have we been informed of such case by the management.

For and on behalf of
B. K. Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
M. No. 44784

Place: Mumbai
Dated: April 19, 2011

BALANCE SHEET AS AT 31 MARCH 2011

	Schedule	As at March 31, 2011 Rupees
SOURCES OF FUNDS		
Shareholders' funds		
Share capital	**1**	**500,000**
Total		**500,000**
APPLICATION OF FUNDS		
Current assets, loans and advances		
Cash and bank balances	**2**	**401,679**
Less: Current liabilities and provisions		
Current liabilities	**3**	**16,545**
Net current assets		**385,134**
Profit and loss account		**114,866**
Total		**500,000**

The Schedules referred above form an integral part of the Balance Sheet

In terms of our report attached

For **B.K. Khare & Co.**
Chartered Accountants

Padmini Khare Kaicker
Partner

Place: Mumbai
Date: April 19, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Beroz Gazdar Directors

Place: Mumbai
Date: April 19, 2011

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM JUNE 2, 2010 TO MARCH 31, 2011

	Schedule	June 2, 2010 to March 31, 2011 Rupees
EXPENDITURE		
Other expenses	**4**	**114,866**
Total.....		**114,866**
Profit / (Loss) after tax		**(114,866)**
Profit / (Loss) carried to the balance sheet		**(114,866)**

The Schedules referred above form an integral part of the Profit and Loss Account

In terms of our report attached

For **B.K. Khare & Co.**
Chartered Accountants

Padmini Khare Kaicker
Partner

Place: Mumbai
Date: April 19, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Beroz Gazdar Directors

Place: Mumbai
Date: April 19, 2011

CASH FLOW STATEMENT FOR THE PERIOD FROM JUNE 2, 2010 TO MARCH 31, 2011

		June 2, 2010 to March 31, 2011 Rupees
A.	**Cash flow from operating activities**	
	Profit / (Loss) before tax	**(114,866)**
	Adjustments for:	
	Operating profit / (loss)before working capital changes	**(114,866)**
	Changes in:	
	Increase / (decrease) in current liabilities	**16,545**
		16,545
	Cash (used in) / generated from operations	**(98,321)**
	Taxes paid	**—**
	Net cash (used in) from operating activities	**(98,321)**
B.	**Cash flow from investing activities:**	
	Net cash (used in) / from investing activities	**—**
C.	**Cash flow from financing activities:**	
	Proceeds from issue of shares	**500,000**
	Net cash (used in) / from financing activities	**500,000**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**401,679**
Cash & cash equivalents		
Opening balance		**—**
Closing balance		**401,679**
Net increase / (decrease) in cash and cash equivalents		**401,679**

In terms of our report attached

For **B.K. Khare & Co.**
Chartered Accountants

Padmini Khare Kaicker
Partner

Place: Mumbai
Date: April 19, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Beroz Gazdar Directors

Place: Mumbai
Date: April 19, 2011

SCHEDULES FORMING PART OF ACCOUNTS FOR THE PERIOD JUNE 2, 2010 TO MARCH 31, 2011

	As at March 31, 2011 Rupees
SCHEDULE 1 :	
SHARE CAPITAL	
Authorised	
50,00,000 Equity shares of Rs. 10 each	**50,000,000**
Issued, subscribed and paid up.	
50,000 equity shares of Rs.10 each fully paid.....	**500,000**
(The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees)	
	500,000

	As at March 31, 2011 Rupees
SCHEDULE 2 :	
CASH AND BANK BALANCES	
Balances with scheduled bank	
- on current account	**401,679**
	401,679

	As at March 31, 2011 Rupees
SCHEDULE 3:	
CURRENT LIABILITIES	
Current liabilities	
Sundry creditors	
- dues to micro enterprises and small enterprises	**-**
- others	**16,545**
	16,545

SCHEDULE 4 : **OTHER EXPENSES**	2 June 2010 to March 31, 2011 Rupees
Preliminary Expenses	**97,695**
Remuneration to auditors	
- Audit Fees	**16,545**
Miscellaneous Expenses	**626**
	114,866

SCHEDULE 5:

NOTES TO THE ACCOUNTS FOR THE PERIOD JUNE 2, 2010 TO MARCH 31, 2011

Background

The Company was incorporated on June 2, 2010 and is engaged in the business of development of Residential complexes and is in the process of identifying lands for acquisition for its projects.

1. Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

b) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

c) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2. The particulars regarding dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

3. **Related Party Disclosures:**

(i) List of related parties

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

(ii) Related party transactions for the period:

Mahindra Lifespace Developers Limited:	2nd June, 2010 to 31st March, 2011
Investment in Equity shares	**5,00,000**
Expenses reimbursed	**31,521**
Payable as at the year end	**Nil**

4. In line with AS 22, accounting for Taxes on Income, on principles of prudence, the company has not recognized the net deferred tax asset arising due to unabsorbed losses.

5. **Earnings per share:**

Net (loss) after tax (Rs.)	(1,14,866)
Weighted average number of Equity shares (Nos.)	41,507
Basic and Diluted Earnings per share (Rs.)	(2.77)
Nominal value of shares.(Rs.)	10

6. The company was incorporated on June 2, 2010 and the first accounts of the company are drawn for the period June 2, 2010 to March 31, 2011. Accordingly there are no previous year's figures.

7. INFORMATION PURSUANT TO PART IV SCHEDULE VI OF THE COMPANIES ACT,1956

Balance Sheet Abstract and Company's General Business Profile

I Registration details :

Registration no. U 7 0 1 0 9 M H 2 0 1 0 P L C 2 0 3 6 1 9 State code 1 1

Balance sheet date 3 1 (Date) 0 3 (Month) 2 0 1 1 (Year)

II Capital raised during the year (Amount in Rs.thousands)

Public issue	Rights issue
N I L	N I L
Bonus issue	**Private placement**
N I L	5 0 0

III Position of mobilisation and deployment of funds (Amount in Rs.thousands)

Total liabilities	Total assets
5 1 7	5 1 7

Sources of funds :

Paid-up capital	Reserves and surplus
5 0 0	N I L
Secured loans	**Deferred tax liability**
N I L	N I L

Application of funds

Net fixed assets	Investments
N I L	N I L
Net current assets	**Accumulated Losses**
3 8 5	1 1 5

IV **Performance of company** (Amount in Rs.thousands)

Turnover (including other income)	Total expenditure
0	1 1 5
Profit / (Loss) before tax	**Profit / (Loss) after tax**
(1 1 5)	(1 1 5)
Earning per share in Rs.	**Dividend rate %**
2 . 7 7	N I L

V Generic name of principal product /service of company.(as per monetary items)

Product description : DEVELOPMENT OF RESIDENTIAL DEVELOPMENT

ITC Code : N I L

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Beroz Gazdar Directors

Place: Mumbai

Date: April 19, 2011

Industrial Township (Maharashtra) Limited

Annual Report

2010-11

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Third Report together with the audited accounts of the Company for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Total Income	**1,54,280**	66,101
Profit /(Loss) Before Depreciation, Interest and Taxation	**13,67,660**	(4,44,602)
Less : Depreciation	**—**	—
Profit / (Loss) Before Interest and Taxation	**13,67,660**	(4,44,602)
Less :Interest	**13,38,083**	—
Profit / (Loss) Before Taxation	**29,577**	(4,44,602)
Less : Provision for Taxation		
Current Tax	**—**	—
Deferred Tax	**—**	—
Profit / (Loss) for the year after Taxation	**29,577**	(4,44,602)
Add : Balance of Profit /(Loss) for earlier years	**(11,00,056)**	(6,55,454)
Balance carried forward to the Balance Sheet	**(10,70,479)**	(11,00,056)

Operations

During the year, your Company has initiated the process of acquisition of land, in District Raigad, Maharashtra for the purpose of development of an Integrated Township with supporting infrastructure.

Dividend

In view of the carried forward losses, your Directors do not recommend a dividend for the year under review.

Capital

The Authorised Equity Share Capital of your Company is Rs. 10 crore and the paid-up equity capital of your Company is Rs. 5 crore.

Your Company is a wholly owned subsidiary of Mahindra Lifespace Developers Limited and consequently a subsidiary of the ultimate holding company, Mahindra & Mahindra Limited.

Directors

Ms. Anita Arjundas retires by rotation and being eligible offers herself for re-appointment.

Audit Committee

The Audit Committee of the Company comprises of Ms. Anita Arjundas, Mr. Rajan Narayan and Mr. Suhas Kulkarni. Ms. Anita Arjundas is the Chairperson of the Audit Committee.

Audit Committee met four times during the year under review.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Codes from the Board Members of the Company affirming compliance with the Code.

Auditors

M/s. A.F. Ferguson & Co., Chartered Accountants, Chennai, retire as auditors at the forthcoming Annual General Meeting. The members are requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has received written certificate from the above auditors proposed to be reappointed, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

Public Deposits and Loans / Advances

The Company has not accepted deposits from the public or employees during the year under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the Rules made thereunder

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than Rs. 60,00,000 p.a. during the year ended 31st March, 2011, or was employed for a part of Financial Year and was in receipt of remuneration of not less than Rs. 5,00,000 p.m. during any part of the year.

Acknowledgment

The Directors are thankful to all consultants and associates of your Company for the support received from them during the year under review.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 21st April, 2011

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2011

A. CONSERVATION OF ENERGY

(a)	Energy conservation measures taken	: The operations of your Company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy	: Nil
(c)	Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	: Not Applicable
(d)	Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule	: Not Applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1.	Areas in which R & D is carried out	: The Company has not carried out any R&D activities during the year
2.	Benefits derived as a result of the above efforts	: Not Applicable
3.	Future Plan of action	: Further quality improvement
4.	Expenditure on R & D	: Nil
5.	Technology absorption, adaptation and innovation	: Nil
6.	Imported Technology for the last 5 years	: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the year under review.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 21st April, 2011

AUDITORS' REPORT

TO THE MEMBERS OF
INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

1. We have audited the attached Balance Sheet of Industrial Township (Maharashtra) Limited as at March 31, 2011 , the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) 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 and proper returns adequate for the purposes of our audit;

   (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

      (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and

      (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **A.F. Ferguson & Co**
Chartered Accountants
Registration No: 112066W

B. Ramaratnam
Partner
(Membership No.21209)

Place: Chennai
Date: April 21, 2011

Annexure referred to in paragraph 3 of the Auditors' report to the members of Industrial Township (Maharashtra) Limited on the accounts for the year ended March 31, 2011

i. Having regard to the nature of Company's business / activities / result, clauses (i), (ii), (iv) to (viii), (x) to (xvi), (xviii) to (xx) of CARO are not applicable to the Company in the current year.

ii. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

iii. According to the information and explanations given to us in respect of the statutory dues:

a) The Company has generally been regular in depositing undisputed dues in respect of Income Tax and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Income Tax and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.

c) As on March 31, 2011, there are no dues of Income Tax which has not been deposited on account of disputes.

iv. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investment.

v. To the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed / reported during the year.

For **A.F. Ferguson & Co**
Chartered Accountants
Registration No: 112066W

B. Ramaratnam
Partner
(Membership No.21209)

Place: Chennai
Date: April 21, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	**1**	**50,000,000**	50,000,000
Loan funds			
Unsecured loans	**2**	**30,000,000**	—
Total		**80,000,000**	50,000,000
APPLICATION OF FUNDS			
Investments	**3**	**2,338,126**	3,566,101
Current assets, loans and advances			
Inventories	**4**	**2,794,373**	—
Cash and bank balances	**5**	**193,020**	444,196
Loans and advances	**6**	**75,000,000**	45,000,000
		77,987,393	45,444,196
Less: Current liabilities and provisions			
Current liabilities	**7**	**1,395,998**	110,353
Net current assets		**76,591,395**	45,333,843
Profit and loss account		**1,070,479**	**1,100,056**
Total		**80,000,000**	50,000,000
Notes to the accounts	**12**		

The Schedules referred above form an integral part of the Balance Sheet

In terms of our report attached

For **A.F.Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: April 21, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Suhas Kulkarni Directors

Place: Mumbai
Date: April 19, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
INCOME			
Other income	**8**	**154,280**	66,101
		154,280	66,101
EXPENDITURE			
Legal and professional charges		**1,456,290**	—
Other expenses	**9**	**124,703**	510,703
Interest and Finance Charges (net)	**10**	**1,338,083**	—
Decrease / (Increase) in work in progress	**11**	**(2,794,373)**	—
		124,703	510,703
Profit / (Loss) before tax		**29,577**	(444,602)
Provision for taxes		**—**	—
Profit / (Loss) after tax		**29,577**	(444,602)
(Loss) brought forward		**(1,100,056)**	(655,454)
(Loss) carried to the balance sheet		**(1,070,479)**	(1,100,056)
Basic and diluted earnings per share		**0.01**	(0.10)
Notes to Accounts	**12**		

The Schedules referred above form an integral part of the Profit and Loss Account

In terms of our report attached

For **A.F.Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: April 21, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Suhas Kulkarni Directors

Place: Mumbai
Date: April 19, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
A. Cash flow from operating activities		
Profit / (Loss) before tax	**29,577**	(444,602)
Adjustments for:		
Dividend Income	**(154,280)**	(66,101)
Interest & Finance Charges	**1,338,083**	—
Operating profit / (loss) before working capital changes	**1,213,380**	(510,703)
Changes in:		
(Increase) / decrease in loans and advances	**(30,000,000)**	(25,000,000)
(Increase) / decrease in inventories	**(2,794,373)**	—
Increase / (decrease) in current liabilities	**(52,438)**	(434,716)
Cash (used in) / from operations	**(32,846,811)**	(25,434,716)
Taxes Paid	**—**	—
Net cash (used in) / from operating activities	**(31,633,431)**	(25,945,419)
B. Cash flow from investing activities:		
Purchase of investments	**—**	(3,566,101)
Proceeds from sale of investments	**1,227,975**	—
Dividend received	**154,280**	66,101
Net cash (used in) / from investing activities	**1,382,255**	(3,500,000)
C. Cash flow from financing activities:		
Proceeds from borrowings	**30,000,000**	—
Proceeds from issue of shares	**—**	29,500,000
Net cash (used in) / from financing activities	**30,000,000**	29,500,000
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(251,176)**	54,581
Cash & cash equivalents		
Opening balance	**444,196**	389,615
Closing balance	**193,020**	444,196
Net increase / (decrease) in cash and cash equivalents	**(251,176)**	**54,581**

In terms of our report attached

For **A.F.Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: April 21, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Suhas Kulkarni Directors

Place: Mumbai
Date: April 19, 2011

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 1 : SHARE CAPITAL	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Authorised		
10,000,000 Equity shares of Rs. 10 each	**100,000,000**	**100,000,000**
Issued, subscribed and paid up.		
5,000,000 equity shares of Rs.10 each fully paid up. (The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees)	50,000,000	50,000,000
	50,000,000	**50,000,000**

SCHEDULE 2 : UNSECURED LOANS		
Intercorporate Deposit		
Mahindra Lifespace Developers Ltd	30,000,000	—
	30,000,000	**—**

SCHEDULE 3 : INVESTMENTS	No of Units As at 31/03/2011	No of Units As at 31/03/2010	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Investment in Mutual Funds (Non-Trade, Unquoted, Short Term)				
Religare Ultra Short Term - Regular	**2,335**	356,069	**2,338,126**	3,566,101
Total			**2,338,126**	3,566,101

SCHEDULE 4 : INVENTORIES		
Work in progress	**2,794,373**	—
	2,794,373	—

SCHEDULE 5 : CASH AND BANK BALANCES		
Cash on hand	**3,196**	3,196
Balances with scheduled bank		
- on current account	**189,824**	441,000
	193,020	444,196

SCHEDULE 6 : LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
- Advance towards purchase of Land	**75,000,000**	45,000,000
	75,000,000	45,000,000

SCHEDULE 7 : CURRENT LIABILITIES		
Current liabilities		
Sundry creditors		
- dues to micro enterprises and small enterprises	**—**	—
- others	**1,395,998**	110,353
	1,395,998	**110,353**

SCHEDULE 8 : OTHER INCOME	Year Ended March 31, 2011 Rupees	Year Ended March 31, 2010 Rupees
Dividend	**154,280**	66,101
	154,280	66,101

SCHEDULE 9 : OTHER EXPENSES		
Rates and taxes	**6,020**	385,650
Printing & Stationery	**—**	3,336
Remuneration to auditors		
- Audit Fees	**100,000**	100,000
- Reimbursement of expenses / levies	**10,300**	10,300
- Out of Pocket Expenses	**662**	—
Professional fees	**7,721**	11,031
Miscellaneous Expenses	**—**	386
	124,703	510,703

SCHEDULE 10 : INTEREST AND FINANCE CHARGES		
Interest on unsecured loan	**1,338,083**	—
	1,338,083	—

SCHEDULE 11 : DECREASE / (INCREASE) IN WORK IN PROGRESS		
Opening work in progress	**—**	
Closing work in progress	**2,794,373**	—
	(2,794,373)	**—**

SCHEDULE 12:

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

1. Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

b) Inventories

Inventories are valued at lower of cost and net realisable value. Cost represents expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

c) Investments

Short term investments are valued at lower of cost and net realizable value.

d) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

e) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are

determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2. The company was incorporated on July 2, 2008 and is engaged in the business of development of industrial parks. The company is in the process of identification of lands for acquisition and obtaining necessary approvals from Government authorities.

3. The particulars regarding dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

4. **Related Party transactions**

(i) List of related parties with whom there were transactions during the year:

Mahindra Lifespace Developers Limited — Holding Company

(ii) Related party transactions: Rs.

Particulars	**2010-11**	2009-10
Mahindra Lifespace Developers Limited		
Investment in Equity Shares	**—**	29,500,000
Inter Corporate Deposit taken	**30,000,000**	—
Interest on inter corporate deposit	**1,338,083**	—
Amount outstanding as on 31/03/2011	**31,338,083**	—

5. In line with AS 22, Accounting for Taxes on Income, on principles of prudence, the company has not recognized the net deferred tax asset arising due to unabsorbed losses.

6. **Earnings per Share**

	2010-11	**2009-10**
Net Profit / (loss) after tax (Rs.)	**29,577**	(444,602)
Weighted average number of equity shares (Nos.)	**5,000,000**	4,377,671
Basic and Diluted Earnings per share (Rs.)	**0.01**	(0.10)
Nominal value of shares (Rs.)	**10**	10

7. Previous period figures have been regrouped / recast, wherever necessary, to conform to this year's classification.

8. **INFORMATION PURSUANT TO PART IV SCHEDULE VI OF THE COMPANIES ACT,1956**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration details:

State code 11

Registration no. 11—184190

Balance sheet date 31 (date) 03 (month) 2011 (year)

II Capital raised during the year (amount in Rs.thousands)

Public issue	Rights issue
NIL	NIL
Bonus issue	**Private placement**
NIL	NIL

III Position of mobilisation and deployment of funds (amount in Rs.thousands)

Total liabilities	Total assets
81396	81396

Sources of funds

Paid-up capital	Reserves and surplus
50000	NIL
Unsecured loans	**Deferred tax liability**
30000	NIL

Application of funds

Net fixed assets	Investments
NIL	2338
Net current assets	**Accumulated losses**
76591	1071

IV Performance of company (amount in Rs.thousands)

Turnover (including other income)	Total expenditure
154	125
Profit/ (Loss) before tax	**Profit/ (Loss) after tax**
29	29
Earning per share in Rs.	**Dividend rate %**
0.01	NIL

V Generic name of principal product /service of company.(as per monetary items)

Product description : DEVELOPMENT OF INDUSTRIAL PARK

ITC Code : NIL

Signature to Schedules 1 to 12

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Suhas Kulkarni Directors

Place: Mumbai
Date: April 19, 2011

Knowledge Township Limited

Annual Report

2010-11

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Fourth Report together with the audited accounts of the Company for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Total Income	**4,482**	97,110
Profit /(Loss) Before Depreciation, Interest and Taxation	**(1,38,525)**	(1,09,324)
Less : Depreciation	**10,527**	10,337
Profit / (Loss) Before Interest and Taxation	**(1,49,052)**	(1,19,661)
Less :Interest	**—**	—
Profit / (Loss) Before Taxation	**(1,49,052)**	(1,19,661)
Less : Provision for Taxation	**—**	—
Profit / (Loss) for the year after Taxation	**(1,49,052)**	(1,19,661)
Add : Balance of Profit /(Loss) for earlier years	**(38,87,175)**	(37,67,514)
Balance carried forward to the Balance Sheet	**(40,36,227)**	(38,87,175)

Operations

Your Company has started acquisition of land to set up an Integrated Township in District Pune, Maharashtra. During the year, your Company acquired 272 acres of land and it is in process of acquiring additional land parcels in the targeted area.

Dividend

In view of the losses, your Directors do not recommend a dividend for the year under review.

Capital

The Authorised Equity Share Capital of your Company is Rs. 50 crore and the paid-up equity capital of your Company is Rs.21 crore.

Your Company is a wholly owned subsidiary of Mahindra Lifespace Developers Limited and consequently a subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Directors

Mr. Arun Nanda and Mr. Brij Mohan Kataria retire by rotation and being eligible offers themselves for re-appointment.

Audit Committee

The Audit Committee of the Company comprises of Ms. Anita Arjundas, Mr. Brij Mohan Kataria and Mrs. Beroz Gazdar. Ms. Anita Arjundas is the Chairperson of the Audit Committee.

Audit Committee met four times during the year under review.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the loss of the Company for the year ended on that date;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Code from the Board Members and Employees of the Company affirming compliance with the respective Codes.

Auditors

M/s. A.F. Ferguson & Co., Chartered Accountants, Chennai, retire as auditors at the forthcoming Annual General Meeting. The members are requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has received a written certificate from the above auditors proposed to be re-appointed, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

Public Deposits and Loans / Advances

The Company has not accepted deposits from the public or employees during the year under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the Rules made thereunder

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than Rs. 60,00,000 p.a. during the year ended 31st March, 2011, or was employed for a part of Financial Year and was in receipt of remuneration of not less than Rs. 5,00,000 p.m. during any part of the year.

Acknowledgment

The Directors are thankful to all consultants, associates and employees of your Company for the support received from them during the year.

For and on behalf of the Board

Arun Nanda
Chairman

Mumbai, 21st April, 2011

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

A. CONSERVATION OF ENERGY

(a)	Energy conservation measures taken	:	The operations of your Company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy	:	Nil
(c)	Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	:	Not Applicable
(d)	Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule	:	Not Applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1.	Areas in which R & D is carried out	:	The Company has not carried out any R&D activities during the period
2.	Benefits derived as a result of the above efforts	:	Not Applicable
3.	Future Plan of action	:	Further quality improvement
4.	Expenditure on R & D	:	Nil
5.	Technology absorption, adaptation and innovation	:	Nil
6.	Imported Technology for the last 5 years	:	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the year under review.

For and on behalf of the Board

Arun Nanda
Chairman

Mumbai, 21st April, 2011

AUDITORS' REPORT

TO THE MEMBERS OF
KNOWLEDGE TOWNSHIP LIMITED

1. We have audited the attached Balance Sheet of Knowledge Township Limited as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto, These financial statements are the responsibility of the Company's Management. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) 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 and proper returns adequate for the purposes of our audit;

   (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

      (b) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and

      (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **A.F. Ferguson & Co**
Chartered Accountants
Registration No: 112066W

B. Ramaratnam
Partner
(Membership No.21209)

Place : Chennai
Date : April 21, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts of Knowledge Township Limited for the year ended March 31, 2011

(i) Having regard to the nature of the Company's business / activities / result, clauses (iii), (v) to (viii),(x) to (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) No fixed assets have been disposed off during the year.

(iii) In respect of its inventory:

(a) As explained to us, the inventories representing land were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed dues, including Providend Fund, Income-tax, Service Tax, and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.

(c) As on March 31, 2011 there are no dues of Income-tax which have not been deposited on account of disputes.

(vi) To the best of our knowledge and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

For **A.F. Ferguson & Co**
Chartered Accountants
Registration No: 112066W

B. Ramaratnam
Partner
(Membership No.21209)

Place : Chennai
Date : April 21, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	**1**	**210,000,000**	210,000,000
Loan funds			
Unsecured loans	**2**	**132,100,000**	71,000,000
Total		**342,100,000**	281,000,000
APPLICATION OF FUNDS			
Fixed assets	**3**		
Gross block		**51,683**	51,683
Less: Depreciation		**25,367**	14,840
Net block		**26,316**	36,843
Investments	**4**	**—**	258,539
Current assets, Loans and advances			
Inventories	**5**	**151,083,842**	16,933,502
Cash and bank balances	**6**	**627,207**	284,446
Loans and advances	**7**	**199,487,179**	262,282,173
		351,198,228	279,500,121
Less: Current liabilities and provisions	**8**		
Current liabilities		**13,095,460**	2,649,291
Provisions		**65,311**	33,387
		13,160,771	2,682,678
Net current assets		**338,037,457**	276,817,443
Profit and loss account		**4,036,227**	3,887,175
Total		**342,100,000**	281,000,000
Notes to the accounts	**13**		

The Schedules referred above form an integral part of the Balance Sheet

In terms of our report attached

For **A.F.Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

Sejal Shah
Company Secretary

Place: Chennai
Date: April 21, 2011

For and on behalf of the Board of Directors

A.K. Nanda Chairman

Anita Arjundas
Brij Mohan Kataria
Beroz Gazdar Directors

Place: Mumbai
Date: April 19, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
INCOME			
Other income	**9**	**4,482**	97,110
Total		**4,482**	97,110
EXPENDITURE			
Project expenses	**10**	**134,150,340**	12,544,863
Decrease / (Increase) in work in progress	**11**	**(134,150,340)**	(12,544,863)
Depreciation		**10,527**	10,337
Other expenses	**12**	**143,007**	206,434
Total		**153,534**	216,771
(Loss) before tax		**(149,052)**	(119,661)
Provision for taxation		**—**	—
(Loss) after tax		**(149,052)**	(119,661)
(Loss) brought forward		**(3,887,175)**	(3,767,514)
(Loss) carried to balance sheet		**(4,036,227)**	(3,887,175)
Basic and diluted earnings per share		**(0.01)**	(0.01)
Notes to the accounts	**13**		

The Schedules referred above form an integral part of the Profit and Loss Account

In terms of our report attached

For **A.F.Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

Sejal Shah
Company Secretary

Place: Chennai
Date: April 21, 2011

For and on behalf of the Board of Directors

A.K. Nanda Chairman

Anita Arjundas
Brij Mohan Kataria
Beroz Gazdar Directors

Place: Mumbai
Date: April 19, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
A. Cash flow from operating activities		
Profit / (Loss) before tax	**(149,052)**	(119,661)
Adjustments for:		
Depreciation	**10,527**	10,337
Dividend income	**(1,742)**	(97,110)
Interest Expense	**10,783,436**	3,152,029
Operating Profit / (Loss) before working capital changes	**10,643,169**	2,945,595
Changes in:		
(Increase) / decrease in Loans and advances	**62,778,034**	(149,994,802)
(Increase) / decrease in Inventories	**(134,150,340)**	(12,544,863)
Increase / (decrease) in Current liabilities and Provisions	**(305,343)**	(672,154)
Cash (used in) / generated from operations	**(61,034,480)**	(160,266,224)
Income Taxes (Paid) / Refund received	**16,960**	(11,224)
Net cash (used in) / from operating activities	**(61,017,520)**	(160,277,448)
B. Cash flow from investing activities:		
Purchase of Investment (net)	**—**	(258,539)
Proceeds from sale of Investments	**258,539**	—
Dividend received	**1,742**	97,110
Net cash (used in) / from investing activities	**260,281**	(161,429)
C. Cash flow from financing activities:		
Proceeds from issue of share capital	**—**	84,000,000
Proceeds from borrowings	**61,100,000**	71,000,000
Net cash (used in) / from financing activities	**61,100,000**	155,000,000
Net cash flows during the year (A+B+C)	**342,761**	(5,438,877)
Cash & cash equivalents		
Opening balance	**284,446**	5,723,323
Closing balance	**627,207**	284,446
Net increase / (decrease) in cash and cash equivalents	**342,761**	(5,438,877)

In terms of our report attached

For **A.F.Ferguson & Co.**
Chartered Accountants

B. Ramaratnam
Partner

Sejal Shah
Company Secretary

Place: Chennai
Date: April 21, 2011

For and on behalf of the Board of Directors

A.K. Nanda Chairman

Anita Arjundas
Brij Mohan Kataria
Beroz Gazdar
Directors

Place: Mumbai
Date: April 19, 2011

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 1: SHARE CAPITAL		
Authorised		
50,000,000 equity shares of Rs 10 each	**500,000,000**	500,000,000
Issued, subscribed and paid up.		
21,000,000 equity shares of Rs.10 each fully paid up	**210,000,000**	210,000,000
The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees.		
	210,000,000	210,000,000

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 2: UNSECURED LOANS		
Inter Corporate Deposit	**132,100,000**	71,000,000
	132,100,000	71,000,000

SCHEDULE 3 :

FIXED ASSETS

Rupees

Description of Assets	Gross Block			Depreciation			Net Block	
	As at April 1, 2010	Additions	As at March 31, 2011	As at April 1, 2010	For the year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Computers	51,683	—	51,683	14,840	10,527	25,367	26,316	36,843
TOTAL	**51,683**	**—**	**51,683**	**14,840**	**10,527**	**25,367**	**26,316**	
Previous Year	51,683		51,683	4,503	10,337	14,840		36,843

	As at March 31, 2011	As at March 31, 2010	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 4 : INVESTMENTS	**No of Units**			
Investment in Mutual Fund (Non-trade, Unquoted, Short term)				
JM Money Manager Fund - Super Plus Plan - Daily dividend	—	25,840.20	—	258,539
			—	258,539

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 5 : INVENTORIES		
Work in progress	**151,083,842**	16,933,502
	151,083,842	16,933,502
SCHEDULE 6 : CASH AND BANK BALANCES		
Cash on hand	**7,748**	10,990
Balances with scheduled banks		
- on current account	**619,459**	273,456
	627,207	284,446

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 7 : LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	**1,260,000**	2,254,796
Advance for purchase of land	**198,216,762**	260,000,000
Taxation (net)	**10,417**	27,377
	199,487,179	262,282,173
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
Current liabilities		
Sundry creditors		
- dues to micro enterprises and small enterprises	**—**	—
- others	**109,270**	104,270
Other Liabilities	**747,506**	11,430
Interest accrued but not due on loans	**12,238,684**	2,533,591
	13,095,460	2,649,291
Provisions		
Compensated absences	**65,311**	33,387
	65,311	33,387

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
SCHEDULE 9 : OTHER INCOME		
Dividend from investments	**1,742**	97,110
Other Income	**2,740**	—
	4,482	97,110
SCHEDULE 10 : PROJECT EXPENSES		
Cost of Land	**117,024,739**	—
Legal and Professional fees	**4,248,355**	8,135,362
Salaries	**1,713,371**	946,146
Staff welfare expenses	**218,785**	97,880
Interest Expenses	**10,783,436**	3,152,029
Less Interest Income (Tax deducted at source - Nil, Previous year - Rs.10,224/-)	**—**	(51,620)
Other expenses	**161,654**	265,066
	134,150,340	12,544,863

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
SCHEDULE 11 : INCREASE / DECREASE IN INVENTORY		
Opening work in progress	**16,933,502**	4,388,639
Closing work in progress	**151,083,842**	16,933,502
	(134,150,340)	(12,544,863)
SCHEDULE 12 : OTHER EXPENSES		
Remuneration to auditors		
- Audit fees	**100,000**	100,000
- Out of pocket expenses	**690**	—
- Reimbursement of expenses/ levies	**10,300**	10,300
Legal & professional fees	**7,721**	2,192
Rates & taxes	**16,020**	93,130
Printing and stationery	**—**	812
Miscellaneous Expenses	**8,276**	—
	143,007	206,434

SCHEDULE 13

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

1. **Significant Accounting Policies**

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

b) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable costs of bringing the assets to its working condition for the intended use.

c) Depreciation

Fixed assets are depreciated on the Straight Line method in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956 based on the useful life estimated by the Management.

Accordingly Computers are depreciated at 20% which is higher than the rates specified in schedule XIV to the Companies Act, 1956.

d) Inventories

Inventories are valued at lower of cost and net realisable value. Cost represents cost of land, expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

e) Investments

Short term investments are valued at lower of cost and net realizable value.

f) Employee Benefits

(i) Short term employee benefit plans

Short term employee benefit plans such as salaries, special awards, medical benefits etc, which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the profit and loss account.

(ii) Defined Benefit Plan

Liability towards compensated absences is provided on the basis of an actuarial valuation, as on the Balance Sheet date, using the Projected Unit Credit method and debited to the profit and loss account on an accrual basis. Actuarial gains and losses arising during the year are recognized in the profit and loss account. This liability is not funded.

g) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

h) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2. The particulars regarding dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

3. **Related Party Disclosures:**

(i) List of related parties with whom there were transactions during the year:

Mahindra Lifespace Developers Limited	Holding Company

(ii) Transactions with the related parties

Particulars	**2010-11 Rs.**	2009-10 Rs.
Mahindra Lifespace Developers Ltd		
Issue of Share Capital	**—**	84,000,000
Inter Corporate Deposit received	**61,100,000**	121,000,000
Inter Corporate Deposit repaid	**—**	(50,000,000)
Interest on Inter Corporate Deposit	**1,07,83,436**	3,152,029
Payable	**73,338,684**	73,826,549

4. In line with AS 22, Accounting for Taxes on Income, on principles of prudence, the company has not recognised the net deferred tax asset arising due to unabsorbed losses.

5. **Expenditure in Foreign Currency:**

Particulars	**2010-11 Rs.**	2009-10 Rs.
Legal & Professional Charges	—	750,591
Travelling Expenses	—	120,884

6. **Employee benefits**

Compensated absences (not funded)

Particulars	**2010-11 Rs.**	2009-10 Rs.
Change in the present value of obligation during the year ended March 31, 2011	**31,924**	26,959
Present value of defined benefit obligation at the beginning of the year	**33,387**	6,428
Current Service Cost	**39,283**	27,384
Interest cost	**1,624**	450
Benefits Paid	**—**	—
Actuarial (Gain) / Loss	**(8,983)**	(875)
Present value of defined benefit obligation at the end of the year	**65,311**	33,387
Expense recognised in the Profit & Loss account for the year ended March 31, 2011		
Current Service Cost	**39,283**	27,384
Interest cost	**1,624**	450
Actuarial (gain) / loss recognized	**(8,983)**	(875)
Total Expenses	**31,924**	26,959
Principal actuarial assumptions as at March 31, 2011		
Discount rate	**8%**	8%
Mortality - LIC (1994-96) Ultimate Mortality Table		

7. Investments purchased and sold during the year:

	2010-11		2009-10	
	No of Units	**Cost (Rs)**	No of Units	Cost (Rs)
JM Money Manager Fund Super Plus Plan -Daily Dividend	**26,014**	**260,281**	479,746	4,800,000
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	**—**	**—**	381,952	4,038,571
	26,014	**260,281**	861,698	8,838,571

8. Earnings per share:

	2010 -11	2009-10
Net (loss) after tax (Rs.)	**(149,052)**	(119,661)
Weighted average number of equity shares (Nos.)	**21,000,000**	19,343,014
Basic and Diluted Earnings per share (Rs.)	**(0.01)**	(0.01)
Nominal value of share (Rs.)	**10**	10

9. Acquisition of land for the Knowledge City at Pune is in progress.

10. Previous year's figures have been regrouped / recast, wherever necessary, to conform to this year's classification.

11. INFORMATION PURSUANT TO PART IV SCHEDULE VI OF THE COMPANIES ACT,1956

Balance Sheet Abstract And Company's General Business Profile

I Registration details :

Registration no. 11—173137 State code 11

Balance sheet date 31 (Date) 03 (Month) 2011 (Year)

II Capital raised during the year (Amount in Rs.thousands)

Public issue	Rights issue
NIL	NIL
Bonus issue	**Private placement**
NIL	NIL

III Position of mobilisation and deployment of funds (Amount in Rs.thousands)

Total liabilities	Total assets
355261	355261

Sources of funds :

Paid-up capital	Reserves and surplus
210000	NIL
Secured loans	**Deferred tax liability**
NIL	NIL
Unsecured loans	
132100	

Application of funds

Net fixed assets	Investments
26	NIL
Net current assets	**Accumulated Losses**
338038	4036

IV **Performance of company** (Amount in Rs.thousands)

Turnover (including other income)	Total expenditure
4	153
Profit / (Loss) before tax	**Profit / (Loss) after tax**
(149)	(149)
Earning per share in Rs.	**Dividend rate %**
(0.01)	NIL

V Generic name of principal product /service of company.(as per monetary items)

Product description : DEVELOPMENT OF INDUSTRIAL PARKS

ITC Code : N I L

Signature to Schedules 1 to 13

For and on behalf of the Board of Directors

A.K. Nanda Chairman

Anita Arjundas

Brij Mohan Kataria Directors

Beroz Gazdar

Place: Mumbai

Date: April 19, 2011

Sejal Shah

Company Secretary

Infrastructure Developers Limited

Annual Report

2010-11

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Tenth Report together with the audited accounts of your Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

		(Rupees)
	2011	2010
Income	**4,064,572**	11,726,098
Profit before Depreciation and Taxation	**2,053,072**	6,418,673
Less: Depreciation	**12,944**	289,423
Profit/(Loss) before Taxation	**2,040,128**	6,129,250
Less: Provision for Taxation		
Current Tax	**507,252**	1,000,000
Deferred Tax	**(155,560)**	2,374,820
Profit/ (Loss) after Taxation	**1,688,436**	2,754,430
Profit brought forward from previous year	**8,126,348**	5,371,918
Balance carried to Balance Sheet	**9,814,784**	8,126,348

OPERATIONS

During the year under review, your Company's income has decreased to Rs. 40.65 lakhs as compared to Rs.117.26 lakhs in the previous year.

Post the notice of termination of Municipal Solid Waste agreement issued by the Company to Tirumala Tirupati Devasthanam (TTD) due to non fulfillment of obligations on the part of TTD, the Company and TTD had several rounds of discussion on the way forward. A resolution of all the pending issues is expected shortly.

DIVIDEND

With a view to conserve resources, your Directors do not recommend any dividend for the year.

DIRECTORS

Mr. S. Venkatraman, retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment.

AUDIT COMMITTEE

The Audit Committee presently comprises of Mr. S. Venkatraman (Chairman of the Committee), Mr. A. K. Nanda and Ms. Anita Arjundas.

The Audit Committee met twice during the year under review

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March , 2011 and of the profit of the Company for the year ended on that date;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

CODES OF CONDUCT

The Company had adopted Codes of Conduct ('Codes') for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Codes from the Directors and the Senior Management and Employees of the Company affirming compliance with the respective Codes.

AUDITORS

Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai retire as Auditors at the forthcoming Annual General Meeting. The members will be required to re-appoint auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received written certificate from the above Auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

PUBLIC DEPOSITS AND LOANS/ADVANCES

The Company has not accepted any deposits from the public or employees during the year under review.

The Company has not made any loans/ advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the Parent Companies - Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited listed with the Stock Exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company's commitment towards safety, health and environment is being continuously enhanced by its various initiatives on safety awareness, health surveys of employees etc. The health survey of site personnel is conducted once in a year. The persons working at site are given adequate training on safety and health. The requirements relating to various environmental legislations and environment protection have been duly complied by your Company.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND RULES FRAMED THEREUNDER

The Company had no employee, who was employed throughout the financial year and was in receipt of remuneration, of not less than Rs. 60,00,000 /- p.a. during the year ended 31st March , 2011 or who was employed for the part of the financial year and was in receipt of remuneration of not less than Rs.5,00,000/- p.m.

For and on behalf of the Board

S. Venkatraman
Director

Anita Arjundas
Director

Mumbai, 19th April, 2011

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2011.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

During the year, the Company has taken the following initiative:

Used High pressure Sodium vapour lamps and metal halide lamps for getting high efficiency. These lamps have power saving features.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

(c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in reduction of Energy consumption.

(d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1.	Areas in which R & D is carried out:	None
2.	Benefits derived as a result of the above efforts:	Not Applicable.
3.	Future Plan of action:	Further quality improvement
4.	Expenditure on R & D:	Nil
5.	Technology absorption, adaptation and innovation:	None
6.	Imported Technology for the last 5 years:	None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2010 - 11
Total Foreign Exchange earned:	Nil
Total Foreign Exchange used:	Nil

For and on behalf of the Board

S. Venkatraman
Director

Anita Arjundas
Director

Mumbai, 19th April, 2011

AUDITORS' REPORT

TO THE MEMBERS OF

MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of **MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117365W)

A. C. Khanna
Partner
(Membership No.17814)

MUMBAI, 19th April, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/ activities/results, clauses (vi), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) No physical verification of fixed assets was carried out by the management during the year. The Company has a system of verifying the fixed assets once in every three years. The last physical verification was done in March, 2009. In our opinion, the frequency of verification of fixed assets is at reasonable intervals.

(c) During the year, the Company has not disposed any part of its fixed assets.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. However, in respect of interest of Rs. 0.29 Lakh accrued and due on unsecured loan granted in prior years, it has been provided for as a doubtful advance in the Accounts for the year ended 31st March, 2008.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956, particulars of which need to be entered in the register required to be maintained under that section. As there are no such contracts or arrangements, paragraph 4 (v) (b) of the Order is not applicable.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(viii) According to the information and explanation given to us, rules made in respect of manufacture of fertilizers, by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company during the year.

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there are no dues of Income-tax, Service Tax and Cess which have not been deposited as on 31st March, 2011 on account of any disputes.

(x) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117365W)

A. C. Khanna
Partner
(Membership No. 17814)

MUMBAI, 19th April, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

Rs.

		Schedules	Rupees	As at March 31, 2011	As at March 31, 2010
I	**SOURCES OF FUNDS:**				
	Shareholders' Funds:				
	Capital	**I**		**180,000,000**	180,000,000
	Reserve & Surplus				
	Profit & Loss Account Balance			**9,814,784**	8,126,348
	Deferred Tax Liability [Net] (Note 5)			**5,128,978**	5,284,538
				194,943,762	193,410,886
II	**APPLICATION OF FUNDS:**				
	Fixed Assets:	**II**			
	Gross Block		**22,825,821**		22,825,821
	Less: Depreciation		**3,090,881**		3,077,937
	Net Block			**19,734,940**	19,747,884
	Investments	**III**		**150,749,990**	150,749,990
	Current Assets, Loans and Advances:	**IV**			
	Inventories		**1,891,517**		1,984,110
	Sundry Debtors		**22,113,421**		18,490,701
	Cash and Bank balance		**5,324,000**		6,548,538
	Loans and Advances		**4,823,078**		4,684,525
			34,152,016		31,707,874
	Less:				
	Current Liabilities and Provisions:	**V**			
	Current Liabilities		**9,577,196**		8,678,874
	Provisions		**115,988**		115,988
			9,693,184		8,794,862
	Net Current Assets			**24,458,832**	22,913,012
				194,943,762	193,410,886
	NOTES ON ACCOUNTS	**X**			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A. C. Khanna
Partner

Place: Mumbai
Date: 19th April, 2011

For and on behalf of the Board of Directors

Mr. S. Venkatraman
Ms. Anita Arjundas
} *Directors*

Place: Mumbai
Date: 19th April, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedules			2011 Rupees	2010 Rupees
INCOME	**VI**			**4,064,572**	11,726,098
				4,064,572	11,726,098
EXPENDITURE:					
Raw Materials & Finished Products	**VII**			**92,593**	580,638
Personnel expenses	**VIII**			**1,337,590**	3,569,432
Other expenses	**IX**			**581,317**	1,157,355
Depreciation				**12,944**	289,423
				2,024,444	5,596,848
Profit/(Loss) for the year before taxation				**2,040,128**	6,129,250
Profit/(Loss) from continuing operation before taxation (Note 8)			**2,744,786**		8,657,147
Less:Provision for taxation					
Current tax		**507,252**			1,000,000
Deferred tax (Note 5)		**(3,667)**			2,374,820
			503,585		3,374,820
Profit/(Loss) from continuing operation after taxation				**2,241,201**	5,282,327
Profit/(Loss) from discontinuing operation before taxation (Note 8)			**(704,658)**		(2,527,897)
Less:Provision for taxation					
Current tax		**—**			—
Deferred tax (Note 5)		**(151,893)**			—
			(151,893)		—
Profit/(Loss) from discontinuing operation after taxation				**(552,765)**	(2,527,897)
Profit after taxation				**1,688,436**	2,754,430
Profit brought forward from previous year				**8,126,348**	5,371,918
Balance carried to Balance Sheet				**9,814,784**	8,126,348
Earnings per share (Note 4)					
Basic				**0.09**	0.15
Diluted				**0.09**	0.15
NOTES ON ACCOUNTS	**X**				

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A. C. Khanna
Partner

Place: Mumbai
Date: 19th April, 2011

For and on behalf of the Board of Directors

Mr. S. Venkatraman
Ms. Anita Arjundas
} *Directors*

Place: Mumbai
Date: 19th April, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

		2011 Rupees	2010 Rupees
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit/(Loss) before taxation	**2,040,128**	6,129,250
	Adjustments for:		
	Depreciation	**12,944**	289,423
	Interest on bank deposits	**(390,381)**	(442,884)
		(377,437)	(153,461)
	Operating Profit before Working capital changes	**1,662,691**	5,975,789
	Changes in:		
	Trade and other receivables	**(3,698,786)**	(6,807,184)
	Trade and other payables	**869,277**	390,283
		(2,829,509)	(6,416,901)
	Cash generated from operations	**(1,166,818)**	(441,112)
	Income taxes paid	**(605,313)**	(1,073,595)
	Cash used in continuing operations	**(1,772,131)**	(1,514,707)
	Changes in:		
	Trade and other receivables	**(46,516)**	(40,232)
	Inventories	**92,593**	275,860
	Trade and other payables	**29,045**	(648,507)
	Cash from/(used in) discontinued operations	**75,122**	(412,879)
	NET CASH USED IN OPERATING ACTIVITIES	**(1,697,009)**	(1,927,586)
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Sale of fixed assets	**—**	9,750
	Interest received	**472,471**	573,114
	Cash from continuing operations	**472,471**	582,864
	Cash from/(used in) discontinued operations	**—**	—
	NET CASH FROM INVESTING ACTIVITIES	**472,471**	582,864
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Cash from continuing operations	**—**	—
	Cash from/(used in) discontinued operations	**—**	—
	NET CASH FROM FINANCING ACTIVITIES	**—**	—
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(1,224,538)**	(1,344,722)
	CASH AND CASH EQUIVALENTS (see Note below)		
	Opening balance	**6,548,538**	7,893,260
	Closing balance	**5,324,000**	6,548,538
	Note:		
	Cash and cash equivalents includes:		
	Cash on hand	**—**	—
	Balances with Scheduled Banks:		
	(I) on Current Accounts.....	**162,419**	854,223
	(II) on Fixed Deposit Account [includes Rs. 286,808 (2010: Rs.260,359) against Bank Guarantee, Margin money, etc].....	**5,161,581**	5,694,315
		5,324,000	6,548,538

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A. C. Khanna
Partner

Place: Mumbai
Date: 19th April, 2011

For and on behalf of the Board of Directors

Mr. S. Venkatraman
Ms. Anita Arjundas
} *Directors*

Place: Mumbai
Date: 19th April, 2011

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2011

	2011 Rupees	2010 Rupees
SCHEDULE I		
SHARE CAPITAL:		
Authorised:		
20,000,000 Equity Shares of Rs.10 each.....	**200,000,000**	200,000,000
Issued:		
18,000,000 Equity Shares of Rs.10 each.....	**180,000,000**	180,000,000
Subscribed and Paid-up:		
18,000,000 Equity Shares of Rs.10 each fully paid-up.....	**180,000,000**	180,000,000
[Of the above, 18,000,000 (2010: 14,400,000) equity shares are held by Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees]		
	180,000,000	180,000,000

SCHEDULE II
FIXED ASSETS (Note 8):

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st Mar, 2010	**Addition for the year**	**Deduction for the year**	**As at 31st Mar, 2011**	As at 31st Mar, 2010	**For the year**	**Deduction for the year**	**Upto 31st Mar, 2011**	**As at 31st Mar, 2011**	**As at 31st Mar, 2010**
	Rupees	**Rupees**	**Rupees**	**Rupees**	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Building.....	3,158,995	**—**	**—**	**3,158,995**	314,363	**—**	**—**	**314,363**	**2,844,632**	**2,844,632**
Plant & Machinery and Office Equipment.....	19,407,360	**—**	**—**	**19,407,360**	2,600,758	**1,260**	**—**	**2,602,018**	**16,805,342**	**16,806,602**
Computer.....	135,277	**—**	**—**	**135,277**	96,512	**11,684**	**—**	**108,196**	**27,081**	**38,765**
Furniture & Fixtures.....	28,189	**—**	**—**	**28,189**	17,933	**—**	**—**	**17,933**	**10,256**	**10,256**
Vehicle.....	96,000	**—**	**—**	**96,000**	48,371	**—**	**—**	**48,371**	**47,629**	**47,629**
Total	22,825,821	**—**	**—**	**22,825,821**	3,077,937	**12,944**	**—**	**3,090,881**	**19,734,940**	**19,747,884**
Previous year	22,837,008	**—**	**11,187**	**22,825,821**	2,789,951	**289,423**	**1,437**	**3,077,937**	**19,747,884**	

Number	Face value per unit Rupees		2011 Rupees	2010 Rupees
		SCHEDULE III		
		INVESTMENTS (Unquoted):		
		Long term, Trade, At cost-Less provision for diminution, if any:		
		Equity Shares:		
500	10	Rathna Bhoomi Enterprises Pvt. Ltd	**5,000**	5,000
		Less: Provision for diminution in the value of investment.....	**5,000**	5,000
			—	—
50,000	10	Mahindra Water Utilities Ltd	**500,000**	500,000
15,000,000	10	New Tirupur Area Development Corporation Ltd.....	**150,000,000**	150,000,000
24,999	10	Mahindra Inframan Water Utilities Pvt. Ltd	**249,990**	249,990
			150,749,990	150,749,990
		Preference Shares:		
238,500	10	Rathna Bhoomi Enterprises Pvt. Ltd	**2,385,000**	2,385,000
		10% Non-cumulative redeemable participating optionally convertible preference shares		
		Less: Provision for diminution in the value of investment.....	**2,385,000**	2,385,000
			—	—
			150,749,990	150,749,990

		2011 Rupees	2010 Rupees
SCHEDULE IV			
CURRENT ASSETS, LOANS AND ADVANCES:			
Inventories (at lower of cost and net realisable value)			
Finished Product	**1,813,622**		1,906,215
Packing Materials.....	**77,895**		77,895
		1,891,517	1,984,110
Sundry Debtors - Unsecured, considered good:			
Debts outstanding for a period exceeding six months	**20,308,186**		11,744,270
Other debts	**1,805,235**		6,746,431
		22,113,421	18,490,701
Cash and Bank Balance:			
Cash on hand	**—**		—
Balance with Scheduled Banks:			
on Current Accounts.....	**162,419**		854,223
on Fixed Deposit Account [includes Rs. 286,808 (2010: Rs.260,359) against Bank Guarantee, Margin money, etc]	**5,161,581**		5,694,315
		5,324,000	6,548,538
Loans and Advances - Unsecured			
Advances recoverable in cash or in kind or for value to be received good	**1,075,819**		1,035,327
- doubtful	**29,392**		29,392
	1,105,211		1,064,719
Less: Provision for doubtful advance	**29,392**		29,392
	1,075,819		1,035,327
Income-tax paid less provision thereagainst	**3,742,604**		3,644,543
Fringe benefit tax paid less provision there against	**4,655**		4,655
		4,823,078	4,684,525
		34,152,016	31,707,874

		2011 Rupees	2010 Rupees
SCHEDULE V			
CURRENT LIABILITIES AND PROVISIONS:			
Current Liabilities:			
Sundry Creditors (Note 9):			
(i) total outstanding dues of micro enterprises and small enterprises	—		—
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,736,634		7,716,767
		8,736,634	7,716,767
Other Liabilities		840,562	962,107
		9,577,196	8,678,874
Provisions:			
Provision for tax less payment thereagainst		110,201	110,201
Provision for Fringe benefit tax less payment thereagainst		5,787	5,787
		115,988	115,988
		9,693,184	8,794,862

		2011 Rupees	2010 Rupees
SCHEDULE VI			
INCOME:			
Management fees		3,600,000	11,080,000
Sale of Bio-Compost		66,500	159,488
Interest on Bank deposits:			
[Tax deducted at source: Rs. 78,233 (2010: Rs.55,234)]		390,381	442,884
Sundry balances written back (net)		7,691	8,601
Provision for compensated absences no longer required		—	12,994
Sale of scrap		—	15,131
Miscellaneous income		—	7,000
		4,064,572	11,726,098

		2011 Rupees	2010 Rupees
SCHEDULE VII			
RAW MATERIALS AND FINISHED PRODUCTS:			
(A) (Increase) / Decrease in Stock of Finished Goods:			
Opening Stock:			
Finished Product	1,906,215		1,712,920
Semi-Finished Product	—		423,100
		1,906,215	2,136,020
Less: Closing Stock:			
Finished Product	1,813,622		1,906,215
Semi-Finished Product	—		—
		1,813,622	1,906,215
(Increase) / Decrease in Stock		92,593	229,805
(B) Consumption of Raw Materials:			
Opening Stock		—	44,175
Add: Purchase:			
[Including Transportation charges of Rs. Nil (2010: Rs. 303,810)]		—	304,778
Less: Closing Stock		—	—
		—	348,953
(C) Consumption of Packing Materials:			
Opening Stock		77,895	79,775
Add: Purchase		—	—
Less: Closing Stock		77,895	77,895
		—	1,880
		92,593	580,638

		2011 Rupees	2010 Rupees
SCHEDULE VIII			
PERSONNEL EXPENSES:			
Salaries and Allowances (including cost of contract labour)		325,200	1,209,095
Contribution to Provident and other funds (contract labour)		36,216	62,704
Secondment Charges		945,394	2,255,980
Welfare		30,780	41,653
		1,337,590	3,569,432

		2011 Rupees	2010 Rupees
SCHEDULE IX			
OTHER EXPENSES:			
Auditors' Remuneration			
for Statutory audit	210,000		181,500
for Out of pocket expenses	193		521
		210,193	182,021
Electricity Charges		6,035	28,663
Equipment Hiring Charges		—	207,430
Printing and Stationery		342	2,253
Professional Charges		33,500	119,600
Rent, Rates and Taxes		—	60,730
Insurance		51,194	54,948
Repairs and Maintenance:			
Machinery		29,176	27,460
Others		9,705	53,574
Security Charges		183,884	222,935
Bad Debts Written off		—	3,500
Stamp and Filing fees		5,640	4,140
Telephone expenses		1,669	45,617
Transportation Charges		—	990
Travelling expenses		35,944	92,570
Vehicle expenses		—	23,589
General and miscellaneous expenses		14,035	27,335
		581,317	1,157,355

SCHEDULE X

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

1. Significant Accounting Policies:

   a) Basis for preparation of accounts:

   The accounts have been prepared to comply, in all material aspects, with the applicable accounting principles in India, the Accounting Standards referred to in sub-section (3C) of section 211 and relevant provisions of the Companies Act, 1956.

   b) Fixed Assets:

   (i) All Fixed Assets are carried at cost less depreciation. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of fixed assets upto the date the asset is ready for use.

   When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss Account.

(ii) Depreciation on assets is calculated on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except depreciation on building which is provided at 4.75% p. a. on the SLM. (Refer note 8)

c) Investments:

Long-term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

d) Inventories:

Inventories are stated at cost or net realisable value, whichever is lower. Cost is arrived at on first-in first-out basis and includes overheads on absorption basis, where appropriate.

e) Revenue Recognition:

Management fees arising from projects developed by the Company, is accounted in the year in which such income is established as receivable and is disclosed net of service tax charged to the Client which in turn is paid/ payable to the Government.

Sales of products are recognised when the products are dispatched.

Dividend income is recognised in the Profit and Loss Account when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

f) Income Taxes:

Current tax is determined as the amount of tax payable in respect of taxable income or minimum alternative tax (MAT) computed on book profits for the year. Tax credit on MAT is recognised in a subsequent year when the tax obligation is recognised on taxable income. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is virtual certainty, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

g) Segment reporting:

The Company has a single reportable segment namely development of infrastructure projects and infrastructure related services for the purpose of Accounting Standard 17 on Segment Reporting.

2. Contingent liability not provided for:

Guarantee/Counter Guarantee given by the Company:

Rupees

	Amount of Guarantee		**Amount outstanding**		**Maximum liability of the Company**	
	2011	2010	**2011**	2010	**2011**	2010
For Joint Venture Companies	**180,000,000**	180,000,000	**180,000,000**	180,000,000	**90,000,000**	90,000,000

3. Information pertaining to Joint Ventures:

Rupees

	2011	2010	**2011**	2010
Name of Joint Venture	**Mahindra Water Utilities Limited**		**Mahindra Inframan Water Utilities Pvt Ltd.**	
	Unaudited	Audited	**Audited**	
Equity Interest	**50%**	50%	**50%**	50%
Incorporated	**India**	India	**India**	India
Share in Assets & Liabilities	**143,840,112**	123,448,317	**418,131**	408,881
Share in Income	**62,408,368**	65,764,376	**21,946**	23,809
Share in Expenditure	**31,399,803**	36,403,357	**8,560**	9,422

4. Earnings Per Share:

The computation of the "Earnings per share" in line with Accounting Standard 20 is as under:

		2011	2010
A.	Net Profit after tax available for equity shareholders (Rs.)	**1,688,436**	2,754,430
B.	Nominal value per Share (Rs.)	**10**	10
C.	Weighted Average number of Equity Shares (No.)	**18,000,000**	18,000,000
D.	Basic Earnings per share (Re.)	**0.09**	0.15
E.	Total Weighted Average number of Equity Shares (No.)	**18,000,000**	18,000,000
F.	Diluted Earnings per share (Re.)	**0.09**	0.15

5. The components of Deferred Tax Liabilities (DTL)/Deferred Tax Assets (DTA) as at 31st March, 2011 are as follows:

		2011	2010
		Rupees	Rupees
Deferred tax liability:			
(i)	On difference between book depreciation and tax depreciation……	**5,138,060**	5,514,990
		5,138,060	5,514,990
Deferred tax assets:			
(i)	Carried forward depreciation….	—	220,462
(ii)	Provision for doubtful advance…	**9,082**	9,990
		9,082	230,452
Deferred tax liability (Net)…		**5,128,978**	5,284,538

6. The following disclosures are made as required in pursuance of the Accounting Standard 18 "Related Party Disclosures"

List of related parties with whom the Company has transactions

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited		Controlling Company
2	Mahindra Lifespace Developers Limited		Holding Company

Fellow Subsidiaries

1	Mahindra Consulting Engineers Limited	2	Mahindra World City Developers Limited

Joint Ventures

1	Mahindra Water Utilities Limited	2	Mahindra Inframan Water Utilities Private Limited

Transactions with related parties during the year and balance as on 31st March, 2011:

Rupees

Nature of transactions	**Enterprise controlling the Company**	**Fellow Subsidiaries**	**Joint Ventures / Associates**
Rendering of services	—	—	**3,600,000**
	(—)	*(1,600,000)*	*(9,480,000)*
Sale of goods	—	**17,500**	—
	(—)	*(—)*	*(—)*
Expenses	**946,115**	—	—
	(2,143,177)	*(112,803)*	*(—)*
Maximum liability to the Company in respect of guarantees outstanding	—	—	**90,000,000**
	(—)	*(—)*	*(90,000,000)*
Receivables	—	—	**21,913,260**
	(—)	*(—)*	*(18,339,540)*
Payables	**6,246,312**	**128,262**	—
	(5,307,097)	*(128,262)*	*(—)*

1. Previous year's figures are in brackets and italic

2. During the year there were no amounts written off and written back from such parties.

The Significant related party transactions are as under:

Nature of transactions	Enterprise controlling the Company	Amount Rupees	Joint Ventures/ Associates/ Fellow subsidiaries	Amount Rupees
Rendering of services	—	— *(—)*	Mahindra Water Utilities Limited (Joint Venture)	**3,600,000** *(9,480,000)*
	—	— *(—)*	Mahindra World City Developers Limtied (Fellow subsidiary)	— *(1,600,000)*
Sale of Goods	—	— *(—)*	Mahindra Consulting Engineers Limited. (Fellow subsidiary)	**17,500** *(—)*
Expenses	Mahindra & Mahindra Limited (Controlling Company)	**217,475** *(383,590)*	—	— (—)
	Mahindra Lifespace Developers Limited (Holding Company)	**728,640** *(1,759,587)*	Mahindra Consulting Engineers Limited. (Fellow subsidiary)	— *(112,803)*

Previous year's figures are in brackets and italic

7. Additional information pursuant to the provision of paragraphs 3(i)(a), 3(ii)(a) and 4C of Part II of Schedule VI to the Companies Act, 1956.

A) Particulars in respect of goods manufactured:

Class of goods	Units of Measure-ment	Year	Installed Capacity per annum ^	Actual Quantity Produced	Opening Stock		Closing Stock		Sales	
					Qty	Value Rs.	Qty	Value Rs.	Qty	Value Rs.
Farm Rich	MT	**2011**	18,000	—	**768.37**	**1,906,215**	**743.37**	**1,813,622**	**25.00**	**66,500**
	MT	2010		141.40	685.17	1,712,920	768.37	1,906,215	58.20	159,488
Garden Mixture *	MT	**2011**			**862.80**	—	**862.80**	—	—	—
	MT	2010			923.80	423,100	862.80	—	—	—
Total		**2011**				**1,906,215**		**1,813,622**		**66,500**
		2010				2,136,020		1,906,215		159,488

^ The installed capacity has been certified by a Director, which the auditors have relied on without verification as this is a technical matter.

* Garden Mixture quantities are processed further and converted into Farm Rich. Hence, there is no actual quantity produced.

B) Particulars of Raw Materials Consumed:

Class of Goods	Units of Measurement	2011		2010	
		Quantity	**Value Rs. #**	Quantity	Value Rs. #
Rapidcom Digester	Kgs	—	—	1,425	45,143
Total		—	—	—	45,143

Value of material consumed comprises of Indigenous Consumption only.

8. For the Solid Waste Treatment Agreement on 17th January, 2003 ("the Agreement") executed with Tirupati Temple Devasthanam (TTD) for operating a solid waste treatment plant ("the project") at Tirupati, the Company has terminated the Agreement with effect from 19th June, 2009. Discussions are on with TTD for resolving all the pending issues post termination in accordance with the terms of the agreement. The project has not been operating since the termination. Accordingly no depreciation on the facilities has been provided since 20th June, 2009. The particulars of the facilities as on 20th June, 2009 to be transferred to TTD on acceptance of the termination by them are given below:

Rupees

Description of Assets	Written Down Value of the Assets
Building	2,844,632
Plant & Machinery and Office Equipment	16,797,011
Computer	4,782
Furniture & Fixtures	10,256
Vehicle	47,629
Total	19,704,310

The carrying amount of current assets pertaining to the above discontinuing operation is Rs. 2,257,206 (2010: Rs. 2,273,190) and its current liabilities is Rs. 2,028,328 (2010: Rs. 1,999,283).

The following statement shows the revenue and expenses of the continuing and the above discontinuing operation of the Company:

(Amount in Rupees)

Particulars	Continuing Operation		Discontinuing Operation		Total	
	2011	2010	**2011**	2010	**2011**	2010
Income	**3,990,381**	11,538,015	**74,191**	188,083	**4,064,572**	11,726,098
Raw Materials & Finished Products	—	—	**(92,593)**	(580,638)	**(92,593)**	(580,638)
Personnel Expenses	**(976,174)**	(2,510,760)	**(361,416)**	(1,058,672)	**(1,337,590)**	(3,569,432)
Other Expenses	**(256,477)**	(348,591)	**(324,840)**	(808,764)	**(581,317)**	(1,157,355)
Depreciation	**(12,944)**	(21,517)	—	(267,906)	**(12,944)**	(289,423)
Profit/(Loss) for the year before taxation	**2,744,786**	8,657,147	**(704,658)**	(2,527,897)	**2,040,128**	6,129,250

9. No Companies have been identified under the Micro Small and Medium Enterprises Development Act, 2006 as on 31st March, 2011 and hence the disclosures as required by Notification No. G.S.R. 719 (E), dated 16th November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

10. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

Signatures to Schedules I to X

Mr. S. Venkatraman

Ms. Anita Arjundas

} *Directors*

Place: Mumbai
Date: 19th April, 2011

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract And Company's General Business Profile

I Registration Details :

Registration no. 11-131942 State code 11

Balance sheet date 31 (Date) 03 (Month) 2011 (Year)

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities (including Shareholders' Funds)	Total Assets
204637	204637

Sources of Funds :

Paid-up Capital	Reserves & Surplus
180000	9815
Secured Loans	**Unsecured Loans**
NIL	NIL
Deferred Tax Liability	
5129	

Application of Funds :

Net Fixed Assets	Investments
19735	1507500
Net Current Assets	**Miscellaneous Expenditure**
24459	NIL
Accumulated Losses	**Deferred Tax Asset**
NIL	NIL

IV **Performance of Company (Amount in Rs. Thousands)**

Turnover (total income)	Total Expenditure
4065	2024
+ - Profit/(Loss) before tax	**+ - Profit/(Loss) after tax**
2040	1688
Earning per share in Rupees	**Dividend Rate %**
Basic 0.09 Diluted 0.09	NIL

V Generic Name of Three Principal Product/Service of Company. (as per monetary items)

Item Code (ITC Code) 31010100

Product Description : Animal/Veg fertilizer,mixed/nt/chemically treated.

For and on behalf of the Board of Directors

Mr. S. Venkatraman
Ms. Anita Arjundas
} *Directors*

Place: Mumbai
Date: 19th April, 2011

Integrated Township Limited

Annual Report

2010-11

DIRECTORS' REPORT TO THE SHARE HOLDERS

Your Directors present the Fifteenth Annual Report together with the audited accounts for the financial year ended March 31st, 2011.

FINANCIAL RESULTS:

		(Rs.in lakhs)
	2011	**2010**
Income	7.55	100.64
Profit before Interest and Taxation	(148.70)	(114.96)
Interest	420.37	329.09
Provision for Tax - Income Tax - Deferred Tax		0.10
Profit after tax for the year	(569.07)	(444.15)
Add : Balance of Profit / (Loss) for earlier years	(466.98)	(22.83)
Amount available for appropriation	(1036.05)	(466.98)
Balance carried forward	(1036.05)	(466.98)

OPERATIONS

The Project "IRIS court", spread over 18.01 acres, is planned for 702 apartments in the 2 and 3 bedroom category, comprising four towers and four loops and a well landscaped layout. The Project has been planned in 3 phases and you would be happy to know the 1st phase of 244 apartments has been fully sold and the 2nd phase launched has also been well received in the market.

Your company has incurred a loss of Rs 569.07 lacs during the year, mainly due to interest and Finance charges.

DIVIDEND

In view of losses, your Directors do not recommend any dividend for the year.

CAPITAL

The Authorised share capital of the company is Rs 60 crores. The paid up share capital of Rs.50.33 crores of your Company is held by Mahindra Lifespace Developers Limited (MLDL) and Mahindra World City Developers Limited in the ratio of 74:26 respectively and therefore your company continues to be subsidiary of MLDL and consequently a subsidiary of the ultimate Holding Company, viz, Mahindra & Mahindra Limited.

FINANCE

During the year under review, your Company has been sanctioned a Term Loan of Rs 25 crores by State Bank of India. Your Company has not drawn any amount against the Term Loan.

EMPLOYEE STOCK OPTION SHCEME (ESOS)

During the year 32,500 options have been exercised by the allottees out of 455,000 options which were vested on 31st March 2008. The Shares have been allotted on 21st April 2011.

Subsidiary of the Company

Your Company holds 51% of the paid up Equity Share Capital of Mahindra Residential Developers Limited (MRDL). Balance 49% is held by Velands Investments Limited (VIL), an Ayala group company. Hence, MRDL continues to be a subsidiary of your Company.

The audited statement of accounts for the year ended 31st March, 2011 of the Company's subsidiary together with reports of their Directors and Auditors, and a statement pursuant to Section 212 of the Companies Act,1956 are attached.

Remuneration/Compensation Committee

The Compensation Committee of your Board comprises of Ms. Anita Arjundas (Chairperson), Mr. Ramesh Ramanathan and Ms. Sangeeta Prasad. During the year no meeting was held.

The terms of reference of the Compensation Committee inter-alia consists of appointment and remuneration of the Managing Director/Whole-Time Director/Manager and grant of options under the Employee Stock Option Scheme to employees and Directors of the Company and those of holding/subsidiary companies from time to time.

DIRECTORS

Mr. Ramesh Ramanathan and Ms. Anita Arjundas, Directors retire by rotation and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Ms. Anita Arjundas (Chairperson), Mr. Ramesh Ramanathan and Ms. Sangeeta Prasad. During the year one meeting was held.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the loss of the Company for the year ended on that date.

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

AUDITORS

Pursuant to Section 225 of the Companies Act, 1956, your Company proposes to appoint M/s. A.F. Ferguson & Co., Chartered Accountants, Chennai as Auditors of the Company. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required by the provisions of section 224 of the Companies Act, 1956, the Company has received a written certificate from M/s. A.F.Ferguson & Co., Chartered Accountants, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

CODE OF CONDUCT

The Company had adopted Codes of Conduct ("the Codes") for its Directors and Senior Management personnel and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Codes from the Board Members affirming compliance with the respective Codes.

PUBLIC DEPOSITS, LOANS/ADVANCES

The Company has not accepted deposits from the public or employees during the year.

The Company has not made any loans/advances of the nature which are otherwise required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the stock exchanges.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the Rules made there under

The Company had no employee who was in receipt of remuneration of not less than Rs.60,00,000/- during the year ended 31st March 2011 or not less than Rs.5,00,000/-per month during any part of the said year.

ACKNOWLEDGEMENT

The Directors thank State Bank of India and all consultants and associates of the Company for the support received from them during the year. The Directors also place on record their appreciation for the dedicated efforts put in by the consultants of the Company.

For and On Behalf of the Board

Place: New Delhi
Date: April 21, 2011

Anita Arjundas
Chairperson

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken: The operations of your Company are not energy intensive. However, adequate measures have been taken to reduce energy consumption.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Not applicable

c) Impact of the measures taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: The above measures have resulted in reduction of energy consumption

d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1.	Areas in which R & D is carried out	The Company has not carried out any R&D activities during the year
2.	Benefits derived as a result of the above efforts	Not Applicable
3.	Future Plan of action	Further quality improvement
4.	Expenditure on R & D	Nil
5.	Technology absorption, adaptation and innovation	Nil
6.	Imported Technology for the last 5 years	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings and outgo is furnished in the notes to accounts.

For and on behalf of the Board

Anita Arjundas
Chairperson

Place: New Delhi
Date : April 21, 2011

AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA INTEGRATED TOWNSHIP LIMITED

1. We have audited the attached Balance Sheet of **MAHINDRA INTEGRATED TOWNSHIP LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **A. F. Ferguson & Co**
Chartered Accountants
Registration No. 112066W

B. Ramaratnam
Partner
Membership No. 21209

Chennai, April 22, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA INTEGRATED TOWNSHIP LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

(i) Having regard to the nature of the Company's business/ activities/results, clauses (iii), (v), (vi), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the same.

(b) The fixed assets were physically verified during the year by the Management and no discrepancy was noticed on such verification.

(c) No fixed assets have been disposed off during the year.

(iii) In respect of its inventory:

(a) As explained to us, the inventories representing land and construction materials were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets. During the course of our audit, we have not observed any major weaknesses in such internal control system.

(v) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of business.

(vi) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed dues, including Income tax, Service tax and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income tax, Service tax and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) As on 31st March, 2011, there were no disputed dues on account of Income tax and Service tax which have not been deposited.

(vii) The accumulated losses of the Company at the end of the financial year was less than fifty percent of its net worth and the Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.

(viii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investments.

(ix) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **A. F. Ferguson & Co**
Chartered Accountants
Registration No. 112066W

B. Ramaratnam
Partner
Membership No. 21209

Chennai, April 22, 2011

BALANCE SHEET AS AT MAR 31, 2011

Rs.

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	**503,325,000**	500,401,000
Share Application money		**325,000**	2,924,000
Loan Funds:			
Unsecured Loans	2	**372,000,000**	282,000,000
Total		**875,650,000**	785,325,000
APPLICATION OF FUNDS			
Fixed Assets	3		
Gross Block		**155,409**	54,964
Less: Depreciation		**24,168**	11,644
Net Block		**131,241**	43,320
Investments	4	**1,375,001**	1,375,001
Current Assets, Loans and Advances:			
Inventories	5	**873,281,326**	782,878,804
Cash and Bank Balances	6	**16,908,842**	53,093,699
Loans and Advances	7	**30,162,414**	6,660,615
		920,352,582	842,633,118
Less: Current Liabilities and Provisions			
Current Liabilities	8	**149,814,259**	105,424,659
		149,814,259	105,424,659
Net Current Assets		**770,538,323**	737,208,459
Profit and Loss Account		**103,605,435**	46,698,220
Total		**875,650,000**	785,325,000
Notes to the Accounts	13		

The Schedules referred above form an integral part of the Balance Sheet

In terms of our report attached
For A.F. Ferguson & Co,
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: April 22, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Sangeeta Prasad *Director*

Arti Batavia Company Secretary

Place: New Delhi
Date: April 21, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rs.

	Schedule	2010-11	2009-10
INCOME			
Sale of Land		**-**	9,776,300
Other Income	**9**	**755,486**	287,468
		755,486	10,063,768
EXPENDITURE			
Cost of land and project development	**10**	**85,456,257**	14,755,272
Decrease / (Increase) in Inventory	**11**	**(90,402,522)**	(7,118,551)
Operation and maintenance expenses		**13,782,300**	12,946,091
Administration & Other expenses	**12**	**6,777,181**	988,573
Interest and finance charges		**42,036,961**	32,909,036
Depreciation		**12,524**	8,910
		57,662,701	54,489,331
(Loss) before tax		**(56,907,215)**	(44,425,563)
Provision for taxation			
Current tax		**-**	-
Fringe benefit tax		**-**	(10,000)
(Loss) after tax		**(56,907,215)**	(44,415,563)
(Loss) brought forward		**(46,698,220)**	(2,282,657)
(Loss) Carried to balance sheet		**(103,605,435)**	(46,698,220)
Earnings per share (basic / diluted)		**(1.13)**	(0.89)
Notes to the Accounts	**13**		

The Schedules referred above form an integral part of the Profit and Loss account

In terms of our report attached
For A.F. Ferguson & Co,
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: April 22, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Sangeeta Prasad *Director*

Arti Batavia Company Secretary

Place: New Delhi
Date: April 21, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Rs.

	2010 - 11	2009 - 10
A. Cash flow from operating activities		
(Loss) before tax	**(56,907,215)**	(44,425,563)
Adjustments for:		
Depreciation	**12,524**	8,910
Interest and finance charges	**42,036,961**	32,909,036
Interest income	**(755,486)**	-
Operating profit before working capital changes	**(15,613,216)**	(11,507,617)
Changes in:		
(Increase) / decrease in Sundry Debtors	**-**	-
(Increase) / decrease in loans and advances	**(23,504,049)**	2,170,968
(Increase) / decrease in inventories	**(90,402,522)**	(7,118,551)
Increase / (decrease) in current liabilities	**63,411,316**	55,962,428
	(50,495,255)	51,014,845
Cash generated from operations	**(66,108,471)**	39,507,228
Taxes (paid) / refunded	**2,250**	(120,864)
Net cash from / (used in) operating activities	**(66,106,221)**	39,386,364
B. Cash flow from investing activities:		
Purchase of fixed assets	**(100,445)**	-
Interest received	**755,486**	-
Investment in subsidiary	**-**	(70)
Net cash from / (used in) investing activities	**655,041**	(70)
C. Cash flow from financing activities:		
Proceeds from issue of shares	**-**	401,000
Share application money received	**325,000**	2,924,000
Proceeds from borrowings	**90,000,000**	15,000,000
Interest and finance charges paid	**(61,058,677)**	(5,324,593)
Net cash from financing activities	**29,266,323**	13,000,407
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(36,184,857)**	52,386,701
Opening balance	**53,093,699**	706,998
Closing balance	**16,908,842**	53,093,699

In terms of our report attached
For A.F. Ferguson & Co,
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: April 22, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Sangeeta Prasad *Director*

Arti Batavia Company Secretary

Place: New Delhi
Date: April 21, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

Rs.

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
60,000,000 equity shares of Rs.10 each	**600,000,000**	600,000,000
Issued, Subscribed and Paid up		
50,332,500 (Previous year 50,040,100) Equity Shares of Rs.10 each	**503,325,000**	500,401,000
(Out of the above, 37,000,000 Shares are held by Mahindra Lifespace Developers Limited,the holding company and its nominees)		
(2,92,400 (Previous year 40,100) shares were allotted during the year under the ESOS scheme to eligible employees)		
	503,325,000	500,401,000

Rs.

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 2		
Unsecured Loans		
Mahindra World city Developers ltd	**73,300,000**	73,300,000
Mahindra Lifespace Developers Limited	**298,700,000**	208,700,000
	372,000,000	282,000,000

SCHEDULE 3
FIXED ASSETS

Rs.

Particulars	Gross block			Depreciation			Net block	
	As at 01.04.2010	Additions	**As at 31.03.2011**	As at 01.04.2010	**For the year**	**As at 31.03.2011**	**As at 31.03.2011**	As at 31.03.2010
Computer	54,964	92,455	**147,419**	11,644	**12,328**	**23,972**	**123,447**	43,320
Office Equipment		7,990	**7,990**		**196**	**196**	**7,794**	-
Total	54,964	100,445	**155,409**	11,644	**12,524**	**24,168**	**131,241**	
Previous Year	54,964	-	**54,964**	2,734	**8,910**	**11,644**		43,320

Rs.

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 4		
INVESTMENTS		
Long term, Unquoted Trade (at cost)		
In Subsidiary Company		
Mahindra Residential Developers Limited		
- 127,500 equity shares of Rs.10 each fully paid up	**1,275,000**	1,275,000
- 10,000 Preference shares of Rs.10 each fully paid up	**100,000**	100,000
- Share Warrant of Rs.1 each	**1**	1
	1,375,001	1,375,001
SCHEDULE 5		
INVENTORIES		
Construction work in progress	**866,805,657**	782,878,804
Construction materials	**6,475,669**	-
	873,281,326	782,878,804
SCHEDULE 6		
CASH AND BANK BALANCES		
Cash on hand	**8,838**	-
Balances with scheduled banks		
- On current accounts	**16,900,004**	2,895,209
- On deposit accounts	**-**	50,198,490
	16,908,842	53,093,699

Rs.

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 7		
LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	**24,330,025**	434,832
Advance for purchase of land	**-**	784,000
Advance payment of Income tax	**166,064**	168,314
Deposits	**5,666,325**	5,273,469
	30,162,414	6,660,615
SCHEDULE 8		
CURRENT LIABILITIES AND PROVISIONS		
Sundry creditors		
- dues to micro enterprises and small enterprises	**-**	-
- others	**25,236,106**	4,674,108
Advances received from customers	**94,390,440**	53,870,462
Other current liabilities	**2,429,340**	100,000
Interest accrued	**27,758,373**	46,780,089
	149,814,259	105,424,659

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Year ended March 31, 2011	Rs. Year ended March 31, 2010
SCHEDULE 9		
OTHER INCOME		
Interest on deposit (tax deducted at source Rs.144,004 previous year Rs. 22,060)	755,486	223,468
Service charges	-	64,000
	755,486	287,468
SCHEDULE 10		
OPERATING EXPENSES		
Land and construction costs	71,443,878	3,688,000
Architect fees	7,562,365	8,691,155
Project management fees	4,875,000	-
Other Expenses	1,575,014	2,376,117
		-
	85,456,257	14,755,272

	Year ended March 31, 2011	Rs. Year ended March 31, 2010
SCHEDULE 11		
INCREASE/DECREASE IN INVENTORY		
Opening inventory	782,878,804	775,760,253
Closing inventory	873,281,326	782,878,804
	(90,402,522)	(7,118,551)
SCHEDULE 12		
ADMINISTRATION & OTHER EXPENSES		
Legal & professional fees	375,273	588,561
Deputation Charges	1,486,000	-
Auditors remuneration		
-- Audit fees	200,000	100,000
-- Reimbursement of expenses/levies	20,600	-
Advertisement, marketing and business development	4,239,264	-
Travelling & conveyance	139,089	172,957
Miscellaneous expenses	316,955	127,055
	6,777,181	988,573

SCHEDULE 13:

Notes to the accounts for the year ended 31st March, 2011

Significant Accounting Policies

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

a) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from estimates.

b) Inventories:

Inventories are valued at lower of cost and net realizable value. The cost of construction materials is determined on the basis of the weighted average method. Construction work in progress includes cost of land, construction costs and allocated interest and expenses attributable to the projects undertaken by the company.

c) Revenue recognition

Income from property development activity is accounted on the percentage of completion method which necessarily involves technical estimates of the percentage of completion of each contract, and costs to completion of the contract, on the basis of which profits/losses are accounted. Such estimates, made by the management and certified to the auditors, have been relied upon by them, as these are of a technical nature. Revenues are recognized only when the actual project costs incurred exceed 25% of the total estimated project costs including land and when at least 10% of the sales consideration is realized.

d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

e) Depreciation

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule XIV to the Companies Act, 1956.

f) Investments

Long term investments are carried at cost. Diminution in the value of investments, other than temporary, is provided for. Current investments are valued at lower of cost and fair value.

g) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

h) Foreign currency transactions

Foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions. The exchange gain/loss arising on settlement of such transactions is adjusted to the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the profit and loss account.

i) Taxes on income

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income (AS 22) issued by the Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. The carrying amount of deferred tax assets and liabilities are reviewed at each Balance Sheet date.

2. EMPLOYEES' STOCK OPTION SCHEME

a. Details of Employees' Stock Option Scheme (ESOS) are given below.

Grant date	26th November 2007
Vesting date	31st March 2008
Number of Options Granted / Vested	4,55,000
Contractual life	Options will lapse if not exercised within 5 years from the date of vesting
Exercise Price	Rs.10
Method of Settlement	By issue of shares at Exercise Price

b. Summary of Stock options.

Number of options outstanding at the beginning of the year	122,500
Number of options exercised (32,500 allotted during the year)	32,500
Number of options outstanding at the end of the year	90,000
Number of options lapsed	Nil

c. The company has adopted the intrinsic value method in accounting for employee costs on account of ESOS. The intrinsic value of shares based on a valuation obtained from an independent valuer is Rs. 10 per equity share as on the grant date, 26th November 2007, based on the discounted cash flow method. As the difference between the intrinsic value and the exercise price per share is Rs. Nil, no employee compensation cost has been recognised.

d. The fair value of options, based on the valuation of the independent valuer as of the date of grant i.e. 26th November 2007 is Rs. 1.87.

e. Had the company adopted the fair value method in respect of options granted, the impact on the financial statements for the year ended March 31, 2011 would be

Increase in employee compensation cost	Rs.	170,170
Decrease in profit after tax	Rs.	170,170
Decrease in basic & diluted earning per share	Rs.	Nil

The total amount that would have been amortized over the vesting period is Rs. 850,850.

f. The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Risk free interest rate	7.54%
Expected life	2.85
Expected volatility	Nil
Expected dividend yield	Nil

3. Expenditure incurred in foreign currency – Rs.791,803 (Previous year Rs. Nil)

4. Related Party Transactions

Enterprises Controlling Company		
1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company
Fellow Subsidiary with whom transactions have been entered during the year		
	Mahindra World City Developers Limited	

Subsidiary with whom transactions have been entered during the year
Mahindra Residential Developers Limited

The related party transactions are as under:

Nature of the Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Subsidiary
Inter Corporate Deposit received		90,000,000 (11,100,000)	- (3,900,000)	
Interest		30,483,458 (24,357,934)	8,796,004 (8,551,102)	
Deputation charges		3,736,000 (-)		
Maintenance Charges			13,782,300 (12,946,09)	
Water Charges			156,560 (-)	
Purchase of Land			- (3,688,000)	
Land Lease premium				- (9,776,300)
Service / Consultancy Charges received				- (680,000)
Investment made				- (70)
Advance received	- (53,870,462)			
Balances at year end				
Receivables			5,666,325 (6,057,469)	- (134,832)
Payables	53,870,462 (53,870,462)	328,552,157 (247,998,164)	79,242,724 (85,456,033)	

Figures in brackets are in respect of the previous year.

5. The company is in the business of property development for residential and commercial use.

6. In line with AS 22, Accounting for Taxes on income, on principles of prudence, the company has not recognized the net deferred tax asset as at 31st March, 2011 relating to unabsorbed losses.

7. Based on the information available with the Company there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance sheet date.

8. The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the company to a 100% deduction of its income under the Income Tax Act, 1961 upto Assessment year 2016-17

9. The Company operates in a single segment, namely Property Development

10. Earnings Per Share

	2010-11	2009-10
Net Profit / (Loss) after tax (Rs)	(56,907,215)	(44,415,563)
Weighted Average number of Equity Shares (nos) - Basic	50,319,682	50,037,683
Weighted Average number of Equity Shares (nos) - Diluted	50,319,771	-
Basic Earnings Per Share (Rs)	(1.13)	(0.89)
Diluted Earnings Per Share (Rs)	(1.13)	-

11. Previous year's figures have been regrouped/recast, wherever necessary, to conform to this year's classification

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra Integrated Township Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra Integrated Township Limited			
			For Current Financial Year		For Previous Financial Years	
	Equity	Extent of holding	Dealt with in the accounts of Mahindra Integrated Township Limited for the year ended 31st March 2011	Not Dealt with in the accounts of Mahindra Integrated Township Limited for the year ended 31st March 2011	Dealt with in the accounts of Mahindra Integrated Township Limited for the year ended 31st March 2011	Not Dealt with in the accounts of Mahindra Integrated Township Limited for the year ended 31st March 2011
	Nos.	%	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Mahindra Residential Developers Limited	127,500	51%	Nil	98.78	N.A	(227.82)

Notes :

The financial year of the subsidiary company ended on 31st March 2011

For and on behalf of the Board

Place : New Delhi,
Date : 21st April, 2011

Anita Arjundas
Chairperson

INFORMATION PURSUANT TO PART IV SCHEDULE VI OF THE COMPANIES ACT,1956

Balance Sheet Abstract And Company's General Business Profile

I Registration details :

Registration no. U 7 4 1 4 0 T N 1 9 9 6 P L C 0 6 8 2 8 8 State code 1 8

Balance sheet date 3 1 (Date) 0 3 (Month) 2 0 1 1 (Year)

II Capital raised during the year (amount in Rs.thousands)

Public issue	Rights issue
N I L	N I L
Bonus issue	**Private placement**
N I L	2 9 2 4

III Position of mobilisation and deployment of funds (amount in Rs.thousands)

Total liabilities	Total assets
1 0 2 5 4 6 4	1 0 2 5 4 6 4

Sources of funds :

Paid-up capital	Share Application money
5 0 3 3 2 5	3 2 5
Unsecured loans	
3 7 2 0 0 0	

Application of funds

Net fixed assets	Investments
1 3 1	1 3 7 5
Net current assets	**Accumulated Losses**
7 7 0 5 3 9	1 0 3 6 0 5

IV **Performance of company** (amount in Rs.thousands)

Turnover (including other income)	Total expenditure
7 5 5	5 7 6 6 2
Profit / (Loss) before tax	**Profit / (Loss) after tax**
- 5 6 9 0 7	- 5 6 9 0 7
Earning per share in Rs.	**Dividend rate %**
(1 . 1 3)	N I L

V Generic name of principal product /service of company.(as per monetary items)

Product description : PROPERTY DEVELOPMENT

ITC Code : N I L

For and on behalf of the Board of Directors

Anita Arjundas	Chairperson
Sangeeta Prasad	*Director*
Arti Batavia	Company Secretary

Place: New Delhi
Date: April 21, 2011

Residential Developers Ltd.

Annual Report

2010-11

DIRECTORS' REPORT TO THE SHARE HOLDERS

Your Directors present the Fourth Report together with the audited accounts for the financial year ended March 31st, 2011.

FINANCIALS RESULTS:

		(Rs.in lakhs)
	2011	2010
Income	**2,352.33**	1,105.75
Profit before Interest and Taxation	**203.74**	(382.15)
Interest	**(10.05)**	-
Provision for Tax - Income Tax	**-**	-
- Deferred Tax	**-**	-
Profit after tax for the year	**193.69**	(382.15)
Add : Balance of Profit / (Loss) for earlier years	**(446.72)**	(64.57)
Amount available for appropriation	**(253.03)**	(446.72)
Balance carried forward	**(253.03)**	(446.72)

OPERATIONS

The project named "Aqualily", spread over 55 acres, comprises of 151 villas/Twin homes and 610 apartments with a saleable area of approximately 1.53 million square feet. The first phase of project consisting of 41 villas/Twin homes was launched in FY 2010. The second phase of project consisting of 33 villas/ Twin homes & 80 apartments has been launched in FY 2011.Both launches have been well received. The construction of show apartment was completed in FY 2011.

This project has been pre-certified for "Gold rating" by IGBC.

DIRECTORS

Mr.Ramesh Ramanathan and Ms.Sangeeta Prasad, Directors retire by rotation and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Auditors

Pursuant to Section 225 of the Companies Act, 1956, your Company proposes to appoint M/s. Deloitte Haskins & Sells., Chartered Accountants as Auditors of the Company. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

Holding Company

Your Company continued to be a subsidiary of Mahindra Integrated Township Limited (MITL)

Finance

During the year under review, your company had approached the Housing Development Finance Corporation Limited (HDFC) for upsizing the loan facility from Rs.25 Crores to Rs.61 Crores and the same has been sanctioned by HDFC. Your Company has drawn Rs.3 Crores for funding the first phase of the project.

Public Deposits and Loans / Advances

The Company has not accepted deposits from the public or its employees during the year under review.

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the Rules made there under

The Company has no employees who is in receipt of remuneration of not less than Rs.60,00,000 during the year ended 31st March 2011 or not less than Rs.5,00,000 per month during any part of the said period.

ACKNOWLEDGEMENT

The Directors thank Housing Development and Finance Corporation Limited (HDFC) and all consultants and associates of the Company for the support received from them during the year. The Directors also place on record their appreciation for the dedicated efforts put in by the consultants of the Company.

For and On Behalf of the Board

Place : Chennai
Date : April 20, 2011

Anita Arjundas
Chairperson

ANNEXURE I TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken : The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Not applicable

c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: The above measures have resulted in reduction of energy consumption

d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1.	Areas in which R & D is carried out	The Company has not carried out any R&D activities during the year
2.	Benefits derived as a result of the above efforts	Not Applicable
3.	Future Plan of action	Further quality improvement
4.	Expenditure on R & D	Nil
5.	Technology absorption, adaptation and innovation	Nil
6.	Imported Technology for the last 5 years	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings and outgo is furnished in the notes to accounts.

For and On Behalf of the Board

Place : Chennai
Date : April 20, 2011

Anita Arjundas
Chairperson

AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of **MAHINDRA RESIDENTIAL DEVELOPERS LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 008072S

B. Ramaratnam
Partner
Membership No. 21209

Place : Chennai
Date : April 20, 2011

Annexure referred to in paragraph 3 of the auditors' report to the members of Mahindra Residential Developers Limited on the accounts for the year ended March 31, 2011

(i) Having regard to the nature of the Company's business / activities / result, clauses (i), (iii), (v), (vi), (viii), (x), (xii), to (xv), (xviii), (xix), and (xx) of CARO are not applicable.

(ii) In respect of its inventory:

(a) As explained to us, the inventories representing land and construction materials were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and the sale of inventory. During the course of our audit, we have not observed any major weakness in such internal control system.

(iv) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of business.

(v) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed dues, including Income tax, service tax and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income tax, service tax and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.

(c) As on March 31, 2011, there were no disputed dues on account of Income-tax and service tax which have not been deposited.

(vi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of term loans.

(vii) The Company has applied term loans for the purpose for which the loans were obtained.

(viii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investments.

(ix) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 008072S

B. Ramaratnam
Partner
Membership No. 21209

Place : Chennai
Date : April 20, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**2,600,000**	2,600,000
Share warrant		**1**	1
Reserves and Surplus	2	**543,532,500**	543,532,500
Loan Funds			
Secured Loans	3	**30,000,000**	-
Total		**576,132,501**	546,132,501
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
Inventories	4	**456,782,682**	384,482,945
Sundry Debtors	5	**48,282,574**	66,850,746
Cash and Bank Balances	6	**192,036,266**	35,482,489
Loans and advances	7	**52,596,558**	23,318,425
Total		**749,698,080**	510,134,605
Less: Current Liabilities and Provisions			
Current Liabilities	8	**198,868,415**	8,674,207
		198,868,415	8,674,207
Net Current Assets		**550,829,665**	501,460,398
Profit and Loss Account		**25,302,836**	44,672,103
Total		**576,132,501**	546,132,501
Notes to the accounts	12		

The Schedules referred above form an integral part of the Balance Sheet

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : April 20, 2011

For and on behalf of the Board of Directors

Sangeeta Prasad
Anuj Malik
} Directors

Place : Chennai
Date : April 20, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	2010-11 Rupees	2009-10 Rupees
INCOME			
Income from projects		**230,904,585**	106,328,984
Other Income	9	**4,328,361**	4,246,189
		235,232,946	110,575,173
EXPENDITURE			
Operating expenses	10	**148,131,730**	70,480,171
Interest and finance charges		**1,004,823**	-
Administration and other expenses	11	**66,727,126**	78,310,351
		215,863,679	148,790,522
Profit/(Loss) before tax		**19,369,267**	(38,215,349)
Less: Provision for taxes		**-**	-
Profit/(Loss) after tax		**19,369,267**	(38,215,349)
Add:(Loss) brought forward		**(44,672,103)**	(6,456,754)
(Loss) carried to balance sheet		**(25,302,836)**	(44,672,103)
Earnings per share (basic / diluted)		**77.48**	(152.86)
Notes to the Accounts	12		

The Schedules referred above form an integral part of the Profit and Loss Account

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : April 20, 2011

For and on behalf of the Board of Directors

Sangeeta Prasad
Anuj Malik } Directors

Place : Chennai
Date : April 20, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

		2010-11 Rupees	2009-10 Rupees
A.	**Cash flow from operating activities**		
	Profit / (Loss) before tax	**19,369,267**	(38,215,349)
	Adjustments for :		
	Interest income	**(3,344,684)**	(4,246,189)
	Interest charges	**1,004,823**	-
	Operating profit / (loss) before working capital changes	**17,029,406**	(42,461,538)
	Changes in:		
	(Increase) / decrease in Trade and other receivables	**(9,998,092)**	(85,037,383)
	(Increase) / decrease in inventories	**(72,299,737)**	(16,738,829)
	Increase / (decrease) in current liabilities	**190,182,085**	4,899,156
		107,884,256	(96,877,056)
	Cash generated from/(used in) operations	**124,913,662**	(139,338,594)
	Taxes paid	**(405,674)**	(929,491)
	Net cash from/(used in) operating activities	**124,507,988**	(140,268,085)
B.	**Cash flow from investing activities:**		
	Interest received	**3,038,489**	5,173,717
	Net cash from investing activities	**3,038,489**	5,173,717
C.	**Cash flow from financing activities:**		
	Proceeds from borrowings	**30,000,000**	-
	Finance charges paid	**(992,700)**	
	Net cash from financing activities	**29,007,300**	-
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**156,553,777**	(135,094,368)
	Opening balance	**35,482,489**	170,576,857
	Closing balance	**192,036,266**	35,482,489

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : April 20, 2011

For and on behalf of the Board of Directors

Sangeeta Prasad
Anuj Malik } Directors

Place : Chennai
Date : April 20, 2011

SCHEDULES FORMINGS PART OF THE ACCOUNTS AS AT 31ST MARCH 2011

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorized		
4,50,000 Equity shares of Rs. 10 each.	**4,500,000**	4,500,000
50,000 Preference Shares of Rs. 10 each	**500,000**	500,000
Total	**5,000,000**	5,000,000
Issued, Subscribed and Paid up		
2,50,000 Equity Shares of Rs.10 each	**2,500,000**	2,500,000
(Of the above 1,27,500 equity shares of Rs.10 each are held by Mahindra Integrated Township Limited,the holding company and its nominees)		
10,000 Tranche I Preference shares of Rs.10 each (refer Note No.2)	**100,000**	100,000
Total	**2,600,000**	2,600,000
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities Premium Account	**543,532,500**	543,532,500
Total	**543,532,500**	543,532,500
SCHEDULE 3		
SECURED LOANS		
Term Loan from HDFC Limited	**30,000,000**	-
(Secured by deposit of title deeds of leasehold rights of land)		
Total	**30,000,000**	-
SCHEDULE 4		
INVENTORIES		
Construction work in progress	**426,334,141**	379,444,785
Construction materials	**30,448,541**	5,038,160
Total	**456,782,682**	384,482,945
SCHEDULE 5		
SUNDRY DEBTORS (unsecured, considered good)		
Outstanding for more than six months	**-**	-
Other debts	**48,282,574**	66,850,746
Total	**48,282,574**	66,850,746
SCHEDULE 6		
CASH AND BANK BALANCES		
Cash on hand	**17,242**	27,526
Balances with scheduled banks		
- On current accounts	**41,407,374**	14,943,735
- On deposit accounts	**150,611,650**	20,511,228
Total	**192,036,266**	35,482,489

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 7		
LOANS AND ADVANCES (considered good)		
Advances recoverable in cash or in kind or for value to be received	**44,993,086**	18,629,486
Advance payment of Income tax	**3,219,235**	2,813,561
Deposits	**4,009,347**	1,806,683
Interest accrued on deposits	**374,890**	68,695
Total	**52,596,558**	23,318,425

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 8		
CURRENT LIABILITIES		
Sundry Creditors		
due to micro & small enterprises	**-**	-
others	**38,964,337**	5,401,527
Advances from customers	**147,526,304**	2,616,101
Other Liabilities	**12,365,651**	656,579
Interest accrued but not due	**12,123**	-
Total	**198,868,415**	8,674,207

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE 9		
OTHER INCOME		
Interest on deposits (tax deducted at source Rs.405,674/-(previous year Rs. 929,421))	**3,344,684**	4,236,189
Miscellaneous income	**983,677**	10,000
Total	**4,328,361**	4,246,189
SCHEDULE 10		
OPERATING EXPENSES		
Opening stock		
Construction materials	**5,038,160**	-
Work in progress	**379,444,785**	367,744,116
Add: Expenses incurred during the year		
-- Land and construction costs	**185,003,685**	59,080,576
-- Architect fees	**4,936,464**	8,932,203
-- Project management fees	**13,962,980**	14,711,840
-- Other expenses	**16,528,338**	4,494,381
Less: Closing stock		
Construction materials	**30,448,541**	5,038,160
Work in progress	**426,334,141**	379,444,785
Total	**148,131,730**	70,480,171
SCHEDULE 11		
ADMINISTRATION & OTHER EXPENSES		
Legal & professional fees	**6,059,725**	11,201,775
Deputation Charges	**13,777,100**	15,245,500
Auditors remuneration		
-- Audit fees	**300,000**	300,000
-- Other services	**25,000**	-
-- Reimbursement of expenses/levies	**33,475**	-
Advertisement, marketing and business development	**35,491,517**	42,551,325
Travelling & conveyance	**1,706,801**	1,080,621
Administrative expenses	**7,079,000**	6,069,930
Miscellaneous expenses	**2,254,508**	1,861,200
Total	**66,727,126**	78,310,351

SCHEDULE FORMINGS PART OF THE ACCOUNTS AS AT 31ST MARCH 2011

SCHEDULE 12

Notes to the accounts for the year ended March 31, 2011

1. Significant Accounting Policies

a) Basis of accounting:

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from estimates.

c) Inventories:

Inventories are valued at lower of cost and net realizable value.

The cost of construction materials is determined on the basis of the weighted average method.

Construction work in progress includes cost of land, construction costs and allocated interest and expenses attributable to the projects undertaken by the company.

d) Revenue Recognition:

Income from property development activity is accounted on the percentage of completion method which necessarily involves technical estimates of the percentage of completion of each contract, and costs to completion of the contract, on the basis of which profits/losses are accounted. Such estimates, made by the management and certified to the auditors, have been relied upon by them, as these are of a technical nature. Revenues are recognized only when the actual project costs incurred exceed 25% of the total estimated project costs including land and when at least 10% of the sales consideration is realized.

e) Provision and contingent Liabilities:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Current Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements

f) Foreign currency transactions

Foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions. The exchange gain/loss arising on settlement of such transactions is adjusted to the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the profit and loss account.

g) Taxes on income

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income (AS 22) issued by the Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. The carrying amount of deferred tax assets and liabilities are reviewed at each Balance Sheet date.

2 Share Capital and Warrants:

a. The Preference Shares are redeemable upon payment of dividend of Rs.23, 24, 50,000/- (net of domestic taxes) to the preference share holder.

b. The warrant is convertible into 10,000 preference shares of Rs.10 each upon payment of dividends to equity share holders in proportion of their equity shareholding until the aggregate distributions received by Velands Investments Limited has yielded an Internal Rate of Return of twenty-five percent to Velands Investments Limited.

3. Expenditure in foreign currency:	**2010-2011 Rupees**	2009-2010 Rupees
Travel	**338,334**	179,587
Professional fees	**699,621**	6,402,585
Others	**1,431,449**	816,081
	2,469,404	7,398,253

4. Earnings in foreign currency	**2010-2011**	2009-2010
Consideration received on sale of residential units	**2,571,412**	-

5. Earnings per share:

	2010-2011	2009-2010
Profit/(Loss) after tax for the year (Rs.)	**19,369,267**	(38,215,349)
Weighted average number of equity shares (Nos.)	**250,000**	250,000
Earnings per share (Basic/diluted) (Rs.)	**77.48**	(152.86)
Nominal value of equity share (Rs.)	**10**	10

6. Related party transactions:

a) Names of related parties and nature of relationship where control exists:

A	Ultimate Parent Company	Mahindra & Mahindra Limited
B	Ultimate Holding Company	Mahindra Lifespace Developers Limited
C	Holding Company	Mahindra Integrated Township Limited
D	Joint Venture Partner	Velands Investments Limited
E	Fellow Subsidiaries with whom transactions have been entered during the year	Mahindra World City Developers Limited

b) The related party transactions are as under:

Rupees

Nature of the Transaction	Ultimate Parent Company	Ultimate Holding Company	Holding Company	Fellow Subsidiaries
Deposits				1,979,247 (1,748,583)
Land Lease Premium			- (9,776,300)	
Purchases	3,907,500 (-)			
Service/Consultancy		32,199,300 (30,596,500)	- (680,000)	- (4,300,000)
Administrative Expenses		7,079,000 (6,069,930)		
Maintenance Charges				5,571,988 (4,285,550)
Balances at year end				
Payables	3,907,500 (-)	8,699,400 (-)	- (134,832)	

Figures in brackets are in respect of the previous year.

7. Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance sheet date.

8. The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the company to a 100% deduction of its income under the Income Tax Act, 1961 upto Assessment year 2016-17.

9. The Company operates in a single segment, namely Property Development.

10. Previous year's figures have been regrouped/recast, wherever necessary, to conform to this year's classification.

World City Developers Ltd.

Annual Report

2010-11

DIRECTORS' REPORT TO THE SHARE HOLDERS

Your Directors present the Fourteenth Report together with the audited accounts for the financial year ended 31st March, 2011.

FINANCIALS RESULTS:

		(Rs.in lakhs)
	2011	2010
Income	**7,049.25**	3,150.49
Profit before Depreciation, Interest and Taxation	**5,542.53**	2,989.49
Depreciation	**(191.76)**	(172.87)
Interest	**(1,980.61)**	(1,207.84)
Provision for Tax - Income Tax	**(470.00)**	(450.00)
- Deferred Tax	**(624.86)**	(64.91)
Profit after tax for the year	**2,275.30**	1,093.87
Add : Balance of Profit / (Loss) for earlier years	**2,101.52**	1,602.35
Amount available for appropriation	**4,376.82**	2,696.22
Less : Proposed Dividend (including tax on distributed profits)	**685.71**	594.70
Balance carried forward	**3,691.11**	2,101.52

DIVIDEND:

Your Directors have recommended a dividend of Rs.1 per share on 2,00,00,000 equity shares of face value of Rs.10 per share of the Company for the year 2010 – 2011 (previous year Rs. 0.60 per share). Your Directors have also recommended a dividend of Rs.6.00 per Preference share on 65,00,000 – 6 percent Cumulative Redeemable Preference Shares of Rs.100 each. The total dividend payment (including tax on distributed profits) amounts to Rs. 685.71 lakhs.

OPERATIONS

This year saw a very strong interest from several multinationals especially from Japan and the US to set up their facilities in Mahindra World City in their bid to enter the India market. Your company crossed the Half Century mark and added 8 customers in the Domestic Tariff Area – Tridon (Australia), NTN Corporation (Japan), JSP Foams (Japan), Federal Mogul (USA), Musashi Paints(Japan), Alpha Packaging(India), Milton Roy (USA) and Sakazaki Engraving(Japan) .

During the year, Mahindra World City also signed up Duet Hotels as the Anchor Customer for the Retail / Commercial Zone. Duet is a UK Based Hotel fund, which will be setting up a 4 Star Business Hotel at Mahindra World City. The 150 room hotel will be operated by Holiday Inn Express.

The manufacturing sector was very buoyant and witnessed 5 companies starting operations during the year including Fujitec Elevators (DTA), Tesa Tapes (DTA), Mecapalst (DTA), CAP Gemini (IT SEZ) and Slam Apparels (Apparel SEZ).

Several companies created milestones including BMW India , rolling out its 10,000th car and also adding the X1 to its esteemed product range. Other companies received accolades including Timken India (Auto Ancillary SEZ) winning the Southern Region Excellence award in Environment, Health and Safety from CII, Sundram Fasteners (Auto Ancillary SEZ) receiving the GM Supplier of the Year Award, MindTree (IT SEZ) being Recognized as 2010 Global Most Admired Knowledge Enterprise (MAKE) Award Overall Winner and State Bank of India, Mahindra World City Branch making it to the SBI Super Circle of Excellence.

Mahindra World City currently has a total of 57 clients of which 30 are in the SEZs and 27 are in the DTA. 35 companies have become operational at Mahindra World City, Chennai and 7 are expected to start functioning soon. During the year, direct employment in the business city increased from 18,000 to 23,000 people. Exports also touched Rs. 3,497 crores an increase of Rs. 1,200 crores over the previous year. Both rail and Bus services have been enhanced to cater to the increased requirements of the Park Occupants.

Mahindra World City also won the "Best Integrated Township" of the year award instituted by Realty Plus.

On the Sustainability front, Mahindra World City in partnership with IGBC has started work on making Mahindra World City, New Chennai , the first Green township in India. Work has also started on energy conservation initiatives by installing Energy efficient Lighting (LED lighting) in the Park.

As part of the CSR initiatives, the first batch of students passed out with their IGNOU diplomas from the Employability Training Centre (ETC). A course on Home nursing was added in the year and has over 100 students who have passed out of the course.

Mahindra World City also continued its social awareness initiatives through the flagship initiative "Jwala", wherein Mahindra World City coordinated with students of schools in nearby villages and imparted education on various topics that influence our lives on a daily basis.

DIRECTORS

Mr. A.K. Nanda, Vice-Chairman, Mr. V. Balaraman and Mr. Sanjiv Kapoor, Directors retire by rotation and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Audit Committee

The Audit Committee of the Company comprises Mr. Sanjeev Kapoor (Chairman), Mr.Debendranath Sarangi, IAS and Mr. V. Balaraman. The committee met once during the year.

Remuneration Committee

The Remuneration Committee of the Company comprises Mr. N. Vaghul (Chairman), Mr. A.K. Nanda and Mr. Debendranath Sarangi, IAS. The committee met once during the year.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Auditors

Pursuant to Section 225 of the Companies Act, 1956, your Company proposes to appoint M/s. A.F. Ferguson & Co., Chartered Accountants as Auditors, Chennai of the Company. The shareholders will be required to elect Auditors for the current year and fix their remuneration.

As required by the provisions of section 224 of the Companies Act, 1956, the Company has received a written certificate from M/s. A.F.Ferguson & Co., Chartered Accountants, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

Codes of Conduct

The Company had adopted Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Codes from the Board Members and the Senior Management Personnel and Employees of the Company affirming compliance with the respective Codes.

Public Deposits and Loans / Advances

The Company has not accepted deposits from the public or its employees during the year under review.

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure I to this Report.

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the Rules made there under

As required under section 217(2A) of the Companies Act, 1956 and rules framed thereunder, a statement containing particulars of the Company's employee who was in receipt of remuneration of not less than Rs.60,00,000 during the year ended 31st March, 2011 or not less than Rs.5,00,000/- per month during any part of the said year. The particulars of remuneration are given in Annexure II to this Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to the Tamil Nadu Government, Housing Development Finance Corporation Limited and the Employees for their support and co-operation extended during the period under review.

For and On Behalf of the Board

N. Vaghul
Chairman

Place: Chennai
Date: April 18, 2011

ANNEXURE I TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken : The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Not applicable

c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: The above measures have resulted in reduction of energy consumption

d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1	Areas in which R & D is carried out	The Company has not carried out any R&D activities during the year
2	Benefits derived as a result of the above efforts	Not Applicable
3	Future Plan of action	Further quality improvement
4	Expenditure on R & D	Nil
5	Technology absorption, adaptation and innovation	Nil
6	Imported Technology for the last 5 years	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings and outgo is furnished in the notes to accounts.

For and on behalf of the Board

Place: Chennai
Date : April 18, 2011

N. Vaghul
Chairman

Annexure II to the Directors' Report

Particulars of Employees as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2011

Name of the Employee	Designation / Nature of Duties	Qualification	Remuneration (Subject to tax) (Rs.)	Age (yrs)	Experience (yrs)	Date of Commencement of employment	Last employment held (Designation / Organisation)
Ms. Sangeeta Prasad	Chief Operating Officer & Manager	M.B.A.	6,149,652	43	18	29th August, 2008	Chief Sales Manager - South TATA Steels Limited

Notes:

1. Nature of employment is contractual, subject to termination at three months' notice from either side.
2. The above employee is/are not related to any other Director of the Company.
3. The employee does not hold by herself or along with her spouse and dependent children 2% or more of the equity shares of the Company.
4. Terms and Conditions of employment are as per Company's rules / contract.
5. Gross remuneration received as shown in the statement includes Salary, Bonus, House Rent Allowance or value of perquisites for accommodation, employer's contribution to Provident fund and Superannuation scheme including group insurance premium, leave travel facility, Reimbursement of medical expenses and all allowances / perquisites and terminal benefits as applicable.

For and on behalf of the Board

Place: Chennai
Date : April 18, 2011

N. Vaghul
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of MAHINDRA WORLD CITY DEVELOPERS LIMITED ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **A. F. Ferguson & Co**
Chartered Accountants
Registration No. 112066W

B. Ramaratnam
Partner
Membership No. 21209

Place : Chennai
Date : April 18, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA WORLD CITY DEVELOPERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

(i) Having regard to the nature of Company's business/ activities/result, clauses (iii), (v), (vi), (viii), (x), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of CARO are not applicable to the Company in the current year.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the saleable inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of inventory. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of business.

(vi) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed dues, including Provident Fund, Income–tax, Value Added Tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income–tax and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) As on March 31, 2011, there were no disputed dues which have not been deposited except in respect income–tax as given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Income Tax Act	Income tax	Commissioner (Appeals)	P.Y. 2004–05 & 2007–08	61.93

(vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of term loans.

(viii) The Company has applied term loans for the purpose for which the loans were obtained.

(ix) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investments.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **A. F. Ferguson & Co**
Chartered Accountants
Registration No. 112066W

B. Ramaratnam
Partner
Membership No. 21209

Place : Chennai
Date : April 18, 2011

BALANCE SHEET AS AT MARCH 31, 2011

Rs.

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	**850,000,000**	850,000,000
Reserves and Surplus	2	**376,310,510**	217,352,272
Loan funds			
Secured loans	3	**1,660,000,000**	1,480,000,000
Unsecured loans	4	**200,000,000**	—
Deferred tax liability		**92,688,177**	30,202,458
Total		**3,178,998,687**	2,577,554,730
APPLICATION OF FUNDS			
Fixed assets	5		
Gross block		**433,011,909**	415,895,098
Less: Depreciation		**65,841,502**	47,048,707
Net block		**367,170,407**	368,846,391
Capital Work in Progress / advances		**1,940,825**	—
		369,111,232	368,846,391
Investments	6	**130,000,000**	130,100,000
Current assets, loans and advances			
Inventories	7	**2,557,063,227**	1,767,781,267
Sundry debtors	8	**5,220,206**	7,097,342
Cash and bank balances	9	**38,454,199**	5,013,221
Loans and advances	10	**429,154,606**	498,794,127
		3,029,892,238	2,278,685,957
Less: Current liabilities and provisions	11		
Current liabilities		**278,458,308**	137,480,479
Provisions		**71,546,475**	62,597,139
		350,004,783	200,077,618
Net current assets		**2,679,887,455**	2,078,608,339
Total		**3,178,998,687**	2,577,554,730
Notes to the accounts	15		

In terms of our report attached

For A.F.Ferguson & Co.
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : April 18, 2011

For and on behalf of the Board of Directors

N. Vaghul	*Chairman*
Debendranath Sarangi, IAS	*Director*
Anita Arjundas	*Director*
Sangeeta Prasad	*Chief Operating Officer & Manager*
S. Chandru	*Chief Financial Officer and Company Secretary*

Place : Chennai
Date : April 18, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rs.

	Schedule	2010–11		2009–10
INCOME				
Land lease premium		**549,303,587**	134,090,100	
Property lease rentals		**9,578,565**	9,590,833	
Operation and maintenance income		**119,391,232**	103,674,170	
Other income	12	**26,652,455**	67,693,502	
		704,925,839		315,048,605
EXPENDITURE				
Cost of land and project development		**774,473,803**	781,668,901	
Interest and finance charges		**198,060,893**	120,783,868	
Legal and professional charges		**11,580,204**	14,550,862	
Depreciation		**19,176,114**	17,286,617	
Other expenses	13	**153,901,553**	136,242,445	
Decrease / (Increase) in work in progress	14	**(789,281,960)**	(916,362,219)	
		367,910,607		154,170,474
Profit before tax		**337,015,232**		160,878,131
Provision for taxes				
Current tax		**47,000,000**		45,000,000
Deferred tax		**62,485,719**		6,490,844
Profit after tax		**227,529,513**		109,387,287
Add : Profit / (Loss) brought forward		**210,152,272**		160,235,448
		437,681,785		269,622,735
Appropriations:				
Proposed dividend				
– On equity shares		**20,000,000**	12,000,000	
– On preference shares		**39,000,000**	39,000,000	
Dividend distribution tax		**9,571,275**	8,470,463	
		68,571,275		59,470,463
Balance carried to balance sheet		**369,110,510**		210,152,272
Basic and diluted earnings per share		**9.11**		3.20
Notes to the accounts	15			

In terms of our report attached

For A.F.Ferguson & Co.
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : April 18, 2011

For and on behalf of the Board of Directors

N. Vaghul	*Chairman*
Debendranath Sarangi, IAS	*Director*
Anita Arjundas	*Director*
Sangeeta Prasad	*Chief Operating Officer & Manager*
S. Chandru	*Chief Financial Officer and Company Secretary*

Place : Chennai
Date : April 18, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Rs.

		2010–11	2009–10
A.	**Cash flow from operating activities**		
	Profit before tax	**337,015,232**	160,878,131
	Adjustments for:		
	Depreciation	**19,176,114**	17,286,617
	Interest and finance charges	**198,060,893**	120,783,868
	Loss on sale of fixed assets	**228,138**	248,357
	Profit on sale of investment	**(4,790,000)**	(40,000,000)
	Interest income	**(21,576,555)**	(23,320,472)
	Operating profit before working capital changes	**528,113,822**	235,876,501
	Changes in:		
	(Increase) / decrease in sundry debtors	**1,877,136**	4,116,054
	(Increase) / decrease in loans and advances	**66,600,278**	(44,394,714)
	(Increase) / decrease in inventories	**(789,281,960)**	(916,362,219)
	Increase / (decrease) in current liabilities	**142,957,312**	(55,433,023)
		(577,847,234)	(1,012,073,902)
	Cash generated from / (used in) operations	**(49,733,412)**	(776,197,401)
	Taxes paid	**(40,154,011)**	(54,021,272)
	Net cash from / (used in) operating activities	**(89,887,423)**	(830,218,673)
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets including capital work-in-progress / advances	**(19,933,228)**	(15,212,197)
	Proceeds from sale of fixed assets	**264,135**	345,926
	Proceeds from sale of investment	**4,890,000**	42,500,000
	Inter corporate deposit given	**—**	(3,900,000)
	Interest received	**17,769,809**	18,944,742
	Net cash from / (used in) investing activities	**2,990,716**	42,678,471
C.	**Cash flow from financing activities:**		
	Proceeds from borrowings	**440,000,000**	1,030,000,000
	Repayment of borrowings	**(260,000,000)**	(110,000,000)
	Inter corporate deposit received	**200,000,000**	
	Dividend including dividend tax paid	**(59,470,463)**	(73,706,850)
	Interest and finance charges paid	**(200,191,852)**	(115,734,005)
	Net cash from / (used in) finance activities	**120,337,685**	730,559,145
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**33,440,978**	(56,981,057)
	Opening balance	**5,013,221**	61,994,278
	Closing balance	**38,454,199**	5,013,221

In terms of our report attached

For A.F.Ferguson & Co.
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : April 18, 2011

For and on behalf of the Board of Directors

N. Vaghul	*Chairman*
Debendranath Sarangi, IAS	*Director*
Anita Arjundas	*Director*
Sangeeta Prasad	*Chief Operating Officer & Manager*
S. Chandru	*Chief Financial Officer and Company Secretary*

Place : Chennai
Date : April 18, 2011

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2011

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
25,000,000 equity shares of Rs. 10 each	**250,000,000**	250,000,000
6,500,000 Cumulative Redeemable Preference shares of Rs. 100 each	**650,000,000**	650,000,000
5,000,000 Unclassified shares of Rs.10 each	**50,000,000**	50,000,000
	950,000,000	950,000,000
Issued, subscribed and paid up.		
20,000,000 equity shares of Rs.10/– each fully paid up	**200,000,000**	200,000,000
(of the above 16,524,993 equity shares of Rs.10/– each fully paid up are held by Mahindra Lifespace Developers Limited, the holding company)		
6,500,000, 6% Cumulative Redeemable Preference shares of Rs.100/– each fully paid up	**650,000,000**	650,000,000
The Cumulative Redeemable Preference shares are redeemable at par after the principal amount of Rs.78 crores alongwith interest has been fully paid on the "Term loan from HDFC Limited".		
	850,000,000	850,000,000

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 2 : RESERVES AND SURPLUS		
General Reserve		
Transfer from profit and loss account	**7,200,000**	7,200,000
Profit and loss account	**369,110,510**	210,152,272
	376,310,510	217,352,272
SCHEDULE 3 : SECURED LOANS		
Term loan from HDFC Limited	**1,660,000,000**	1,480,000,000
(Secured / to be secured by equitable mortgage of lands disclosed as inventories, near Chennai)		
	1,660,000,000	1,480,000,000
SCHEDULE 4 : UNSECURED LOANS		
Short term loans and advances		
– Mahindra Lifespace Developers Limited ...	**200,000,000**	—
	200,000,000	—

SCHEDULE 5 : FIXED ASSETS

Rupees

Particulars	Gross block				Depreciation				Net block	
	As at 01.04.2010	Additions	Deletions	**As at 31.03.2011**	As at 01.04.2010	For the year	Deletions	**As at 31.03.2011**	**As at 31.03.2011**	As at 31.03.2010
Tangible assets										
Land	10,779,777	—	—	**10,779,777**	—	—	—	**—**	**10,779,777**	10,779,777
Buildings	210,429,257	11,754,672	—	**222,183,929**	21,563,312	6,930,068	—	**28,493,380**	**193,690,549**	188,865,945
Plant and machinery	158,164,980	582,623	—	**158,747,603**	14,629,761	7,540,948	—	**22,170,709**	**136,576,894**	143,535,219
Office equipment	15,517,537	3,791,453	76,750	**19,232,240**	2,461,613	834,176	22,138	**3,273,651**	**15,958,589**	13,055,924
Furniture and fixtures	2,678,061	841,950	—	**3,520,011**	1,573,263	790,267	—	**2,363,530**	**1,156,481**	1,104,798
Computers	4,842,715	299,610	—	**5,142,325**	3,460,839	440,440	—	**3,901,279**	**1,241,046**	1,381,876
Vehicles	7,924,047	722,095	798,842	**7,847,300**	1,532,393	774,616	361,181	**1,945,828**	**5,901,472**	6,391,654
Intangible assets										
Software	5,558,724	—	—	**5,558,724**	1,827,526	1,865,599	—	**3,693,125**	**1,865,599**	3,731,198
TOTAL	415,895,098	17,992,403	875,592	**433,011,909**	47,048,707	19,176,114	383,319	**65,841,502**	**367,170,407**	
Previous year	343,504,939	73,171,279	781,120	**415,895,098**	29,948,927	17,286,617	186,837	**47,048,707**		**368,846,391**

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 6 : INVESTMENTS		
Investments		
Unquoted, Non–trade		
Long term		
Mahindra Integrated Township Limited		
(13,000,000 equity shares of Rs.10 each fully paid up)	**130,000,000**	130,000,000
Short term		
Ascendas Mahindra IT Park Private Limited		
(10,000 equity shares of Rs.10 each fully paid up sold during the year)	**—**	100,000
	130,000,000	130,100,000

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 7: INVENTORIES (refer note 1(g) , 7 & 16)		
Work in progress	**2,557,063,227**	1,767,781,267
(representing cost of land and related development expenditure)		
	2,557,063,227	1,767,781,267
SCHEDULE 8: SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for more than six months	**1,326,356**	2,872,755
Other debts	**3,893,850**	4,224,587
	5,220,206	7,097,342

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash on hand	**92,827**	25,787
Balances with scheduled banks		
– on current account	**38,361,372**	4,987,434
	38,454,199	5,013,221
SCHEDULE 10 : LOANS AND ADVANCES		
(Considered good)		
(Secured)		
Advance for purchase of land (refer note no. 15)	**299,303,040**	295,959,211
(Unsecured)		
Advances recoverable in cash or in kind or for value to be received	**6,498,253**	3,635,247
Advance for purchase of land	**7,130,000**	79,957,750
Inter corporate deposit	**73,300,000**	73,300,000
Interest accured on deposits	**15,962,779**	12,156,033
Deposits	**2,980,520**	2,959,883
Taxation (net)	**23,980,014**	30,826,003
	429,154,606	498,794,127
SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS		
Current liabilities		
Sundry creditors		
– due to micro & small enterprises	**—**	—
– others	**66,866,773**	80,603,050
Advances from customers	**163,361,913**	11,969,000
Deposits from customers	**40,611,266**	35,159,114
Interest accrued but not due on loans	**7,618,356**	9,749,315
	278,458,308	137,480,479
Provisions		
Leave salary	**2,360,436**	1,709,098
Gratuity	**614,764**	1,417,578
Proposed dividend	**59,000,000**	51,000,000
Tax on proposed dividend	**9,571,275**	8,470,463
	71,546,475	62,597,139
	350,004,783	200,077,618

	2010–11 Rupees	2009–10 Rupees
SCHEDULE 12 : OTHER INCOME		
Interest on inter corporate deposits (tax deducted at source Rs. 879,602; previous year Rs.1,423,540)	**8,796,004**	8,743,842
Interest on others (tax deducted at source Rs.1,113,339; previous year Rs.3,303,063)	**12,780,551**	14,576,630
Profit on sale of investment	**4,790,000**	40,000,000
Consultancy charges	**—**	4,300,000
Miscellaneous Income	**285,900**	73,030
	26,652,455	67,693,502
SCHEDULE 13 : OTHER EXPENSES		
Salaries, wages and bonus	**29,503,947**	22,514,061
Contribution to provident and other funds	**1,242,877**	963,616
Commission to non–whole time directors	**1,500,000**	750,000
Staff welfare	**2,117,257**	2,633,073
Electricity	**18,369,043**	15,309,279
Rent	**556,666**	289,193
Rates and taxes	**778,607**	628,078
Insurance	**1,723,904**	1,378,452
Repairs and maintenance – others	**1,006,500**	1,140,439
Advertisement and business promotion	**6,753,148**	3,695,375
Brokerage	**5,068,999**	54,120
Traveling	**7,399,860**	6,727,270
Communication	**1,839,196**	1,095,066
Directors sitting fees	**90,000**	95,000
Security charges	**13,930,442**	11,048,790
Miscellaneous	**12,336,826**	2,849,258
Loss on fixed assets sold / discarded	**228,138**	248,357
Site maintenance & services	**49,456,143**	64,823,018
	153,901,553	136,242,445
SCHEDULE 14 : (INCREASE) / DECREASE IN WORK IN PROGRESS		
PARTICULARS		
Opening work in progress	**1,767,781,267**	851,419,048
Closing work in progress	**2,557,063,227**	1,767,781,267
	(789,281,960)	(916,362,219)

SCHEDULE 15

Notes to the accounts for the year ended March 31, 2011

1. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

(b) Revenue recognition

a. Land lease premium is recognised as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

b. Property lease rentals, income from operation & maintenance charges and water charges are recognised on an accrual basis as per terms of the agreement with the lessees.

(c) Government grants

Government grants received towards capital expenditure is adjusted to the carrying cost of assets.

(d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies, borrowing costs as applicable and any directly attributable cost of bringing the assets to its working condition for the intended use and is net of grants received.

(e) Depreciation

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule XIV to the Companies Act, 1956.

Software expenditure incurred is amortised over three years.

(f) Investments

Long term investments are carried at cost. Diminution in the value of investments, other than temporary, is provided for. Current investments are valued at lower of cost and fair value.

(g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost represents cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long–term project, includes interest.

(h) Employee benefits

(i) Short term employee benefit plans

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the profit and loss account.

(ii) Defined Contribution Plan

Contributions to the provident and pension funds are made monthly at a predetermined rate to the Regional Provident Fund Commissioner and debited to the profit and loss account on an accrual basis

(iii) Defined Benefit Plan

Liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method and debited to the profit and loss account on an accrual basis. Actuarial gains and losses arising during the year are recognized in the profit and loss account. Leave salary is similarly valued on an actuarial basis. Gratuity is being funded with Life Insurance Corporation of India from the current year while leave salary is unfunded.

(i) Taxes on income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets

(j) Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

(k) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(l) Use of estimates

The preparation of the Financial Statements, in conformity with the generally accepted accounting principles, requires estimates to be made that have an effect on the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of expenses during the year. Differences between the actual expenditures and the estimates are recognized in the year in which the expenditures materialize.

(m) Segment reporting:

The company has a single reportable segment namely, lease of land and properties constructed thereon.

Rs.

		2010–11	2009–10
2.	Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	**17,964,535**	—
3.	Managerial remuneration:		
	i. Manager		
	Salaries, allowances and perquisites	**5,890,452**	4,285,734
	Contribution to provident fund	**259,200**	201,600
	(The above excludes provision for gratuity and leave encashment as separate actuarial valuation is not available)		
		6,149,652	4,487,334
	ii. Directors sitting fees	**90,000**	95,000
	iii. Commission to non–whole time directors	**1,500,000**	750,000
4.	Computation of net profit under Section 198 of the Companies Act, 1956		
	Profit before taxation as per profit and loss account	**337,015,232**	160,878,131
	Add : Depreciation as per accounts	**19,176,114**	17,286,617
	Managerial remuneration	**7,739,652**	5,332,334
	(Profit) / loss on sale of assets (net) as per accounts	**228,138**	248,357
		364,159,136	183,745,439
	Less : Depreciation under section 350 of the Companies Act 1956	**18,211,585**	16,360,161
	Profit) / loss on sale of assets (net) as per section 349 of the Companies Act, 1956	**228,138**	248,357
	Net profit	**345,719,413**	167,136,921
	Commission payable to non –whole time directors restricted to	**1,500,000**	750,000
5.	Auditor's remuneration:		
	Audit fees	**600,000**	600,000

	Other services	**150,000**	—
	Reimbursement of expenses / levies	**22,508**	—
6.	Expenditure in foreign currency:		
	Travel	**108,115**	135,486
	Other expenses	**226,220**	290,576

7. The cost of land and related development expenditure is disclosed as work–in–progress as the company expects to incur further costs on land and infrastructure development.

8. The company is in the business of land development for industrial, commercial and residential use. The company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees. During the year, the company has leased 36.795 (previous year 16.082) acres of land on long term basis.

9. Employee benefits

Rs.

	Gratuity (Funded from current year)		Leave salary (Unfunded)	
	2010 – 11	2009 – 10	2010 – 11	2009 – 10
a. Net Asset/ (Liability) recognized in the balance sheet				
Present Value of Defined Benefit Obligation	2,636,907	1,417,578	2,360,436	1,709,098
Fair Value of Plan assets	2,022,143	—	—	—
Liability recognised in the balance sheet	614,764	1,417,578	2,360,436	1,709,098
b. Expense recognized in the Profit & Loss account				
Past service cost	1,143,871	—	—	—
Current Service cost	505,623	417,679	124,219	87,891
Interest cost	106,318	74,957	224,014	192,734
Expected return on plan assets	(80,886)	—	—	—
Actuarial (gains) / Losses	(455,597)	(74,483)	408,802	264,595
Benefits Paid	—	—	(105,697)	(15,998)
Total expenses	12,19,329	418,153	651,338	529,222
c. Change in present value of Defined Benefit obligation				
Present Value of the obligation at the beginning of the year	1,417,578	999,425	1,709,098	1,179,876
Past service cost	1,143,871	—	—	—
Current Service cost	505,623	417,679	124,219	87,891
Interest Cost	106,318	74,957	224,014	192,734
Actuarial (Gains) /Losses	(536,483)	(74,483)	408,802	264,595
Benefits Paid	—	—	(105,697)	(15,998)
Present value of the obligation as at the end of the year	2,636,907	1,417,578	2,360,436	1,709,098
d. Change in fair value of plan assets	—	—	—	—
Present value of plan assets as the beginning of the year	80,886	—	—	—
Expected return on plan assets	2,022,413	—	—	—
Contributions made	—	—	—	—
Benefits paid	(80,886)	—	—	—
Actuarial Gains / (Losses)				
Present value of plan assets at the end of the year	2,022,143	—	—	—
e. Principal actuarial assumptions				
Discount Rate	7.50%		7.50%	
Expected return on plan assets	8%		—	
Mortality	LIC (1994–96) Ultimate mortality tables			

f. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

G Basis used to determine expected rate of return – The information on major categories of plan assets and expected return on each class of plan assets are not readily available. However LIC has confirmed this to be the average rate of return on plan assets.

10. Earnings per share:

	2010 – 11	2009 – 10
Profit after tax (Rs.)	**227,529,513**	109,387,287
Preference dividend including dividend distribution tax (Rs.)	**45,326,775**	45,477,513
Profit available for equity shareholders (Rs.)	**182,202,738**	63,909,874
Number of equity shares	**20,000,000**	20,000,000
Earnings per share (Basic/diluted) (Rs.)	**9.11**	3.20
Nominal value of equity share (Rs.)	**10**	10

11. Related party transactions :

a. Names of related parties and nature of relationship:

A Ultimate Holding Company — Mahindra & Mahindra Limited

B Holding Company — Mahindra Lifespace Developers Limited

C Fellow Subsidiaries with whom transactions have been entered during the year

1. Mahindra Infrastructure Developers Limited
2. Mahindra World City (Jaipur) Limited
3. Mahindra Residential Developers Limited
4. Mahindra Holidays & Resorts India Limited
5. Mahindra Consulting Engineers Limited.

D Joint Venture

Mahindra Integrated Township Limited

Ascendas Mahindra IT Park Limited (upto 25th March, 2010)

E Key Management Personnel

Ms. Sangeeta Prasad, Manager and Chief Operating Officer

b. The related party transactions are as under :

Rs.

	Nature of transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Joint Venture	Key management Personnel
1	Income					
1.1	Land lease premium	—	—			
		(5,600,000)	(–75,826,000)			
	– Mahindra Integrated Township Limited				—	
					(3,688,000)	
	– Mahindra Holidays & Resorts India Limited			–25,500,000		
				—		

	Nature of transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Joint Venture	Key management Personnel
1.2	Operation and maintenance income	10,801,035 (9,569,820)	3,694,002 (3,290,313)			
	– Mahindra Integrated Township Limited				13,782,300 (12,521,875)	
	– Mahindra Holidays & Resorts India Limited			189,000 (226,800)		
	– Mahindra Residential Developers Limited			4,586,988 (4,285,550)		
	– Ascendas Mahindra IT Park Limited				— (1,374,788)	
1.3	Service Charges					
	– Mahindra Residential Developers Limited			— (4,300,000)		
1.4	Water Charges	1,513,290 (512,940)	3,551,160 (3,710,630)			
	– Mahindra Integrated Township Limited				156,560 (—)	
	– Ascendas Mahindra IT Park Limited				— (2,202,450)	
	– Mahindra Residential Developers Limited			985,000 (—)		
1.5	Rent Received		2,033,815 (1,870,176)			
1.6	Interest received					
	– Mahindra Integrated Township Limited				8,796,004 (8,551,102)	
2	**Other transactions**:					
	Professional charges paid	— (693,974)				
	– Mahindra Consulting Engineers Limited			7,117,161 (5,913,849)		
	– Mahindra Infrastructure Developers Limited			— (1,600,000)		
	– Rent Paid	151,200 (141,120)				
	– Electricity Charges Paid	329,918 (454,417)				
3	Inter corporate deposit given					
	– Mahindra Integrated Township Limited				— (3,900,000)	
4	Inter corporate deposit received		200,000,000 (—)			
5	Outstandings :					
	Receivables					
	– Mahindra Integrated Township Limited				79,242,724 (85,456,033)	
	Payables	3,581,974 (3,279,284)	203,282,098 (2,581,587)			
	– Mahindra Holidays & Resorts India Limited			— (279,000)		
	– Mahindra Integrated Township Limited				5,666,325 (6,057,469)	
	– Mahindra Residential Developers Limited			1,979,247 (1,748,583)		
6	Managerial remuneration					6,149,652 (4,487,334)
7	Dividend paid		48,914,996 (40,982,999)			

Figures in bracket are in respect of the previous year.

12. Joint venture disclosures

i. Interest in joint ventures

Name of the company	Country of incorporation	Proportion of ownership interest
Mahindra Integrated Township Limited	India	26%

ii. Interest in the assets, liabilities, income, expenses and capital commitment with respect to the Joint Ventures

	Mahindra Integrated Township Limited	
Particulars	2010 – 11 Rupees	2009 – 10 Rupees
a. Net fixed assets (including capital work in progress)	34,123	11,263
b. Inventories	227,053,145	203,548,489
c. Cash and bank balances	4,396,299	13,804,362
d. Sundry debtors	—	—
e. Loans and advances	7,842,228	1,731,760
f. Current Liabilities and provisions	38,951,707	27,410,411
g. Unsecured loans	96,720,000	—
h. Income	196,426	2,616,580
i. Expenses	14,992,302	14,164,626
j. Capital Commitment	—	—

14. Deferred tax asset / (liability)

	As at 31.03.2010 Rupees	Tax effect for the year Rupees	As at 31.03.2011 Rupees
Deferred tax liability			
Fixed Assets	(31,241,062)	(3,991,771	(35,232,833
Interest inventorised but claimed as deduction for tax	—	(58,221,187)	(58,221,187)
Total	(31,241,062)	(62,212,958)	(93,454,020)
Deferred tax asset			
Accrued expenses deductible on payment	1,038,604	(272,761)	765,843
Net deferred tax asset / (liability)	(30,202,458)	(62,485,719)	(92,688,177)

15. Based on the information available with the Company there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance sheet date.

16. Advance for purchase of land has been given to a company engaged in the procurement of lands and is secured by way of registered equitable mortgage of lands admeasuring 36.25 acres, owned by a director of that company and his associates.

17. Inventories include Rs.1,186,346,460 (previous year Rs.783,144,603) being cost of land for which sale deeds have been executed but are yet to be registered.

18. Contingent liability:

Income tax matters in respect of which the Company is in appeal, exclusive of the effect of similar matters in respect of assessments remaining to be completed Rs.11,460,843 (previous year Rs. 6,277,687)

19. Leases:

The Company's significant leasing arrangements are in respect of operating leases for commercial premises.

Lease income from operating leases is recognized on a straight–line basis over the period of lease. The particulars of the premises given under operating leases are under:

Rs.

	Current year	Previous Year
Gross carrying amount of premises	116,977,826	116,977,826
Accumulated depreciation	13,075,808	9,168,748
Depreciation for the year	3,907,060	3,802,796

20. Previous year's figures have been regrouped / recast, wherever necessary, to conform to this year's classification.

INFORMATION PURSUANT TO PART IV SCHEDULE VI OF THE COMPANIES ACT,1956

Balance Sheet Abstract and Company's General Business Profile

I Registration details :

Registration no. U 9 2 4 9 0 T N 1 9 9 7 P L C 0 3 7 5 5 1 State code 1 8

Balance sheet date 3 1 (Date) 0 3 (Month) 2 0 1 1 (Year)

II Capital raised during the year (amount in Rs.thousands)

Public issue	Rights issue
N I L	N I L
Bonus issue	**Private placement**
N I L	N I L

III Position of mobilisation and deployment of funds (amount in Rs.thousands)

Total liabilities	Total assets
3 5 2 9 0 0 3	3 5 2 9 0 0 3

Sources of funds :

Paid–up capital	Reserves and surplus
8 5 0 0 0 0	3 7 6 3 1 1
Secured loans	**Deferred tax liability**
1 6 6 0 0 0 0	9 2 6 8 8
Unsecured loans	
2 0 0 0 0 0	

Application of funds

Net fixed assets	Investments
3 6 9 1 1 1	1 3 0 0 0 0
Net current assets	**Accumulated Losses**
2 6 7 9 8 8 8	—

IV **Performance of company** (amount in Rs.thousands)

Turnover (including other income)	Total expenditure
7 0 4 9 2 6	3 6 7 9 1 1
Profit / (Loss) before tax	**Profit / (Loss) after tax**
3 3 7 0 1 5	2 2 7 5 3 0
Earning per share in Rs.	**Dividend rate %**
9 . 1 1	1 0

V Generic name of principal product /service of company.(as per monetary items)

Product description : DEVELOPMENT OF INDUSTRIAL PARKS

ITC Code : N I L

For and on behalf of the Board of Directors

N. Vaghul	*Chairman*
Debendranath Sarangi, IAS	*Director*
Anita Arjundas	*Director*
Sangeeta Prasad	*Chief Operating Officer & Manager*
S. Chandru	*Chief Financial Officer and Company Secretary*

Place : Chennai
Date : April 18, 2011

World City (Jaipur) Limited

Annual Report

2010-11

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their 6th Report together with the audited Accounts of the Company for the year ended 31st March, 2011.

Financial Results

(Amount in Rupees)

	2011	2010
Total Income	**426,335,234**	535,965,017
Profit before Tax	**12,685,795**	118,095,998
Provision for Taxation		
— Income Tax	**—**	11,150,000
— Deferred Tax	**3,254,804**	28,198,183
Profit after Tax	**9,430,991**	78,747,815
Profit brought forward from previous year	**72,394,959**	19,071,802
Appropriations :		
Proposed Preference Dividend	**—**	25,424,658
Profit carried to balance sheet	**81,825,950**	72,394,959

Performance & operations

There are three operational customers in the IT/ITeS SEZ at Mahindra World City, Infosys BPO Limited, DBOI Global Services Pvt. Ltd. and EXLService SEZ BPO Operations Pvt. Ltd., which together have already created employment for around 2,800 persons and annual exports of around Rs.158 crores within a short span of 2 years despite global recession. Your project Company alongwith customers have already invested more than 888 crores and many of the projects are at various stages of development / approvals.

Currently, project has received notifications for three SEZs, namely IT/ITES, Light Engineering (including Automotive and Auto Components) and Handicrafts and formal approval for two more SEZs, namely Gems and Jewellery (25 acres) and IT/ITeS (86 acres). Your company has also received master plan approval for the Domestic Tariff Area.

Your Company received Environmental Clearance in respect of three SEZs, namely IT/ITES, Light Engineering and Handicraft comprising of approximately 892 acres of land area and Environmental Clearance for balance land area is under process. Your Company also received Precertification Gold rating award for B1 Building in 'Evolve-The GnNxt IT Park, from LEED India.

During the year under review, your Company has concluded lease agreements with various companies such as Wipro Limited and Isys Softech Pvt. Ltd. in IT/ITeS SEZ, Laxmi Ideal Interiors, Orvi Design Studio and Rama Handicrafts in Handicraft SEZ and Poly Medicure Limited and Gravita Technomech in Light Engineering SEZ. During the year under review, 11 companies in different Zones started development activities which include Nagarro Software (Jaipur) Private Ltd., Nucleus Software Ltd. and Girnar Software (SEZ) Pvt. Ltd. in IT/ITeS SEZ, Ratan Textiles, Samurai Designs & Interiors and Laxmi Ideal Interiors in Handicraft SEZ, Marsons Industries Pvt. Ltd., Knitpro Designs LLP and India Agrovision Implement Pvt. Ltd. in Light Engineering and State Bank of India and ICICI Bank Limited in Domestic Tariff Area of Mahindra World City, Jaipur. Mr. O P Bhatt, Chairman, State Bank of India laid foundation stone for setting up World Class Leadership Training Centre for State Bank of India, in December, 2010. Approximately 0.99 lacs sq. ft. of space was leased to DBOI Global Services Pvt. Ltd. and EXLService SEZ BPO Operations Pvt. Ltd. in Evolve, during the year.

Corporate Social Responsibility

With a view to achieve inclusive development, your Company has taken the initiative of organising training programmes for school dropouts/unemployed youth who are part of the local community around Mahindra World City, Jaipur through a well recognised NGO -"CAP Foundation" and a "Society - Technology Business Incubator - KIET". Till date, around 428 candidates have completed various types of employability training & approximately 343 have been placed in various jobs also. Your Company has through TBI-KIET created 13 Self Help Groups (SHGs) in nearby villages. These SHGs have been encouraged for savings and employability training in phase manner. Initially, 2 such groups in Village Kalwara have been provided training for stitching.

Dividend

In order to conserve the resources, the directors do not recommend of any dividend for the year under review.

Directors

Pursuant to the provisions of Articles of Association, all the following directors shall retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment:-

1. Shri Sunil Arora
2. Shri Gurdial Singh Sandhu
3. Shri Rajendra Bhanawat
4. Shri Sudhansh Pant
5. Shri Arun Nanda
6. Shri Raghunath Murti
7. Shri Uday Phadke
8. Ms. Anita Arjundas

There was no change in Directorship during the financial year 2010-11.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your directors, based on the representations received from the operating management and after due enquiry, confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) the Company, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently, reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) the annual accounts have been prepared on a going concern basis.

Audit Committee

The Audit Committee of your Company presently comprises three Directors, namely Shri Gurdial Singh Sandhu, Shri Arun Nanda and Shri Uday Y. Phadke.

Shri Gurdial Singh Sandhu is the Chairman of the Audit Committee. During the year under review, 2 meetings of the Audit Committee held on 18th April, 2010 and 19th October, 2010.

Remuneration Committee

The Remuneration Committee of your Company presently comprises three Directors, namely Shri Rajendra Bhanawat, Shri Arun Nanda and Shri Uday Y. Phadke. During the year under review, one meeting of Remuneration Committee was held on 16th July, 2010.

Codes of Conduct

The Board at its meeting held on 28th February, 2007, had approved and adopted the Code of Conduct for directors as well as Senior Management and Employees, with the purpose to focus on areas of ethical risk, provide guidance to report unethical conduct, and foster a culture of honesty and accountability.

The Board members as well as Senior Management and Employees have affirmed compliance with the code.

Auditors

Messers Deloitte Haskins & Sells, Chartered Accountants, Chennai were appointed as Statutory Auditors of the Company in the 5th Annual General Meeting held on 16th July, 2010 in terms of Section 224A of the Companies Act, 1956. The Auditors shall hold office till the conclusion of the ensuing Annual General Meeting.

As required by the provisions of section 224 (1B) of the Companies Act, 1956, the Company has received written certificate from Messers Deloitte Haskins & Sells, Statutory Auditors (ICAI Firm Registration Number 008072S), to the effect that their appointment, if made, would be in conformity with the limits specified in that section.

Since more than 25% of the subscribed capital of the Company is held by Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), the appointment or reappointment of Auditors is required to be made by a Special Resolution.

Public Deposits and Loans / Advances

The Company has not accepted any deposits from the public or employees during the year under review.

The Company has not made any loans/advances, which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent companies viz. Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchange.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure I to this Report.

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and rules made there under

The Company had one employee who was in receipt of remuneration in excess of the limit specified in section 217(2A) of the Companies Act, 1956. during the year ended 31st March, 2011. The particulars are shown in the Annexure II to this report.

Acknowledgements

The Board of Directors thank and wish to place on record its appreciation to the Ministry of Commerce & Industry, Board of Approvals (SEZ), Development Commissioner, Noida Special Economic Zone, Development Commissioner – IT/ITeS SEZ, Government of Rajasthan, and all the agencies and Departments of the State Government, Promoters & Shareholders of the Company, Bankers – State Bank of India, State Bank of Bikaner & Jaipur and State Bank of Patiala, our valuable customers and the employees of the Company at all levels, for their continued co-operation and unstinted support.

The Directors also express their sincere thanks to the shareholders for the continued support and trust they have shown in the Management.

For and on behalf of the Board

Sunil Arora
Chairman

Jaipur, 19 April, 2011

ANNEXURE I TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The company has partnered with Clinton Climate Initiative for reducing Green House Gas emission for which various steps will be taken. Various sustainable initiatives have been taken like introduction of LED lighting, use of re-cycled water, plantation etc. Your Company is also exploring possibilities of using solar PV power pack modules to energise LED Street Lights as at present these are running on electricity board power.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: No

c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Energy saving of 30% due to use of LED street lights.

d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1.	Areas in which R & D is carried out :	The Company has not carried out any specific R&D activities during the year.
2.	Benefits derived as a result of the above efforts :	Not Applicable.
3.	Future Plan of action :	Further quality improvement
4.	Expenditure on R & D :	Nil
5.	Technology absorption, adaptation and innovation :	Nil
6.	Imported Technology for the last 5 years :	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has incurred expenditure in foreign exchange to the extent of Rs.2,78,88,315/- during the year under review. Foreign exchange earning during the year was Nil.

For and on behalf of the Board

Sunil Arora
Chairman

Jaipur, 19 April, 2011

ANNEXURE II TO THE DIRECTORS' REPORT

Additional information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the financial year ended 31st March, 2011 is given below.

Name	Designation	Gross Remuneration (Rs.)	Qualification	Age	Experience		Date of Commence-ment	Last Employment Held Designation / Org.
					Years	months		
Mr. B K Subbaiah	Manager & Chief Operating Officer	6,060,201	MBA	59 yrs	35	8	06-Sep-06	Vice President (Mktg. & Sales) - Escorts Limited

Notes :

1. Nature of employment is contractual, and either of the party can terminate the same by giving three month's notice.
2. None of the above employee is related to any Director of the Company.
3. None of the above employee holds by himself or alongwith his spouse and dependent children, 2% or more of the equity shares of the Company.
4. Employment terms and conditions are as per Company rules.
5. Remuneration received as shown in the statement above includes basic salary, house rent allowance, reimbursement of medical expenses, employer's contribution to provident fund, and gratuity fund, all other allowances / perquisites as applicable.

For and on behalf of the Board

Sunil Arora
Chairman

Jaipur, 19 April, 2011

AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY (JAIPUR) LIMITED

1. We have audited the attached Balance Sheet of Mahindra World City (Jaipur) Limited as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) 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 and proper returns adequate for the purposes of our audit;

   (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and

      (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No: 008072S

Sd/-
B. Ramaratnam
Partner
(Membership No.21209)

Jaipur, April 20, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses of CARO (iii), (v), (vi), (viii), (x), (xii), (xiii), (xiv),(xv), (xviii), (xix) and (xx) are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories representing land and construction materials were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of inventory. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business

(vi) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, , Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) As on 31st March, 2011,there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of disputes .

(vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

(viii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(ix) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud on /or by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No: 008072S

Sd/-
B. Ramaratnam
Partner
(Membership No.21209)

Jaipur, April 20, 2011

BALANCE SHEET AS AT MARCH 31, 2011

Rs.

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholder's funds			
Share capital	1	**1,700,000,000**	1,700,000,000
Reserves & Surplus			
Profit and loss account		**81,825,950**	72,394,959
Loan funds			
Secured loans	2	**2,668,701,837**	2,651,177,008
Unsecured Loans	3	**300,000,000**	100,000,000
Deferred Tax Liability		**47,103,356**	43,848,552
		4,797,631,143	4,567,420,519
APPLICATION OF FUNDS			
Fixed assets	4		
Gross block		**1,157,939,211**	952,263,491
Less: Depreciation		**73,819,761**	38,061,364
Net block		**1,084,119,450**	914,202,127
Capital Work-in-Progress / advances		**165,126,976**	127,499,141
		1,249,246,426	1,041,701,268
Investments	5	**45,511,874**	151,153,503
Current assets, loans and advances			
Inventories	6	**3,872,604,257**	3,654,192,506
Sundry debtors	7	**23,629,854**	43,335,092
Cash and bank balances	8	**81,318,082**	157,986,930
Loans and advances	9	**63,091,867**	58,842,454
		4,040,644,060	3,914,356,982
Less: Current liabilities and provisions	10		
Current liabilities		**534,029,033**	511,324,021
Provisions		**3,742,184**	28,467,213
		537,771,217	539,791,234
Net current assets		**3,502,872,843**	3,374,565,748
		4,797,631,143	4,567,420,519
Notes to accounts	15		

The schedules referred above form an integral part of the Balance Sheet

For and on behalf of the Board of Directors

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
sd/-
B.Ramaratnam
Partner

Place : Jaipur
Date : April 20, 2011

sd/-
(Anita Arjundas)
Director
sd/-
(Rajendra Bhanawat)
Director

sd/-
(B. K. Subbaiah)
Manager & COO

sd/-
(Gurdial Singh Sandhu)
Director
sd/-
(Sanjay Jain)
Company Secretary
Cum GM (Accounts)

Place : Jaipur
Date : April 20, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rs.

	Schedule	2010-11		2009-10	
INCOME					
Land lease premium		**283,144,117**		460,586,937	
Property rentals		**82,744,963**		50,733,498	
Operation and Maintenance Income.		**43,986,712**		10,778,227	
Other income	**11**	**16,459,442**		13,866,355	
			426,335,234		535,965,017
EXPENDITURE					
Cost of land and Project development		**194,281,577**		363,515,118	
Interest and finance charges	**12**	**306,820,139**		280,545,911	
Depreciation		**36,077,992**		24,492,536	
Other expenses	**13**	**114,722,497**		93,332,955	
Decrease / (Increase) in work in progress	**14**	**(218,411,751)**		(329,254,212)	
		433,490,454		432,632,308	
Less : Capitalised		**(19,841,015)**		(14,763,289)	
			413,649,439		417,869,019
Profit before tax			**12,685,795**		118,095,998
Provision for taxation					
Current tax			**—**		11,150,000
Deferred tax			**3,254,804**		28,198,183
Profit after tax			**9,430,991**		78,747,815
Profit brought forward			**72,394,959**		**19,071,802**
			81,825,950		97,819,617
Appropriations:					
Proposed dividend on Preference shares		**—**		25,424,658	
			—		25,424,658
Balance carried to balance sheet			**81,825,950**		72,394,959
Basic and diluted earnings per share			**(0.10)**		0.41
Notes to accounts	**15**				

The schedules referred above form an integral part of the Balance Sheet

For and on behalf of the Board of Directors

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
sd/-
B.Ramaratnam
Partner

Place : Jaipur
Date : April 20, 2011

sd/-
(Anita Arjundas)
Director
sd/-
(Rajendra Bhanawat)
Director

sd/-
(B. K. Subbaiah)
Manager & COO

sd/-
(Gurdial Singh Sandhu)
Director
sd/-
(Sanjay Jain)
Company Secretary
Cum GM (Accounts)

Place : Jaipur
Date : April 20, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Rs.

		2010-11	2009-10
A.	**Cash flow from operating activities**		
	Profit/(loss) before tax	**12,685,795**	118,095,998
	Adjustments for:		
	Depreciation	**36,077,992**	24,492,536
	Interest and finance charges	**306,820,139**	280,545,911
	(Profit)/loss on sale of fixed assets (net)	**341,230**	52,911
	Dividend income	**—**	(181,392)
	Gain on redemption of investments	**(4,872,368)**	(3,634,775)
	Interest income	**(10,588,671)**	(10,012,306)
	Operating profit before working capital changes	**340,464,117**	409,358,883
	Changes in:		
	(Increase) / decrease in sundry debtors	**19,705,238**	197,840,071
	(Increase) / decrease in loans and advances	**(471,278)**	3,762,506
	(Increase) / decrease in inventories	**(218,411,751)**	(329,254,212)
	Increase / (decrease) in current liabilities	**23,404,641**	36,457,328
	Cash generated from / (used in) operations	**164,690,967**	318,164,576
	Income tax (paid) / refund received	**2,308,219**	(20,134,826)
	Net cash generated from operating activities	**166,999,186**	298,029,750
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets including capital work in progress /advances	**(244,213,197)**	(111,218,172)
	Proceeds from sale of fixed assets	**248,817**	9,560
	Purchase of investments (Net)	**—**	(28,043,678)
	Dividends received	**—**	181,392
	Interest received	**4,502,317**	4,291,269
	Proceeds from redemption of mutual funds	**110,513,997**	—
	Net cash (used in) investing activities	**(128,948,066)**	(134,779,629)
C.	**Cash flow from financing activities:**		
	Proceeds from borrowings	**217,524,829**	100,000,000
	Repayment of borrowings	**—**	(11,816,588)
	Preference Dividend paid	**(25,424,658)**	—
	Interest and finance charges paid	**(306,820,139)**	(280,545,911)
	Net cash (used in) financing activities	**(114,719,968)**	(192,362,499)
	Net cash flows duirng the year (A+B+C)	**(76,668,848)**	(29,112,378)
	Cash & Cash equivalents		
	Opening balance	**157,986,930**	187,099,308
	Closing balance	**81,318,082**	157,986,930
	Net increase/(decrease) in cash and cash equivalents	**(76,668,848)**	(29,112,378)

The schedules referred above form an integral part of the Balance Sheet

For and on behalf of the Board of Directors

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
sd/-
B.Ramaratnam
Partner

Place : Jaipur
Date : April 20, 2011

sd/-
(Anita Arjundas)
Director
sd/-
(Rajendra Bhanawat)
Director

sd/-
(B. K. Subbaiah)
Manager & COO

sd/-
(Gurdial Singh Sandhu)
Director
sd/-
(Sanjay Jain)
Company Secretary
Cum GM (Accounts)

Place : Jaipur
Date : April 20, 2011

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	As at March 31, 2011	Rs. As at March 31, 2010
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
200,000,000 shares of Rs 10 each		
150,000,000 equity shares of Rs 10 each	**1,500,000,000**	1,500,000,000
50,000,000 Preference shares of Rs 10 each	**500,000,000**	500,000,000
	2,000,000,000	2,000,000,000
Issued, subscribed and paid up		
145,000,000 equity shares of Rs. 10/- each fully paid up (of the above 107,300,000 equity shares of Rs. 10/-each fully paid up are held by Mahindra Lifespace Developers Limited, the holding company and 37,700,000 equity shares of Rs. 10/- fully paid up are held by Rajasthan State Industrial Development and Investment Corporation Limited)	**1,450,000,000**	1,450,000,000
25,000,000 8% Redeemable Cumulative Preference shares of Rs.10/- each fully paid up (Refer note 2 of Schedule -15)	**250,000,000**	250,000,000
	1,700,000,000	1,700,000,000

	As at March 31, 2011	Rs. As at March 31, 2010
SCHEDULE 2 : SECURED LOANS		
Term loans from bank	**2,639,800,000**	2,639,800,000
(The above loans are secured by pari passu first charge by way of equitable mortgage on the immovable properties and specified movable and current assets of the company, both present and future)"		
Short term loan from a bank	**28,901,837**	11,377,008
(Secured against fixed deposits)		
	2,668,701,837	2,651,177,008
SCHEDULE 2 : UNSECURED LOANS		
Inter Corporate Deposit	**300,000,000**	100,000,000
(Repayable within one year Rs.300,000,000, (previous year Rs. 100,000,000)		
	300,000,000	100,000,000

SCHEDULE 4 : FIXED ASSETS

Rs.

Particulars	Gross block				Depreciation / amortisation				Net block	
	As at 1.04.2010	Additions	Deletions	As at 31.3.2011	As at 1.04.2010	For the year	Deletions	As at 31.3.2011	As at 31.3.2011	As at 31.03.2010
Tangible Assets										
Leasehold land	42,253,019		—	**42,253,019**	1,493,793	420,560	—	**1,914,353**	**40,338,666**	40,759,226
Buildings	718,433,004	115,968,126	—	**834,401,130**	12,852,109	14,321,710	—	**27,173,819**	**807,227,311**	705,580,895
Plant and machinery	43,257,921	78,961,867	—	**122,219,788**	2,750,469	4,158,046	—	**6,908,515**	**115,311,273**	40,507,452
Office equipment	1,335,739	805,181	95,724	**2,045,196**	257,424	98,070	31,648	**323,846**	**1,721,350**	1,078,315
Furniture and fixtures	132,750,957	10,392,101	—	**143,143,058**	16,198,983	14,264,491	—	**30,463,474**	**112,679,584**	116,551,974
Computers	3,422,993	454,287	—	**3,877,280**	1,489,680	580,915	—	**2,070,595**	**1,806,685**	1,933,313
Vehicles	5,606,490	3,800	813,918	**4,796,372**	1,308,210	487,864	287,947	**1,508,127**	**3,288,245**	4,298,280
Intangible Assets										
Software	5,203,368		—	**5,203,368**	1,710,696	1,746,336	—	**3,457,032**	**1,746,336**	3,492,672
TOTAL	952,263,491	206,585,362	909,642	**1,157,939,211**	38,061,364	36,077,992	319,595	**73,819,761**	**1,084,119,450**	
Previous year	616,378,768	336,024,927	140,204	**952,263,491**	13,646,561	24,492,536	77,733	**38,061,364**		914,202,127

SCHEDULE 5 : INVESTMENTS Rs.

	No. of Units		No. of Units		As at March 31, 2011	As at March 31, 2010
	Purchased during the year	Sold during the year	As at March 31, 2011	As At March 31, 2010		
Investment in Mutual funds (unquoted, short term & non trade)						
Birla Sunlife Savings Fund - Instl. - Growth		**806,059**	—	806,059	—	14,050,165
TATA Floater Fund - Growth	**4,965,816**	**6,499,449**	—	1,533,633	—	21,002,427
Kotak Flexi Debt Scheme - Institutional - Growth	**7,842,882**	**9,747,560**	—	1,904,678	—	21,515,623
Kotak Liquid (Institutional) premium- Growth	**2,037,151**	**2,037,333**	—	182	—	3,384
BSL Cash Plus - Instl. - Growth	**499,497**	**499,708**	—	211	—	5,236
ICICI Prudential Flexible Income Plan - Growth AC	**198,817**	**392,036**	—	193,219	—	33,011,265
ICICI Prudential Liquid Plan Inst. Plus Growth	**107,858**	**107,876**	—	18	—	4,186
Kotak Floater Long Term - Growth	**1,737,404**	**646,505**	**1,090,899**		**17,000,000**	—
SBI - Magnum Insta Cash Fund - Cash Option	**1,878,890**	**1,533,014**	**345,876**	—	**7,511,874**	—
SBI - Ultra Short Term Fund - Institutional Plan - Growth			**1,879,003**	1,879,003	—	22,502,003
JM High Liquidity Fund - Institutional Plan - Growth	**5,970,732**	**6,318,607**	—	347,875	—	5,005,220
JM Money Manager Fund Super Plus Plan - Growth	**12,524,284**	**13,630,982**	**1,522,164**	2,628,862	**21,000,000**	34,053,994
Total					**45,511,874**	151,153,503

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
SCHEDULE 6 : INVENTORIES		
"Work in Progress (representing cost of land and related development expenditure)"	**3,872,604,257**	3,654,192,506
SCHEDULE 7 : SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for more than six months	**—**	43,825
Other debts	**23,629,854**	43,291,267
	23,629,854	43,335,092
SCHEDULE 8 : CASH AND BANK BALANCES		
Cash on hand	**27,434**	30,627
Balances with scheduled banks		
— on current account	**1,297,183**	47,416,425
— on deposit account	**79,993,465**	110,539,878
(Rs 200 Lacs under lien , Previous year - Rs. 255 Lacs)	**81,318,082**	157,986,930
SCHEDULE 9 : LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind		
or for value to be received	**19,340,169**	18,988,090
Deposits	**1,413,171**	1,293,971
Interest accrued on deposits	**14,880,191**	8,793,837
Taxation (net)	**24,562,907**	22,666,556
MAT Credit Entitlement	**2,895,429**	7,100,000
	63,091,867	58,842,454
SCHEDULE 10 : CURRENT LIABILITIES AND PROVISIONS		
Current liabilities		
Sundry creditors		
— due to micro enterprises and small enterprises	**—**	—
— others	**82,342,990**	98,770,303
Other Liabilities	**270,468,496**	244,920,722
Advances received from customers	**125,059,063**	125,105,764
Rental Deposits	**56,158,484**	42,527,232
	534,029,033	511,324,021
Provisions		
Compensated absences	**1,933,128**	1,569,334
Gratuity	**1,809,056**	1,473,221
Proposed dividend	**—**	25,424,658
	3,742,184	28,467,213
	537,771,217	539,791,234

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
SCHEDULE 11 : OTHER INCOME		Rs.
"Interest on deposits (Tax deducted at source Rs. 9,33,289 : Previous Year Rs. 689,751)"	**8,967,313**	9,946,507
Interest- others	**1,621,358**	65,799
Gain on redemption of investments	**4,872,368**	3,634,775
Dividend income	**—**	181,392
Miscellaneous Income	**972,976**	24,000
Unclaimed balances written back	**18,851**	9,282
Profit on sale of fixed assets	**6,576**	4,600
	16,459,442	13,866,355
SCHEDULE 12 : INTEREST AND FINANCIAL CHARGES		
Interest on term loans	**285,941,052**	276,851,857
Interest - Others	**20,879,087**	3,694,054
	306,820,139	280,545,911
SCHEDULE 13 : OTHER EXPENSES		
Salaries, wages and bonus	**45,165,357**	42,403,001
Contribution to Provident and other funds	**1,658,416**	1,645,483
Gratuity	**335,835**	272,514
Staff welfare	**1,122,595**	1,068,379
Legal and professional charges	**5,248,486**	4,818,944
Electricity	**4,845,547**	3,666,262
Rent	**605,284**	578,572
Rates and taxes	**10,000**	4,270
Insurance	**1,554,263**	1,047,674
Repairs and maintenance - others	**2,001,908**	2,403,638
Marketing & advertisement expenses	**24,088,694**	14,568,766
Travelling	**8,812,023**	7,699,933
Communication	**1,601,337**	1,509,622
Security charges	**10,111,731**	5,511,449
Loss on sale of fixed assets	**347,806**	57,511
Miscellaneous	**7,213,215**	6,076,937
	114,722,497	93,332,955
SCHEDULE 14 : (INCREASE) / DECREASE IN INVENTORIES		
Opening work in progress	**3,654,192,506**	3,324,938,294
Closing work in progress	**3,872,604,257**	3,654,192,506
	(218,411,751)	(329,254,212)

SCHEDULE 15

Notes to the accounts for the year ended March 31, 2011

1. Significant accounting policies

(a) **Basis of accounting**

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

(b) **Use of estimates**

The preparation of the Financial Statements, in conformity with the generally accepted accounting principles, requires estimates to be made that have an effect on the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of expenses during the year. Differences between the actual expenditures and the estimates are recognized in the year in which the expenditures materialize.

(c) **Revenue recognition**

Land lease premium is recognized as income upon creation of leasehold rights in favor of the lessee or upon an agreement to create leasehold rights with handing over of possession.

Property lease rentals, income from operation & maintenance charges and water charges are recognized on an accrual basis as per the terms of the agreement with the lessees.

(d) **Fixed assets**

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies, incidental expenditure and any directly attributable cost of bringing the assets to its working condition and for the intended use. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying fixed assets up to the date the asset is ready for use.

(e) **Depreciation / Amortization**

Depreciation is provided on Straight Line method from the date the assets are put to use in accordance with Schedule XIV to the Companies Act, 1956.

Leasehold land is amortised over the period of lease i.e. 99 years.

Cost of interiors of buildings given on lease is amortized over the period of lease.

Cost of software is amortised over a period of 3 years.

(f) **Investments**

Short term investments are valued at lower of the cost and net realizable value.

(g) **Inventories**

Inventories are valued at lower of cost and net realisable value. Cost represents cost of land and all expenditures incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

(h) **Employee benefits**

(i) Short term employee benefit plans

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the profit and loss account.

(ii) Defined Contribution Plan

Contributions to the provident fund are made monthly at a predetermined rate to the Regional Provident Fund Commissioner and debited to the profit and loss account on an accrual basis

(iii) Defined Benefit Plan

Liability towards gratuity is provided on the basis of an actuarial valuation as at Balance Sheet date using the Projected Unit Credit method and debited to the profit and loss account on an accrual basis. Actuarial gains and losses arising during the year are recognized in the profit and loss account. Compensated absences are similarly valued on an actuarial basis. Both benefit plans are unfunded.

(i) **Taxes on income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.

(j) **Segment reporting:**

The company has a single reportable segment namely, lease of land and properties constructed thereon.

(k) **Foreign currency transactions:**

Foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or as at the year end, as applicable, and gain or loss arising out of such translation is adjusted to the profit and loss account.

(l) **Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

2. The company issued 25 Million 8% Redeemable Cumulative Preference Shares of Rs. 10/- each on 23rd December 2008. The company shall be entitled to redeem these shares at the end of the 5th year subject to availability of profits and repayment of loans. Otherwise redemption can be extended up to 8 years.

		Rs.
	2010-11	2009-10
3. Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	**83,991,388**	27,742,200
4. Managerial remuneration:		
Manager		
Salaries, allowances and perquisites,	**5,656,761**	5,195,171
Contribution to provident fund and Gratuity	**403,440**	379,440
	6,060,201	5,574,611
5. Auditor's remuneration:		
Audit fees	**450,000**	350,000
Other Professional certification fees	**25,000**	50,000
Reimbursement of expenses / levies	**3220**	14,746
6. CIF value of imports		
Capital goods	**18,602,617**	15,71,906
7. Expenditure in foreign currency:		
Travel	**158,603**	80,991
Other expenses	**9,127,095**	Nil

8. The cost of land and related development expenditure is disclosed as work-in-progress as the company expects to incur further costs on land and infrastructure development.

9. The company is in the business of land development for industrial, commercial and residential use. The company acquires land and incurs expenditure on its development and related infrastructure facilities for lease. During the year, the company has leased 48.71 acres (previous year 62 acres) of land on long term basis.
A commercial property has also been constructed and given on lease.

10. **Employee benefits**

Rs.

		Gratuity (Unfunded)	
		2010-11	2009-10
a.	Net Asset/ (Liability) recognized in the balance Sheet as at March 31, 2011	**1,809,056**	1,473,221
b.	Expense recognized in the Profit & Loss account for the year ended March 31, 2011		
	Current Service cost	**753,455**	507,344
	Interest cost	**117,858**	84,049
	Past Service Cost	**481,973**	—
	Actuarial (gains) / Losses	**(1,017,451)**	(318,879)
	Total expense	**335,835**	272,514
c.	Change in present value of Obligation during the year ended March 31, 2011		
	Present Value of Defined Benefit Obligation as at the beginning of the year	**1,473,221**	1,200,707
	Current Service cost	**753,455**	507,344
	Interest Cost	**117,858**	84,049
	Benefits Paid	**—**	—
	Past service cost (Vested & non Vested)	**481,973**	—
	Actuarial (Gains) /Losses	**(1,017,451)**	(318,879)
	Present value of Defined Benefit Obligation as at the end of the year	**1,809,056**	1,473,221
d.	Principal actuarial assumptions		
	Discount Rate	**8.00%**	8.00%
	Mortality	LIC (1994-96) Ultimate Mortality Tables.	
e.	Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		

11. **Operating lease disclosures:**

The particulars of commercial property given under operating lease:

Rs.

Particulars	**2010-11**	2009-10
Details of Property:		
Gross Carrying Amount of Property	**887,290,521**	520,748,563
Accumulated Depreciation	**50,420,152**	25,413,294
Depreciation for the year	**24,185,669**	16,491,608
Future minimum lease payments under non-cancellable operating leases		
(lock in period of 3 years for the building and interiors):		
Not Later than 1 year	**47,811,792**	67,363,898
Later than 1 year and not later than 5 years	**102,053,834**	129,696,176
Later than 5 years	**98,872,991**	79,847,502
Significant leasing arrangements:		
Lease is non cancellable during the lock in period		
Primary lease period is for 5 years and is renewable for further two terms of 5 years each.		

12. **Earnings per share:**

Rs.

	2010-11	2009-10
Net Profit / (loss) after tax (Rs.)	**9,430,991**	78,747,815
Less: Preference dividend & tax thereon (Rs.)	**23,244,500**	20,000,000
Profit available for Equity shareholders (Rs.)	**(13,813,509)**	58,747,815
Weighted average number of Equity Shares (Nos.)	**145,000,000**	145,000,000
Earnings per share (Basic/diluted) (Rs.)	**(0.10)**	0.41
Nominal value of equity share (Rs.)	**10**	10

13. The Company has asked for confirmations from suppliers, who have registered under, "The Micro, Small and Medium Enterprises Development Act 2006." As of date, the company has not received confirmations from any registered suppliers and hence no disclosures have been made under the said Act.

14. **Related party transactions :**

a. Names of related parties and nature of relationship:

Enterprises Controlling the Company

Ultimate Holding Company	Mahindra and Mahindra Limited
Holding Company	Mahindra Life spaces Developers Limited

Fellow Subsidiaries with whom transactions are entered during the year

Mahindra Holidays & Resorts India Limited

Mahindra EPC Services Pvt. Ltd

Mahindra World City Developers Limited

Joint venture of Ultimate Holding Company	Tech Mahindra Ltd. (upto 31.3.2010)
Key management personnel	Mr. B.K .Subbaiah, Chief Operating Officer

b. List of related party transactions :

Nature of Transactions	**Ultimate Holding Company**	**Holding Company**	**Fellow Subsidiaries**	**Key Management Personnel**
Expenses				
Professional services received	108,000 (96,000)			
Interest on Inter corporate deposit		17,034,314 (1,750,926)		
Hire charges			NIL	
(Mahindra Logistics Limited)			(764,494)	
Travelling Expenses			34,752	
(Mahindra Holidays & Resorts India Limited)			(NIL)	
Managerial remuneration				6,060,201 (5,574,611)
Dividend paid during the year on Preference Shares		18,814,247 (18,000,000)		
Expenses Reimbursed	1,432,429 (1,627,243)	365,242 (122,546)	196,514 (NIL)	
Income				
Lease Rent			4,533	
(Mahindra EPC Services Pvt. Ltd)			(NIL)	
Loan taken & repaid		400,000,000		
Inter corporate deposit taken		(100,000,000)		
Inter corporate deposit repaid		200,000,000 (NIL)		
Outstanding as at 31/03/2011:				
Payables				
Advances from Customers (Tech Mahindra Ltd.)			57,000,000 (57,000,000)	
Creditors	912,604 (1,284,089)			
Inter Corporate Deposit		300,000,000 (100,000,000)		

Figures in brackets are in respect of the previous year.

15. The components of Deferred Tax Liability / Asset as at March 31, 2011 are as under:

Rs.

Particulars	**2009-10**	**Movement during the year**	**2010-11**
Deferred Tax Liability:			
Fixed Assets	44,859,213	18,913,869	**63,773,082**
Others	—	975,902	**975,902**
	44,859,213	19,889,771	**64,748,984**
Deferred Tax Assets:			
Accrued expenses allowable on payment	1,010,661	203,490	**1,214,151**
Unabsorbed depreciation carried forward	—	16,431,477	**16,431,477**
	1,010,661	16,634,967	**17,645,628**
Net Deferred tax liability	43,848,552	3,254,804	**47,103,356**

16. The following investments have been purchased and sold during the year.

Fund Name	2010-11		2009-10	
	Units	Cost (In Rs.)	Units	Cost (In Rs.)
Birla Sun Life Cash Plus – Instl. – Growth	499,497	12,500,000	4,884,728	119,994,764
Birla Sun Life Cash Plus – Retail – Growth	—	—	1,095,542	26,230,583
Birla Sun Life Savings Fund – Retail – Growth	—	—	221,703	3,700,590
Birla Sun Life Savings Fund – Instl. – Growth	—	—	7,351,520	126,362,144
Birla Sun Life Savings Fund – Instl.– Daily Dividend Reinvestment	—	—	865,345	8,659,338
HDFC Cash Management Fund – Savings Plan – Growth	—	—	2,764,019	52,500,000
HDFC Cash Management Fund – Treasury Advantage – Growth	490,029	9,900,000	1,741,136	34,500,000
HDFC Floating Rate Income Fund - Short Term Plan	609,502	9,500,000	—	—
ICICI Prudential Flexible Income Plan – Premium Growth	198,817	34,800,000	—	—
ICICI Prudential Flexible Income Plan – Growth	138,197	18,900,000	121,543	20,550,195
ICICI Prudential Liquid – Instl. Plus Plan – Growth	107,858	25,000,000	—	—
ICICI Prudential Liquid – Instl. Plan – Growth	72,326	16,554,622	176,273	39,995,814
ICICI Prudential Liquid – Plan – Growth	42,745	9,991,968	15,822	3,500,000
ING Liquid Fund – Instl. – Growth	—	—	710,565	10,000,000
ING Treasury Advantage Fund – Instl. – Growth	—	—	831,298	10,002,842
JM High Liquidity Fund – Regular – Growth	—	—	252,751	6,300,000
JM High Liquidity Fund – Super Instl. Plan – Growth	5,970,732	88,000,000	—	—
JM Money Manager Fund – Regular – Growth	—	—	193,220	2,500,000
JM Money Manager Fund – Super Plus – Growth	11,002,119	146,609,158	4,174,206	53,846,006
JM High Liquidity Fund –Instl. Plan – Growth	4,344,278	67,595,669	4,354,456	63,094,780
Kotak- Liquid Regular – Growth	—	—	1,224,922	21,391,657
Kotak Liquid – Instl. – Growth	431,430	8,000,000	5,953,607	108,037,713
Kotak Liquid – Instl. Premium – Growth	2,037,151	39,712,857	2,691,698	49,804,511
Kotak Flexi Debt Scheme – Growth	—	—	1,109,255	15,508,170
Kotak Flexi Debt Scheme – Instl. – Growth	7,842,882	91,604,898	13,168,284	118,415,574
Kotak Floater Long Term – Growth	646,505	9,900,000	520,327	7,500,000
SBI - Magnum Insta Cash Fund - Cash Option – Growth	1,533,014	32,967,452	4,106,309	63,300,000
SBI Magnum Insta Cash Fund – Liquid Floater – Growth	—	—	196,644	3,032,522
SBI Premier Liquid Fund – Instl. – Growth	—	—	1,541,001	22,500,000
SBI Ultra Short Term Fund – Instl. – Daily Dividend Reinvestment	—	—	2,405	24,063
SBI - Ultra Short Term Fund - Institutional Plan – Growth	787,101	9,900,000	1,424,168	17,000,000
TATA Liquid High Investment Fund – Growth	—	—	19,738	31,441,451
TATA Liquid Super High Investment Fund – Growth	21,476	38,000,212	13,783	22,839,623
TATA Floater Fund – Growth	4,965,816	70,000,000	4,975,199	66,304,641
Tata Liquid Fund Appreciation	—	—	9,814	20,000,000
Tata Treasury Manager High Investment Plan – Growth	7,737	9,900,000	—	—
UTI Floating Rate Fund – Short Term – Growth	—	—	15,183	21,922,729
UTI Treasury Advantage Fund – Growth	—	—	20,076	29,728,473
UTI Liquid Cash Plan – Instl. – Growth	—	—	34,196	51,772,861

17. During the year, the company has leased 48.71 (previous year 62.42) acres of land on long term basis. Of this 48.71 (previous year 32.64) acres in Special Economic Zone (SEZ) and NIL (previous year 29.78) acres is in the Non Special economic Zone (Non SEZ).

18. Dividend and dividend tax on 8% Cumulative Redeemable Preference Shares outstanding for the period from 1.4.2010 to 31.3.2011 is Rs. 23,244,500 (Previous Year Nil)

19. Previous year's figures have been regrouped / recast, wherever necessary, to conform to current year's classification.

Signatures to Schedules 1 to 15

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
sd/-
B.Ramaratnam
Partner

Place : Jaipur
Date : April 20, 2011

sd/-
(Anita Arjundas)
Director
sd/-
(Rajendra Bhanawat)
Director

sd/-
(B. K. Subbaiah)
Manager & COO

For and on behalf of the Board of Directors

sd/-
(Gurdial Singh Sandhu)
Director
sd/-
(Sanjay Jain)
Company Secretary
Cum GM (Accounts)

Place : Jaipur
Date : April 20, 2011

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details:

Registration No. 17-021207

State Code 17

Balance Sheet Date 31 (Date) 03 (Month) 2011 (Year)

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
5335402	5335402

Sources of Funds

Paid-up Capital	Reserves & Surplus
17000000	81826
Loan Funds	**Deferred tax**
2968702	47103

Application of Funds

Net Fixed Assets	Investments
12492466	45512
Net Current Assets	**Accumulated losses**
3502873	-

IV Performance of Company (Amount in Rs. Thousands)

Turnover (Including other Income)	Total Expenditure
426335	413649
Profit before tax	**Profit after Tax**
12686	9431
Earning per Share in Rs.	**Dividend rate %**
0.10	-

V Generic Names of Principal Products /Services of Company (as per monetary terms)

Product Description: DEVELOPMENT OF INDUSTRIAL PARK

ITC Code: NIL

Signatures to Schedules 1 to 15

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
sd/-
B.Ramaratnam
Partner

Place : Jaipur
Date : April 20, 2011

sd/-
(Anita Arjundas)
Director
sd/-
(Rajendra Bhanawat)
Director

sd/-
(B. K. Subbaiah)
Manager & COO

For and on behalf of the Board of Directors

sd/-
(Gurdial Singh Sandhu)
Director
sd/-
(Sanjay Jain)
Company Secretary
Cum GM (Accounts)

Place : Jaipur
Date : April 20, 2011

Watsonia Developers Limited

Annual Report

2010-11

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their First Report together with the audited accounts of the Company for the period ended 31st March, 2011.

Incorporation

Your Company was incorporated on 2nd June, 2010 and has obtained its Certificate of Commencement of Business on 13th July, 2010.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

	For the period 2nd June, 2010 to 31st March, 2011
Total Income	—
Profit /(Loss) Before Depreciation, Interest and Taxation	(1,13,737)
Less : Depreciation	—
Profit / (Loss) Before Interest and Taxation	(1,13,737)
Less :Interest	—
Profit / (Loss) Before Taxation	(1,13,737)
Less : Provision for Taxation	
Current Tax	—
Deferred Tax	—
Profit / (Loss) for the period after Taxation	(1,13,737)
Balance carried forward to the Balance Sheet	(1,13,737)

Operations

Your Company is exploring business opportunity in residential developments and shall undertake a few projects at an appropriate time.

Dividend

In view of the losses, your Directors do not recommend a dividend for the period under review.

Capital

The Authorised Equity Share Capital of your Company is Rs.10 lakh and the paid-up equity capital of your Company is Rs. 5 lakh.

Your Company is a wholly owned subsidiary of Mahindra Lifespace Developers Limited and consequently a subsidiary of the ultimate holding company, Mahindra & Mahindra Limited.

Directors

Ms. Anita Arjundas, Mr. Rajan Narayan and Mrs. Beroz Gazdar being the first Directors of the Company hold office upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received notices from a member signifying the intention to propose Ms. Anita Arjundas, Mr. Rajan Narayan and Mrs. Beroz Gazdar as candidates for the office of Director, and consequently their appointments at the forthcoming Annual General Meeting are recommended for your approval.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the loss of the Company for the period ended on that date;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the period under review, received declarations under the Code from the Board Members of the Company affirming compliance with the Code.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, the first Auditors of the Company, who were appointed by the Board of Directors, retire as Auditors of the Company at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members are requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, to the

effect that their re-appointment if made, would be in conformity with the limits specified in the said Section.

Public Deposits and Loans / Advances

The Company has not accepted deposits from the public or employees during the period under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the Rules made thereunder

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than Rs. 60,00,000 p.a. during the year ended 31st March, 2011, or was employed for a part of Financial Year and was in receipt of remuneration of not less than Rs. 5,00,000 p.m. during any part of the period.

Acknowledgment

The Directors are thankful to all consultants and associates of your Company for the support received from them during the period under review.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 19th April, 2011

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH, 2011.

A. CONSERVATION OF ENERGY

(a)	Energy conservation measures taken	:	The operations of your Company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy	:	Nil
(c)	Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	:	Not Applicable
(d)	Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule	:	Not Applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1.	Areas in which R & D is carried out	:	The Company has not carried out any R&D activities during the period
2.	Benefits derived as a result of the above efforts	:	Not Applicable
3.	Future Plan of action	:	Further quality improvement
4.	Expenditure on R & D	:	Nil
5.	Technology absorption, adaptation and innovation	:	Nil
6.	Imported Technology for the last 5 years	:	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the period under review.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 19th April, 2011

AUDITORS' REPORT

TO THE MEMBERS OF
WATSONIA DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of Watsonia Developers Limited as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. 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. As required by the Companies (Auditor's Report) Order, 2003, (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 the books.

   c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2011,

      ii) in the case of the Profit and Loss Account, of the loss for the period ended on that date, and

      iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2011, and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
B. K. Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
M. No. 44784

Place: Mumbai
Dated: April 19, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of Watsonia Developers for the year ended March 31, 2011.

1. The company did not own any fixed assets at the beginning or at the end of the year. Also it has not purchased or sold any fixed assets during the year. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (i) of para 4 of the Order are not applicable.

2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.

3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.

4. Since the company has not dealt in purchase and sale of any finished goods, stores, spares and raw materials. Also neither it owned any fixed assets at the beginning or at the end of the year nor has purchased or sold any fixed assets during the year. Therefore provisions of sub-para (iv) of para 4 of the Order are not applicable.

5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:

   a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of Rs. five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.

   b) As there are no transactions exceeding the value of Rs. five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable

6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.

7. The provisions relating to internal audit are not applicable to the Company.

8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.

9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax, wealth tax, sales tax, custom duty and excise duty were outstanding, as on March 31, 2011, for a period more than six months from the date they became payable.

   (ii) There are no disputed dues outstanding as on March 31, 2011 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.

10. The company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the period is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.

11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.

12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to chit fund/ nidhi/mutual benefit fund/society are not applicable to the company.

14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the period.

16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not obtained any term loans during the period ended March 31, 2011.

17. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.

18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the period.

19. The company has not issued any debentures during the period.

20. During the period the company has not raised any money by way of public issue.

21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the period, nor have we been informed of such case by the management.

For and on behalf of
B. K. Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
M. No. 44784

Place: Mumbai
Dated: April 19, 2011

BALANCE SHEET AS AT 31 MARCH 2011

	Schedule	As at March 31, 2011 Rupees
SOURCES OF FUNDS		
Shareholders' funds		
Share capital	**1**	**500,000**
Total		**500,000**
APPLICATION OF FUNDS		
Current assets, loans and advances		
Cash and bank balances	**2**	**402,808**
Less: Current liabilities and provisions		
Current liabilities	**3**	**16,545**
Net current assets		**386,263**
Profit and loss account		**113,737**
Total		**500,000**

The Schedules referred above form an integral part of the Balance Sheet

In terms of our report attached

For **B.K. Khare & Co.**
Chartered Accountants

Padmini Khare Kaicker
Partner

Place: Mumbai
Date: April 19, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Beroz Gazdar Directors

Place: Mumbai
Date: April 19, 2011

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM JUNE 2, 2010 TO MARCH 31, 2011

	Schedule	June 2, 2010 to March 31, 2011 Rupees
EXPENDITURE		
Other expenses	**4**	113,737
Total.....		113,737
Profit / (Loss) after tax		(113,737)
Profit / (Loss) carried to the balance sheet.....		(113,737)

The Schedules referred above form an integral part of the Profit and Loss Account

In terms of our report attached

For **B.K. Khare & Co.**
Chartered Accountants

Padmini Khare Kaicker
Partner

Place: Mumbai
Date: April 19, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Beroz Gazdar Directors

Place: Mumbai
Date: April 19, 2011

CASH FLOW STATEMENT FOR THE PERIOD FROM JUNE 2, 2010 TO MARCH 31, 2011

	June 2, 2010 to March 31, 2011 Rupees
A. Cash flow from operating activities	
Profit / (Loss) before tax	**(113,737)**
Adjustments for:	
Operating profit / (loss) before working capital changes	**(113,737)**
Changes in:	
Increase / (decrease) in current liabilities	**16,545**
Cash (used in) / generated from operations	**(97,192)**
Taxes Paid	**—**
Net cash (used in) / from operating activities	**(97,192)**
B. Cash flow from investing activities:	
Net cash (used in) / from investing activities	**—**
C. Cash flow from financing activities:	
Proceeds from issue of shares	**500,000**
Net cash (used in) / from financing activities	**500,000**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**402,808**
Cash & cash equivalents	
Opening balance	**—**
Closing balance	**402,808**
Net increase / (decrease) in cash and cash equivalents	**402,808**

In terms of our report attached

For **B.K. Khare & Co.**
Chartered Accountants

Padmini Khare Kaicker
Partner

Place: Mumbai
Date: April 19, 2011

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Beroz Gazdar Directors

Place: Mumbai
Date: April 19, 2011

SCHEDULES FORMING PART OF ACCOUNTS FOR THE PERIOD JUNE 2, 2010 TO MARCH 31, 2011

	As at March 31, 2011 Rupees
SCHEDULE 1 :	
SHARE CAPITAL	
Authorised	
50,00,000 Equity shares of Rs. 10 each	**50,000,000**
Issued, subscribed and paid up.	
50,000 equity shares of Rs.10 each fully paid	**500,000**
(The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees)	
	500,000

	As at March 31, 2011 Rupees
SCHEDULE 2 :	
CASH AND BANK BALANCES	
Balances with scheduled bank	
- on current account	**402,808**
	402,808

	As at March 31, 2011 Rupees
SCHEDULE 3:	
CURRENT LIABILITIES	
Current liabilities	
Sundry creditors	
- dues to micro enterprises and small enterprises	**-**
- others	**16,545**
	16,545

	June 2, 2010 to March 31, 2011 Rupees
SCHEDULE 4 :	
OTHER EXPENSES	
Preliminary Expenses	**96,566**
Remuneration to auditors	
- Audit Fees	**16,545**
Miscellaneous Expenses	**626**
	113,737

SCHEDULE 5:

NOTES TO THE ACCOUNTS FOR THE PERIOD JUNE 2, 2010 TO MARCH 31, 2011

Background

The Company was incorporated on 2nd June, 2010 and is engaged in the business of development of Residential complexes and is in the process of identifying lands for acquisition.

1. **Significant Accounting Policies**

   a) Basis of Accounting

   The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

   b) Taxes on Income

   Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

   Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

   c) Provisions and contingencies

   A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2. The particulars regarding dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

3. **Related Party Disclosures:**

   (i) **List of related parties**

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

   (ii) **Related party transactions for the period:**

Rs.

Mahindra Lifespace Developers Limited:	June 2, 2010 to March 31, 2011.
Investment in Equity shares	**5,00,000**
Expenses reimbursed	**31,521**
Payable as at the year end	**Nil**

4. In line with AS 22, accounting for Taxes on Income, on principles of prudence, the company has not recognized the net deferred tax asset arising due to unabsorbed losses.

5. **Earnings per share:**

Net (loss) after tax (Rs.)	**(1,13,737)**
Weighted average number of Equity shares (Nos.)	**41,507**
Basic and Diluted Earnings per share (Rs.)	**(2.74)**
Nominal value of shares.(Rs.)	**10**

6. The company was incorporated on June 2, 2010 and the first accounts of the company are drawn for the period June 2, 2010 to March 31, 2011. Accordingly there are no previous year's figures.

7. INFORMATION PURSUANT TO PART IV SCHEDULE VI OF THE COMPANIES ACT,1956

Balance Sheet Abstract And Company's General Business Profile

I Registration details :

Registration no. U 7 0 1 0 2 M H 2 0 1 0 P L C 2 0 3 6 1 8 State code 1 1

Balance sheet date 3 1 (Date) 0 3 (Month) 2 0 1 1 (Year)

II Capital raised during the year (Amount in Rs.thousands)

Public issue	Rights issue
N I L	N I L
Bonus issue	**Private placement**
N I L	5 0 0

III Position of mobilisation and deployment of funds (Amount in Rs.thousands)

Total liabilities	Total assets
5 1 7	5 1 7

Sources of funds :

Paid-up capital	Reserves and surplus
5 0 0	N I L
Secured loans	**Deferred tax liability**
N I L	N I L

Application of funds

Net fixed assets	Investments
N I L	N I L
Net current assets	**Accumulated Losses**
3 8 6	1 1 4

IV **Performance of company** (Amount in Rs.thousands)

Turnover (including other income)	Total expenditure
0	1 1 4
Profit / (Loss) before tax	**Profit / (Loss) after tax**
(1 1 4)	(1 1 4)
Earning per share in Rs.	**Dividend rate %**
(2 . 7 4)	N I L

V Generic name of principal product /service of company.(as per monetary items)

Product description : Development of SEZ

ITC Code : N I L

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Rajan Narayan
Beroz Gazdar Directors

Place: Mumbai

Date: April 19, 2011