

ANNUAL REPORT

2010 - 2011



Charting the path to sustainable urbanisation.
We call it Rise.

RISE MANIFESTO

Today is another perfect day, to defy the world's naysayers.

Today, we will think bigger than our size.

Today, we will refuse to accept limitations.

Today, we will not be held back by the past.

Today, we will focus on the future – and never, ever blink.

Today, we will break down another barrier...

Scoff at another convention...

And use alternative thinking...

To solve another previously unsolvable problem.

Today, we will accomplish something astounding...

And in the process, change someone's life for the better.

Today, Mahindra will set an example for the world.

With boldness.

With confidence.

With relentless optimism.

Good morning.

Today is another perfect day...

To RISE.



In January 2011, the Mahindra Group launched a new brand positioning spanning across all industries, companies, and geographies. The new brand positioning, expressed by the word “Rise”, is amplified by a simple group core purpose: “We will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives’ of our stakeholders and communities across the world to enable them to Rise.”

Rise captures a sense of optimism about the future and a determination to shape one’s own destiny. It means that the Group’s products and services empower its customers to achieve their aspirations. From providing farmers in rural India with equipment and agri-services that help them raise farm productivity to building reliable pick-ups for businessmen, from creating IT solutions for some of the world’s leading companies to pioneering green real estate in India, the Mahindra Group enables its customers to achieve a better future.

Building a strong, universally relevant brand is a key driver of business success. Rise is expected to play a major role in the plans to build a strong global presence and market leadership for the Mahindra Group to become a truly global multinational. Rise unifies the varied perceptions of brand Mahindra across its existing companies, from automotive to retail. It also provides a clear guiding principle for all Group companies to follow.

The idea of “Rise” arose from 18 months of in-depth conversations with employees and customers. It is an articulation of values the Group has always held. The idea of Rise rests on three brand pillars:

- Accepting no limits,
- Alternative thinking, and
- Driving positive change

Mahindra Lifespaces has not only imbibed the idea and core philosophy of “Rise” in its functioning but also in its approach and strategy for the future. For the Company: **Accepting no limits** means striving for greater scale and presence by leveraging the opportunities presented by a rapidly growing economy and increasing urbanisation. We will broaden the reach and relevance of our Mahindra World City business by adapting to new opportunities and market needs. We shall also participate in the development of new and upcoming segments in our housing business, which have large social implications, by building new capabilities required to succeed and grow these new initiatives; **Alternative thinking** is helping us constantly to evaluate and apply newer technology and processes for ensuring timely delivery and higher quality of our products & use of innovative materials to reduce the consumption of precious natural resources; **Driving positive change** in our context is our commitment to develop environment friendly residential and integrated business city developments which will ease the pressure on mother nature and reduce our carbon footprint. Our other endeavour is inclusive development at all our project locations to help the communities that live around these projects prosper in all walks of life.

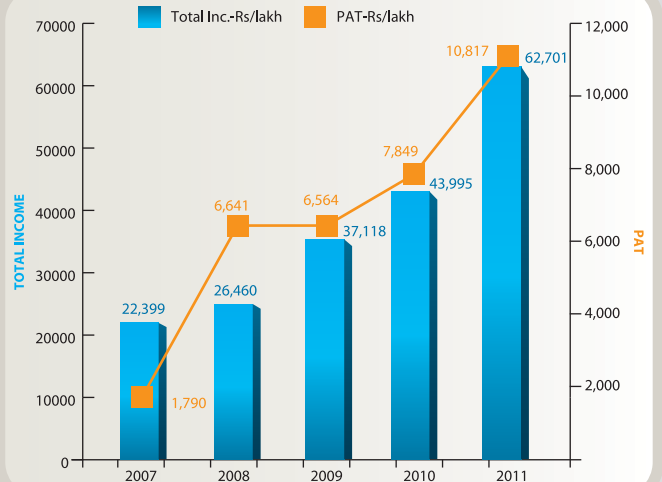
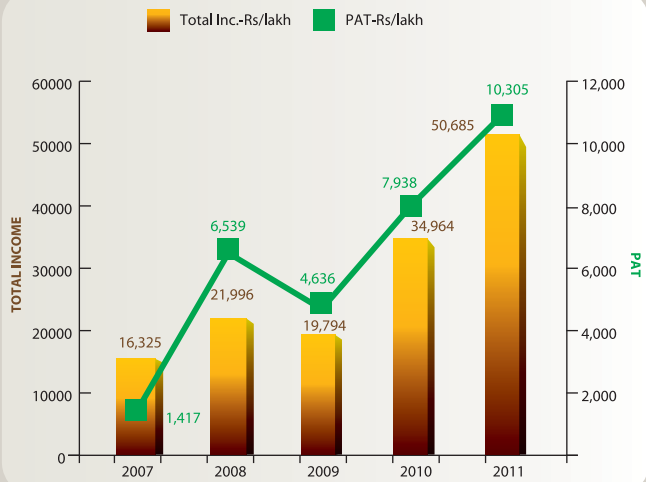
In addition to guiding product and service development, Rise has important implications internally. It is currently driving internal business transformation of the Mahindra Group to help its employees to live the core purpose and achieve the goal of becoming a leading global player. The Group is re-evaluating processes from HR policies to brand and digital architecture to drive positive change in its employees’ work experience, business success, and relationships with all its stakeholders.

In the coming years, the Mahindra Group expects ‘Rise’ to yield strong business results by creating strong relationships with customers and all stakeholders, providing a clear guide for business decisions across the Group, and catalyzing ambitious and innovative growth.

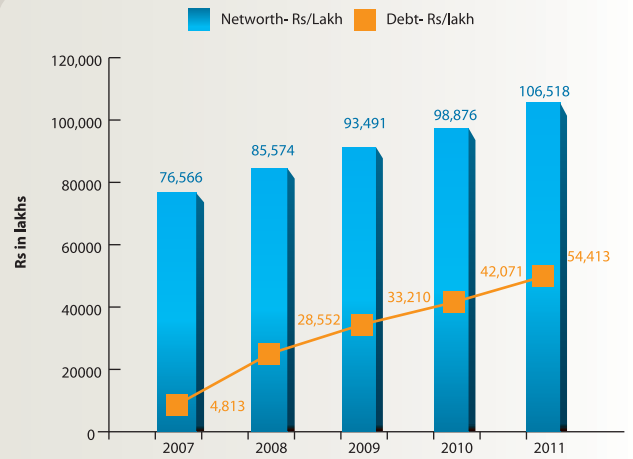
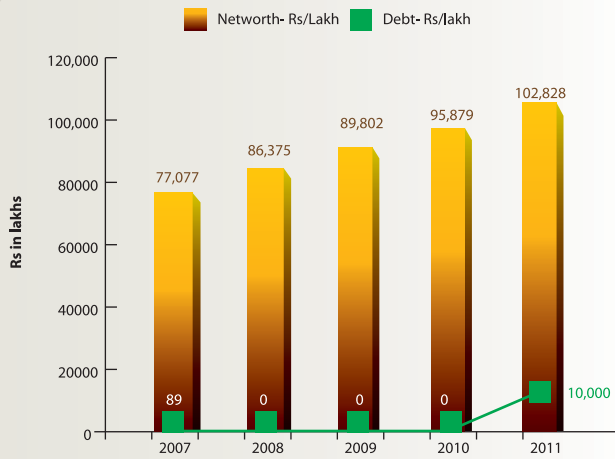
STANDALONE

Total Income & PAT

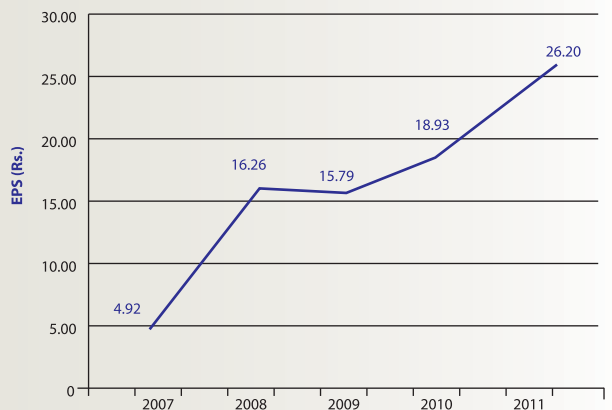
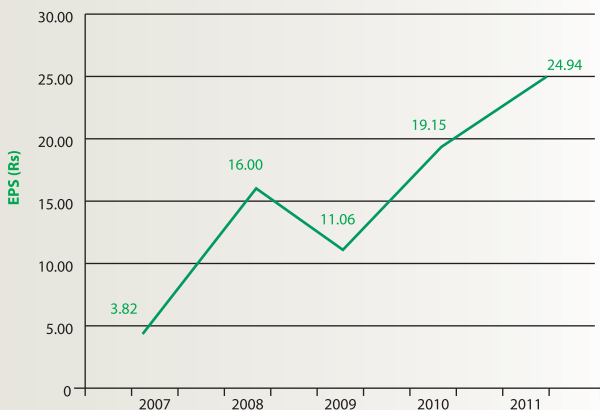
CONSOLIDATED



Debt & Network



EPS



FINANCIAL HIGHLIGHTS - STANDALONE

Rs. in lakh

	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007	F - 2006	F - 2005	F - 2004	F - 2003	F - 2002
Net Worth	102,828	95,879	89,802	86,375	77,077	19,279	19,474	21,249	20,612	20,382
Borrowings	10,000	-	-	-	89	12,729	5,303	6,959	13,398	15,041
Net Fixed Assets	3,192	3,237	3,482	2,688	3,282	3,427	3,758	4,259	9,394	9,937
Investments	36,214	40,955	36,153	50,291	32,578	9,577	9,364	8,399	1,010	1,010
Net Current Assets	73,509	51,870	50,194	33,565	41,328	19,004	11,026	14,478	22,101	22,533
Book Value Per Equity Share (Rs.)	252	232	218	209	190	41	42	45	43	42
Operating Income	47,656	32,065	16,540	17,212	15,552	12,113	9,146	7,139	5,928	16,997
Other Income	3,029	2,899	3,254	4,784	773	300	349	2,928	3,033	2,117
Operating Expenses	31,367	21,267	12,433	11,181	11,981	8,660	6,212	6,199	2,833	12,585
Other Expenses	4,381	2,947	1,585	2,437	2,239	2,005	1,949	3,099	5,748	6,025
Profit Before Tax	14,937	10,750	5,777	8,378	2,105	1,748	1,334	769	549	504
Profit After Tax	10,305	7,938	4,636	6,539	1,417	1,099	786	636	230	257
Basic Earning per Share (Rs.)	24.94	19.15	11.06	16.00	3.82	0.51	2.53	1.78	0.47	(2.09)
Diluted Earning per Share (Rs.)	24.94	19.15	11.06	16.00	3.81	0.51	-	-	-	-
Equity Dividend per Share (Rs.)	5.00	3.50	2.50	2.50	1.50	1.00	-	-	-	1.00



Contents

Notice	2
Directors' Report	6
Management Discussion & Analysis	13
Corporate Governance Report	24
Auditors' Report	37
Accounts	40
Statement Pursuant to Section 212	67
Consolidated Audit Report & Accounts	68



Board of Directors

Mr. Arun Nanda	Chairman
Mr. Uday Y. Phadke	
Mr. Sanjiv Kapoor	
Mr. Shailesh Haribhakti	
Mr. Anil Harish	
Dr. Prakash Hebalkar	
Ms. Anita Arjundas	Managing Director & Chief Executive Officer

Leadership Team

Ms. Anita Arjundas	Managing Director & Chief Executive Officer, MLDL and CEO, Real Estate Sector
Ms. Sangeeta Prasad	COO, Mahindra World City, Chennai & Regional Head (South)
Mr. B. K. Subbaiah	COO, Mahindra World City, Jaipur
Mr. Rajan Narayan	Advisor – Strategic Sourcing
Mr. Suhas Kulkarni	Vice President – Legal & Company Secretary
Mr. Rajendra Joshi	Vice President – Sales, Marketing & CRM
Mr. Vishnu Banka	Vice President – Finance & Accounts
Mr. K.S. Gnanaseelan	Vice President - Projects (South)
Mr. Manoj Kulkarni	Vice President – Projects (West)
Mr. Ramesh Ranganathan	Head – Business Development
Mr. Sanjay Sinha	Head - Infrastructure Development, Mahindra World City, Jaipur
Mr. Amit Pal	General Manager – QA & Innovation
Mr. Siddharth Bafna	General Manager - Strategy

Company Secretary

Mr. Suhas Kulkarni

Auditors

M/s. B. K. Khare & Co. Chartered Accountants

Bankers

Central Bank of India
Citibank N.A.

Legal Advisors

Khaitan & Co.
Little & Co.
AZB & Partners

Registrar and Share Transfer Agents

Sharepro Services (India) Private Limited
13 AB Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri - Kurla Road, Sakinaka,
Andheri (E), Mumbai-400 072
Tel : 022-67720300, 67720400
Fax : 022-28591568, 28508927
E-mail: sharepro@shareproservices.com
Website : www.shareproservices.com

Registered Office

Mahindra Towers, 5th Floor,
Worli, Mumbai 400 018

Branch / Regional Offices

- **Regional Office – North**
Mahindra Towers, 2A,
Bhikaiji Cama Place,
New Delhi 110 066
- **Regional Office – South**
The Canopy, II Floor, Unit No. II,
Mahindra World City, Special Economic Zone,
Natham Sub P.O., Near Paranur Railway Station,
Chengelpet 603 002, Tamilnadu
- **Branch Office – Hyderabad**
Lorven Arcade, 1st Floor,
Indrareddy Allwyn Colony,
Miyapur – Hi-tech City Road
Miyapur, Hyderabad 500 049
- **Regional Office – West**
Chemtex House, Ground Floor,
Main Street Road, Hiranandani Gardens,
Powai, Mumbai 400 076
- **Branch Office – Pune**
City Point, 2nd Floor,
Office No. 215-A, B & C,
Boat Club Road,
Pune 411 001. Maharashtra



NOTICE

The Twelfth Annual General Meeting of MAHINDRA LIFESPACE DEVELOPERS LIMITED will be held at Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021, on Thursday, 21st day of July, 2011 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To confirm the interim dividend paid on Preference Shares as final dividend and to declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Arun Nanda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shailesh Haribhakti, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Prakash Hebalkar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956, M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number- 105102W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

SPECIAL BUSINESS:

7. Increase in borrowing limits

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

“RESOLVED THAT in supersession of Resolution No.8 passed at the 3rd Annual General Meeting of the Company held on 25th September, 2002, the consent of the Company be accorded pursuant to the provisions of Section 293(1)

(d) and other applicable provisions of the Companies Act, 1956 to the Board of Directors of the Company (which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time, any sum or sums of money for the business of the Company upon such terms and conditions and with or without security as the Board of Directors may in its absolute discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from Banks in the ordinary course of business) together with the sums already borrowed which may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed Rs.15,00,00,00,000 (Rupees One Thousand Five Hundred Crore only).”

8. Commission to Non-Executive Directors

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

“RESOLVED THAT in supersession of Resolution No. 7 passed at the 9th Annual General Meeting of the Company held on 28th July, 2008, the Directors who are neither in the whole-time employment of the Company nor the Managing Director, Executive Directors and such of the remainder as may not desire to participate, shall for a period of five years with effect from 1st April, 2010, be paid remuneration by way of commission upto one per cent of the net profits of the Company, computed in the manner referred to in Section 198, 309 and all other applicable provisions of the Companies Act, 1956, and such commission to be distributed amongst and paid to the aforesaid Directors concerned in such proportions as they may from time to time decide between themselves.

RESOLVED FURTHER THAT the Board/Committee of Directors be and is hereby authorised to do all such acts, deeds and things as desirable to give effect to this resolution.”

NOTES:

A. As of 31st March, 2011:

Mr. Arun Nanda, Non-Executive Chairman holds 60,114 equity shares, Mr. Shailesh Haribhakti, Non-Executive Independent Director holds 5,100 equity shares. Dr.Prakash

Hebalkar Non-Executive Independent Director is not holding either on his own or for any other person on a beneficial basis, any shares in the Company. Brief resumes of Directors seeking re-appointment are given in Corporate Governance Report.

None of the Directors of the Company are inter-se related to each other.

- B. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
- C. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.**
- D. The instrument appointing proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- E. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 14th July, 2011 to Thursday, 21st July, 2011 (both days inclusive).
- F. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
- G. Pursuant to Section 205C (2) of the Companies Act, 1956, unpaid/unclaimed dividends for the financial year ended on 31st March, 2000, 2001 and 2002 have been transferred to the Investor Education & Protection Fund (IE & PF) on 19th September, 2007, 24th October, 2008 and 20th November, 2009 respectively. Given below is the table of dates by which shareholders can claim the respective unclaimed dividend from the Company / Registrars and the date by which such unclaimed amount will be transferred to the Investor Education & Protection Fund.

Equity Dividend for FY	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed transfer of unclaimed Equity Dividend to IE & PF between
2005-2006	21st July, 2006	24th August, 2013	25th August, 2013 to 23rd September, 2013
2006-2007	17th September, 2007	17th October, 2014	18th October, 2014 to 15th November, 2014
2007-2008	28th July, 2008	27th August, 2015	28th August, 2015 to 26th September, 2015
2008-2009	24th July, 2009	26th August, 2016	27th August, 2016 to 25th September, 2016
2009-2010	21st July, 2010	19th August, 2017	20th August, 2017 to 18th September, 2017

Shareholders who have not encashed the dividend warrants so far are requested to make their claim to the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, 13AB Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.

- H. Members can avail of the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to Sharepro Services (I) Pvt. Limited.
- I. Members are requested to :
 - a. intimate to the Company's Registrar & Share Transfer Agents, Sharepro Services (I) Pvt. Limited, changes, if any, in their registered addresses at an early date.
 - b. quote their folio numbers / client ID / DP ID in all correspondence.
- J. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
- K. Dividend, if declared, will be credited / dispatched between 22nd July, 2011 to 30th July, 2011 to those members whose names will appear on the Register of Members of the Company and, in respect of those members who hold shares in the electronic form, as per the list of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) or to their mandate as of the close of business hours on Wednesday, 13th July, 2011.
- L. As per RBI notification, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform. NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solution (CBS) for centralized processing of inward instruction and efficiency in handling Bulk transactions. In this regard if you are holding shares in electronic form, please furnish new Bank Account Number allotted to you by your Bank after implementation of CBS, alongwith a photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP) at your earliest convenience. However, if you are holding the shares in physical form you are requested to furnish the new account number alongwith photocopy of the cheque to the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, 13AB Samhita Warehousing

Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.

- M. Ministry of Corporate Affairs (MCA), Government of India, has taken a Green initiative in the Corporate Governance by allowing paperless compliances by the Companies after considering provisions of the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through Electronic Mode. Vide Circular No.17/2011 dated 21st April, 2011, MCA has provided that the Company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode provided the company has obtained email addresses of its members for sending the notice / documents through e-mail by giving an advance opportunity to every shareholder to register his/her email address and changes therein from time to time with the company. In cases where any members has not registered his/her e-mail address with the company, the service of documents etc. will be effected by other modes of service as provided in Section 53 of the Companies Act, 1956.

Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, as the case may be.

In case you desire to receive the notice / documents in physical form, you are requested to send an e-mail to e-communication@mahindralifespaces.com or visit the website, www.shareproservices.com and register for physical copies.

For and on behalf of the Board
For **Mahindra Lifespace Developers Limited**

Suhas Kulkarni
Company Secretary

Registered Office

Mahindra Towers, 5th Floor,
Worli, Mumbai 400 018

Date: 23rd April, 2011

ANNEXURE TO NOTICE

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)
OF THE COMPANIES ACT, 1956**

Item No. 7

The resolutions at item No. 7 is to enable the Board to borrow upto Rs.1,500 crore with or without security. The Company is in the business of development of residential properties, integrated townships and business parks. In its quest for expanding its business operations and maximizing the returns for its shareholders, the Company is examining various options and alternatives to fulfill its ambitious growth plans. The Company may have to leverage its resources and assets to obtain maximum benefits and raise funds to meet its long term strategic plans. The Company might have to consider raising funds, presently estimated at not more than Rs.1,500 crore, at competitive rates of interest, either as non encumbered loans and / or by creating mortgage or hypothecation or pledge or charge over its assets / property or any part thereof. As the proposed borrowings may exceed the limits earlier approved by the shareholders under Section 293 (1)(d) of the Companies Act, 1956 at the 3rd Annual General Meeting of the Company, the approval of the shareholders would be required for the resolution at item No. 7 of the Notice for proposed borrowings under Section 293(1)(d) of the Companies Act, 1956.

The Directors recommend passing of Resolutions at item No. 7 of the Notice as an Ordinary Resolution.

None of the Director is deemed to be interested or concerned in this item of business.

Item No. 8

In the 9th Annual General Meeting held on 28th July, 2008, the Members had passed a Special Resolution for payment of commission upto one per cent per annum of the net profits of the Company to the Directors of the Company other than the Directors who were in the whole time employment of the Company, the Managing Director, Executive Director and such other Directors who did not desire to participate.

The Special Resolution had authorised the Directors to distribute the commission in such proportions as they may decide between themselves from time to time subject to a limit of one quarter per cent of the net profits for any one Director. The Directors propose that the limit of one quarter per cent of net profits imposed by the said Special Resolution be removed and instead the quantum of commission to be paid to any Director be left to the

discretion of the Board of Directors and the aggregate quantum of commission to be paid is subject to the limit of one per cent per annum of the net profits of the Company imposed by the said Special Resolution.

As such, the Resolution at Item No.8 proposed is in supersession of the Special Resolution passed at the 9th Annual General Meeting of the Company held on 28th July, 2008, proposing the deletion of the limit of one quarter per cent of the net profits imposed on the commission payable to a single Director.

The Directors recommend passing of the Resolution at item No. 8 as a Special Resolution.

Except Mr. Uday Phadke, Non-Executive Director of the Company who is in whole time employment of Mahindra & Mahindra Limited and Ms. Anita Arjundas, Managing Director & CEO of the Company, all other Directors may be deemed to be concerned or interested in this resolution to the extent of commission that may be payable to them from time to time.

For and on behalf of the Board
For **Mahindra Lifespace Developers Limited**

Suhas Kulkarni
Company Secretary

Registered Office

Mahindra Towers, 5th Floor,
Worli, Mumbai 400 018

Date: 23rd April, 2011

Directors' Report to the Members

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

Financial Highlights

	(Rs. in lakh)	
	2011	2010
Operating Income	47,656	32,065
Other Income	3,029	2,899
Total Income	50,685	34,964
Profit Before Depreciation, Interest and Taxation	15,303	10,981
Less : Depreciation	250	231
Profit Before Interest and Taxation	15,053	10,750
Less : Interest & Finance charges	116	-
Profit Before Taxation	14,937	10,750
Less : Provision for Taxation		
Current Tax	4,728	2,991
Deferred Tax (including MAT Credit)	(96)	(179)
Profit After Tax	10,305	7,938
Add : Balance of Profit for earlier years	14,866	9,516
Amount available for appropriation	25,171	17,454
Interim Dividend on Preference Shares (including tax on distributed profits)	119	-
Proposed Dividend on Preference Shares (including tax on distributed profits)	-	123
Proposed Dividend on Equity Shares (including tax on distributed profits)	2,374	1,671
Add : Excess Tax of previous year on Dividend written back	(6)	-
Less : Transfer to General Reserve	1,030	794
Balance carried forward	21,654	14,866

Dividend

Your Directors have recommended a dividend of Rs. 5 per equity share (50 per cent) of the face value Rs.10 of the Company for the year 2010-11.

The equity dividend (including tax on distributed profits) amounts to Rs. 2,374 lakh (previous year Rs. 1,671 lakh), and shall be paid out of profits for the current year.

An interim dividend on 10,00,000 - 10.50 per cent Non-Cumulative Redeemable Preference shares of Rs. 100 each was declared on 18th March, 2011. Your Directors have recommended that the interim dividend paid on Preference shares be treated as final dividend.

Operations

The global economy gathered strength during the year, with significant improvements in output, trade and capital flows and business and consumer sentiment. World output grew at 5 per cent during 2010, after contracting by 0.5 per cent during 2009. The Indian economy, too, grew at an impressive rate. According to the latest estimates released by the Central Statistical Organisation (CSO), India's GDP grew at 8.5 per cent in 2010-11, up from 8 per cent during the previous year. All sectors contributed to this performance. Industry and services grew at 9.4 per cent and 7.9 per cent respectively during 2010-11. The performance of

the construction sector, which is the second largest segment of industry after manufacturing, also improved during the year — recording a growth of 8.1 per cent during 2010-11 as compared to 7 per cent during 2009-10.

Driven by this strong economic performance, demand for both residential units and industrial land increased during 2010-11. In the residential segment, most markets witnessed significant growth in demand and firming-up of prices. Although muted in comparison, the demand from businesses for building capacities and expanding operations, which had started gathering momentum towards the end of the previous year, also increased at a satisfactory pace during 2010-11. Your Company has benefited from the strategy of focusing on these two key segments of operations.

In the residential segment, the focus will be on offering new products in the premium and mid-market segments, which will be complemented by enhancing the Company's presence by moving to new towns and cities. During the year under review, the residential segment continued to drive the Company's performance. The Company completed two of its projects: 'Mahindra Chloris' in Faridabad in the National Capital Region (NCR) and Phase III of 'Mahindra Royale' in Pimpri, Pune. The handing over process of these projects has been initiated. Your Company successfully launched new phases of 'Mahindra Eminente' in Mumbai and 'Mahindra Aura' in NCR. In addition, the

Company also launched a new project at Mahindra World City, New Chennai, viz.; 'Iris Court' through its subsidiary company, Mahindra Integrated Township Limited.

In the integrated development space, your Company will strive to maintain its pioneer and innovator status with new concepts and flexible formats. Both operational projects of your Company witnessed significant increase in activity during this period. Mahindra World City, Jaipur and Chennai, have both concluded many lease agreements with customers during this period. Besides, many customers have started development and construction work in their leased land.

Mahindra World City (Jaipur) Limited (MWCJL), a subsidiary of your Company received formal approval for two more Special Economic Zones (SEZs), namely Gems and Jewellery and IT/ITeS during the year. MWCJL also received environmental clearance for three SEZs, namely IT/ITeS, Light Engineering and Handicrafts. In the future, MWCJL has plans to expand the coverage of the project to include other segments such as Apparel and Logistics. Employment at Mahindra World City, Jaipur, touched 2,800 with a total investment of more than Rs. 890 crore by the Company and its customers. Three of the 39 customers at Mahindra World City, Jaipur are operational and other 11 customers have commenced construction.

At Mahindra World City, Chennai, employment by operational customers increased from 18,000 to 23,000 people. Exports also increased significantly during the year to Rs.3,500 crore from Rs.2,300 crore in the previous year. Buoyed by interest from prospective customers, the Company is looking to expand the project by another 100 acres, for which almost all of the land is already in place and certain approvals are awaited. The expansion will be in the Domestic Tariff Area, with focus on manufacturing companies catering to the Indian market. There has been strong interest from leading multi-national companies to take-up this additional space. Mahindra World City Developers Limited (MWCDL), a subsidiary of your Company has already signed MoUs with multi-national companies from Japan, US and Ireland in the auto ancillary sector for around 50 per cent of the proposed expansion area.

Apart from the current two World Cities, the Company is in various stages of planning and land acquisition for other large format projects in Tamil Nadu and Maharashtra. During the year, your Company also entered into two MoUs with the Government of Gujarat at the 'Vibrant Gujarat' Summit, marking its foray into the State. The first MoU is for the development of a 3,000 acres integrated business city, along the lines of the existing Mahindra World City format, at Dholera Special Investment Region, located in the proposed Delhi Mumbai Industrial Corridor. The second MoU is for the development of an industrial park of around 500 acres close to Ahmedabad.

Today, your Company is one of the few companies in the real estate development industry in India with the experience of successfully serving consumers as well as businesses through its two segments of operations. With a buoyant residential market and an improved investment climate in the integrated development space, the Company reported excellent results for 2010-11.

Total income of your Company as a standalone entity was Rs.50,685 lakh in 2010-11 as compared to Rs. 34,964 lakh in 2009-10. Profit before tax (PBT) was Rs.14,937 lakh in 2010-11 as compared to Rs. 10,750 lakh in 2009-10, whereas profit after tax (PAT) was Rs.10,305 lakh as compared to Rs. 7,938 lakh in 2009-10.

The consolidated total income of your Company increased from Rs. 43,995 lakh in 2009-10 to Rs.62,702 lakh in 2010-11. The consolidated PBT grew by 45 per cent from Rs. 11,888 lakh in 2009-10 to Rs.17,205 lakh in 2010-11, whereas consolidated PAT after minority interest increased to Rs.10,817 lakh from Rs. 7,849 lakh during 2009-10. During the year, the Company also received a dividend income of Rs.489 lakh from its subsidiary Mahindra World City Developers Limited and Rs.188 lakh from Mahindra World City (Jaipur) Limited.

Demand from Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)

During 2008-09, MSEDCL had raised an assessment bill for Rs.2164 lakh on the Company pertaining to a commercial complex at Pune. The Company has filed an appeal before Adjudicating Officer at Mumbai for quashing the said demand.

Demand from Income Tax Department

In respect of certain business incomes re-classified by the Income Tax Department as income from house property and other disallowances, the Company has succeeded at the Appellate Tribunal for some assessment years and is pursuing the matter further with the Appellate authorities for other years. The liability net of Deferred Tax Asset/Liability would be Rs.743.34 lakh (previous year Rs.891.19 lakh) in the event that the demand from the Income Tax Department is held valid.

Awards and Recognition

Your Company received several awards and recognitions during 2010 -11. Some of the prestigious awards are:

- Selected as India's Top 10 Builders in August, 2010 in Construction World Architect and Builder Awards 2010.
- 'Vervian' and 'Veronica' wings of project 'Eminente' at Mumbai was awarded The Economic Times ACETECH 2010 Real Estate Award, in the category 'Excellence in Mid Segment (Exterior Architectural Design)'.
- 'Refresh', the Mahindra Lifespaces newsletter won 'Gold Award' from the Association of Business Communicators of India (ABCI) in the 'Newsletter Design'. The Company is recipient of award in this category for the 5th time in a row. The brochure for Company's project 'Aqualily' also won the 'Silver Award' for its design.
- Realty Plus, a leading monthly real estate magazine, adjudged Mahindra World City, New Chennai, as the winner of the 'Best Integrated Township of the Year' award in February, 2011.

Capital

The paid up equity capital of the Company comprises 4,08,35,150 equity shares of Rs.10 each aggregating Rs. 40,83,51,500. During the year consequent upon exercise of Stock Options

26,000 equity shares were issued and allotted by the Company which increased the paid up equity capital from Rs. 40,80,91,500 to Rs. 40,83,51,500.

On 22nd March, 2011, the Company, in accordance with the terms of the issue, redeemed Preference Share Capital comprising of 10,00,000 – 10.50 per cent Non-Cumulative Redeemable Preference shares of Rs.100 each aggregating Rs. 10,00,00,000.

The allotment of 45,351 equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or The Special Court (Trial of offenses relating to transactions in Securities).

Employee Stock Options Scheme

In accordance with the Employee Stock Option Scheme (ESOS – 2006), the Remuneration Committee has on 25th April, 2008, approved grant of 6,78,359 Stock Options at an exercise price of Rs.428 per share. As of 31st March, 2011, 26,000 Stock Options were exercised. Details required to be provided under the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are provided as Annexure 1 to this Report.

Holding Company

The promoters of the Company i.e. Mahindra & Mahindra Limited (M&M) hold 2,08,46,126 equity shares which represents 51.05 per cent of the paid-up equity capital of the Company. Your Company continues to be a subsidiary company of M&M.

Subsidiary Companies

The developments during the year in key subsidiary companies are provided below:

Mahindra World City Developers Limited (MWCDL) successfully implemented India's first integrated business city & corporate India's first SEZ near Chennai. The three sector-specific SEZs cater to the industry sectors viz. IT (services and manufacturing), Apparel & Fashion Accessories, and Auto Ancillaries and the Domestic Tariff Area caters to a wide range of manufacturing segments. The total development currently stands at 1,550 acres. MWCDL is also engaged in planning and land procurement for the second Mahindra World City in Tamil Nadu over 1,000 acres.

Mahindra Integrated Township Limited (MITL) is engaged as a co-developer in developing the residential township area at Mahindra World City with 'Iris Court' being its first project spread over 18 acres. MITL has a balance of 146 acres to be developed in phases for offering products in different formats and price bands.

Mahindra Residential Developers Limited (MRDL), which is a subsidiary of Mahindra Integrated Township Limited (MITL) is jointly with a private equity real estate fund, ARCH Capital Asian Partners, L.P. - managed by ARCH Capital Management Company Limited, developing a gated residential community in approximately 55 acres within Mahindra World City, New Chennai

under the name, "Aqualily". ARCH Capital is an affiliate of Ayala Land, one of the most trusted real estate brands in Philippines.

Mahindra Bebanco Developers Limited (MBDL) is a 70:30 joint venture between the Company and B. E. Billimoria & Co. Limited, one of the leading construction companies in India. This Company will develop a residential complex across ~25 acres at Multi-modal International Hub Airport at Nagpur (MIHAN). MBDL has finalised the master plan and unit plans which are being submitted to Maharashtra Airport Development Company (MADC) for approvals.

Mahindra World City (Jaipur) Limited (MWCJL) is developing an integrated business city near Jaipur spread over approximately 3,000 acres of land of which approximately 2,500 acres will be a multi-product SEZ and 500 acres will be a Domestic Tariff Area. At present MWCJL is in possession of 2,636 acres of land, and the procurement of the balance area is in process. Currently, MWCJL 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). MWCJL has received Environmental Clearance in respect of three SEZs, namely IT/ITeS, Light Engineering and Handicraft comprising around 892 acres of land area and Environmental Clearance for the balance area is under process.

Mahindra World City (Maharashtra) Limited (MWCML) was set up to undertake development of a multi-product SEZ at Karla, near Pune in collaboration with Maharashtra Industrial Development Corporation (MIDC). MIDC has regretted its inability to acquire the land required for setting up the project and has suggested that MWCML examine the possibility of a joint venture project with MIDC elsewhere in Maharashtra.

The statement pursuant to Section 212 of the Companies Act, 1956, containing details of the Company's subsidiaries, viz. Mahindra World City Developers Limited, Mahindra Integrated Township Limited, Mahindra Residential Developers Limited, Mahindra World City (Jaipur) Limited, Mahindra World City (Maharashtra) Limited, Knowledge Township Limited, Industrial Township (Maharashtra) Limited, Mahindra Bebanco Developers Limited, Raigad Industrial & Business Park Limited, Mahindra Infrastructure Developers Limited, Anthurium Developers Limited and Watsonia Developers Limited is attached. The consolidated financial statements of the Company prepared in accordance with Accounting Standard 21 prescribed by The Institute of Chartered Accountants of India, form part of the Annual Report and Accounts. The summary of financial performance of the subsidiaries has been separately furnished forming part of the Annual Report.

Ministry of Corporate Affairs (MCA), Government of India (GOI), vide its General Circular No. 2/2011 dated 8th February, 2011 has granted a general exemption from the requirement of attaching the Balance Sheet and Profit & Loss Account, Schedules to Accounts and Notes forming part of the Accounts, Report of the Board of Directors, Report of the Auditors etc., of subsidiary companies with the Annual Accounts of the Company under Section 212(8) of the Companies Act, 1956 subject to compliance of conditions mentioned therein.

In terms of the aforesaid general exemption granted by MCA, the Board of Directors of the Company has given its consent for not attaching the Balance Sheet and Profit & Loss Account, Schedules to Accounts and Notes forming part of the Accounts, Report of the Board of Directors, Report of the Auditors etc., of its aforesaid twelve subsidiaries with the Annual Accounts of the Company, in relation to the financial year ending on 31st March, 2011.

The Company Secretary will make these documents available upon receipt of a request from any member of the Company interested in obtaining the same. These documents will also be available for inspection at the Registered Office of your Company and the Registered Offices of the respective subsidiary companies during working hours up to the date of the Annual General Meeting.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report, which gives a detailed account of operations of your Company forms a part of this Annual Report.

Corporate Governance

A report on Corporate Governance along with a certificate from the Statutory Auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

Sustainable Development and Corporate Social Responsibility (CSR)

As a part of the Mahindra Group, your Company is committed to the principles of sustainable development and consistently carries out initiatives in the area of corporate social responsibility to benefit the communities that it interacts with during the course of its business. A detailed account of these initiatives has been presented in the Management Discussion and Analysis chapter of the Annual Report.

Directors

Mr. Arun Nanda, Mr. Shailesh Haribhakti and Dr. Prakash Hebalkar retire by rotation and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the 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.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire as auditors at the forthcoming Annual General Meeting. The members will be required to appoint auditors for the current year and fix their remuneration.

As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received a written certificate from M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, proposing to be re-appointed as Statutory Auditors, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review. The details of loans and advances, which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the Company, are furnished separately.

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

The particulars relating to the energy conservation, technology absorption and 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 2 to this report.

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

The Company had 1 (one) 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. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report and Accounts which are being sent to the shareholders need not include this Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

Acknowledgment

The Directors would like to thank all shareholders, customers, bankers, contractors, suppliers, associates and auditors of your Company for the support received from them during the year. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For and on behalf of the Board

Arun Nanda
Chairman

Mumbai, 23rd April, 2011

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

Information to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

Description	ESOS 2006	
(a) Total Number of Options granted	678,359	
(b) The Pricing formula	Average price preceding the specified date — 24th April, 2008 Average price — Average of the daily high and low of the prices for the Company's Equity Shares quoted on Bombay Stock Exchange Limited during 15 days preceding the specified date Specified date — Date on which the Remuneration Committee decided to recommend granting of Stock Options to the employees and Directors of the Company and of its holding / subsidiary companies under an Employees' Stock Option Scheme	
(c) Number of Options vested	2,87,595	
(d) Number of Options exercised	26,000	
(e) Total No. of Shares arising as a result of exercise of Options	26,000	
(f) Number of Options lapsed	59,808	
(g) Variation of terms of Options	The terms of the ESOP Scheme were amended during the year (i) to provide for exercise of vested Stock Option by eligible employee at any time during a period of five years from the respective date of vesting instead of earlier option of exercising only on the anniversary of their vesting and (ii) to provide for greater flexibility by allowing retired/resigned employees to exercise the vested Stock Option at any time during the period of five years from respective date of vesting as against exercise of Options within 3 months from the date of retirement/resignation.	
(h) Money realized by exercise of Options	1,11,28,000	
(i) Total Number of Options in force	5,92,551	
(j) Employee-wise details of options granted to:	Name of the Senior managerial personnel to whom stock options have been granted	Options granted in April, 2008
(i) Senior managerial personnel	Mr. Arun Nanda	200,000
	Mr. Hemant Luthra (Resigned as Director w.e.f. 30th January, 2009)	10,000
	Mr. Uday Y. Phadke	10,000
	Mr. Anil Harish	10,000
	Mr. Sanjiv Kapoor	10,000
	Mr. Shailesh Haribhakti	10,000
	Mr. Pawan Malhotra (Resigned as MD and Director w.e.f. 23rd June, 2009)	50,000
	Ms. Anita Arjundas	50,000
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions, if any) of the Company at the time of grant	Nil	

(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	NA		
(l) Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	<p>The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used the employee compensation cost would have been higher by Rs. 314.62 lakh.</p> <p>Had the fair value method been used the profit after tax would have been lower by Rs. 270.81 lakh.</p> <p>Had the fair value method been used the basic and diluted earnings per share would have been lower by Re. 0.66.</p>		
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Option Grant Date NA	Exercise price NA	Fair value NA
(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: (i) risk-free interest rate, (ii) expected life, (iii) expected volatility, (iv) expected dividends, and (v) the price of the underlying share in market at the time of option grant.	Not Applicable		

The Company has adopted intrinsic value method for computing the compensation cost for the Options granted. The exercise price of the shares is based on the average of the daily high and low of the prices for the Company's Equity Shares quoted on the Bombay Stock Exchange Limited, during the 15 days preceding the grant of the Options. The Intrinsic value i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period.

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

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. With respect to providing an Energy Efficient final product to its customers, the Company is developing Green Buildings.
- b. Additional investments and proposals, if any, are 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 Research & Development 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 : In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
 - (a) Technology imported - None
 - (b) Year of import - N. A.
 - (c) Has technology been fully absorbed? - N. A.
 - (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action. - N. A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo during the year under review are furnished in the Notes to Accounts.

For and on behalf of the Board

Arun Nanda
Chairman

Mumbai, 23rd April, 2011

Particulars of loans and advances, and investments in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the Company and its holding company Mahindra & Mahindra Limited.

Loans and advances in the nature of loans to subsidiaries:

(Rs. in lakh)

Name of the Company	Balance as on 31st March, 2011	Maximum outstanding during the year
Mahindra World City (Jaipur) Limited	3,000.00	3,026.37
Mahindra Integrated Township Limited	3,205.16	3,205.16
Mahindra Bebanco Developers Limited	2,387.73	2,387.73
Knowledge Township Limited	1,443.39	1,443.39
Mahindra World City Developers Limited	2,000.00	2,018.94
Industrial Township (Maharashtra) Limited	312.04	312.04

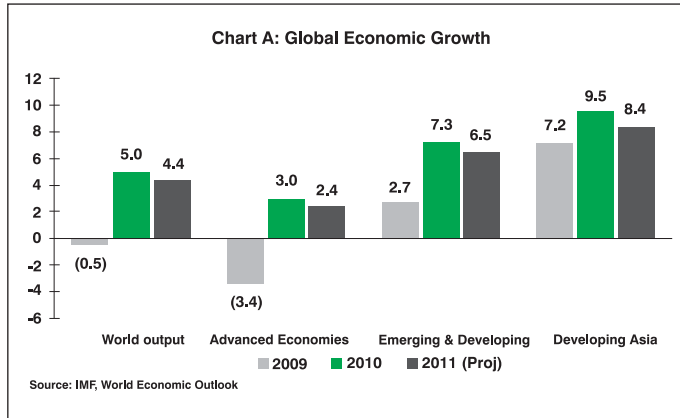
Management Discussion and Analysis

Mahindra Lifespace Developers Limited ('Mahindra Lifespaces' or 'the Company') is one of the leading real estate development companies in India. Over the years, the Company has created a respected name for itself by delivering an array of highly successful projects in the industry segments and the markets that it operates in.

Mahindra Lifespaces, along with its subsidiary companies, is currently focused on the development of residential projects and large format, integrated infrastructure developments such as business cities, industrial parks and SEZs. The Company is well positioned to leverage the expertise and capability developed from successful implementation of projects for further growth and expansion of its geographic presence.

Introduction

The global economy gathered strength during the year, as the risk of a double-dip recession in advanced economies receded, and the recovery became more self-sustaining with significant improvement in output, trade and capital flows, business and consumer sentiment. As shown in Chart A, world output grew at 5 per cent during 2010, a rate at which it was growing during the last few years before the crisis, after contracting by 0.5 per cent during 2009. This performance will continue during 2011, with the world output expected to grow at 4.4 per cent during 2011.



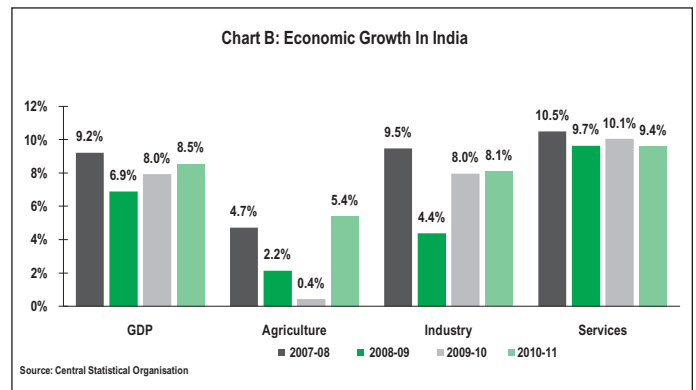
The advanced economies, which were the worst affected during the crisis, witnessed a sharp turnaround in performance growing at 3 per cent during the year. Sustaining this recovery will critically depend on keeping monetary policy soft and at the same time achieving better fiscal consolidation in a macroeconomic environment of high unemployment, funding requirements of the weak financial sector and still-depressed real estate markets, especially in the US and some countries in the Euro area. However, with gradual unwinding of the fiscal stimulus and increase in private demand, the overall outlook is positive — and advanced economies are projected to grow at 2.4 per cent during 2011.

In contrast, the emerging and developing markets, that fared much better during the crisis, continued to record impressive growth. 'Developing Asia', in fact recorded a growth of 9.5 per

cent in 2010 — beating all forecasts made earlier — and is expected to grow at an equally strong 8.4 per cent during 2011. However, even with this performance, it is important to recognise few important aspects of the current situation which are going to be critical for longer term performance and stability of these economies. First, commodity prices have increased significantly, creating stronger challenges for these economies which have a bigger share of manufacturing and where consumption share of food and fuel is larger. Additional oil supply and price shocks are a concern in the evolving geo-political environment. Second, with a sharp increase in capital inflows, due to both better growth and higher interest rates, these economies face risk of overheating and significant reversal or volatility in capital flows once the prospects of advanced economies improve.

Even as these challenges are equally relevant to India, which has witnessed high inflation and shift in composition of capital inflows in favour of portfolio investments during the previous year, it is better placed among its peers in the developing world. First, with efficient regulations and well governed financial markets, India was relatively insulated from the financial crisis. Second, the extent of public intervention during the crisis was largely within the capacity of the government to stimulate growth without affecting the medium to long-term stability. More important, the agenda for fiscal consolidation is back on track. Third, high capital inflows have not posed any immediate challenge, unlike in many other emerging economies, due to widening current account deficit. And finally, although high commodity prices continue to be a cause of concern, India recorded impressive growth during 2010-11 driven by its large and buoyant domestic economy, negating the impact of high inflation. This continues to be a source of considerable strength as far as the macroeconomic outlook is concerned.

According to the latest estimates released by the Central Statistical Organisation (CSO), India's GDP is pegged at 8.5 per cent in 2010-11, up from 8 per cent during the previous year (See Chart B). While the growth of services sector declined to 9.4 per cent, Industry grew at 7.9 per cent during 2010-11 - marginally down from 8 per cent during the previous year. Industry, which includes manufacturing, construction, mining, electricity and other utilities, was the most affected sector during the recession.



The performance of construction sector, which is the second largest segment of industry after manufacturing, also improved during the year — recording a growth of 8.1 per cent during 2010-11 as compared to 7 per cent during 2009-10. This is significant if one takes into account characteristics of the segment in terms of size of investments involved, especially in the case of businesses where these decisions are also based on the demand outlook for their final products and services.

Demand for both residential units and industrial land increased during 2010-11, driven by strong performance of the economy. In the residential segment, most markets witnessed significant growth in demand and firming-up of prices. Although muted in comparison, the demand from businesses for building capacities and expanding operations, which had started gathering momentum towards the end of the previous year, also increased at a satisfactory pace during 2010-11. Mahindra Lifespaces has benefited immensely from its strategy of focusing on these two key segments of operations. **In the current environment, with the overall positive outlook of both the segments — residential development and large format integrated developments such as business cities, industrial parks and SEZs — the Company is poised for further improvement in its performance. The Company has formalised an ambitious plan, outlining its growth aspirations for the period 2010-2015, which is based on a combination of innovative offerings that will expand its product bouquet in both the segments that it operates in as well as by increasing its geographic footprint.**

In the large format developments, Mahindra Lifespaces will strive to maintain its pioneer and innovator status with new concepts and flexible formats. Mahindra Lifespaces is the first private sector company to have developed and operationalised large format integrated development projects — Mahindra World City (MWC), Chennai in Tamil Nadu. This project is now fully operational and most recent developments are in the residential and social infrastructure zone. The Company's second project, Mahindra World City, Jaipur in Rajasthan, which became operational in 2008-09, saw considerable rise in activity during the year with closing of lease agreements and start of construction work across IT/ITeS, Handicrafts and Light engineering SEZs. Apart from these, the Company is in various stages of planning and land acquisition for other large format projects in Tamil Nadu and Maharashtra. **During the year, Mahindra Lifespaces also entered into two MoUs with the Government of Gujarat at the 'Vibrant Gujarat' Summit, marking its foray into the State. The first MoU is for the development of a 3,000 acre integrated business city, along the lines of the existing MWC format, at Dholera Special Investment Region, located in the proposed Delhi Mumbai Industrial Corridor. The second MoU is for the development of an industrial park of around 500 acres close to Ahmedabad.**

In the residential segment too, the focus will be on offering new products in the premium and mid-market segments, which will be complemented by enhancing the Company's presence by moving to new towns and cities. For instance, during the next year alone, Mahindra Lifespaces is planning to launch projects in two new cities — Hyderabad and Nagpur. The Company has already built

a reputation for building and executing high quality and value added projects, which contribute to the principles of sustainable development. Now, the focus is on continuous improvements in quality, technology and process innovations in line with the principles of 'customer centricity', to be one of the most trusted brands in the business. All new projects of the Company launched during the year received an impressive response, with the inventory being sold within days of the launch in some cases. During the year, the Company sold **885** residential units across eight ongoing and newly launched projects in five cities, including projects of its subsidiary companies in the residential space.

Today, Mahindra Lifespaces is one of the few companies in the real estate development industry in India with the experience of successfully serving consumers as well as businesses through its two segments of operations. **During the year, the Company was selected as one of India's Top 10 Builders by the Construction World Architect and Builder Awards 2010.**

With a buoyant residential market and an improved investment climate in the integrated development space, the Company reported exceptional results for 2010-11. The highlights of Mahindra Lifespaces' financial performance during the year as a consolidated entity are given below:

Key Indicators of Performance

- **Consolidated Income of the Company grew by 42.5 per cent from Rs. 440 crore in 2009-10 to Rs. 627 crore in 2010-11.**
- **Profit before depreciation, interest and taxes (PBDIT) increased by 42.2 per cent from Rs. 135 crore in 2009-10 to Rs. 192 crore in 2010-11. Profit before taxes (PBT) grew by 44.5 per cent from Rs. 119 crore in 2009-10 to Rs. 172 crore in 2010-11.**
- **Profit after taxes (PAT) grew by 39.5 per cent from Rs. 81 crore in 2009-10 to Rs. 113 crore in 2010-11. After accounting for minority interest, the consolidated net profit (PAT) of the Company increased by 38.5 per cent from Rs. 78 crore to Rs.108 crore during 2010-11.**
- **Diluted earnings per share (EPS) of the Company increased by 38.6 per cent to Rs. 26.2 in 2010-11 as compared to Rs. 18.9 in the previous year.**

As the Company strives to achieve even better performance in the future, the focus during the year was on building scalable systems and processes, conceptualising innovative products and, building the land bank and human capital necessary to fuel these growth aspirations and realise the opportunity. In the remainder of the report, we will discuss these initiatives as well as the operational and financial performance of the Company. We close the report with a discussion on risks and concerns and the outlook for the future.

Markets and Opportunities

The strong performance of the Indian economy presented the real estate industry with significant opportunities. As mentioned earlier, the fact that both segments in which Mahindra Lifespaces operates witnessed increase in interest and activity presented the Company with an opportunity to embark onto a higher growth trajectory.

Residential

As far as the residential market is concerned, the demand situation was very encouraging. In most markets where the Company has a presence, the off-take was good and either prices moved up or were stable. At the macroeconomic level, the demand for residential units in India is expected to remain strong as estimates show huge deficits in the supply of mass housing units continue. According to estimates published by Cushman and Wakefield, demand for residential units in India is estimated to be over 7.5 million units between 2009 and 2013 — an average of 1.5 million units for each of the five years. A bulk of this demand is expected to come from affordable to mid-market strata. The key drivers of this growth in demand of residential housing are discussed below.

First, driven by strong and sustained growth of the economy, disposable incomes are increasing at a significant pace. **Per capita income has more than tripled from Rs.16,700 in 2000-01 to Rs. 54,800 in 2010-11. According to research by the McKinsey Global Institute, the number of household earning over Rs.5 lakh per annum will increase from 3.6 million in 2005 to 8.8 million in 2015.** This is expected to give a considerable push to the demand for housing in the consumer segments that the Company addresses.

Second driver is affordability. The rise in income opportunities and quality of jobs coupled with availability of home finance has brought down the average age of first time buyers of residential property considerably. Even as interest rates for home loans have increased significantly in the last two years and are now ruling at 9-10 per cent, these rates are still much lower than the highs of 18 per cent in the mid-1990s. Together, these factors have brought about a substantial increase in the affordability of a residential property. Industry estimates peg home affordability — measured as number of years of income required to own a house — to be around 5 years as compared to 22 years in the mid-1990s.

Third driver is the favourable demographic situation - large working population and rapid urbanisation levels. Currently, 63 per cent of India's population is in the age group of 15-59 years and only 30 per cent of India's population in urban. Both these numbers are going to increase in the future. Besides, reduction in household sizes due to preference for nuclear families and urban migration will further boost demand for housing. **Given these trends, the opportunity in the residential segment, especially in the affordable and mid-market category continues to be favourable.**

Integrated Development

Large format integrated development projects like industrial parks, business cities and SEZs have traditionally been implemented by the government and the public sector. With the sustained growth of the Indian economy, availability and cost of real estate in large cities and metropolitan centres became a major constraint for the industry and services sector. This presented a very good opportunity for professional companies such as Mahindra Lifespaces to build destinations suitable for different industries and services sectors.

For companies engaged in export of goods and services, these

industrial parks take the form of Special Economic Zones (SEZs), which are deemed foreign territories and have additional benefits in terms of exemption from duties, taxes and tariffs. According to the latest data that is available, 580 SEZs have received formal approvals from the government, while another 155 have received in-principle approvals. Once operational, these 580 SEZs would be spread across 68,422 hectares of land. 372 SEZs covering 44,281 hectares have been already notified, of which 122 are operational. **In these notified SEZs, investments worth Rs.162,000 crore have already been made and they currently employ over 3,52,000 persons. During the first three quarters of 2010-11, SEZs in India exported goods and services amounting to Rs.1,40,000 crore — which is a growth of 55.8 per cent over the corresponding period of the previous financial year (Source: www.sezindia.nic.in)**

Apart from SEZs, industrial or integrated developments are also being carried out for companies interested in servicing the domestic market who need land and built-up spaces to develop their operating facilities. These development projects take the form of industrial parks or business cities, which apart from fulfilling the need for such space, also provide residential and complete social infrastructure such as retail, convenience shopping, schools and healthcare facilities necessary for people to live a comfortable life within a well planned environment.

As discussed in the previous year's report, the global economic crisis severely impacted this segment of the industry. When the economic crisis was at its peak in 2008-09, businesses wanting to set-up facilities either for exports or to service the Indian market deferred their investment decisions. This contracted the demand for these projects, which took longer to recover as these businesses recalibrated their plans. However, the situation started to improve towards the end of the previous year. **This positive increase in interest resulted in tangible demand and closing of lease deals during 2010-11. This improvement in demand is expected to continue and gain further momentum during the next few years. However, there are some concerns with respect to the SEZ policy. First, in the Union Budget for 2011-12, provisions of Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) were made applicable both on developers of SEZs and units operating within the SEZs. Second, the revised Direct Tax Code (DTC) Bill, in its current form, limits the applicability of tax incentive schemes for SEZ developers to SEZs notified before 31st March, 2012. Similarly, the tax incentives available to units within the SEZs have also been limited to those which become operational before 31st March, 2014. These changes may impact profitability and affect the attractiveness of SEZs and investments in such projects both by developers and companies.**

Commercial and Retail

The market for commercial and retail space was perhaps the worst hit segment in the real estate development industry during the downturn. Even so, things are looking up, especially in the IT/ITeS and the BPO segments that have been holding on in terms of performance. Similarly, incremental demand from sectors such as banking and finance, hospitality and healthcare is also expected to increase during the year.

According to estimates published by Cushman and Wakefield, the cumulative demand in India for office and retail space between 2009 and 2013 will be 196 million square feet and 43 million square feet respectively, while the demand in the hospitality segment is estimated at 690,000 room nights during the period.

Operations

Residential

Mahindra Lifespaces' residential project operations span all aspects of real estate development from identification and acquisition of land to conceptualisation, execution and marketing of the projects. To achieve greater scalability in line with its growth objectives, the Company did a comprehensive review of the processes of its project operations to put in place systems, guidelines and standards for selection of contractors, building material and professional service providers. These process improvements will be ongoing in nature, in line with the principles of 'customer centricity', aimed at achieving transparency, quality and on-time delivery. These processes also take into account and encourage environment friendly and sustainable practices in line with the Company's aspiration to be a thought leader and establish industry benchmarks in sustainable development. These have been discussed further in the section on sustainable development.

As of 31st March, 2011, the Company along with its subsidiaries has developed various residential projects covering 5.36 million square feet. It is currently developing 3.04 million square feet. Besides, projects covering 6.25 million square feet are at a planning stage. Its current residential projects are located in Mumbai, Pune, Gurgaon, Hyderabad, Nagpur and in the integrated township within Mahindra World City, Chennai.

Completed and Ongoing Projects

During the year, the Company completed two of its projects: 'Mahindra Chloris' in Faridabad in the National Capital Region and Phase III of 'Mahindra Royale' in Pimpri, Pune. The handing over process of the projects has been initiated. Besides these, several new projects and new phases of existing projects were launched during the year, which are at different stages of construction. The project-wise details are provided below:

'Mahindra Eminent', a premium high-rise residential complex with Spanish architecture at Goregaon, western suburbs of Mumbai, is spread over 5.58 acres covering 0.57 million square feet of saleable area. The construction of the first phase was completed in March 2009, whereas the last two phases of the project, each comprising 0.15 million square feet of saleable area were launched during 2010-11. Both the phases received an extremely good response. The clubhouse of the project is also complete and was inaugurated during the year. The project is expected to be completed in 2012-13. **During the year, the first phase of the project received The Economic Times ACETECH 2010 Real Estate Award, in the category 'Excellence in Mid Segment (Exterior Architectural Design)'**.

'Mahindra Royale' is spread over 8.88 acres covering 0.63 million square feet of saleable area at Pimpri, Pune. The first

two phases of the project were completed in 2008-09. During the year, the third phase of the project covering 0.11 million square feet was completed and the handing over is in progress. The clubhouse of the project was also inaugurated during the year. The fourth and final phase of the project covering 0.22 million square feet is in final stages of construction and will be handed over during 2011-12.

'Mahindra Splendour' in Bhandup, eastern suburbs of Mumbai, is spread over 8.46 acres and has a total saleable area of 0.77 million square feet. The construction of the first phase which constitutes three towers covering 0.42 million square feet is almost complete and is expected to be handed over during 2011-12. The second phase of two towers covering 0.35 million square feet is likely to be completed during 2012-13.

'Mahindra Chloris', in Faridabad, National Capital Region, is a premium project with a Mediterranean architecture spread over 5 acres with a total saleable area of 0.39 million square feet. All 160 units in the eight towers of the project are equipped with the IEC security system which allows one to monitor the home from anywhere in the world. The project, which has been completely sold out, was also completed during the year. The handing over of the apartments will be completed in 2011-12.

'Aquality' is a premium project within Mahindra World City, Chennai, which offers world class living spaces by a lake, set amidst lush landscapes and gardens. Spread across 55 acres of land, the project offers villas and apartments covering 1.57 million square feet. This project is being implemented by a joint venture between Mahindra Residential Developers Limited (MRDL), a subsidiary of Mahindra Lifespaces and an affiliate of Ayala Land - the largest and one of the most trusted real estate brands in the Philippines. During the year, MRDL launched three new phases of villas and apartments namely, IB, 2A and 2B taking total saleable area of launched phases to 0.70 million square feet. Construction work is currently in progress in the phase IA and IB, which includes 75 villas.

'Aura' in Gurgaon is Mahindra Lifespaces' recent offering in the National Capital Region. The project is spread over 17 acres and has a total saleable area of 1.24 million square feet. The first phase of the project covering 0.27 million square feet was launched in December 2009 and has been fully sold out. Construction of this phase started in 2010-11 and is scheduled to be completed by December 2012. The second phase of the project constituting 166 apartments in two towers covering 0.23 million square feet was launched in September 2010. Construction of this phase has also started and is scheduled to be completed during 2013-14. The third phase of the project covering 0.74 million square feet was launched during April, 2011 and has met with a very good response.

'Iris Court' is the Company's new project located in Mahindra World City, Chennai which is spread over 18 acres with a total saleable area of 0.86 million square feet. This project will be implemented by Mahindra Integrated Township Limited, a subsidiary of Mahindra Lifespaces and will address the mid-market segment of the industry. The first phase of the project covering 0.27 million square feet was launched during 2010-11 and has been fully allotted. The second phase of the project covering 0.30 million square feet was launched in April, 2011.

New Projects

The Company is in various stages of planning and implementing new residential developments spread over more than 60 acres. More importantly, some of these projects will be in markets such as Nagpur and Hyderabad, where Mahindra Lifespaces will enter for the first time. Projects for which planning is in advanced stages with likely launches during 2011-12 are:

- **Nagpur** : Spread over 25.2 acres with a saleable area of 1.46 million square feet, this project is located at MIHAN and will be implemented through Mahindra Bebanco Developers Limited (MBDL), a joint venture between Mahindra Lifespaces and B. E. Billimoria & Co. Limited. The architectural and unit plans for the project are ready and the project is likely to be launched during 2011-12.
- **Hyderabad** : Spread over 9.70 acres with a saleable area of 1.0 million square feet, the project is located at Kukatpally near Hi-tech City and will be carried out under a joint development agreement with the land owners. The master planning for the project is complete and the project is likely to be launched during 2011-12.
- **Mumbai** : Spread over 2.5 acres with a saleable area of 0.22 million square feet, this project is located in Ghatkopar and will address the mid-market segment. The master planning is complete and the project is likely to be launched during 2011-12.
- **Pune** : Spread over 25 acres with a saleable area of 1.40 million square feet, this project is located in Pimpri, Pune very close to the Company's well received project, Mahindra Royale. The master planning for the project is in progress and the project is likely to be launched during 2011-12.

In addition to these projects, the Company is likely to launch new phases of its existing projects, 'GE Gardens' at Kanjurmarg, Mumbai, 'Aura' at Gurgaon, NCR, 'Aqualily' and 'Iris Court' at Mahindra World City, Chennai during 2011-12.

Integrated Business City Development

Mahindra Lifespaces is the first company in the private sector to have successfully developed an integrated business city in India — 'Mahindra World City', Chennai. This is also the first Special Economic Zone (SEZ) in the private sector. Besides this project, the Company added another project in this segment in Rajasthan — 'Mahindra World City', Jaipur, during 2008-09. With these two projects, Mahindra Lifespaces has not only pioneered integrated developments in India, but has also created brand equity for its execution capabilities, quality, transparency, and professionalism in the B2B space. Built on the concept "Work- Live- Learn- Play", the Mahindra World City brand has become a highly successful name in the integrated infrastructure development segment.

Mahindra World City, Chennai

Mahindra World City, Chennai, is implemented by Mahindra World City Developers Limited (MWCDL), jointly promoted by Mahindra Lifespaces and the Tamil Nadu Industrial Development Corporation Limited (TIDCO). It has three sector specific Special Economic Zones (SEZs) — IT (services and manufacturing), Apparel and Fashion Accessories, and Auto Ancillaries, a

Domestic Tariff Area (DTA) for businesses catering to the Indian market, and a Residential and Social Infrastructure zone.

This project is fully operational with complete plug-and-play infrastructure for businesses. This includes graded land, wide road networks with high velocity street lighting, onsite customs office, power station, optical fibre cable network for voice and data, potable water supply and efficient waste management systems. The project is strategically located on the golden quadrilateral (National Highway 45) and is extremely well connected by rail and road. The Chennai International airport is located 35 kilometres from the World City.

To cater to fresh demand from companies, the project is being expanded by another 100 acres, for which almost all land has been acquired and certain approvals are awaited. With this expansion, the project area will be around 1550 acres. There has been strong interest from leading multi-national companies to take-up this additional space. MWCDL has already signed MoUs with multi-national companies from Japan, USA and Ireland in the auto ancillary sector for around 50 per cent of the proposed expansion area.

During the year under review, Mahindra World City, Chennai added several marquee clients including Tridon (Australia), NTN Corporation (Japan), JSP Foams (Japan), Federal Mogul (USA), Musashi Paints (Japan), Alpha Packaging (India), Milton Roy (USA) and Sakazaki Engraving (Japan). Five customers commenced operations in their new facilities at Mahindra World City, Chennai during the year.

The business zone in the project has 57 clients of which 30 are in the SEZs and 27 are in the DTA. Currently, 35 companies operate out of 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 increased significantly during the year to Rs.3,500 crore from Rs.2,300 crore in the previous year. Once fully operational, Mahindra World City, Chennai, is expected to generate direct employment for approximately 1,00,000 people.

In the previous year's report, we had mentioned that MWCDL had renovated the railway station at Paranur to create India's first 'new look' railway station which is used by employees of the companies operating at Mahindra World City to commute to work. In yet other development to aid the comfort of its occupants, MWCDL through its efforts persuaded the State Transport Authority to start state-of-the-art air-conditioned bus services between Chennai and Mahindra World City. The daily traffic and frequency of both rail and bus service has increased substantially during the year, making the commute for the people working in the Mahindra World City much easier.

In its planning, Mahindra World City, Chennai, had allocated 325 acres for the development of residential and social infrastructure that will cater to the requirement of over 7,000 families. Sylvan County, the first residential project at Mahindra World City, currently has over 150 families living in it. During the year, another residential project 'Iris Court' and new phases of its existing premium residential project 'Aqualily' were launched.

During the year, considerable progress was made in creating social infrastructure necessary to support people residing and operating in the World City. MWCJL signed up with Duet Hotels, which is bringing in Holiday Inn Express to set up a 140 room business hotel within Mahindra World City. The Mahindra World School now has 395 students and 33 teachers, and the infrastructure includes state of the art facilities including an amphitheatre, mathematics and science labs, indoor and outdoor play facilities, and audio visual media in classrooms. Currently operational till class X, the school will add one more grade every year over the next two years. The first commercial complex of the city, 'The Canopy' spread over 60,000 square feet of retail in four blocks, also added new retail businesses and facilities during the year. This complex is very conveniently located with easy access from both the residential and business zones and has a food court, restaurant and cake shop, banks, ATMs, travel desk, convenience stores, a bookstore, and a medical centre.

During the year, Realty Plus, a leading monthly real estate magazine, adjudged Mahindra World City, New Chennai, as the winner of the 'Best Integrated Township of the Year' award. The Mahindra World City website also received the joint runner-up position at the World Free Zone Convention at Ras Al Khaima in December 2010.

With increasing levels of occupancy and activity, MWCJL's quarterly customer engagement initiative, "Coalesce" has been received very well by the occupants. This is a communication exercise where Mahindra World City shares the development and improvement steps taken up in the project and also provides a forum for customer feedback and suggestions. This has led to the creation of a transparent and effective forum for voicing customer views and has been very well received by the occupants of the business city.

During the year, MWCJL also launched a new community building initiative 'Rejoice@Mahindra World City', which endeavours to create social and cultural outreaches, community building and opportunities for networking and interaction. Aimed at building an everlasting and dynamic community at Mahindra World City, the initiative will encompass events for showcasing cultural diversity and hosting various forms of performing arts such as music, dance and theatre.

Mahindra World City, Jaipur

Mahindra World City, Jaipur, is being implemented by Mahindra World City (Jaipur) Limited (MWCJL), a 74:26 joint venture between Mahindra Lifespaces and Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), a Government of Rajasthan enterprise.

Mahindra World City, Jaipur is proposed to be developed as a Multi Product Special Economic Zone and Domestic Tariff Area across 3,000 acres, of which 2,636 acres has already been acquired. MWCJL is in the process of acquiring the remaining land. This integrated development will be equipped with state-of-the-art infrastructure such as uninterrupted power supply, telecommunications and connectivity, wide road network, water supply, serene landscaping, proposed logistics and warehousing zones and professional operations and

maintenance. When the project becomes fully operational, it is expected to bring in over Rs.10,000 crore of investment and generate direct employment for over 1,00,000 people.

The project had already received notifications for three SEZs, namely IT/ITeS, Light Engineering (including Automotive and Auto Components) and Handicrafts. During the year, MWCJL received formal approval for two more SEZs, namely Gems and Jewellery (25 acres) and IT/ITeS (86 acres). MWCJL also received environmental clearance for three SEZs, namely IT/ITeS, Light Engineering and Handicrafts, comprising around 892 acres of land. In the future, MWCJL has plans to expand the coverage of the project to include other segments such as Apparel, and Logistics.

MWCJL has made good progress in its Light Engineering and Handicrafts SEZs of 250 acres each. During the year, MWCJL concluded lease agreements with Laxmi Ideal, Jaipur crafts, Orvi Design and Rama Handicrafts in the Handicraft SEZ and India Agrovision, Poly Medicure, Gravita Technomech in Light Engineering SEZ. **During the year, eleven companies started construction and other development activities in Mahindra World City, Jaipur. These include Nagarro Software, Nucleus Software and Girnar Software in the IT SEZ; Ratan Textiles, Samurai Designs and Laxmi Ideal in the Handicrafts SEZ; Marsons, Knit Pro Designs and India Agrovision in the Light Engineering SEZ; and, SBI and ICICI Bank in the Domestic Tariff Area.**

The IT zone, when fully developed will be spread over 750 acres, making it one of the largest planned IT SEZs in the country. Phase I of the IT zone which is spread over 383 acres has already been notified as an IT SEZ and is operational. **The infrastructure development for the first phase is complete and three customers, Infosys BPO, DBOI Global Services (Deutsche Bank) and EXL Service are already operational, generating employment for around 2,500 persons and exports of around Rs.158 crore during 2010-11. MWCJL and the customers of the SEZ have already invested more than Rs.890 crore and many units are currently at various stages of construction.** During the year, MWCJL has also concluded lease transactions with Wipro and Isys Softech in IT/ITeS SEZ for leasing out land in the project.

In addition to the leasing of land for development, the IT SEZ also includes 'Evolve' — a 1.4 million square feet, multi-tenanted IT park spread over approximately 25 acres. Two buildings covering 2.30 lakh square feet are already complete, whereas construction of the third building, which has received Precertification Gold rating award from LEED India, covering 0.825 lakh square feet is nearing completion. During the year, another 0.61 lakh square feet was leased to DBOI Global Services taking their total to 1.76 lakh square feet. A total of 2.51 lakh square feet has been leased in 'Evolve'. Besides, a MoU was signed with Systweak Inc. in April, 2011.

In terms of additional facilities, the business city already has an operational ATM, food court, fire fighting service, police station and a post office. During the year, MWCJL achieved fibre connectivity from Reliance, Tata Teleservices and Bharti Airtel in the World City. MWCJL has also started a nursery which

develops acclimatised shrubs and plants that reduces mortality and maintenance in landscaping activities to support sustainable development. Mahindra World City, Jaipur, is also one of the 16 founding projects worldwide of the Clinton Climate Initiative for creating climate positive cities.

Other Projects

Apart from these two operational projects, the Company is currently working on a few other projects in the segment.

Buoyed by the success of Mahindra World City, Chennai, and the current interest among potential customers, the Company is planning to launch another integrated development in Chennai. This project will be spread across 1,000 acres, towards the North of Chennai, which is home to large industries in the engineering and automobile sector. The project is being designed to provide world class infrastructure to mid-sized ancillary industries of this segment including auto components, electronics, precision engineering and logistics. Procurement of land is underway and is likely to be completed during 2011-12.

In another significant development during the year, Mahindra Lifespaces entered into two MoUs with the Government of Gujarat at the 'Vibrant Gujarat' Summit, marking its foray into the State. The first MoU is for the development of a 3,000 acres integrated business city, along the lines of the existing MWC format, at Dholera Special Investment Region, located in the proposed Delhi Mumbai Industrial Corridor. The second MoU is for the development of an industrial park of around 500 acres close to Ahmedabad.

Apart from these, the Company is also acquiring land parcels in district Pune, Maharashtra and district Raigad, Maharashtra for large format developments in Maharashtra.

The Company is working on the development of a large format PPP project with MMRDA, namely 'Innovation Park', in district Raigad, Maharashtra. The Innovation Park would be a confluence of Research, Education & Industry and would house about 25,000 scientists.

In the last year's report, it was mentioned that the Company has received in-principle approval to set-up a SEZ at Karla, near Pune, which will be implemented in joint venture with Maharashtra Industrial Development Corporation (MIDC), a Government of Maharashtra undertaking. MIDC has regretted its inability to acquire the land required for setting up the project and has suggested that the Company to examine the possibility of a joint venture project elsewhere in Maharashtra.

Commercial and Retail

Mahindra Lifespaces has developed several commercial real estate projects in Delhi, Mumbai, Pune and Chennai in the past. As of 31st March 2011, the Company has developed commercial projects covering 1.02 million square feet. The Company currently has developable commercial area in Mumbai and Pune, and will take up developments at these locations at an appropriate time.

In addition, Mahindra Lifespaces through its subsidiary, Mahindra World City (Jaipur) Limited, is developing 'Evolve' - 1.40 million square feet of commercial IT space in Mahindra World City, Jaipur.

Infrastructure Development

The Company implements infrastructure development projects through its subsidiary, Mahindra Infrastructure Developers Limited (MIDL). It is an equity participant in the project consortium implementing the Tirupur Water Supply and Sewerage project. The project is a 30 year 'Build, Own, Operate and Transfer' (BOOT) concession for building and managing the water supply and municipal sewage collection and treatment systems.

The scheme envisages supply of high quality potable water to the local textile industries as well as to the inhabitants of Tirupur and surrounding villages. The scheme has been currently set up to supply up to 185 million litres per day (MLD) of water to the consumers. Raw water is extracted from the river Cauvery, treated, stored and distributed to the consumers on a 24x7 basis. Apart from the quality of water, the advanced technology and automation enables high operating efficiencies and low levels of losses and wastage. Mahindra Water Utilities Limited (MWUL) is the first Water Utilities Company to secure an accreditation to an "Integrated Management System" by TUV Rheinland.

The project also includes domestic waste water collection and treatment implemented through a 15 MLD sewage treatment plant. The water supply project has been uninterruptedly supplying high quality water to its consumers, besides maintaining high standards of performance. However, the demand for water has come down substantially due to closure of textile units in Tirupur as a result of pollution related restrictions by the Government.

Customer Relationship Management (CRM)

At Mahindra Lifespaces, 'customer centricity' is at the core of all business processes. And as the customer facing arm of the Company, the CRM team is entrusted with the responsibility of achieving the highest levels of customer satisfaction through honesty, transparency and fairness, with the ultimate objective of building 'Mahindra Lifespaces' as the most trusted brand in the business.

In all its projects, the role of CRM travels beyond facilitating the handing over of the property. A CRM representative is nominated to a customer, soon after a unit is booked, to act as the focal point to address queries of the customers. During the year, the Company improved upon this introduction process by making it more customer friendly.

The CRM team is also responsible for ensuring that the completed units meet the expectations of the customer. Besides, all customer queries and grievances are handled by a dedicated team and escalated to the highest level to ensure timely and effective redressal. Mahindra Lifespaces continues to enjoy a very high referral to sale ratio as also repeat customers which are proof of the level of trust and confidence that its customers have in the Company.

During the year, CRM embarked on a major ERP and systems enhancement initiative to improve the customer experience even further. The complaint management system, which includes both pre and post handover complaints, allows the CRM team to create a record of all complaints, follow up and track the resolution process and keep the customer updated until the complaint is resolved and closed.

Apart from this, the Company is implementing an internet based customer self service portal, which will allow customers to view and edit contact details, view status of the project and details pertaining to their billing and payment history, register and track complaints or give feedback. This system will be operational during 2011-12.

The Company communicates with its customers through its corporate newsletter "Refresh" which gives updates and other useful information on recent trends to homeowners. **During the year, "Refresh" won the 'Gold Award' from the Association of Business Communicators of India (ABCI) in the 'Newsletter Design' category. The award under this category has been conferred on the Company for the fifth consecutive year. Besides this, for the second consecutive year, the newsletter also won the 'Silver' at the 'Communication Awards' from Public Relations Council of India.**

With a view to continuously improve service levels and measure performance, the Company has initiated "Coffee with Customer", a platform where the customers can share their experiences and provide with inputs for ensuring customer delight. The Company also introduced two more initiatives to improve customer engagement and satisfaction. "Interface", is a quarterly communication for each ongoing project of the Company that contains a detailed status of the project, customer testimonials, information on CSR activities and awards received by the project as well as recent social infrastructure developments in the neighbourhood of the project. The second communication is a monthly update of construction related activities and status of the project or the building which is e-mailed to the customers. These initiatives have been very well received by the customers.

Quality

Mahindra Lifespaces has always stressed on the value and importance of its strong quality management system, which is set up as per the requirement of International Standard ISO 9001 since 1999. A surveillance audit for the quality management system of the Company was carried out successfully during the year.

During 2010-11, the Company has moved a step up in applying the principles of 'Mahindra Quality Way', a Total Quality Management (TQM) initiative. This will enable the Company to integrate business and management processes to strive for excellence and improve the quality of its products and services for enhanced customer satisfaction and achieving its business objectives. During the year, the Company was successfully assessed by two eminent Japanese experts on the status of implementation and the results achieved in its TQM journey.

During the year, the Company also introduced 'Kaizen' (Change for Better) to promote quality and further strengthen the participation of each employee towards achieving excellence in quality. Many employees participated in this initiative. The Company also continued with its initiative to establish quality control laboratories at all its project sites, which have equipments to carry out quality checks on the material used in construction. Every project site also has a Project Quality Plan which describes the Standard Operating Procedures (SOP) to be followed during execution of a project.

During the previous year, the Company had explored several innovative initiatives to improve the quality of product and processes, bring down the construction cycle time, and make operations more competitive. Many of these have been successfully implemented in the Company's projects during the year. These include use of BIM technology, a 3-D model for integration of all services with civil design and development for error-free and faster construction, pre-fabricated glass fibre reinforced gypsum wall panels, wire mesh concrete structures called 'ferrocrete', and enzyme technology for soil stabilisation in roads. Besides these, several other new technologies were explored during the year.

Last year, the Company had filed for a patent for a more durable variety of fly ash brick that was developed in-house. During the year, the patent was published in the Patent Office Journal, Government of India, and a final patent examination is due before it is granted.

Mahindra Lifespaces regularly interacts with technical institutions such as IIT, Mumbai and VJTI, Mumbai for their expertise in testing of building materials and innovations in the area of construction technology. During the year, subsequent to a successful surveillance audit, the Company received the recertification for best practices in health and safety systems as per OHSAS 18001:2007 (Occupational Health and Safety Assessment Series 18001:2007) for all its projects and Head Office.

Sustainable Development

Mahindra Lifespaces has taken a lead role in the real estate industry in India to protect the environment by promoting sustainable construction practices aimed at reducing the input of energy, water and other resources, as well as in minimizing the generation of waste and other environmental disturbances, thereby reducing the carbon footprint of its projects.

During the year, the Company prepared a roadmap for its journey towards sustainability, which encompasses all three aspects: social sustainability, economic sustainability and environmental sustainability. In line with this, the Company rolled out a 'Green Supply Chain Management Policy' during the year which encourages the use of procurement practices that are environment friendly such as use of recycled material, purchasing from local sources, reduction in wastage, and encouraging contractors, suppliers and other service providers to ensure total compliance with requirements which have significant impact on health, safety and environment.

During the year, the Company continued with its focus on building environment friendly and energy efficient 'Green Buildings' in line with the standards established by the Indian Green Building Council's (IGBC) Green Home Rating System. The Company also published a 'Green Book' to create more awareness among all stakeholders about its initiative of developing 'Green Buildings'. So far Mahindra Lifespaces and its subsidiary companies have achieved Green Building Pre-certification for six projects. During the year, Eminence received the Gold rating in pre-certification under IGBC Green Homes Rating System for its ongoing phases and the LEED pre-certification for commercial buildings for the ongoing phase of Evolve at Mahindra World City Jaipur. The

Company had developed an in-house team of Engineers & Architects as certified energy efficiency analysts for analysing the energy efficiency of its green buildings.

The Company continues to report its Triple Bottom Line performance as a part of the Mahindra Group's Sustainability Report. During the year the Sustainability Report for the year 2009 - 10 was released, and as in case of earlier years, this report is also externally assured by Ernst & Young (E&Y) with an A+ rating and is GRI checked. The Sustainability Report for 2010-11 is under preparation and will be released shortly.

Corporate Social Responsibility (CSR)

As a socially responsible citizen, the Mahindra Group has contributed not only to the economic well being of the communities it interacts with, but has also enhanced their social well being and development. Since its inception, the Mahindra Group has always been engaged in activities, which add value to the community around it.

As a part of its commitment to CSR initiatives, your Company, during the year, made available medical and education assistance to economically disadvantaged and socially weaker sections of the society through the Mahindra Foundation's Central CSR fund. In addition, Mahindra Lifespaces independently carries out a variety of social initiatives in the areas of education, healthcare and environment where it actively involves its employees.

In the area of education, the Company carried out crèche projects called "Masti Ki Paathshala" and "Swadhar" at two locations aimed at providing safe environment for children of construction labour when the parents are at work. In addition to providing education facilities, these programmes also encourage co-curricular activities such as sports, drawing and sculpture, and celebration of festivals. During the year, the Company also carried out repairs and painting of a vocational training centre for girls at 'Asha Sadan', a rescue home run by Maharashtra State Women's Council.

In a major environmental project called "Mahindra Hariyali" started in 2008-09 with support from the Department of Forest, Government of Maharashtra and in collaboration with a local NGO – A K Rural Development Trust, the Company has taken 205 hectares of forest land under a 7 year lease for tree plantation, and soil and water conservation. During the year, apart from maintenance of trees planted previously, 50,000 new trees were planted as a part of this project to take the total plantation to 1,02,000.

In the area of healthcare, the Company carried out vaccination camps for construction labourers and their family members at three locations. The Company also carried out blood donation camps at Mahindra Royale for the second consecutive year in collaboration with the Lions Club of Pune. In yet another project called "Spash", the Company distributed blankets to construction workers in Delhi to help them face the severe winter. A few household items were also distributed to the families of the workmen.

The Company's subsidiary, Mahindra World City Developers Limited (MWCDL) in association with CAP Foundation, successfully completed training of around 900 students in its 'Multi Level Skill Training Initiative' for residents of neighbouring

localities. In addition, ~100 students graduated with Diplomas in the first batch of IGNOU certifications from the Employability Training Centre. In another initiative, 'Teen Channel', the Company enables school dropouts to complete high school and proceed with higher studies. Over 600 students have benefited from the program so far. The NABCON (Nurse, Medical Shop Assistant, Clinic Assistant) course was introduced as part of the curriculum in the current year and about 100 students are currently being trained as part of the first batch.

Mahindra World City's CSR Volunteers spread the "Importance of Savings" to Children in the neighbouring village schools through the "Jwala" Initiative. The children were also provided a "Piggy Bank" as a part of this initiative. Mahindra World City also conducted a camp on Traffic Safety and Awareness for all drivers operating fleet services inside MWC. The meeting had over 150 participants and topics of discussion included Traffic rules & regulations, Road safety, Night time driving awareness, and Tips about fitness.

On the occasion of women's day celebrations, the women at Mahindra World City, New Chennai and Mahindra Lifespaces, Chennai planted trees in the Mahindra World City campus. The team also spent quality time at "Udhavum Ullangal" – a home for children and old women and spread warmth and cheer amongst the inmates.

During the year, Mahindra World City, Jaipur, with a view to achieve inclusive development, took the initiative of organising training programmes for school dropouts/unemployed youth who are part of the local community around Mahindra World City, Jaipur through NGOs - "CAP Foundation" and a "Society - Technology Business Incubator - KIET". Till date, around 428 candidates have completed various types of employability training and around 340 persons have been placed in various jobs. The Company has also created self help groups in partnership with TBI-KIET, in nearby villages. Apart from these initiatives, during the year, MWCJL has organized medical camps and tree plantations in the villages around Mahindra World City.

Human Resources

Mahindra Lifespaces recognises that its people are the key to the success of the organisation and in meeting its aspirations. During the year, the Company continued its efforts to further align its HR policies, processes and initiatives to meet the needs of the business. With the introduction of "Rise" across the Mahindra Group, Mahindra Lifespaces has taken major steps towards inculcating this philosophy amongst its employees.

During the year, the Company continued with its focus on training and development of its employees. Training needs for each and every employee were captured during the year and a significant number of them attended various training programmes. Important training programmes and workshops conducted during the year included: personal effectiveness programme called 'GROW'; training on MS-Projects for engineers; programme on effective communication in English language and performance counselling sessions for appraisers to improve the effectiveness of the appraisal process and achieve greater employee satisfaction. Apart from these, the Company also continued to nominate employees for management development programmes.

During the year, the Company also started three employee engagement verticals: Learn @ Work which conducts useful information sessions for the employees; Fun @ work which organises informal events such as picnics, sport activities and festival celebrations; and, CSR @ work which is aimed at employee participation in the CSR activities of the Company.

With the implementation of “Project Harmony” in the previous year, the HR transactional processes such as leave management, travel requests and medical claim have been integrated with the ERP system and are the same as other Companies in the Mahindra Group. The future initiatives in this regard include taking the performance appraisal process as well as recruitments process online.

As of 31st March, 2011, the Company had 222 employees and its subsidiary companies had 66 employees. Employee relations during the year remained cordial.

Financials

Table 1 presents the abridged profit and loss statement of Mahindra Lifespaces as a consolidated entity.

Table 1: Abridged Consolidated Profit and Loss Statement (Rs. in crore)

	2010-11	2009-10
Operating Income	611.9	417.9
Other Income	15.1	22.1
Total Income	627.0	440.0
Operating Expenses	365.8	253.1
Other Expenses	69.7	52.1
Financial Expenses	11.3	9.3
Depreciation	8.1	6.6
Total Expenditure	454.9	321.1
PBDIT	191.5	134.8
PBDT	180.2	125.5
PBIT	183.4	128.2
PBT	172.1	118.9
Tax	58.7	38.3
PAT	113.4	80.5
Minority Interest	5.2	2.0
PAT (After Minority Interest)	108.2	78.5
Diluted EPS (Rs.)	26.2	18.9

During 2010-11, Mahindra Lifespaces delivered a creditable performance. The key results are provided below:

Income from operations grew by 46.4 per cent from Rs. 417.9 crore in 2009-10 to Rs.611.9 crore in 2010-11. The consolidated total income of the Company increased by 42.5 per cent from Rs. 440.0 crore in 2009-10 to Rs.627.0 crore in 2010-11.

Operating profits (PBDIT) grew at a rate of 42.06 per cent from Rs. 134.8 crore in 2009-10 to Rs.191.5 crore in 2010-11. Cash profits (PBDT) increased by 43.6 per cent from Rs. 125.5 crore in 2009-10 to Rs. 180.2 crore in 2010-11. Profit before taxes (PBT) increased to Rs.172.1 crore during 2010-11 compare to Rs.118.9 crore during the previous year.

Consolidated net profits (PAT) before minority interest grew by 40.9 per cent from Rs.80.5 crore in 2009-10 to Rs.113.4 crore in 2010-11. However, after minority interest, PAT increased by 37.8 per cent from Rs. 78.5 crore in 2009-10 to Rs. 108.2 crore in 2010-11. As a result, diluted EPS also increased from Rs. 18.9 in 2009-10 to Rs. 26.2 in 2010-11.

Mahindra Lifespaces has a comfortable capital structure with a debt equity ratio of 0.51:1 for the consolidated entity. The liquidity situation of the Company during the year remained comfortable and surplus funds generated during the year have been invested in credit worthy instruments, including money market mutual funds and deposits with banks.

Demand from Maharashtra State Electricity Distribution Company Limited (MSEDCL)

During 2008-09, MSEDCL had raised an assessment bill for Rs.21.64 crore on the Company pertaining to a commercial complex at Pune. The Company has filed an appeal before Adjudicating Officer at Mumbai for quashing the said demand.

Demand from Income Tax Department

In respect of certain business incomes re-classified by the Income Tax Department as income from house property and other disallowances, the Company has succeeded at the Appellate Tribunal for some assessment years and is pursuing the matter further with the appellate authorities for other years. The liability net of Deferred Tax Asset / Liability would be Rs. 7.43 crore (previous year Rs.8.91 crore) in the event that the demand from the Income Tax Department is held valid.

Threats, Risks and Concerns

Mahindra Lifespaces has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

Economic Risks

The real estate industry in India was significantly affected by the global economic slowdown. Although the situation has improved considerably, sustained economic growth is the key to a stable growth in demand for the industry. Second, with high domestic inflation, the Reserve Bank may further tighten the monetary policy. Significant increase in interest rates, especially for home loans, can have a direct impact on the performance of the real estate sector and the Company. Third, high global commodity prices and further adverse movements in oil price and supply shocks, especially in the current geo-political environment continue to be a cause of worry. Finally, the short-term nature of capital inflows into India exposes it to the risk of greater volatility in the future as well as pressures for currency appreciation.

Mahindra Lifespaces is conscious of these risks and is taking measures to mitigate them. For instance, the Company's focus on both residential and integrated developments has been a significant source of comfort during periods of poor economic performance. The Company's prudent financial management and low leverage have also kept it relatively insulated from the financial crisis and the economic downturn. Through continuous improvements in its project operations, adoption

of value engineering, the Company has been able to keep the impact of increase in input prices under control. This has also allowed Mahindra Lifespaces to deliver value to its customers and differentiate itself to withstand competition in the event that interest rates go up.

Operational Risks

Key operational risks faced by the Company include longer gestation period for procurement of land, inability to sell the project as per plan, inability to complete and deliver projects according to the schedule leading to additional cost of construction and maintenance, erosion of brand value, appointment and retention of quality contractors, inability to attract and retain talent, poor customer satisfaction, fraud and unethical practices, failure to comply with laws and regulations leading to fines, penalties and lengthy litigations.

The Company addresses these issues within a well structured framework which identifies the desired controls and assigns ownership to monitor and mitigate the risks.

The Company has also invested significant resources in an ERP solution which is expected to go a long way to address some of these risks.

Policy and Regulatory Risks

The real estate industry is easily affected by changes in government policies and regulations. There are considerable procedural delays with respect to approvals related to acquisition and use of land. This problem is accentuated as this is an industry which has traditionally been quite unorganised. In the past, the government has implemented various policies and programmes such as opening up of insurance and retail, tax sops to EOUs, SEZs and the IT industry, which brought about a boom in the demand for real estate. However, unfavourable changes in the government policies and the regulatory environment can adversely impact the performance of the Company. There are some concerns with respect to the SEZ policy. First, in the Union Budget for 2011-12, provisions of Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) were made applicable both on developers of SEZs and units operating within the SEZs. Second, the revised Direct Tax Code (DTC) Bill, in its current form, limits the applicability of tax incentive schemes for SEZ developers to SEZs notified before 31st March, 2012. Similarly, the tax incentives available to units within the SEZs have also been limited to those which become operational before 31st March, 2014. These changes may impact profitability and affect the attractiveness of SEZs and investments in such projects both by developers and companies.

The Company, with its approach towards acquisition of land based on fairness and trust, and transparent processes in developing the projects, has effectively mitigated risks with respect to land acquisition. The Company strongly believes that only those developments which are conceived at good locations and are clearly focused on upfront industrial infrastructure development within an integrated framework will stand the test of time as compared to pure dependence on fiscal benefits to market a destination. Also, the Company's Mahindra World City offerings

are broad based and aimed at businesses servicing both the export and domestic markets. This approach has been validated at Mahindra World City, Chennai and has been successfully extended to Mahindra World City at Jaipur.

Internal Controls

The Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

An independent internal audit firm appointed by the Company conducts periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with the laws and regulations of the country. Their scope of work includes internal controls on accounting, efficiency and economy of operations. The internal auditors also report on the implementation of their recommendations.

Reports of the internal auditors are regularly reviewed at the Audit Committee meetings. The Audit Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them.

Outlook

2011-12 is expected to be yet another year of good performance for the global economy. Advanced economies are expected to continue to record positive growth. The Indian economy too, is expected to perform well during the year. At around 8 per cent growth estimates, the Indian economy would reflect higher growth than most developing economies of reasonable size.

The Company believes that the fundamentals of the Indian economy are strong and such growth levels can be sustained for a longer period of time. The Company also believes that this will continue to drive the demand for real estate across all segments in which the Company operates. The Company is well positioned to benefit from this opportunity, and to that extent, the longer terms outlook is optimistic.

However, in the near-term, rising commodity prices can put pressure on margins. More so, if the interest rates increase further affecting off-take, especially in the residential segment. Therefore, the outlook for 2011-12 is cautiously optimistic.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Corporate Governance Report

1. Corporate Governance Philosophy

The Company is committed to good corporate governance and endeavours to implement the Code of Corporate Governance in its true spirit.

The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures, and enhance shareholder value without compromising in any way on compliance with the laws and regulations.

The Company believes that good governance brings about sustained corporate growth and long-term benefits for stakeholders.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. The stipulations mandated by Clause 49 became applicable to the Company in March, 2001 and have been fully complied with since then. As a Company which believes in implementing corporate governance practices that go beyond meeting the letter of law, the Company has adopted practices mandated in the revised Clause 49 and has established procedures and systems to remain fully compliant with it as on 31st March, 2011.

This chapter, along with the chapter on Additional Shareholders' Information reports the Company's compliance with the existing Clause 49.

2. Board of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Company has a Non-Executive Chairman and over one half of the total number of Directors comprises Independent Directors. The Management of the Company is entrusted in the hands of the Key Management Personnel of the Company and is headed by the Managing Director & Chief Executive Officer who operates under the supervision and control of the Board.

The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objective of enhancing stakeholders value is met. The Managing Director & Chief Executive Officer is an executive of the Company and draws remuneration from the Company. The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 1956. Mr. Uday Y. Phadke, Non-Executive Director of the Company is in the whole-time employment of the holding Company, Mahindra & Mahindra Limited and draws remuneration from it. Apart from the above and apart from the reimbursement of expenses incurred in discharge of their duties and the

remuneration that the Independent Directors would be entitled to under the Companies Act, 1956, none of the Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, its Subsidiaries and Associates which in their judgement would affect their independence. The Directors of the Company are not inter-se related to each other.

The Senior Management have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

a) Number of Board Meetings

Six Board meetings were held during the year under review, 1st April, 2010 to 31st March, 2011, on the following dates: 23rd April, 2010; 21st July, 2010; 27th August, 2010; 20th October, 2010; 5th February, 2011 and 18th March, 2011. The maximum gap between any two meetings did not exceed four months.

b) Composition, Status, Attendance at the Board Meetings and at the last AGM

As on 31st March, 2011, the Company's Board comprised seven members. The Chairman of the Board is a Non-Executive, Non-Independent Director. One member of the Board is Non-Executive, Non-Independent Director. The Managing Director & Chief Executive Officer is an Executive of the Company. Four members of the Board are Independent Directors. The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting are given below:

Name of the Director	Status	No. of Board Meetings		Attendance at the last AGM
		Held	Attended	
Mr. Arun Nanda, Chairman	Non-Executive Non-Independent	6	6	Yes
Mr. Uday Y. Phadke	Non-Executive Non-Independent	6	6	Yes
Mr. Sanjiv Kapoor	Non-Executive Independent	6	6	Yes
Mr. Shailesh Haribhakti	Non-Executive Independent	6	5	Yes
Mr. Anil Harish	Non-Executive Independent	6	3	Yes
Dr. Prakash Hebalkar	Non-Executive Independent	6	6	Yes
Ms. Anita Arjundas	Executive (Managing Director & Chief Executive Officer)	6	6	Yes

c) Details of Directorships / Committee Memberships* as of 31st March, 2011

As mandated by Clause 49, none of the Directors is a member of more than ten Board level Committees nor is any of them a Chairman of more than five Committees in which they are members. The number of Directorships and Committee positions held by them in Public companies are given below:

Name of the Director	Director of Public Companies	Membership in Committee**	Chairmanship in Committee**
Mr. Arun Nanda (Non-Executive Non-Independent Chairman)	14	8	4
Mr. Uday Y. Phadke (Non-Executive Non-Independent Director)	10	8	3
Mr. Sanjiv Kapoor (Independent Director)	5	3	2
Mr. Shailesh Haribhakti (Independent Director)	14	10	5
Mr. Anil Harish (Independent Director)	14	10	4
Dr. Prakash Hebalkar (Independent Director)	2	3	—
Ms. Anita Arjundas (Managing Director & Chief Executive Officer)	14	3	2

* Including Directorship/Committee Memberships in Mahindra Lifespace Developers Limited as of 31st March, 2011.

** Committees considered are Audit Committee and Shareholders' Grievance Committee including that of Mahindra Lifespace Developers Limited.

d) Board Procedure

A detailed agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibility effectively, the Managing Director & Chief Executive Officer of the Company briefs the Board at every meeting on the overall performance of the Company. A detailed operations report is also presented at every Board Meeting. Amongst other things, the Board also reviews strategy and business plans, annual operating and capital expenditure budgets, remuneration of Non-Executive Directors, compliance with statutory/

regulatory requirements and review of major legal issues, adoption of quarterly/half-yearly/annual results, risk management policies, investors' grievances, minutes and significant transactions of subsidiary companies, investment and exposure limits, use of capital issue proceeds, major accounting provisions and write-offs, corporate restructuring, minutes of meetings of the Audit Committee and other Committees of Directors of the Board, etc.

The Board reviews a compliance certificate issued by the Managing Director & Chief Executive Officer regarding compliance with the requirements of various Statutes, Regulations and Rules as may be applicable to the business of the Company.

3. Directors seeking Appointment / Re-Appointment

Mr. Arun Nanda, Mr. Shailesh Haribhakti and Dr. Prakash Hebalkar retire by rotation and being eligible offer themselves for re-appointment.

Brief resumes of Directors seeking appointment / re-appointment are given below.

Mr. Arun Nanda

Mr. Arun Nanda holds a Degree in Law from the University of Calcutta, is a fellow member of the Institute of Chartered Accountants of India (FCA) and a fellow member of the Institute of Company Secretaries of India (FCS). Mr. Nanda has also participated in a Senior Executive Programme at the London Business School. He joined the Mahindra Group in 1973. He has held several important positions within the Group over the 37 years he was with the Group.

He was inducted to the Board of Mahindra & Mahindra Limited (M&M) in August, 1992 and resigned as Executive Director in March, 2010 to focus on the social sector and create a favourable ecosystem for senior citizens. He was immediately re-appointed as a non-executive director of M&M.

He is currently the Chairman of Mahindra Holidays & Resorts (India) Limited, Mahindra Lifespace Developers Limited, Mahindra Consulting Engineers Limited, and Vice-Chairman of Mahindra World City Developers Limited.

Mr. Nanda is on the Board of Mahindra & Mahindra Limited, Mahindra Construction Company Limited, Mahindra Holidays & Resorts (India) Limited, Mahindra Consulting Engineers Limited, Mahindra Infrastructure Developers Limited, Mahindra Holidays & Resorts (USA) Inc, Mahindra World City (Jaipur) Limited, Mahindra World City (Maharashtra) Limited, Mahindra Water Utilities Limited, MHR Hotel Management GmbH, Mumbai Mantra Media Limited, Knowledge Township Limited, Mahindra Holdings Limited, Mahindra World City Developers Limited and Union Bank of India.

He is also on the Advisory Boards of Schneider Electric India Private Limited, Advent India PE Advisors Private Limited, Alvarez & Marsal India Private Limited and member of the Supervisory Board of BAH Hotelangen AG.

Mr. Nanda is also the Chairman Emeritus of the Indo-French Chamber of Commerce & Industry, member of the Governing Boards of the Council of EU Chambers of Commerce in India, and of Bombay First. Mr. Nanda was Chairman of CII – Western Region during 2010-11.

Mr. Nanda has been honoured with an award of “Chevalier de la Legion d’Honneur” (Knight of the National Order of the Legion of Honour) by the President of the French Republic, Mr. Nicolas Sarkozy in 2008.

Mr. Nanda has also been awarded with the “Real Estate Person of the Year” Award from Global Initiative for Restructuring Environment and Management (GIREM) - Leadership Awards in India in 2008.

Mr. Nanda has also been awarded with the “CA Business Achiever Award - Corporate” at The Institute of Chartered Accountants of India Award 2009 and “Lifetime Achievement Award” for his outstanding contribution to the Hospitality Industry and the Service Sector by the Golden Star Awards 2010.

Mr. Nanda is on the committees of the Board mentioned hereunder:

Name of Company	Name of Committee	Position Held
Mahindra & Mahindra Limited	Share Transfer and Shareholders / Investor Grievance	Member
	Loans & Investment	Member
Mahindra Holidays & Resorts (India) Limited	Loans & Investment	Member
	Inventory Approval	Member
	Remuneration	Member
	Share Allotment/ Transfer cum Investor Grievances	Chairman
Mahindra Construction Company Limited	IPO Committee	Member
	Remuneration	Member
Mahindra Lifespace Developers Limited	Shareholders and Investors' Grievance	Chairman
	Loans & Investment	Chairman
	Remuneration	Member
	Share Allotment	Member
	Committee for Residential Projects in Joint Venture	Member
	Committee for Large Format Developments	Member
Mahindra Infrastructure Developers Limited	Committee of Directors for investments in Knowledge Township Limited	Member
	Audit	Member

Mahindra World City (Jaipur) Limited	Audit Capital Lease Land Lease Loans & Investment Remuneration	Member Member Member Chairman
Mahindra World City (Maharashtra) Limited	Capital Issue	Member
Mahindra Holdings Limited	Audit	Chairman
Mahindra World City Developers Limited	Remuneration	Member
Union Bank of India	Shareholders / Investor's	Member
	Grievance	Member
	Remuneration Customer Service	Member Member
Mahindra Consulting Engineers Limited	Remuneration	Member

Mr. Arun Nanda holds 60,114 equity shares and his spouse jointly with Mr. Arun Nanda holds 600 equity shares in the Company.

Mr. Shailesh Haribhakti

Mr. Shailesh Haribhakti is a Fellow Chartered Accountant. Mr. Shailesh Haribhakti is the Managing Partner of Haribhakti & Co., Chartered Accountants and Chairman of BDO Consulting Private Limited. He served a three year term on the Standards Advisory Council of the International Accounting Standards Board. He is a Committee Member of Futures & Options segment of National Stock Exchange of India and a Member of the SEBI Committee on Disclosures and Accounting Standards. He serves as Member of Managing Committees of ASSOCHAM and IMC, Corporate Governance Committees of ASSOCHAM and CII, and is Chairman of the Global Warming Committee of IMC. He is on the Board of Directors of several listed and private companies.

Mr. Haribhakti is on the Board of companies such as Everest Kanto Cylinders Limited, Pantaloon Retail (India) Limited, Blue Star Limited, ACC Limited, Hexaware Technologies Limited, Ambuja Cement Limited, Raymond Limited, L&T Finance Holdings Limited, Future Capital Holdings Limited, The Dhanalakshmi Bank Limited, Torrent Pharmaceuticals Limited, J K Paper Limited, BDO Haribhakti Consulting Private Limited, Advantage Moti India Private Limited, Quadrum Solutions Private Limited, Milestone Ecofirst Advisory Services (India) Private Limited, Planet People & Profit Consulting Private Limited, Haribhakti SME Transformation and Support Solutions Private Limited and J M Financial Asset Reconstruction Private Limited. He is alternate Director on Board of Hercules Hoists Limited and Fortune Financial Services (India) Limited. Mr. Haribhakti is on the committees of the Board mentioned hereunder:

Name of Company	Name of Committee	Position Held
Mahindra Lifespace Developers Limited	Audit Remuneration Committee for Residential Projects in Joint Venture	Member Member Member
Pantaloon Retail (India) Limited	Audit Board Committee	Member Member
Blue Star Limited	Audit	Member
ACC Limited	Audit Remuneration Compliance Compensation	Chairman Member Member Member
Hexaware Technologies Limited	Audit Capital Issue Nomination Special Committee for Internal Automation Forex	Chairman Member Member Member Chairman
Ambuja Cement Limited	Audit Remuneration & Compensation Compliance	Chairman Member Member
Future Capital Holdings Limited	Nomination	Member
The Dhanalakshmi Bank Limited	Remuneration Audit Large Value Fraud Monitoring Human Resource Development Nomination	Member Member Member Member Member Member
Everest Kento Cylinder Limited	Investment	Member
Raymond Limited	Audit	Chairman
L&T Finance Holdings Limited	Audit	Chairman
Torrent Pharmaceuticals Limited	Audit	Member

Mr. Shailesh Haribhakti holds 5,100 equity shares in the Company.

Dr. Prakash Hebalkar

Dr. Prakash Hebalkar is Founder President of the corporate strategy consulting organisation ProfiTech. ProfiTech are international business consultants focused on providing strategic advice to corporates from the US Fortune Global 1000 list and the Indian ET500 list of companies. Dr. Hebalkar brings with him over 30 years of international senior executive experience following a Doctorate in Computer Science and Economics from Massachusetts Institute of Technology in the U.S.A. Dr. Hebalkar's international work experience has taken him from IBM Research in the U.S.A. where he managed and participated in software research

for the Research Division, to the house of Tata, the leading industrial house in India.

Dr. Hebalkar pioneered software exports from India in the mid-1970s at TCS and later developed Tata Burroughs (now known as Tata Infotech) from its inception in 1978 into the nation's largest software exporter in just five years.

Dr. Hebalkar is the author of several innovative Economic and Public-policy concepts such as EXIMSCRIPS for economic reforms in 1991 and TRUMPS for the GATT/WTO negotiations.

Dr. Hebalkar's initiatives in the area of infrastructure include numerous pioneering projects such as large IT park and an international air-hub done through his own start-up company MaxReach Consultants Private Limited.

Dr. Hebalkar has served as international adviser on public policy to the United Nations as well as the Government of India and has actively participated in several bilateral business councils and Chambers of Commerce (such as the Indo-U.S. Indo-Japan, Indo-U.K., Indo-German and Indo-EEC Business Councils) in promotion of bilateral trade and technology co-operation as well as in major national business organisations in India such as the Confederation of Indian Industry (CII), Associated Chambers of Commerce (ASSOCHAM) and the National Association of Software and Service Companies (NASSCOM). He is a former President of the Western Region of the Indo-American Chamber of Commerce.

He has served in the Expert Group at WIPO on the Semiconductor Chip Protection Treaty as well as on the editorial advisory board of the International Computer Law Advisor and participated in the Salzburg Seminar on Intellectual Property Rights in 1995, where he was awarded a unique prize.

He has been associated with several leading Venture Finance Organizations and takes a keen interest in advising technology start-ups. He has worked with Dr Vijay Kelkar and Dr. Partho Shome as a member of the Empowered Committee on development and implementation of IT Strategy for the CBDT and CBEC of the Ministry of Finance.

He currently advises the IDFC and its Private Equity arm as a senior expert.

Dr. Hebalkar writes frequently on matters of economic policy and international trade for leading publications, and for some 15 years wrote a regular column entitled "Strategic Perspectives" in Business India. He currently writes a monthly column on Global Trade and Investment and is a member of Gateway House, the Indian Council for Foreign Relations.

Dr. Hebalkar is on the Board of Bluestar Infotech Limited.

Dr. Hebalkar is on the committees of the Board mentioned hereunder:

Name of Company	Name of Committee	Position Held
Bluestar Infotech Limited	Audit Shareholder Grievance Remuneration	Member Member Chairman
Mahindra Lifespace Developers Limited	Committee of Directors for Investments in Knowledge Township Limited Committee for Large Format Developments	Member Member

Dr. Hebalkar does not hold any share in the Company.

4. Codes of Conduct

The Board of Directors of the Company has laid down two separate Codes of Conduct — one for Directors and another for Senior Management and Employees. These codes are posted on the Company's website www.mahindralifespaces.com

All Board Members and Senior Management personnel have affirmed compliance with the respective Code of Conduct for the year under review. A Declaration signed by Managing Director & Chief Executive Officer to this effect is annexed to this report.

5. CEO /CFO Certification

As required under Section V of the Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director & Chief Executive Officer and Vice President – Finance & Accounts of the Company have certified to the Board regarding their review on the Financial Statements, Cash flow Statements and other matters related to internal controls in the prescribed format for the year ended 31st March, 2011.

6. Remuneration paid to Directors Remuneration Policy

While deciding on the remuneration for Directors, the Board and Remuneration Committee (Committee) considers the performance of the Company, the current trends in the industry, the qualifications of the appointee(s), his/their experience, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

The Non-Executive Chairman and Independent Directors are paid sitting fees and reimbursement of expenses

incurred in attending the Board and Committee meetings. The remuneration of the Managing Director & Chief Executive Officer is subject to approvals of the Remuneration Committee, Board and shareholders, and is within the ceilings laid down under the Companies Act, 1956. The Board determines the remuneration, if any, of Non-Executive Directors, subject to requisite approvals.

At the 9th Annual General Meeting of the Company held on 28th July, 2008, the shareholders had approved payment of commission to the Directors other than the Whole-time Directors under the employment of the Company, Managing Director, Executive Directors and the Managing Director or any Director in the whole time employment of the parent company and others who may not desire to participate. Under this approval, which is for a period of five years with effect from 1st April, 2008, the said Directors would be paid remuneration by way of commission up to one per cent of the net profits of the Company, provided none of the such Directors shall in any financial year receive such commission equal to or more than one quarter percent of the net profits of the Company computed in the manner referred to in Section 198, 309 and all other applicable provisions of the Companies Act, 1956.

However, at the Board meeting held on 23rd April, 2011, it was proposed to revise the terms of payment of commission in a manner that commission may be distributed without any sub-limits amongst and paid to such Directors in such proportions as the Board may decide from time to time for each of five years commencing 1st April, 2010 subject to approval of shareholders in 12th Annual General Meeting. Accordingly, the Board has approved payment of commission in line with revised resolution. Detailed information of Directors' remuneration for the year 2010-11 is set forth below:

(Rs. in lakh)						
Name of the Director	Category	Sitting Fees	Commission (Note e)	Salary, Performance Pay and Perquisites	Super-annuation and Provident Fund (Note b)	Total
Mr. Arun Nanda Chairman	Non-Executive Non Independent	1.30	100.00	Nil	Nil	101.30
Mr. Uday Y. Phadke	Non-Executive Non Independent	(Note a)	Nil	Nil	Nil	Nil
Mr. Sanjiv Kapoor	Independent	2.30	7.50	Nil	Nil	9.80
Mr. Shailesh Haribhakti	Independent	2.05	7.50	Nil	Nil	9.55
Mr. Anil Harish	Independent	1.15	7.50	Nil	Nil	8.65

(Rs. in lakh)

Name of the Director	Category	Sitting Fees	Commission (Note e)	Salary, Performance Pay and Perquisites	Superannuation and Provident Fund (Note b)	Total
Dr. Prakash Hebalkar	Independent	1.15	7.50	Nil	Nil	8.65
Ms. Anita Arjundas Managing Director & Chief Executive Officer (Note f)	Executive	(Note a)	Nil	103.05	11.78	114.84

Notes :

- Non-Executive Non-Independent Chairman and Non-Executive Independent Directors are paid sitting fees of Rs.20,000 per meeting for attending meetings of the Board and Audit Committee and Rs. 5000/- per meeting for other committee meetings of the Board of Directors of the Company. Non-Executive Non-Independent Director and the Managing Director & Chief Executive Officer do not receive sitting fees for attending meetings of the Board /Committees of the Board of Directors of the Company
- Aggregate of the Company's contributions to Superannuation Fund and Provident Fund.
- The Company has not advanced any loan to any Director.
- Except for Dr. Prakash Hebalkar, the Company has granted Stock Options to the following Directors during the year 2008-09:

Name of the Director	No. of Stock Options granted on 25th April, 2008	No. of Stock Options exercised as on 31st March, 2011*
Mr. Arun Nanda	2,00,000	-
Mr. Uday Phadke	10,000	2,500
Mr. Anil Harish	10,000	-
Mr. Sanjiv Kapoor	10,000	-
Mr. Shailesh Haribhakti	10,000	5,000
Ms. Anita Arjundas	50,000	1,000
Total	2,90,000	8,500

* As of 31st March, 2011, total 26,000 Stock Options have been exercised by the grantees, out of which 8,500 Stock Options have been exercised by the above Directors

and 17,500 Stock Options have been exercised by other grantees.

e. Commission to Non-Executive Directors

Name of the Director	Amount (Rs. lakh)
Mr. Arun Nanda	100.00#
Mr. Anil Harish	7.50
Mr. Sanjiv Kapoor	7.50
Mr. Shailesh Haribhakti	7.50
Dr. Prakash Hebalkar	7.50
Total	130.00

Subject to Shareholder's Approval

Employee Stock Option and Commission are the only components of remuneration that are performance-linked. All other components are fixed.

f. Salary to Ms. Anita Arjundas, MD & CEO includes:

- Salary and Allowances of Rs.70.61 lakh
- Perquisites of Rs.3.35 lakh
- Performance pay of Rs. 29.09 lakh.

The nature of employment of the Managing Director & Chief Executive Officer with the Company is contractual and can be terminated by giving three months notice from either party. The contract does not provide for any severance fees. Ms. Arjundas's appointment is for a period of 5 years from 23rd June, 2009 and her remuneration is approved by the shareholders for a period of 3 years from 23rd June, 2009.

Shares and Convertible Instruments held by Directors

The detail of the Stock Options granted to the Directors is given under Note d of the previous section on Remuneration Policy.

As on 31st March, 2011:

- Mr. Arun Nanda holds 60,114 equity shares and his spouse jointly with Mr. Arun Nanda holds 600 equity shares in the Company.
- Mr. Anil Harish's son and daughter hold 3,500 equity shares each of the Company jointly with Mr. Anil Harish, aggregating 7000 equity shares.
- Mr. Shailesh Haribhakti holds 5,100 equity shares in the Company.
- Mr. Uday Y. Phadke holds 2,500 equity shares in the Company.
- Ms. Anita Arjundas holds 1,000 equity shares in the Company.
- Mr. Sanjiv Kapoor and Dr. Prakash Hebalkar do not hold any shares in the Company either on their own or for any other person on a beneficial basis.

7. Committees of the Board

Audit Committee

The Audit Committee of the Company comprises three independent Directors, namely Mr. Sanjiv Kapoor, Mr. Shailesh Haribhakti, Mr. Anil Harish and one Non-Executive Non-Independent Director, Mr. Uday Y. Phadke. Mr. Sanjiv Kapoor is the Chairman of the Committee.

The terms of reference of the Committee are in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Audit Committee has been granted powers as prescribed under Clause 49 II (C) of the Listing Agreement. Generally, all items listed in Clause 49 II (D) are covered in the terms of reference and inter-alia include:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of their fees.
- Review of the internal control systems with the management, Internal Auditors and Statutory Auditors.
- Review with the management, the annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance and other legal requirements concerning financial statements.
- Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review Management Discussion and Analysis.
- Review Material Individual Transactions with related parties not in normal course of business or which are not on an arms length basis.
- Review financial statements and investment of unlisted subsidiary companies.

During the year under review, 1st April, 2010 to 31st March, 2011, six meetings of the Committee were held on following dates: 23rd April, 2010; 21st July, 2010; 27th August, 2010; 20th October, 2010; 5th February, 2011 and 18th March, 2011. The maximum gap between any two meetings did not exceed four months. Mr. Sanjiv Kapoor, Mr. Shailesh Haribhakti and Mr. Uday Y. Phadke attended all meetings; Mr. Anil Harish attended three meetings. Mr. Sanjiv Kapoor, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 21st July, 2010.

The Chairman, the Managing Director & Chief Executive Officer, Chief Operating Officer(s), Vice President – Finance

& Accounts, the Internal and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee possess strong knowledge of accounting and financial management.

Shareholder's & Investor's Grievance Committee

The Shareholder's and Investor's Grievance Committee of the Company comprises two Non-Executive Directors, Mr. Arun Nanda and Dr. Prakash Hebalkar. Mr. Arun Nanda is the Chairman of the Committee.

The Committee's objective is to attend to investors' complaints pertaining to transfers / transmission of shares, non-receipt of dividend / interest, and any other related matter.

During the year under review the Committee met once on 5th February, 2011. Mr. Arun Nanda and Dr. Prakash Hebalkar attended the meeting.

Remuneration Committee

The Remuneration Committee of the Company comprises three Independent Directors, Mr. Sanjiv Kapoor, Mr. Shailesh Haribhakti and Mr. Anil Harish, and one Non-Executive Non-Independent Director, Mr. Arun Nanda. Mr. Sanjiv Kapoor is the Chairman of the Committee.

The terms of reference of the Remuneration Committee, inter-alia comprise of determining the remuneration payable to the Executive Directors, recommendation for appointment/ re-appointment of the Executive Directors, revision in the remuneration of the existing Executive Director(s) of the Company from time to time, recommendations on grant of Employee Stock Options, etc.

During the year under review the Committee met twice on 15th June, 2010 and 20th October, 2010. Except Mr. Anil Harish who attended one meeting, Mr. Arun Nanda, Mr. Sanjiv Kapoor and Mr. Shailesh Haribhakti attended both meetings.

Loans & Investment Committee

The Loans & Investment Committee of the Board of the Company comprises three Non-Executive Directors, Mr. Arun Nanda, Mr. Uday Y. Phadke and Mr. Anil Harish who is also an Independent Director.

The Committee's objective is to finalise within the parameters set by the Board, the terms on which the borrowings/ investments would be made by the Company from time to time.

Mr. Arun Nanda is the Chairman of the Committee. During the year under review two meetings of the Committee were held on 24th May, 2010 and 14th October, 2010. Mr. Phadke and Mr. Harish attended both the meetings. Mr. Nanda attended one meeting.

Committee of Directors for Investment in a subsidiary company: Knowledge Township Limited

The Committee of Directors comprises Mr. Arun Nanda, Mr. Uday Y. Phadke, Dr. Prakash Hebalkar and Ms. Anita Arjundas. The objective of the Committee is to evaluate the business plan of Knowledge Township Limited (KTL) (a subsidiary of the Company) and to consider and approve investment in KTL from time to time.

Share Allotment Committee

The Committee of Directors comprises Mr. Arun Nanda, Mr. Uday Y. Phadke and Ms. Anita Arjundas. The objective of the Committee is to issue and/or allot Equity Shares arising out of exercise of Stock Options pursuant to the Employee Stock Option Scheme 2006 (ESOS-2006).

During the year under review circular resolutions were passed by the Committee on 7th May, 2010 and 8th September, 2010.

Committee for Residential Projects in Joint Venture

During the year, Committee for Residential Projects in Joint Venture was constituted comprising Mr. Arun Nanda, Mr. Shailesh Haribhakti and Ms. Anita Arjundas. The objective of the Committee is to evaluate business plans and investments in Residential projects to be undertaken in Joint Venture.

Committee for Large Format Developments

During the year, Committee for Large Format Developments was constituted comprising Mr. Arun Nanda, Dr. Prakash Hebalkar and Ms. Anita Arjundas. The objective of the Committee is to evaluate business plans and investments in large format development projects.

8. General Shareholder Information

Twelfth Annual General Meeting

Day / Date : Thursday, 21st July, 2011

Time : 3.00 p.m.

Venue : Y.B. Chavan Centre,
Gen. Jagannathrao Bhonsle Marg,
Next to Sachivalaya Gymkhana,
Mumbai 400 021.

Details of Annual/Extraordinary General Meetings held during past three years

Year	Date	Time	Venue
2008	28th July, 2008 9th AGM	3.00 p.m.	Y B Chavan Centre, Mumbai
2009	24th July, 2009 10th AGM	10.30 a.m.	Y B Chavan Centre, Mumbai
2010	21st July, 2010 11th AGM	3.00 p. m	Y B Chavan Centre, Mumbai

Details of special resolutions passed in Annual/Extraordinary General Meetings held during past three years

9th AGM 28th July, 2008	<ul style="list-style-type: none"> Commission to Non-Executive Directors.
10th AGM 24th July, 2009	<ul style="list-style-type: none"> For appointment and remuneration of Managing Director & Chief Executive Officer. For Maintenance of the Register of Members and related books at a place other than the Registered Office of the Company.
11th AGM 21st July, 2010	<ul style="list-style-type: none"> No Special Resolution was passed at 11th AGM

No Extraordinary General Meeting (EGM) was held during last three years. No special resolution was passed last year through postal ballot. No special resolution is proposed to be conducted through postal ballot. It is proposed to conduct Postal Ballot for Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956.

Dates of Book Closure

Thursday, 14th July, 2011 to Thursday, 21st July, 2011 (both days inclusive)

Dividend Payment Date

Dividend will be credited/dispatched between 22nd July, 2011 to 30th July, 2011.

Financial Year

The financial year covers the period from 1st April to 31st March.

Financial reporting for 2011 – 12 (Tentative)

For Quarter ending – 30th June, 2011	By end of July, 2011
For Half Year ending – 30th September, 2011	By end of October, 2011
For Quarter ending – 31st December, 2011	By end of January, 2012
For year ending – 31st March, 2012	By end of April, 2012

Listing on Stock Exchanges

The equity shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fees have been paid to the Stock Exchanges for the period up to 31st March, 2012.

Mahindra Lifespace Developers Limited's (MLDL) Stock Exchange Codes

BSE 532313

NSE MAHLIFE

Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares - INE813A01018

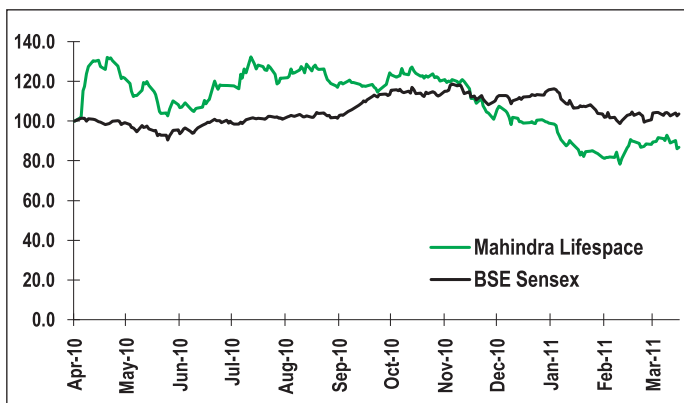
BSE and NSE – Monthly High / Low and Volumes

Year	Month	BSE			NSE		
		High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Monthly Volume
2010	April	543.40	385.50	23,51,693	544.00	384.00	52,91,241
2010	May	477.95	390.15	2,16,229	476.80	385.50	5,53,512
2010	June	486.70	406.00	2,84,209	474.90	402.45	6,80,016
2010	July	550.00	449.00	5,62,445	524.80	449.00	11,34,758
2010	August	518.30	445.15	5,04,790	518.00	447.00	14,07,139
2010	September	494.90	440.00	5,79,015	498.00	443.05	10,29,043
2010	October	522.00	464.00	3,49,426	544.60	464.00	11,19,546
2010	November	561.00	380.40	1,17,578	475.25	381.00	3,03,484
2010	December	430.00	375.15	79,093	429.40	382.00	1,40,589
2011	January	393.00	314.40	4,17,312	395.90	315.50	18,96,762
2011	February	357.95	300.05	1,40,439	358.80	302.00	3,37,667
2011	March	390.80	330.00	1,64,802	389.90	331.15	2,89,952

Performance in comparison to BSE – Sensex, NSE Nifty, BSE 500 Index and BSE Realty Index

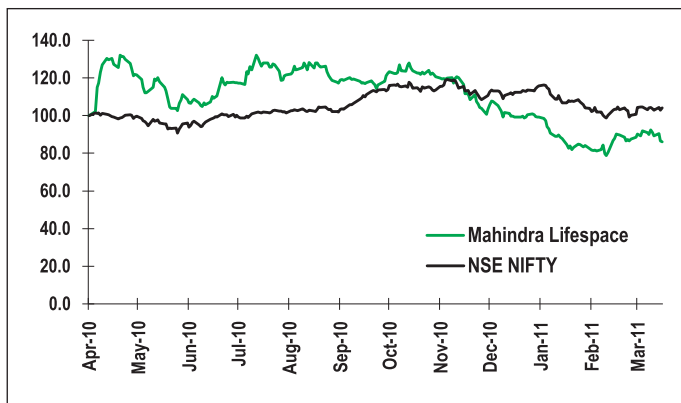
Year	Month	MLDL's Share's Closing Prices on BSE on the last trading day of the month (Rs.)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month	BSE 500 Index at the Close of last trading day of the month	BSE Realty Index at the Close of last trading day of the month
2010	April	473.70	17,558.71	5,278.00	7,042.68	3,491.18
2010	May	421.60	16,944.63	5,086.30	6,782.37	3,097.92
2010	June	459.55	17,700.90	5,312.50	7,092.20	3,196.82
2010	July	473.75	17,868.29	5,367.60	7,205.22	3,372.93
2010	August	456.00	17,971.12	5,402.40	7,289.74	3,331.76
2010	September	483.90	20,069.12	6,029.95	7,984.45	3,726.86
2010	October	467.95	20,032.34	6,017.70	8,036.88	3,635.12
2010	November	400.85	19,521.25	5,862.70	7,722.05	2,925.40
2010	December	385.25	20,509.09	6,134.50	7,961.06	2,856.22
2011	January	318.95	18,327.76	5,505.90	7,128.29	2,228.72
2011	February	343.60	17,823.40	5,333.25	6,850.40	1,981.65
2011	March	385.40	19,445.22	5,833.75	7,437.26	2,337.01

Chart A: Mahindra Lifespaces' Share Performance versus BSE Sensex



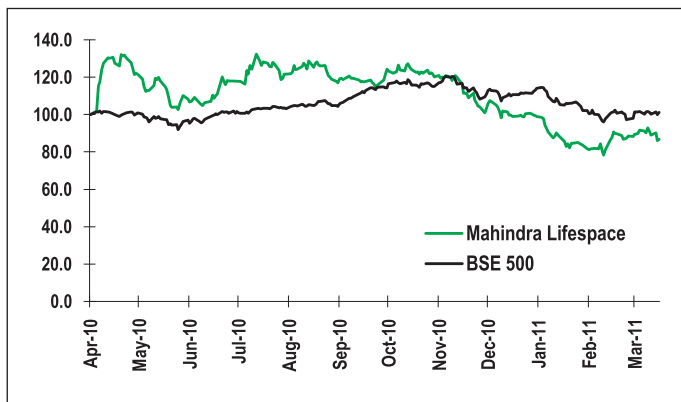
Note: Share price of Mahindra Lifespaces and BSE Sensex have been indexed to 100 on 1st April, 2010

Chart B: Mahindra Lifespaces' Share Performance versus NSE NIFTY



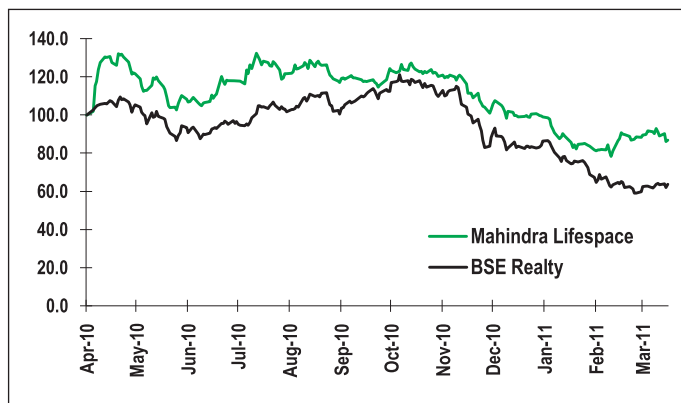
Note: Share price of Mahindra Lifespaces and NSE NIFTY have been indexed to 100 on 1st April, 2010

Chart C: Mahindra Lifespaces' Share Performance versus BSE 500



Note: Share price of Mahindra Lifespaces and BSE 500 have been indexed to 100 on 1st April, 2010

Chart D: Mahindra Lifespaces' Share Performance versus BSE Realty



Note: Share price of Mahindra Lifespaces and BSE Realty have been indexed to 100 on 1st April, 2010

Registrar and Share Transfer Agents

Sharepro Services (India) Private Limited

Registered Office

13 AB Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off. Andheri -Kurla Road, Sakinaka,
Andheri (E), Mumbai-400 072

Tel: 022-67720300, 67720400

Fax: 022-28591568, 28508927

E-mail: sharepro@shareproservices.com

Website : www.shareproservices.com

Investor Relation Centre

Sharepro Services (India) Pvt. Limited

912, Raheja Centre,

Free Press Journal Road,

Nariman Point, Mumbai - 400 021.

Tel: 022-66134700

Share Transfer System

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of documents, provided that, documents are valid and complete in all respects. With a view to expedite the process of share transfers, Ms. Anita Arjundas, Managing Director & Chief Executive Officer, Mr. Suhas Kulkarni, Company Secretary and Ms. Arti Shinde, Sr. Manager- Secretarial have been severally authorised by the Board to approve the transfer of shares in physical form, not exceeding 5,000 equity shares per transfer, provided that, the transferee does not hold 100,000 or more equity shares. As of date, there are no pending share transfers pertaining to the year under review.

Distribution of Shareholding as on 31st March, 2011

No. of Equity shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 100	71,670	90.96	16,12,252	3.95
101 - 200	3,638	4.62	5,40,558	1.32
201 – 300	1,244	1.58	3,15,291	0.77
301 - 400	596	0.76	2,12,485	0.52
401 - 500	480	0.61	2,27,212	0.56
501 - 1,000	633	0.80	4,65,777	1.14
1,001 - 2,000	264	0.34	3,70,672	0.91
2,001 - 3,000	83	0.11	2,10,007	0.51
3,001 - 4,000	45	0.06	1,58,624	0.39
4,001 - 5,000	19	0.02	88,296	0.22
5,001- 10,000	40	0.05	2,83,561	0.69
10,001 & above	78	0.10	3,63,50,415	89.02
Total	78,790	100.00	4,08,35,150	100.00

Shareholding Pattern

Category	As on 31st March, 2011		As on 31st March, 2010	
	No. of Equity shares held	% of shareholding	No. of Equity shares held	% of shareholding
Promoter's and Promoter Group	2,08,46,126	51.05	2,08,46,126	51.08
Insurance Companies & Banks	4,48,839	1.10	4,88,516	1.20
UTI and Mutual Funds	22,94,512	5.62	51,24,433	12.56
FII's	1,02,29,118	25.05	81,30,078	19.92
NRIs/OBC	1,97,207	0.48	2,20,943	0.54
Bank of New York Mellon (for GDR Holders)	86,070	0.21	86,070	0.21
Domestic Companies	24,30,975	5.45	6,29,372	1.54
Resident Individuals	43,02,303	10.54	52,83,612	12.95
Total	4,08,35,150	100.00	4,08,09,150	100.00

Dematerialisation of Shares

As of 31st March, 2011, 4,00,67,000 shares (98.12%) of total paid-up equity capital were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are traded in the electronic form. Requests for dematerialisation of shares are generally processed and confirmed within 7 days.

Outstanding GDRs/ ADRs /Warrants or any convertible instruments, conversion date and likely impact on equity

As of 31st March, 2011 outstanding GDR's represent 86,070 equity shares. Since the underlying Equity Shares represented by GDRs have been allotted in full, the outstanding GDRs have no impact on the Equity Share Capital of the Company.

Offices of the Company

Registered Office:

Mahindra Towers, 5th Floor,

Worli, Mumbai - 400 018

Tel: 022-33273000 / 39493300

Regional Office - West:

Chemtex House, Ground Floor, Main Street Road,

Hiranandani Gardens, Powai, Mumbai 400 076

Tel: 022- 33273191 / 99

Regional Office - North:

Mahindra Towers, 2A, Bhikaiji Cama Place,

New Delhi -110 066

Tel: 011-26173787/26194977

Regional Office - South:

The Canopy, II Floor, Unit.No-II

Mahindra World City, Special Economic Zone,

Natham Sub P.O., Near Paranur Rly Station

Chengelpet-603 002, Tamil Nadu

Tel: 044-43510000

Branch office - Pune:

City Point, 2nd Floor, Office No. 215-A, B & C
Boat Club Road, Pune-411 001, Maharashtra
Tel: 020 – 33273700

Branch Office - Hyderabad:

Lorven Arcade, 1st Floor,
Indrareddy Allwyn Colony,
Miyapur – Hi-tech City Road
Miyapur, Hyderabad 500 049
Tel: 040 - 40258480

Shareholders may correspond with the Company at its Registered Office and/or with the Registrars and Share Transfer Agents, Sharepro Services (I) Pvt. Limited.

Compliance Officer

Mr. Suhas Kulkarni
Company Secretary
Mahindra Lifespace Developers Limited
Mahindra Towers, 5th Floor,
Worli, Mumbai - 400 018
Tel: 022-33273000 / 39493300
Fax: 022-24975084
E-mail: kulkarni.suhas@mahindralifespaces.com

Company’s investor email ID

investor@mahindralifespaces.com

Company’s website

www.mahindralifespaces.com

Status of Investors Complaints received during the period 1st April, 2010 to 31st March, 2011

1.	Number of complaints received from the investors comprising non-receipt of dividend, non-receipt of shares lodged for transfer, non-receipt of Annual Report, etc	13
2.	Number of complaints resolved	13
3.	Complaints pending as at 31st March, 2011	Nil
4.	Number of share transfers pending for approval as at 31st March, 2011	Nil

There were no pending complaints as on 31st March, 2011.

9. Disclosure of Accounting Treatment

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 and the Rules framed thereunder.

10. Materially Significant Related Party Transactions

During the financial year 2010-11, there were no materially significant Related Party transactions entered into between the Company and its Promoters, Directors or the Management, subsidiaries or relatives, etc. that may have

potential conflict with the interests of the Company at large. Details of Related Party transactions are presented in Note No. 20 in Schedule 21 to Annual Accounts of the Annual Report.

11. Compliance with Clause 49

Mandatory Requirements

As of 31st March, 2011, the Company is fully compliant with all applicable mandatory requirements of the revised Clause 49.

Non-Mandatory Requirements

- The Company has set up the Remuneration Committee of the Board of Directors, the details of which have been provided under the section “Committees of the Board”.
- The financial statements of the Company are unqualified.
- The Company has not adopted other non-mandatory requirements as specified in Annexure 1 D of the Clause 49.

12. Management Discussion and Analysis Report

Management Discussion and Analysis Report (MDA) has been attached to the Directors’ Report and forms part of this Annual Report.

13. Corporate Governance Voluntary Guidelines 2009

In December, 2009 the Government of India, Ministry of Corporate Affairs (“MCA”) had issued Corporate Governance Voluntary Guidelines 2009. MCA has clarified that the Guidelines were prepared and disseminated for consideration and adoption by Corporates and may be voluntarily adopted by public companies with the objective to enhance not only the economic value of the enterprise but also the value for every stakeholder who has contributed in the success of the enterprise and set a global benchmark for good Corporate Governance. MCA after taking into account the experience of adoption of these guidelines by Corporates and after consideration of the feedback received from them would review these guidelines for further improvements.

The Company has been a strong believer in good corporate governance and has been adopting the best practices that have evolved over the last decade.

As of 31st March, 2011, the Company is compliant with some of the Voluntary Guidelines to the extent that they are consistent with provision of Clause 49 of Listing Agreement.

14. Other Disclosures

Details of Non-compliance Relating to Capital Markets

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market since the listing of the Company’s equity shares.

Code for Prevention of Insider Trading Practices

In compliance with the SEBI Regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made while dealing with shares of the Company and caution them of the consequences of violations.

Risk Assessment and Minimisation procedures are in existence and are reviewed periodically.

Material Non-listed Indian Subsidiary Company

As of 31st March, 2011, none of the subsidiary companies was a 'Material Non-listed Indian Subsidiary Company' under Clause 49 of the Listing Agreements with the Stock Exchanges.

The Audit Committee of the Company periodically reviews the financial statements of subsidiary companies.

Means of Communication

The quarterly, half-yearly and yearly results are published in Economic Times (English) and Maharashtra Times (Marathi). The Company also informs stock exchanges in a prompt manner, all price sensitive information or such other matters which in its opinion, are material and relevant for the shareholders and subsequently issues a press release on the said matters. Further, the Company has also been complying with the listing requirement for filing of its financial results with BSE and NSE. The Company's results, official presentations, news and releases are displayed on the Company's website www.mahindralifespaces.com

Declaration on Codes of Conduct

As required by Clause 49 of the Listing Agreement the Declaration for Codes of Conduct is given below:

To
The Members of
Mahindra Lifespace Developers Limited

I, Anita Arjundas, Managing Director & Chief Executive Officer of the Company declare that all Board Members and Senior Management and Employees of the Company have affirmed compliance with the Codes of Conduct.

For **Mahindra Lifespace Developers Limited**

Anita Arjundas
Managing Director & Chief Executive Officer

Mumbai, 23rd April, 2011

Auditors' Certificate on Corporate Governance

To
The Members of
Mahindra Lifespace Developers Limited, Mumbai

1. We have examined the compliance of the conditions of Corporate Governance by Mahindra Lifespace Developers Limited ('the Company') for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. The financial statements and other matters prescribed in para V of Clause 49 of the Listing Agreement, which are required to be certified by the Chief Executive Officer & CFO, have been certified by the Managing Director & Chief Executive Officer and the Vice President – Finance & Accounts of the Company respectively, on account of vacancy of CFO position as on the date of signing of the financial statements.
4. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

5. We state that in respect of investor grievance during the year ended 31st March, 2011, no girevances are pending for period exceeding one month against the Company as per the records maintained by the Shareholder's & Investor 's Grievances Committee.
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
M. No. 44784

Mumbai

Dated: 23rd April, 2011

AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA LIFESPACE DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of Mahindra Lifespace Developers Limited as at 31st March 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year 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, 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) Without qualifying our opinion, we draw attention to:
 - i. Note No. 7 (c) of Schedule 21 of the accounts, we have relied on management representation, due to the resolution of matter being dependent on future events whose outcome is not known, regarding realisability of construction work in progress, project advances and interest accrued thereon of Rs. 7,146.11 lakhs on account of a project, where commencement of construction has been delayed on account of a dispute between the land owner and the Company, which is referred to arbitration.
 - ii. Note No. 9 of Schedule 21 regarding reliance on management owing to the technical nature of estimates of the percentage of completion, costs to completion and the projections of revenues expected from projects and realisability of Construction work in progress.
5. 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, 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 for the year 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 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 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

Padmini Khare Kaicker
Partner

M. No. 44784
Firm Registration No. 105102W

Mumbai

Dated: April 23, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of Mahindra Lifespace Developers Limited ended 31st March, 2011.

- 1) i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
- (iii) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
- 2) The Management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 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, the provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order is not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- 5) (i) In our opinion and according to the information and explanations given to us, there were no transactions with any party that needed to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
- (ii) As there are no transactions 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 is not applicable.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder.
- 7) The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.
- 8) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- 9) (i) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- (ii) According to the information and explanations given to us, there are no dues of Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess outstanding on account of any dispute, other than disputed Income Tax demand as under:

Sr. No.	Assessment Year	Nature of Dues	Amount Rs. in lakh	Forum where case is pending
1	2008-09	Income Tax	531.81	Commissioner of Income Tax (Appeals)
2	2007-08	Income Tax	425.08	Commissioner of Income Tax (Appeals)
3	2006-07	Income Tax	13.67	Commissioner of Income Tax (Appeals)
3	2005-06	Penalty	28.74	Commissioner of Income Tax (Appeals)

- 10) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to banks.

- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.
- 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, the terms and conditions whereof are prejudicial to the interest of the Company.
- 16) The Company has borrowed term loan of Rs 100 crore as on 31st March 2011, which will be utilised subsequently for the purposes for which it was sanctioned.
- 17) According to the information and explanations given to us on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long term investment.
- 18) There is no preferential allotment of shares during the year.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not made any public issue of its shares during the year.
- 21) Based on the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
B. K. Khare and Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
M. No. 44784
Firm Registration No. 105102W

Mumbai
Dated: April 23, 2011

Balance Sheet as at 31st March, 2011

	Schedule	Current Year Rupees in lakh	Previous Year Rupees in lakh
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	4,083.52	5,080.92
Employee Stock Option Outstanding	2	60.49	40.17
Reserves & Surplus	3	98,683.57	90,757.77
		<u>102,827.58</u>	<u>95,878.86</u>
Loan Funds			
Secured Loans	4	10,000.00	-
		<u>87.85</u>	<u>183.36</u>
Deferred Tax Liability (Net)	5		
TOTAL		<u><u>112,915.43</u></u>	<u><u>96,062.22</u></u>
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	6	4,831.51	4,637.76
Less : Depreciation		1,639.31	1,400.75
		<u>3,192.20</u>	<u>3,237.01</u>
Investments	7	36,214.45	40,955.16
Current Assets, Loans and Advances :			
Inventories	8	16,870.39	28,796.20
Sundry Debtors	9	18,196.33	9,892.17
Cash and Bank Balances	10	20,484.86	10,512.42
Other Current Assets	11	3,477.57	3,229.99
Loans and Advances	12	33,304.96	16,008.51
		<u>92,334.11</u>	<u>68,439.29</u>
Less : Current Liabilities and Provisions :			
Current Liabilities	13	15,291.42	13,658.98
Provisions	14	3,533.92	2,910.26
		<u>18,825.34</u>	<u>16,569.24</u>
Net Current Assets		<u>73,508.78</u>	<u>51,870.05</u>
TOTAL		<u><u>112,915.43</u></u>	<u><u>96,062.22</u></u>
Notes to Accounts :	21		

The Schedules referred to above form an integral part of the Balance Sheet
As per our Report attached hereto

Signatures to the Balance Sheet and
Schedules 1 to 14 and 21

For and on behalf of
B. K. Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

Mumbai : 23rd April, 2011

Suhas Kulkarni
Company Secretary

For and on behalf of the Board

Arun Nanda *Chairman*
Uday Y. Phadke *Director*
Sanjiv Kapoor *Director*
Shailesh Haribhakti *Director*
Anil Harish *Director*
Prakash Hebalkar *Director*
Anita Arjundas *Managing Director & CEO*

Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Current Year Rupees in lakh	Previous Year Rupees in lakh
INCOME			
Operating Income	15	47,656.17	32,065.25
Other Income	16	3,028.53	2,899.17
		<u>50,684.70</u>	<u>34,964.42</u>
EXPENDITURE			
Operating Expenses	17	31,367.39	21,266.95
Employee Remuneration & Benefits	18	1,593.56	1,199.34
Administration & Other Expenses	19	2,420.82	1,517.23
Interest & Finance charges	20	115.85	-
Depreciation		250.47	230.74
		<u>35,748.09</u>	<u>24,214.26</u>
Profit before tax		14,936.61	10,750.16
Less : Provision for Current Tax		4,727.50	2,990.92
Less : Provision for Deferred Tax		(95.51)	(178.62)
Profit for the year after Tax		10,304.62	7,937.86
Add : Balance brought forward from previous year		14,865.93	9,515.77
Amount Available for Appropriation		<u>25,170.55</u>	<u>17,453.63</u>
Appropriations			
Proposed Dividend		-	-
On Equity Shares		2,042.63	1,428.32
On Preference Shares		-	105.00
Tax on distributed profit		331.37	260.59
Excess Tax on distributed profit of previous year written back		(5.92)	-
Interim Preference Dividend		102.41	-
Tax on Interim Dividend		17.01	-
Transfer to General Reserve		1,030.47	793.79
Balance Carried to Balance Sheet		21,652.58	14,865.93
		<u>25,170.55</u>	<u>17,453.63</u>
Basic Earnings Per Share		24.94	19.15
Diluted Earnings Per Share (Refer Note 22 of Schedule 21)		24.94	19.15
Notes to Accounts	21		

The Schedules referred to above form an integral part of the Profit and Loss Account
As per our Report attached hereto

Signatures to the Profit and Loss Account
and Schedules 15 to 21

For and on behalf of
B. K. Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

Mumbai : 23rd April, 2011

Suhas Kulkarni
Company Secretary

For and on behalf of the Board

Arun Nanda *Chairman*
Uday Y. Phadke *Director*
Sanjiv Kapoor *Director*
Shailesh Haribhakti *Director*
Anil Harish *Director*
Prakash Hebalkar *Director*
Anita Arjundas *Managing Director & CEO*

Cash Flow Statement for the year ended 31st March, 2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
A. Cash flow from operating activities		
Net Profit Before Tax	14,936.61	10,750.16
Adjustments for :		
Depreciation.....	250.47	230.74
Provision for diminution in value of investments	112.00	-
Provision for Doubtful debts.....	111.16	-
Profit on sale of current investments.....	(0.08)	(0.36)
Amortisation of expenses	19.46	18.75
Considered separately:		
Interest Income	(1,466.75)	(839.94)
Interest and finance charges	115.85	-
Dividend Income	(1,071.93)	(953.40)
(Profit)/Loss on sale of Fixed assets (net)	0.63	(641.34)
Operating Profit Before Working Capital Changes	13,007.42	8,564.61
Adjustments for :		
Trade and Other Receivables	(19,878.39)	(7,449.19)
Inventories	11,926.82	1,311.05
Trade Payables and Other Liabilities	1,673.40	6,424.93
Cash Generated from Operations	6,729.25	8,851.40
Income taxes (paid) / received.....	(4,433.30)	(2,525.40)
Net Cash (used in) / from operating activities	2,295.95	6,326.00
B. Cash flow from investing activities		
Purchase of Fixed Assets.....	(219.17)	(80.94)
Proceeds from sale of Fixed Assets	12.89	986.16
Proceeds /(Investments) in others (Net)	4,998.72	(3,662.51)
Investment in subsidiaries	(370.00)	(1,140.00)
Interest received	1,219.17	472.85
Dividend received	1,071.93	953.40
Deposits / Advances with Companies	(6,127.20)	(1,906.08)
Net Cash (used in) / from investing activities	586.34	(4,377.12)

Cash Flow Statement for the year ended 31st March, 2011 (Contd.)

	Current Year Rupees in lakh	Previous Year Rupees in lakh
C. Cash flow from financing activities		
Increase in borrowings	10,000.00	-
Interest & Finance charges paid.....	(112.70)	-
Dividend Paid	(1,908.43)	(1,316.46)
Redemption of preference shares	(1,000.00)	-
Issue of share capital.....	2.60	-
Share Premium Proceeds	108.68	-
Net Cash (used in) /from financing activities.....	7,090.15	(1,316.46)
Net Increase/(Decrease) in Cash and Cash Equivalents	9,972.44	632.42
Cash and Cash Equivalents (Opening)	10,512.42	9,880.00
Cash and Cash Equivalents (Closing).....	20,484.86	10,512.42

Notes:

The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

As per our Report attached hereto

 For and on behalf of
B. K. Khare & Co.
 Chartered Accountants

Padmini Khare Kaicker
Partner

Mumbai : 23rd April, 2011

Suhas Kulkarni
 Company Secretary

For and on behalf of the Board

Arun Nanda
Chairman
Uday Y. Phadke
Director
Sanjiv Kapoor
Director
Shailesh Haribhakti
Director
Anil Harish
Director
Prakash Hebalkar
Director
Anita Arjundas
Managing Director & CEO

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
SCHEDULE "1"		
SHARE CAPITAL		
Authorised		
50,000,000 (Previous year 50,000,000) Equity Shares of Rs.10 each	5,000.00	5,000.00
6,500,000 (Previous year 6,500,000) Preference Shares of Rs.100 each	6,500.00	6,500.00
6,000,000 (Previous year 6,000,000) Unclassified Shares of Rs.10 each	600.00	600.00
	<u>12,100.00</u>	<u>12,100.00</u>
Issued		
40,880,501 (Previous year 40,854,501) Equity Shares of Rs.10 each	4,088.05	4,085.45
1,000,000 (Previous year 1,000,000) 10.50 % Non Cumulative Redeemable Preference Shares of Rs.100 each (Refer Note 3)	1,000.00	1,000.00
	<u>5,088.05</u>	<u>5,085.45</u>
Subscribed and Paid-up		
40,835,150 (Previous year 40,809,150) Equity Shares of Rs.10 each fully paid up	4,083.52	4,080.92
- (Previous year 1,000,000) 10.50 % Non Cumulative Redeemable Preference Shares of Rs.100 each fully paid (Refer Note 3)	-	1,000.00
	<u>4,083.52</u>	<u>5,080.92</u>
Of the above:		
a) 31,074,051 Equity Shares of Rs. 10 each		
- (Previous year 10,00,000) 10.50% Non-Cumulative Redeemable Preference Shares of Rs. 100 each have been issued for consideration other than cash pursuant to two Schemes of Arrangement		
b) 20,846,126 (Previous year 20,846,126) Equity shares are held by Mahindra & Mahindra Ltd, the Holding Company		
- (Previous year 1,000,000) 10.50 % Non Cumulative Redeemable Preference Shares are held by Mahindra & Mahindra Limited, the Holding Company		
SCHEDULE "2"		
EMPLOYEE STOCK OPTION OUTSTANDING (Refer Note 2b)		
A) Employee Stock Option Outstanding:		
Opening Balance	107.11	107.11
Add: Fresh grants of options	-	-
Less: Amount transferred to Securities premium/Options Lapsed	-	-
Closing balance	<u>107.11</u>	<u>107.11</u>
Less:		
B) Deferred Employee Compensation Expenses :		
Opening Balance	66.94	85.69
Add: Fresh grants of options	-	-
Less: Transfer to Employee Compensation / Options Lapsed	(20.32)	(18.75)
Closing balance	<u>46.62</u>	<u>66.94</u>
Total (A-B).....	<u>60.49</u>	<u>40.17</u>

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
SCHEDULE "3" :		
RESERVES AND SURPLUS		
Capital Redemption Reserve		
Balance as per last Balance Sheet.....	6,353.58	6,353.58
Add:- Transfer from General Reserve	1,000.00	-
	<u>7,353.58</u>	<u>6,353.58</u>
Share Premium Account		
Balance as per last Balance Sheet.....	67,556.11	67,556.11
Add: Premium on shares issued during the year.....	108.68	-
	<u>67,664.79</u>	<u>67,556.11</u>
General Reserve		
Balance as per last Balance Sheet.....	1,982.15	1,188.36
Add:- Transfer from Profit & Loss Account.....	1,030.47	793.79
Less:- Transfer to Capital Redemption Reserve	1,000.00	-
	<u>2,012.62</u>	<u>1,982.15</u>
Profit and Loss Account.....	<u>21,652.58</u>	<u>14,865.93</u>
	<u><u>98,683.57</u></u>	<u><u>90,757.77</u></u>
SCHEDULE "4" :		
SECURED LOANS		
Term Loan (Refer Note 4).....	10,000.00	-
	<u>10,000.00</u>	<u>-</u>
SCHEDULE "5" :		
DEFERRED TAX LIABILITY (NET):		
Deferred Tax Liability		
Relating to :		
Difference between book and tax depreciation.....	853.59	914.10
	<u>853.59</u>	<u>914.10</u>
Deferred Tax Asset		
Relating to :		
Provision for impairment in asset value.....	514.96	526.90
Expenses allowable on actual payment.....	250.78	203.84
	<u>765.74</u>	<u>730.74</u>
	<u><u>87.85</u></u>	<u><u>183.36</u></u>

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE " 6 "

FIXED ASSETS :

Rupees in lakh

Particulars	COST				DEPRECIATION				NET BLOCK	
	As at March, 31 2010	Additions	Deductions	As at March, 31 2011	Up to March, 31 2010	Deductions	For the Year	Up to March, 31 2011	As at March, 31 2011	As at March, 31 2010
Land	184.74	-	-	184.74	-	-	-	-	184.74	184.74
Building	3,597.96	-	-	3,597.96	926.05	-	58.66	984.71	2,613.25	2,671.91
Furniture & Fixtures	58.64	4.08	-	62.72	56.49	-	1.44	57.93	4.79	2.15
Plant & Machinery	136.37	25.80	1.19	160.98	111.75	0.31	13.76	125.20	35.78	24.62
Computers	254.96	28.74	-	283.70	166.72	-	37.29	204.01	79.69	88.24
Vehicles	115.57	59.21	24.24	150.54	44.56	11.60	20.40	53.36	97.18	71.01
Intangible assets	289.52	-	-	289.52	95.18	-	97.17	192.35	97.17	194.34
Leasehold improvements	-	101.35	-	101.35	-	-	21.75	21.75	79.60	-
Total	4,637.76	219.18	25.43	4,831.51	1,400.75	11.91	250.47	1,639.31	3,192.20	3,237.01
Previous year total	4,904.97	330.59	597.80	4,637.76	1,423.37	253.35	230.74	1,400.75	3,237.01	

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE "7" :	Face Value Rupees	Number of shares / units	Current Year Rupees in lakh	Previous Year Rupees in lakh
INVESTMENTS (Refer Note 6)				
Long Term Investments (At Cost) Unquoted, Trade Equity Shares				
In Subsidiary Companies				
Mahindra Infrastructure Developers Limited.....	10	18,000,000	1,800.00	1,440.00
Mahindra World City Developers Limited.....	10	16,524,993	2,254.51	2,254.51
Mahindra World City (Jaipur) Limited	10	107,300,000	10,730.00	10,730.00
Mahindra World City (Maharashtra) Limited	10	1,120,000	112.00	112.00
Mahindra Integrated Township Limited	10	37,000,000	3,700.00	3,700.00
Knowledge Township Limited	10	21,000,000	2,100.00	2,100.00
Mahindra Bebanco Developers Limited.....	10	35,000	3.50	3.50
Industrial Township (Maharashtra) Limited	10	5,000,000	500.00	500.00
Raigad Industrial and Business Park Limited.....	10	50,000	5.00	5.00
Watsonia Developers Limited	10	50,000	5.00	-
(50000 Shares acquired during the year)				
Anthurium Developers Limited.....	10	50,000	5.00	-
(50000 Shares acquired during the year)				
In Others				
Deepmangal Developers Private Limited	100	177	284.61	284.61
New Tirupur Area Development Corporation Limited	10	500,000	50.63	50.63
Mahindra Knowledge Park (Mohali) Limited.....	10	6	0.00	0.00
Preference Shares				
In Subsidiary Company				
Mahindra World City Developers Ltd.	100	6,500,000	6,500.00	6,500.00
(6% Cumulative Redeemable Preference Shares)				
Mahindra World City (Jaipur) Limited	10	18,500,000	1,850.00	1,850.00
(8% Redeemable Cumulative Preference Shares)				
In Others				
Mahindra Knowledge Park (Mohali) Limited	10	50,000	5.00	5.00
(7% Non Cumulative Redeemable Participating Optionally Convertible Preference Shares)			<u>29,905.25</u>	<u>29,535.24</u>
Current Investments, Unquoted, Non Trade (At lower of cost and fair value)				
In Units of Mutual Fund				
Redeemed during the year				
BSL Savings Fund - Institutional Plan - Daily Dividend ...		14,796,060	-	1,480.61
TATA Floater Fund - Daily Dividend		14,263,647	-	1,431.44
UTI Treasury Advantage - Institutional Plan - Daily Dividend.....		156,542	-	1,565.76
KOTAK Floater Fund - Daily Dividend.....		10,410,771	-	1,049.38
JM Money Manager - Super plus plan Daily Dividend.....		20,599,806	-	2,061.07
DWS Ultra Short Term - Institutional Plan - Daily Dividend.....		16,499,681	-	1,652.63
ICICI Prudential Flexible Income Plan Premium - Daily Dividend.....		1,467,818	-	1,552.37
DSP Blackrock Floating Rate Fund - Daily Dividend.....		63,131	-	631.65
Acquired during the year				
BSL Savings Fund - Institutional Plan - Daily Dividend ...		26,147,866	2,616.56	-
JP Morgan India Treasury Fund - Institutional Plan.....		19,010,913	1,902.78	-
JM High Liquidity Fund - Daily Dividend.....		14,036,030	1,405.92	-
DSP Blackrock Liquidity Fund - Daily Dividend		50,078	500.94	-
			<u>6,426.20</u>	<u>11,424.92</u>
			<u>36,331.45</u>	<u>40,960.17</u>
Less : Provision for diminution in value of investments			<u>(117.00)</u>	<u>(5.00)</u>
			<u>36,214.45</u>	<u>40,955.17</u>

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011
SCHEDULE "8" :
INVENTORIES

(At lower of cost and net realisable value)

	Current Year Rupees in lakh	Previous Year Rupees in lakh
Raw material.....	415.65	364.53
Stock-in-trade	409.28	732.27
Construction Work in Progress	16,045.46	27,699.40
(Refer Notes 7(a) & 7(c))		
	<u>16,870.39</u>	<u>28,796.20</u>

SCHEDULE "9" :
SUNDRY DEBTORS
(Unsecured, Considered Good)

Outstanding over six months

Considered Good	605.53	1,984.19
Considered Doubtful.....	111.16	-
	<u>716.69</u>	<u>1,984.19</u>
Other debts		
Considered Good	17,590.80	7,907.98
Considered Doubtful.....	-	-
	<u>17,590.80</u>	<u>7,907.98</u>
Less: Provision for Doubtful Debts.....	(111.16)	-
	<u>18,196.33</u>	<u>9,892.17</u>

SCHEDULE "10" :
CASH AND BANK BALANCES

Cash on hand	2.54	1.17
Balances with Scheduled Banks		
- On Current Accounts.....	12,525.66	2,470.74
- On Deposit Accounts	7,956.66	8,040.51
	<u>20,484.86</u>	<u>10,512.42</u>

SCHEDULE "11" :
OTHER CURRENT ASSETS

Interest accrued on Project advances (Refer Note 7b).....	4,070.30	4,070.30
Less: Provision for impairment in asset value.....	(1,550.15)	(1,550.15)
	<u>2,520.15</u>	<u>2,520.15</u>
Interest accrued - Others.....	957.42	709.84
(including Rs.814.76 lakh, (Previous year Rs.655 lakh) due from subsidiaries)		
	<u>3,477.57</u>	<u>3,229.99</u>

SCHEDULE "12" :
LOANS AND ADVANCES

(Unsecured, Considered Good, unless otherwise stated)

Advances and Loan given to Subsidiary Companies	11,791.33	5,664.13
(Maximum outstanding during the year Rs. 11,656.06 lakh, Previous year Rs.5,567.05 lakh)		
Advances recoverable in cash or in kind or for value to be received	4,790.97	3,765.33
Project Advances (Refer Note 7b & 7c).....		
Considered good	13,540.26	4,140.26
Considered doubtful	121.25	121.25
	<u>13,661.51</u>	<u>4,261.51</u>
Less : Provision for doubtful advances	(121.25)	(121.25)
	<u>13,540.26</u>	<u>4,140.26</u>
Intercompany Deposits	174.04	174.04
Advance payment of Income tax (net of Provision for tax Rs. 11,609.80 lakh..... Previous year Rs. 6,881.55 lakh)	1,515.67	1,809.94
Staff Loans and Advances.....	8.97	11.85
Deposits.....	1,483.72	442.96
	<u>33,304.96</u>	<u>16,008.51</u>

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE "13" :

CURRENT LIABILITIES

Sundry Creditors (Refer Note 8a)

- Total outstanding dues of micro enterprises & small enterprises

- Others.....

Advances and Deposits.....

Unclaimed Dividends (Refer Note 8 b)

Other Liabilities.....

**Current Year
Rupees in lakh**

Previous Year
Rupees in lakh

-

3,355.85 2,631.29

7,931.04 8,550.17

33.08 23.69

3,971.45 2,453.83

15,291.42 13,658.98

SCHEDULE "14" :

PROVISIONS

Proposed Dividend

Provision for Losses to project completion (Refer Note 8c).....

Provision for Leave Encashment Benefits

Provision for Gratuity

2,372.98 1,793.91

1,023.00 1,023.00

97.67 79.17

40.27 14.18

3,533.92 2,910.26

Schedules annexed to and forming part of the Profit and Loss Account for the year ended on 31st March, 2011

SCHEDULE "15" :

OPERATING INCOME

	Current Year Rupees in lakh	Previous Year Rupees in lakh
Income from Projects.....	46,165.40	30,123.76
Project Management Fees* (gross)	-	141.99
Income from Operation of Commercial Complexes* (gross)	1,228.52	1,227.18
Business Centre Revenues * (gross) (Refer Note 19)	262.25	572.32
	<u>47,656.17</u>	<u>32,065.25</u>

*(Income Tax deducted at source - Rs. 144.19 lakh
Previous Year- Rs. 303.22 lakh)

SCHEDULE "16" :

OTHER INCOME

Interest Income *(gross)		
- On Inter Corporate Deposits	972.82	489.39
- On Bank Deposits	468.58	325.00
- Others.....	25.34	25.55
Dividend on Long Term Investments-Trade (Subsidiary)	677.29	588.30
Dividend on Current Investments-Non Trade	394.64	365.10
Profit/(loss) on sale of Current investments-Non Trade	(0.08)	0.36
Profit on sale of Fixed assets	0.33	641.34
Miscellaneous Income	489.61	464.13
	<u>3,028.53</u>	<u>2,899.17</u>

*(Income Tax deducted at source - Rs. 155.00 lakh
Previous Year- Rs.121.65 lakh)

SCHEDULE "17" :

OPERATING EXPENSES

Cost of Project

Opening Stock		
- Stock in trade	732.27	380.71
- Work-in-progress	27,699.40	29,424.89
- Raw Material.....	364.53	301.66
	<u>28,796.20</u>	<u>30,107.26</u>

Add: Expenses incurred during the year :

Premium for Development Rights	2,851.51	5,120.95
Architect Fees.....	493.20	650.74
Preliminaries & Site Expenses	464.17	392.95
Civil, Electrical, Contracting etc.	12,887.23	11,151.04
Overheads allocated.....	672.45	677.08
Payment to Local Agencies	492.82	186.62
Insurance.....	8.95	8.54
Legal & Professional Fees.....	315.81	29.79
	<u>18,186.14</u>	<u>18,217.71</u>
	46,982.34	48,324.97

Less : Closing Stock

Stock in trade.....	409.28	732.27
Work-in-progress	16,045.46	27,699.40
Raw Material.....	415.65	364.53
	<u>16,870.39</u>	<u>28,796.20</u>
	30,111.95	19,528.77

Schedules annexed to and forming part of the Profit and Loss Account for the year ended on 31st March, 2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
SCHEDULE "17" : (Contd.)		
Rent, Rates & Taxes	268.37	316.13
Insurance	0.13	-
Repairs & Maintenance - Commercial Properties	163.66	158.27
Professional Fees	218.72	57.87
Brokerage	258.13	221.83
Advertisement, Marketing & Business Development.....	130.28	118.46
Electricity	26.92	18.71
Other Operating Expenses	189.26	735.71
	<u>31,367.39</u>	<u>21,266.95</u>
SCHEDULE "18" :		
EMPLOYEE REMUNERATION & BENEFITS		
Salaries, Allowances & Bonus	2,024.75	1,723.29
Contribution to Provident & Other Funds.....	120.62	64.37
Staff Welfare Expenses	120.43	111.14
	<u>2,265.80</u>	<u>1,898.80</u>
Less :- Allocated to projects	(672.25)	(699.46)
	<u>1,593.56</u>	<u>1,199.34</u>
SCHEDULE "19" :		
ADMINISTRATION & OTHER EXPENSES		
Rent, Rates and Taxes	502.40	435.23
Insurance	4.46	3.58
Repairs and Maintenance.....		
- Buildings.....	6.19	10.42
- Others.....	105.67	94.39
Electricity Charges.....	17.86	21.33
Travelling & Conveyance	232.59	151.71
Legal & Professional Fees.....	335.47	293.13
Printing & Stationery.....	53.34	50.53
Communication.....	88.13	87.03
Advertisement, Marketing & Business Development.....	359.72	152.78
Auditors Remuneration	29.25	40.37
Loss on sale of Fixed assets	0.96	-
Dimunition In Value Of Long Term Investment.....	112.00	-
Doubtful Debts Provided.....	111.16	-
Miscellaneous Expenses	461.62	176.73
	<u>2,420.82</u>	<u>1,517.23</u>
SCHEDULE "20" :		
INTEREST & FINANCE CHARGES		
On term loan	115.85	-
	<u>115.85</u>	<u>-</u>

Schedules annexed to and forming part of Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended 31st March, 2011.

SCHEDULE: "21"

NOTES TO ACCOUNTS

1) SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and 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.

c) Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre operation expenses and interest in case of construction.

The carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

Depreciation on fixed assets is provided, on prorata basis, on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except for:

1. Furniture & Fixtures, Plant & Machinery and Computers, individually costing more than Rs. 5,000, which are depreciated over their estimated useful lives of 5 years, and
2. Vehicles at 15 % per annum of cost.
3. Leasehold improvements are amortised over the period of lease.

d) Intangible Assets:

All Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the assets economic benefits are consumed.

Software expenses are treated as an intangible asset and amortised over the useful life of the asset. The maximum period for such amortization is 36 months

e) Investments:

Investments are classified into long term and current investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

f) Inventories:

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the Company.

g) Revenue Recognition:

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Revenues from real estate projects are recognised only when the actual project costs incurred exceeds 25 % of the total estimated project costs including land and when at least 10% of the sales consideration is realised.

Revenue from sale of land and other rights are considered upon transfer of all significant risks and rewards of ownership of such real estate/property as per the terms of the contract entered into with the buyers, which is generally with the firmity of the sale contracts/agreements.

Income from long term contracting assignments is also recognised on the percentage of completion basis. As the long term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognised in the year in which costs incurred together with the balance costs to completion are likely to be in excess of the estimated revenues from project. Unbilled costs are carried as construction work-in-progress.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the management fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

Income from operation of commercial complexes is recognised over the tenure of the lease/service agreement.

Interest income is accounted on an accrual basis at contracted rates except where there is uncertainty of ultimate collection.

Dividend income is recognised when the right to receive the same is established.

h) Employee benefits:

(i) Defined contribution Plans

Company's contributions paid / payable during the year to Provident Fund and Superannuation Fund are recognised in the Profit and Loss Account.

(ii) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value.

i) Borrowing Costs:

Borrowing costs that are directly attributable to long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are capitalised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

j) Provision for taxation:

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that 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. Deferred Tax assets are not recognised unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax is reviewed at each balance sheet date.

k) Segment Information:

The Company operates in three main segments; namely, Projects, Project Management and Development activities, Operating of commercial complexes and Business Centers. The segments have been identified and reported taking into account the differing risks and returns and the internal business reporting systems. Revenues and expenses have been identified to the

segments based on their relationship to the business activity of the segment. Income/expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

l) Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

m) Employee stock compensation costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

2) Equity Share Capital and Warrants:

a) The allotment of 45,351 (Previous Year 45,351) Equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

b) Employee Stock Option Scheme

The Company had granted 678,359 Equity shares on 25th April, 2008 to the eligible employees under the Employee Stock Option Scheme 2006 (ESOS 2006) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 25th April, 2008
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	678,359
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	Rs. 428 /- per share
Method of Settlement	By Issue of Shares at Exercise Price
Vesting Conditions	25 % On expiry of 12 months from the date of grant ;
	25 % On expiry of 24 months from the date of grant ;
	25 % On expiry of 36 months from the date of grant ;
	25 % On expiry of 48 months from the date of grant ;

The company has adopted intrinsic value method for computing the compensation cost for the Options granted. The exercise price of the shares is based on the average of the daily high and low of the prices for the Company's Equity Shares quoted on the Bombay Stock Exchange Limited, during the 15 days preceding the grant of the Options. The Intrinsic value i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period. The details of the same are given here under:

Particulars	Grant dated 25th April,2008
Intrinsic Value of shares based on latest available closing market price	Rs.15.79
Total Amount to be amortized over the vesting period	Rs.99.39 lakh
Charge to Profit & Loss Account for the year	Rs.19.46lakh
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	Rs.39.75 lakh

The Fair Value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	Grant dated 25th April ,2008
Risk free interest rate	7.79% -8.15%
Expected life	3.5 -6.5 Years
Expected volatility	66.76%- 70.65%
Expected dividend yield	0.33%
Exercise price	Rs. 428.00
Stock price	Rs. 443.79

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on “Accounting for Employee share-based Payments” is as follows.

	Particulars	Intrinsic Value Method		Fair Value Method	
		March 2011	March 2010	March 2011	March 2010
A	Net Profit After Tax (Rs. in lakh)	10,304.62	7,937.86	10,033.90	7,713.30
	Less Preference dividend	119.42	122.84	119.42	122.84
B	Weighted Average number of Equity Shares of Rs.10/- each (Basic)	40,832,246	40,809,150	40,832,246	40,809,150
C	Weighted Average number of Equity Shares of Rs.10/- each (Diluted)	40,832,246	40,809,150	40,832,246	40,809,150
D	Basic Earning per Share (Rs.)	24.94	19.15	24.28	18.60
E	Diluted Earning per Share (Rs.)	24.94	19.15	24.28	18.60

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

Summary of Stock Options	Current Year	Previous Year
Options outstanding on 1st April, 2010	635,989	678,359
Options granted during the year	-	-
Options lapsed during the year	-	-
Options cancelled during the year	17,438	42,370
Options exercised during the year	26,000	-
Options outstanding on 31st March,2011	5,92,551	635,989
Options vested but not exercised on 31st March,2011	2,91,534	158,507

Information in respect of options outstanding as at 31st March, 2011:

Exercise price	No. of Options	Weighted average remaining life
Rs. 428	5,92,551	36 months

3) Preference Share Capital

The 10.50 % Non Cumulative Redeemable Preference shares of Rs. 100 each were redeemed on 22nd March, 2011. The Board of Directors at its meeting held on March 18, 2011 declared an Interim Dividend for the period April 01, 2010 to March 22, 2011 i.e. up to the date of redemption. The Interim dividend was paid on March 22, 2011 along with redemption amount.

4) Secured Loans

Secured borrowings are secured by a pari-passu charge on immovable properties of the company and are also secured by pari-passu charge on specified movable and current assets of the company, both present and future.

5) Capital Commitments

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	7.24	-

6) Investments

- a) The company has made provision of Rs. 112 lakhs during the current year for diminution in the value of investment in its subsidiary company, Mahindra World City (Maharashtra) Limited. In the opinion of the Management, no loss is expected to arise in respect of other long term investments for which an additional provision is required to be made in the accounts.
- b) During the year the following companies have become subsidiaries of the Company:

Sr. No.	Name of the company	Nature of Investment	No. of Shares	Subsidiary w.e.f	Amount (Rs. in lakh)	% Holding
1.	Anthurium Developers Limited	Equity	50,000	02/06/2010	5.00	100%
2.	Watsonia Developers Limited	Equity	50,000	02/06/2010	5.00	100%

c) Mutual Fund Units purchased and sold during the year are as under:

	Current Year		Previous Year	
	No of Units	Rs. in lakh	No of Units	Rs. in lakh
DWS Ultra Short Term Fund - Institutional Plan - Daily Dividend	20,717,443.182	2,075.45	23,957,116.761	2,400.00
Birla Sun Life Savings Fund - Institutional Plan - Daily Dividend	41,971,459.408	4,200.00	23,983,691.090	2,400.00
Tata Floater Fund - Daily Dividend - Reinvestment	23,408,959.215	2,349.23	18,274,020.664	1,833.91
UTI - Treasury Advantage Fund - Institutional Plan - Daily Dividend - Reinvestment	158,624.517	1,586.59	54,988.227	550.00
Kotak Floater Long Term Fund - Daily Dividend - Reinvestment	12,332,717.271	1,243.11	4,960,415.881	500.00
JM High Liquidity Fund - Super Institutional Plan - Daily Dividend	30,097,251.823	3,014.69	23,651,969.134	2,369.10
JM Money Manager Fund - Super Plus - Daily Dividend	30,858,206.748	3,087.46	40,664,252.994	4,068.58
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	1,488,646.019	1,574.02	472,880.314	500.00
ICICI Prudential Liquid Plan - Super Institutional - Daily Dividend	2,632,358.289	2,632.95	199,972.150	200.02
BNP Paribas Overnight Fund - Daily Dividend	10,010,730.477	1,001.37	-	-
UTI - Liquid Cash Plan - Institutional - Daily Dividend	138,474.052	1,411.67	-	-
DSP Blackrock Floating Rate Fund - Daily Dividend	144,502.822	1,445.82	-	-
DSP Blackrock Liquidity Fund - Daily Dividend	102,622.897	1,026.55	-	-
DWS Insta Cash Plus - Super Institutional - Daily Dividend	10,903,779.520	1,093.69	-	-
	184,965,776.240	27,742.60	136,219,307.216	14,821.60

7) Inventories, Current Assets, Loans and Advances:

- Construction Work-in-Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.
- Project advances and interest accrued thereon represent the amounts recoverable from the proceeds of projects undertaken/financed by the Company as per the contracted terms. The advances as well as the interest thereon are considered good and fully recoverable based on inter-alia the estimates and projections by the Company of the project costs and revenues.
- Construction Work-in-Progress, Project Advances and interest accrued thereon referred to in 7(a) and 7(b) above include Rs. 7,146.11 lakh (previous year Rs. 6,873.11 lakh) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company. The dispute has been referred to arbitration.

8) Sundry Creditors and Provisions:

- 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.
- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
- The Company has, in case of certain projects, provided for Rs. 1,023.00 lakh (previous year Rs. 1,023.00 lakh) as provision for losses to project completion. The amount has been determined using best estimates with regard to percentage of completion, foreseeable costs to completion and revenues from the project activity. However, considering future business scenario, inflation in construction costs and market movement causing changes in realisations, which cannot be presently quantified, the final outcome may differ from that presently estimated. The probability and the timing of the outflow with regard to this matter depends on the completion of the project and conclusion of the arbitration proceedings.

- 9) In respect of real estate projects under long term contracts, determination of profits/ losses and realisability of the construction work-in-progress & project advances necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion and the projections of revenues expected from projects / activity and the foreseeable losses to completion. Profit from these contracts and valuation of construction work in progress is based on such estimates.

10) **Leases:**

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

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

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Gross Carrying Amount of premises	2,604.37	2,642.03
Accumulated Depreciation	722.13	732.58
Depreciation for the year	42.45	43.07
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	721.30	809.14
➤ Later than 1 year and not later than 5 years	5.28	7.92
➤ Later than 5 years	-	-

- b) Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	159.31	158.34
➤ Later than 1 year and not later than 5 years	86.59	-
➤ Later than 5 years	-	-

11) **Contingent Liabilities**

Matter	Current Year Rs. in lakh	Previous Year Rs. in lakh
a) Claims against the Company not acknowledged as debts represent :		
i) A suit filed by a party in the Delhi High Court, and disputed by the Company, for recovery of brokerage in respect of a transaction relating to operating of commercial complexes. In the opinion of the management the above claim is not sustainable.....	42.67	42.67
ii) Claims awarded by the Arbitrator to a civil contractor in respect of a project at Mumbai and the Company's appeal against the award has been admitted by the Mumbai High Court.....	88.44	88.44
iii) Demand from local authorities for transfer fees on transfer of property, disputed by the Company.....	123.99	123.99
iv) Demand from a local authority for energy dues disputed by the company.....	2,164.04	2,164.04
b) Income tax matters under appeal		
In respect of certain business incomes re-classified by the Income tax Department as income from house property and other disallowances, the Company has partially succeeded in appeal and is pursuing the matter further with the higher appellate authorities.....	1,218.65	1,366.50
The liability net of Deferred Tax Asset/Deferred Tax Liability would be Rs. 743.34 lakh (previous year Rs. 891.19 lakh)		

- 12) Operating Expense includes a provision of Rs. Nil (Previous Year Rs. 442.00 lakh) made in respect of an Arbitration award, against which the company has filed an appeal.

13) **Managerial Remuneration**

	Current Year Rs. in lakh	Previous Year Rs. in lakh*
Salaries and Allowances	99.71	63.66
Contribution to Provident, Gratuity and Superannuation Funds	11.78	10.19
Perquisites (estimated monetary value)	3.35	1.99
Total	<u>114.84</u>	<u>75.84</u>

* The remuneration to the Managing Director for the previous year is for the period 1st April, 2009 to 23rd June, 2009 for Mr.Pawan Malhotra and for the period 23rd June, 2009 to 31st March, 2010 for Ms. Anita Arjundas.

14) **Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956:**

	Rs. in lakh	Current Year Rs. in lakh	Previous Year Rs. in lakh*
Profit before Tax		14,936.61	10,750.16
Add :			
Depreciation as per accounts	250.47		230.74
Managerial remuneration	114.84		75.84
Director's fees	7.95		4.00
Commission to Directors (Non Executive Directors)*	130.00		20.00
Loss on disposal of fixed assets not allowable as per proviso to Section 349	-		0.94
		<u>503.26</u>	
		15,439.87	11,081.68
Less :			
Depreciation under Section 350	206.82		204.63
Loss on disposal of fixed assets allowable as per proviso to Section 349	-		0.94
Profit on sale of fixed assets not allowable as per proviso to Section 349	<u>0.33</u>		582.33
		<u>207.15</u>	
Net Profit as per Section 349 of the Companies Act, 1956		<u>15,232.72</u>	<u>10,293.78</u>
5% of Net Profit as computed above		761.64	514.69

* subject to shareholders' approval

15) **Employee Benefits**

a) **Gratuity**

- (1) Description of the Plan:

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

(2) Principal actuarial assumptions:

	Current Year	Previous Year
Discount rate	8.17%	8.00%
Rate of Return on Plan Assets	9.25%	9.50%

(3) Reconciliation of Benefit Obligation:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Liability at the beginning of the year	72.73	74.12
Interest Cost	5.66	5.12
Current Service Cost	27.33	20.21
Benefit Paid	(4.01)	(1.66)
Unrecognised Past Service Cost	(0.40)	-
Actuarial (Gain) / Loss on Obligations	7.88	(25.06)
Liability at the end of the year	109.59	72.73
Fair Value of Plan Assets at the end of the year	68.92	58.55
Amount recognised and disclosed under the head "Provisions for Gratuity"	40.27	14.18

(4) Reconciliation of Fair value of Plan Assets:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Fair Value of Plan Assets at the beginning of the year	58.55	45.98
Adjustment to the opening balance	5.27	4.41
Expected Return on Plan Assets	5.87	5.17
Contributions	3.19	9.82
Benefit Paid	(4.01)	(1.66)
Actuarial Gain / (Loss) on Obligations	0.04	(5.17)
Fair Value of Plan Assets at the end of the year	68.92	58.55

(5) Expenses recognised in the Profit and Loss Account under the head "Employee Remuneration & Benefits":

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Current Service Cost	27.33	20.21
Interest Cost	5.66	5.13
Unrecognised Past Service Cost	(0.40)	-
Expected Return on Plan Assets	(5.87)	(5.17)
Net Actuarial (Gain) / Loss recognised	7.84	(19.89)
Expenses recognised in Profit and Loss Account	34.56	0.28

b) Leave Encashment:

- (1) The leave encashment benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.
- (2) Principal actuarial assumptions:

	Current Year	Previous Year
Discount rate	8.17%	8.00%

(3) Reconciliation of Benefit Obligation:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Liability at the beginning of the year	79.17	70.17
Interest Cost	4.35	3.14
Current Service Cost	34.26	24.20
Benefit Paid	(5.28)	(5.30)
Actuarial (Gain) / Loss on Obligations	(14.83)	(13.04)
Liability at the end of the year recognised and disclosed under the head "Provisions for Leave Encashment"	97.67	79.17

(4) Expenses recognised in the Profit and Loss Account under the head Personnel Expenses:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Current Service Cost	34.26	24.20
Interest Cost	4.35	3.13
Net Actuarial (Gain) / Loss recognised	(14.83)	(13.04)
Expenses to be recognised in Profit and Loss Account	45.93	14.29

16) Auditors' Remuneration (including service tax):

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Audit Fees	17.92	17.92
Tax Audit Fees	1.38	1.37
Tax matters	7.16	20.40
Certification and Other Services	1.21	0.66
Total	27.67	40.35

17) Earnings in Foreign Currency:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Consideration received on sale of residential units	87.00	72.94
Total	87.00	72.94

18) Expenditure in Foreign Currency:

a) Other expenditure

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Travelling	8.20	5.34
Marketing expenses	13.29	8.80
Others	19.65	0.43
Total	41.14	14.57

b) Value of Imported and Indigenous Consumption

	Current Year Rs. in lakh	Previous Year Rs. in lakh
1) Imported	-	-
2) Indigenously obtained	910.09	869.12
Total	<u>910.09</u>	<u>869.12</u>
% Imported	-	-
% Indigenously obtained	<u>100%</u>	<u>100%</u>
	<u>100%</u>	<u>100%</u>

19) Segmental Reporting

Rs. in lakh

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
REVENUE				
External Revenue	1,228.52	46,165.40	262.25	47,656.17
<i>Previous Year</i>	<i>1,227.18</i>	<i>30,265.75</i>	<i>572.32</i>	<i>32,065.26</i>
Inter-segment Revenues	-	-	-	-
<i>Previous Year</i>	-	-	-	-
TOTAL REVENUE	1,228.52	46,165.40	262.25	47,656.17
<i>Previous Year</i>	<i>1,227.18</i>	<i>30,265.75</i>	<i>572.32</i>	<i>32,065.25</i>
SEGMENT RESULT	1,038.70	14,937.97	(7.79)	15,968.88
<i>Previous Year</i>	<i>1,052.23</i>	<i>9,550.65</i>	<i>158.95</i>	<i>10,761.83</i>
Unallocated Corporate				
Expenses (net)	-	-	-	(2,324.88)
<i>Previous Year</i>	-	-	-	<i>(841.48)</i>
Operating profit	-	-	-	13,643.49
<i>Previous Year</i>	-	-	-	<i>9,920.35</i>
Interest expense	-	-	-	(115.85)
<i>Previous Year</i>	-	-	-	-
Interest income	-	-	-	1,408.95
<i>Previous Year</i>	-	-	-	<i>829.81</i>
Income taxes	-	-	-	(4,632.00)
<i>Previous Year</i>	-	-	-	<i>(2,812.30)</i>
Net Profit	-	-	-	10,304.62
<i>Previous Year</i>	-	-	-	<i>7,937.86</i>

OTHER INFORMATION				
Segment Assets	2,472.19	83,713.92	25.42	86,211.53
<i>Previous Year</i>	<i>2,526.19</i>	<i>76,009.19</i>	<i>188.47</i>	<i>78,723.85</i>
Unallocated Corporate Assets	-	-	-	45,529.74
<i>Previous Year</i>	-	-	-	<i>33,907.62</i>
TOTAL ASSETS	-	-	-	131,740.77
<i>Previous Year</i>	-	-	-	<i>112,631.47</i>
Segment Liabilities	621.03	23,571.30	41.91	24,234.24
<i>Previous Year</i>	<i>626.13</i>	<i>12,553.24</i>	<i>144.26</i>	<i>13,323.63</i>
Unallocated Corporate Liabilities	-	-	-	4,678.95
<i>Previous Year</i>	-	-	-	<i>3,428.99</i>
TOTAL LIABILITIES	-	-	-	28,913.19
<i>Previous Year</i>	-	-	-	<i>16,752.61</i>
Capital Expenditure	-	1.58	-	219.17
<i>Previous Year</i>	-	<i>1.91</i>	-	<i>330.61</i>
Depreciation	51.43	5.79	1.31	250.47
<i>Previous Year</i>	<i>51.70</i>	<i>8.65</i>	<i>1.86</i>	<i>230.74</i>

Notes:

- The segment result for Projects, Project Management and Development activity is arrived at after considering an interest expense of Rs. 187.36 Lakh (Previous year Rs. 252.37 Lakh), as it formed part of the cost of projects according to the method of accounting followed by the Company.
- The Company has discontinued the Operations of its segment- Business Centre during the quarter ended 31st December, 2010.

20) Related Party Transactions

List of related parties

Enterprises Controlling the Company

Mahindra & Mahindra Limited

Holding Company

Enterprises under the control of the Company

Mahindra Infrastructure Developers Limited

Mahindra Integrated Township Limited

Mahindra World City Developers Limited

Mahindra Residential Developers Limited

Mahindra World City (Jaipur) Limited

Industrial Township (Maharashtra) Limited

Knowledge Township Limited

Mahindra Bebanco Developers Limited

Mahindra World City (Maharashtra) Limited

Raigad Industrial & Business Park Limited

Watsonia Developers Limited
(w.e.f. 2nd June, 2010)

Anthurium Developers Limited
(w.e.f. 2nd June, 2010)

Fellow Subsidiaries

Bristlecone India Limited.

Mahindra Holidays & Resorts India Limited.

Mahindra Two Wheelers Private Limited

Mahindra Consulting Engineers Limited.

Mahindra Rural Housing Finance Limited

Mahindra & Mahindra Financial Services Limited.

Mahindra Engineering & Chemical Product Limited

Key Management Personnel

Ms. Anita Arjundas- Managing Director & Chief Executive Officer

Enterprises over which key management personnel are able to exercise significant influence: Nil
Transactions with related parties during the year and balance as on 31st March, 2011:

Rs. in lakh

Nature of Transactions	Enterprise controlling the Company	Enterprises under the control of the Company	Companies under common control including Fellow Subsidiaries	Key Management Personnel
Rendering of Services	1,101.95	437.43	-	-
<i>Previous Year</i>	<i>1,750.87</i>	<i>384.26</i>	<i>7.37</i>	-
Receiving of services	373.33	92.79	3.10	-
<i>Previous Year</i>	<i>372.40</i>	<i>88.71</i>	<i>9.79</i>	-
Sale of Goods	11.55	-	-	-
<i>Previous Year</i>	<i>20.57</i>	-	-	-
Remuneration	-	-	-	114.84
<i>Previous Year</i>	-	-	-	<i>75.84</i>
Expense Reimbursement	133.84	(4.12)	0.21	-
<i>Previous Year</i>	<i>98.51</i>	<i>50.38</i>	-	-
Purchase return	-	-	-	-
<i>Previous Year</i>	-	<i>758.26</i>	-	-
Redemption of Preference Shares	1,000.00	-	-	-
<i>Previous Year</i>	-	-	-	-
Deposit paid	-	7.01	-	-
<i>Previous Year</i>	-	-	-	-
Finance given during the year	2,700.00	8,089.03	11,500.00	-
<i>Previous Year</i>	<i>993.33</i>	<i>3,503.91</i>	-	-
Purchase of Shares	-	10.00	-	-
<i>Previous Year</i>	-	<i>1,140.00</i>	-	-
Purchase of Land	1,700.00	-	-	-
<i>Previous Year</i>	-	-	-	-
ICD refunded	-	2,122.50	7,000.00	-
<i>Previous Year</i>	-	<i>500.00</i>	-	-
Interest received	-	816.04	156.78	-
<i>Previous Year</i>	-	<i>489.39</i>	-	-
Dividend Paid	937.03	-	-	-
<i>Previous Year</i>	<i>626.15</i>	-	-	-
Dividend Received	-	677.29	-	-
<i>Previous Year</i>	-	<i>588.30</i>	-	-
Receivables	2,017.49	12,606.09	5,502.46	-
<i>Previous Year</i>	<i>994.00</i>	<i>6,344.95</i>	<i>2.46</i>	-
Payables	621.40	-	7.66	-
<i>Previous Year</i>	<i>622.39</i>	-	<i>4.87</i>	-

The significant related party transactions are as under:

Nature of Transactions	Enterprises controlling the Company	Amount Rs in lakh	Enterprises under the control of the Company	Amount Rs in lakh	Enterprises under the Common control of the Company / Fellow Subsidiaries	Amount Rs in lakh	Key Management Personnel	Amount Rs in lakh
Rendering of services	Mahindra & Mahindra Limited	1,101.95	Mahindra Residential Developers Limited	392.78	-	-	-	-
Receiving of services	Mahindra & Mahindra Limited	373.33	Mahindra World City Developers Limited	92.79	Bristlecone India Limited	3.10	-	-
Sale of Goods	Mahindra & Mahindra Limited	11.55	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	Anita Arjundas	114.84
Purchase of Land	Mahindra & Mahindra Limited	1,700.00	-	-	-	-	-	-
Expense Reimbursement	Mahindra & Mahindra Limited	133.84	Mahindra World City (Jaipur) Limited	3.57	Mahindra Holidays & Resorts India Limited	0.21	-	-
Purchase of shares	-	-	Anthurium Developers Limited	5.00	-	-	-	-
	-	-	Watsonia Developers Limited	5.00	-	-	-	-
Redemption of Preference Shares	Mahindra & Mahindra Limited	1,000.00	-	-	-	-	-	-
Finance given during the year	Mahindra & Mahindra Limited	2,700.00	Mahindra World City Developers Limited	2,000.00	Mahindra Two Wheelers Limited	2,000.00	-	-
	-	-	Mahindra World City (Jaipur) Limited	4,000.00	Mahindra & Mahindra Financial Services Limited	4,000.00	-	-
	-	-	Mahindra Integrated Township Limited	900.00	Mahindra Engineering & Chemical Product Limited	5,500.00	-	-
ICD refunded	-	-	Mahindra World City (Jaipur) Limited	2,000.00	Mahindra Two Wheelers Limited	3,000.00	-	-
	-	-	-	-	Mahindra & Mahindra Financial Services Limited	4,000.00	-	-
Deposit paid	-	-	Mahindra World City Developers Limited	7.01	-	-	-	-
Interest received	-	-	Knowledge Township Limited	107.83	Mahindra Two Wheelers Limited	104.38	-	-
	-	-	Mahindra World City (Jaipur) Limited	170.34	Mahindra & Mahindra Financial Services Limited	52.40	-	-
	-	-	Mahindra Bebanco Developers Limited	198.61	-	-	-	-
	-	-	Mahindra Integrated Township Limited	304.83	-	-	-	-
Dividend paid during the year	Mahindra & Mahindra Limited	937.03	-	-	-	-	-	-
Dividend received during the year	-	-	Mahindra World City Developers Limited	489.15	-	-	-	-
	-	-	Mahindra World City (Jaipur) Limited	188.14	-	-	-	-
Receivables	Mahindra & Mahindra Limited	2,017.49	Knowledge Township Limited	1,443.39	Mahindra Engineering & Chemical Product Limited	5,500.00	-	-
	-	-	Mahindra World City Developers Limited	2,032.82	-	-	-	-
	-	-	Mahindra World City (Jaipur) Limited	3,000.00	-	-	-	-
	-	-	Mahindra Bebanco Developers Limited	2,387.73	-	-	-	-
	-	-	Mahindra Integrated Township Limited	3,285.52	-	-	-	-
Payables	Mahindra & Mahindra Limited	621.40	-	-	Mahindra Holidays & Resorts India Limited	4.87	-	-

21) Information in respect of Jointly Controlled Operations

- i) Development of the following residential projects:
G.E. Gardens, Mumbai
- ii) Project for providing potable drinking water and sewerage facilities at Tirupur, Tamil Nadu.

22) Earnings per share

Calculation of Net Profit available for Equity Shareholders:

	Current Year Rs. in Lakh	Previous Year Rs. in Lakh
A. Net Profit After Tax	10,304.62	7,937.86
B. Less : Dividend on Non Cumulative Redeemable Preference Shares (including Tax on distributed Profits)	119.42	122.84
C. Profit available for Equity Shareholders	<u>10,185.20</u>	<u>7,815.02</u>
D. Weighted Average number of Equity Shares of Rs. 10/- each	408.32	408.09
E. Basic Earnings per Share (Rs)	24.94	19.15
F. Diluted Earnings per Share (Rs)	24.94	19.15

23) Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act 1956 is annexed to the "Notes to Accounts".

24) The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

25. THE ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 IS AS UNDER

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	1	1	8	9	4	9	o	f	1	9	9	9
State Code											1	1
Balance Sheet code			3	1	-	0	3	-	2	0	1	1

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

Public Issue											N	I	L
Rights Issue											N	I	L
Bonus Issue											N	I	L
Private Placement											2	6	0

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

Total Liabilities					1	3	1	7	4	0	7	7			
Total Assets					1	3	1	7	4	0	7	7			
Sources of Funds															
Paid-up Capital								4	0	8	3	5	2		
Reserves and Surplus								9	8	6	8	3	5	7	
Secured Loans								1	0	0	0	0	0	0	
Deferred Tax Liability											8	7	8	5	
Unsecured Loans												N	I	L	
Application of Funds															
Net Fixed Assets									3	1	9	2	2	0	
Investments									3	6	2	1	4	4	5
Net Current Assets									7	3	5	0	8	7	8
Miscellaneous Expenditure													N	I	L
Accumulated Losses													N	I	L

IV. Performance of Company (amount in thousand) : Refer Notes 1(f) and 1(g)

Turnover (including other income)									5	0	6	8	4	7	0
Total Expenditure									3	5	7	4	8	0	9
Profit (+) / Loss (-) before tax									+	1	4	9	3	6	1
Profit (+) / Loss (-) after tax									+	1	0	3	0	4	2
Earning per Share in Rupees											2	4	.	9	4
Dividend Rate (%)														5	0

V. Generic names of principal product/service of Company (as per monetary items)

ITC Code	NOT APPLICABLE
Product Description	PROJECTS, PROJECT MANAGEMENT & DEVELOPMENT
Product Description	DEVELOPMENT OF COMMERCIAL COMPLEXES
Product Description	BUSINESS CENTRE

Signatures to Schedules 1 to 21

For and on behalf of the Board

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director

Managing Director & CEO

Suhas Kulkarni
 Company Secretary

Mumbai : 23rd April, 2011

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies:

Rs. in lakh

Particulars	Mahindra Infrastructure Developers Limited	Mahindra World City Developers Limited	Mahindra World City (Jaipur) Limited	Mahindra World City (Maharashtra) Limited	Mahindra Integrated Township Limited	Knowledge Township Limited	Mahindra Residential Developers Limited	Mahindra Bebenco Developers Limited	Industrial Township (Maharashtra) Limited	Raigad Industrial & Business Park Limited	Anthurium Developers Limited	Watsonia Developers Limited
The Financial Year of the Subsidiary Company ended on	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011
Number of Shares in the Subsidiary Company held by Mahindra Lifespace Developers Limited at the above date :												
Equity	18,000,000	16,524,993	107,300,000	1,120,000	37,000,000	21,000,000	250,000	35,000	5,000,000	50,000	50,000	50,000
Extent of holding	100%	82.62%	74.00%	100%	95.48%	100%	48.37%	70.00%	100.00%	100.00%	100.00%	100.00%
The net aggregate of profits/(losses) of the Subsidiary Company for its financial year so far as they concern the members of Mahindra Lifespace Developers Limited:												
1. Dealt with in the Accounts of Mahindra Lifespace Developers Ltd. for the year ended 31st March, 2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Not dealt with in the Accounts of Mahindra Lifespace Developers Limited for the year ended 31st March, 2011	16.88	1,879.84	69.79	(103.05)	(542.30)	(1.49)	93.69	(3.74)	0.30	(0.93)	(1.14)	(1.14)
The net aggregate of profits/(losses) of the Subsidiary Company for its previous financial years so far as they concern the members of Mahindra Lifespace Developers Limited:												
1. Dealt with in the Accounts of Mahindra Lifespace Developers Ltd. for the year ended 31st March, 2010	Nil	3,162.95	188.14	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Not Applicable	Not Applicable
2. Not dealt with in the Accounts of Mahindra Lifespace Developers Limited for the year ended 31st March, 2010	60.84	4,294.96	509.34	(8.79)	(440.58)	(38.88)	(216.09)	(23.02)	(11.00)	(6.35)	Not Applicable	Not Applicable

Arun Nanda *Chairman*
Uday Y. Phadke *Director*
Sanjiv Kapoor *Director*
Shailesh Haribhakti *Director*
Anil Harish *Director*
Prakash Hebalkar *Director*
Anita Arjundas *Managing Director & CEO*

Suhas Kulkarni
 Company Secretary

Mumbai : 23rd April, 2011

Summary of financial performance of the subsidiaries for the year April 2010- March 2011

SUBSIDIARY	Mahindra Infrastructure Developers Limited	Mahindra World City Developers Limited	Mahindra World City (Jaipur) Limited	Mahindra World City (Maharashtra) Limited	Mahindra Integrated Township Limited	Knowledge Township Limited	Mahindra Residential Developers Limited	Mahindra Bebenco Developers Limited	Industrial Township (Maharashtra) Limited	Raigad Industrial & Business Park Limited	Anthurium Developers Limited	Watsonia Developers Limited
	MIDL	MWCDL	MWCJL	MWCML	MITL	KTL	MRDL	MBDL	ITML	RIBP	ADL	WDL
Particulars	Rs lakh	Rs lakh	Rs lakh	Rs lakh	Rs lakh	Rs lakh	Rs lakh	Rs lakh	Rs lakh	Rs lakh	Rs lakh	Rs lakh
Capital	1,800.00	8,500.00	17,000.00	112.00	5,033.25	2,100.00	26.00	5.00	500.00	5.00	5.00	5.00
Reserves/(Debit balance as per Profit & Loss A/c).....	98.15	3,763.11	818.26	(111.95)	(1,034.95)	(40.36)	5,435.33	(38.45)	(10.70)	(7.28)	(1.14)	(1.14)
Total Assets	2,046.37	35,290.03	53,354.02	112.83	10,253.54	3,552.60	7,750.01	3,433.75	813.95	10.42	5.16	5.16
Total Liabilities	2,046.37	35,290.03	53,354.02	112.83	10,253.54	3,552.60	7,750.01	3,433.75	813.95	10.42	5.16	5.16
Investments (except in case of investment in subsidiaries)*	1,507.50	-	455.12	-	-	-	-	2.00	23.38	-	-	-
Turnover.....	40.65	7,049.26	4,263.35	0.05	7.55	0.04	2,352.33	-	0.66	-	-	-
Profit before Tax	20.40	3,370.15	126.86	(103.05)	(567.97)	(1.49)	193.69	(5.34)	0.30	(0.93)	(1.14)	(1.14)
Provision for Tax	3.52	1,094.86	32.55	-	-	-	-	-	-	-	-	-
Profit after Tax	16.88	2,275.29	94.31	(103.05)	(567.97)	(1.49)	193.69	(5.34)	0.30	(0.93)	(1.14)	(1.14)
Proposed Dividend.....		590.00	-									

Investments of MWCDL of Rs 2,600,000 shown above do not include its investment in MITL of Rs 13,00,00,000 as MITL is a subsidiary of Mahindra Lifespace Developers Limited.

FINANCIAL HIGHLIGHTS - CONSOLIDATED

Rs. in lakh

	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007	F - 2006	F - 2005	F - 2004	F - 2003	F - 2002
Net Worth	106,518	98,876	93,491	85,574	76,566	18,043	17,687	19,812	19,809	20,374
Borrowings	54,413	42,071	33,210	28,552	4,813	18,079	16,628	9,691	15,502	15,040
Net Fixed Assets	22,517	20,481	22,484	13,681	8,980	6,542	6,592	4,492	9,442	9,937
Investments	8,743	14,812	10,831	33,043	17,582	1,848	1,848	6,352	456	1,005
Net Current Assets	139,503	114,841	103,194	72,616	56,264	28,150	25,565	17,700	23,767	22,528
Book Value Per Equity Share (Rs.)	261	240	227	207	188	37	36	40	40	42
Operating Income	61,193	41,787	34,178	23,108	21,635	21,626	12,335	7,169	5,928	16,997
Other Income	1,508	2,209	2,940	3,352	764	448	365	2,802	2,801	2,117
Operating Expenses	36,577	25,315	22,897	13,121	16,150	15,966	8,926	6,463	2,833	12,585
Other Expenses	8,919	6,793	4,012	4,074	3,527	3,614	3,153	3,390	5,766	6,032
Profit Before Tax	17,205	11,888	10,209	9,265	2,723	2,494	621	118	299	497
Profit After Tax (after minority interest)	10,817	7,849	6,564	6,641	1,790	1,650	35	(15)	(19)	250
Basic Earning per Share (Rs.)	26.20	18.93	15.79	16.26	4.92	2.29	0.11	(0.27)	(0.34)	(2.11)
Diluted Earning per Share (Rs.)	26.20	18.93	15.79	16.26	4.91	2.29	0.11	(0.27)	(0.34)	(2.11)
Equity Dividend per Share (Rs.)	5.00	3.50	2.50	2.50	1.50	1.00	-	-	-	1.00

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF MAHINDRA LIFESPACE DEVELOPERS LIMITED

1. We have audited the attached Consolidated Balance Sheet of Mahindra Lifespace Developers Limited, its subsidiaries & joint ventures as at 31st March, 2011 and also the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of Mahindra Lifespace Developers Limited'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 Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, joint ventures and associates, whose financial statements reflect the Group's share of total assets of Rs. 69,445.95 lakh as at 31st March, 2011 and the Group's share of total revenues of Rs. 12,016.78 lakh and net cash inflow amounting to Rs. 706.60 lakh for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited (except for one joint venture) by the other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, joint ventures and associates is based solely on the report of the other auditors. In respect of one joint venture, the financial statements are unaudited, which reflect the Group's share of total assets of Rs. 1,918.15 lakh as at March 31, 2011 and the Group's share of total revenues of Rs. 624.08 lakh and net cash outflows amounting to Rs. 97.03 lakh for the year ended on that date as considered in the consolidated financial statements.
4. We report that consolidated financial statements have been prepared by the management of Mahindra Lifespace Developers Limited in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27- Financial Reporting of Interests in Joint Ventures, issued by the Institute of Chartered Accountants of India.
5. Without qualifying our opinion, we draw attention to :
 - i. Note No. 6 (c) of Schedule 23 of the accounts, we have relied on management representation, due to the resolution of matter being dependent on future events whose outcome is not known, regarding realisability of construction work in progress, project advances and interest accrued thereon of Rs. 7146.11 lakhs on account of a project, where commencement of construction has been delayed on account of a dispute between the land owner and the Company, which is referred to arbitration.
 - ii. Note No. 10 of Schedule 23 regarding reliance on management owing to the technical nature of estimates of the percentage of completion, costs to completion and the projections of revenues expected from projects and realisability of Construction work in progress.
 - iii. Note 1(a)(ii) of Schedule 23 which states that the accounts of a Joint Venture Company have been prepared on the basis that the current activities no longer qualify it to be regarded as a going concern.
6. Based on our audit and on the consideration of the separate audit reports of the other auditors on separate financial statements and on the other financial information of the components and to the best of our information and the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of Mahindra Lifespace Developers Limited, its subsidiaries, and its interests in joint ventures and associates as at 31st March, 2011,
 - ii) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Mahindra Lifespace Developers Limited, its subsidiaries, and its interests in joint ventures and associates for the year ended on that date, and
 - iii) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Mahindra Lifespace Developers Limited, its subsidiaries, and its interests in joint ventures and associates for the year ended on that date.

For and on behalf of

B. K. Khare and Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

M. No. 44784
Firm Registration No. 105102W

Mumbai

Dated: April 23, 2011

Consolidated Balance Sheet as at 31st March, 2011

	Schedule	Current Year Rupees in lakh	Previous Year Rupees in lakh
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	4,083.52	5,080.92
Employee Stock Options Outstanding	2	60.49	40.17
Share Application Monies		3.25	-
Reserves & Surplus.....	3	102,371.20	93,755.33
		106,518.46	98,876.42
Loan Funds			
Secured Loans	4	53,587.02	41,311.77
Unsecured Loans	5	825.86	759.21
		54,412.88	42,070.98
Deferred Tax Liability (Net)	6	1,530.05	970.88
Minority Interest	7	8,301.49	8,216.21
TOTAL		170,762.88	150,134.49
APPLICATION OF FUNDS			
Fixed Assets :			
Goodwill on Consolidation		2,900.95	2,900.95
Gross Block	8	21,061.13	18,620.81
Less : Depreciation		3,116.19	2,315.34
Net Block		17,944.94	16,305.47
Capital Work in Progress		1,670.68	1,274.99
		22,516.57	20,481.41
Investments	9	8,743.00	14,811.71
Current Assets, Loans and Advances :			
Inventories	10	93,643.62	90,629.35
Sundry Debtors	11	20,685.49	12,133.98
Cash and Bank Balances	12	23,977.60	13,298.56
Other Current Assets	13	2,837.46	2,547.29
Loans and Advances	14	29,385.42	20,748.36
		170,529.59	139,357.54
Less : Current Liabilities and Provisions :			
Current Liabilities	15	27,374.55	21,528.20
Provisions	16	3,651.73	2,987.97
		31,026.28	24,516.17
Net Current Assets		139,503.31	114,841.37
TOTAL		170,762.88	150,134.49
Notes to Accounts :	23		

The Schedules referred to above form an integral part of the Balance Sheet
As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

Suhas Kulkarni
Company Secretary

Mumbai : 23rd April, 2011

Signatures to the Balance Sheet and
Schedules 1 to 16 and 23

For and on behalf of the Board

Arun Nanda *Chairman*
Uday Y. Phadke *Director*
Sanjiv Kapoor *Director*
Shailesh Haribhakti *Director*
Anil Harish *Director*
Prakash Hebalkar *Director*
Anita Arjundas *Managing Director & CEO*

Consolidated Profit & Loss Account for the year ended 31st March, 2011

INCOME	Schedule	Current Year Rupees in lakh	Previous Year Rupees in lakh
Operating Income	17	61,193.39	41,786.87
Other Income	18	1,508.11	2,208.59
		62,701.50	43,995.46
EXPENDITURE			
Operating Expenses	19	36,577.49	25,314.52
Employee Remuneration & Benefits	20	2,260.54	1,810.86
Administration & Other Expenses	21	4,713.39	3,394.40
Interest & Finance charges	22	1,132.45	928.87
Depreciation		812.21	658.63
		45,496.08	32,107.28
Profit before Tax		17,205.42	11,888.18
Less : Provision for Current Tax		(5,309.75)	(3,726.45)
Less : Provision for Deferred Tax		(559.17)	(197.33)
Add: MAT credit eligible for Set off		-	88.90
Profit for the year after Tax		11,336.50	8,053.30
Less: Minority Interest		(519.23)	(204.25)
Consolidated Net Profit		10,817.27	7,849.05
Add : Balance brought forward from previous year		15,215.12	10,713.84
Add/(Less): Adjustment on account of Increase/Decrease in Joint Venture interest		262.59	(581.00)
Amount Available for Appropriation		26,294.98	17,981.89
APPROPRIATIONS			
Proposed Dividend:			
On Equity Shares		2,042.63	1,428.32
On Preference Shares		-	105.00
Income Tax on Proposed Dividend		331.37	260.59
Excess Tax on distributed profit of previous year written back		(5.92)	-
Interim Preference Dividend		102.41	-
Income Tax on Interim Dividend		17.01	-
Income Tax on Dividend		84.70	107.07
Transfer to General Reserve		1,030.47	865.79
Balance Carried Forward to Balance Sheet		22,692.31	15,215.12
		26,294.98	17,981.89
Basic Earnings per Share (Refer Note 22, Schedule 23)		26.20	18.93
Diluted Earnings per Share (Refer Note 22, Schedule 23)		26.20	18.93
Notes to Accounts :	23		

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

As per our Report attached hereto

Signatures to the Profit and Loss Account and
Schedule 17 to 23

For and on behalf of
B. K. Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

Mumbai : 23rd April, 2011

Suhas Kulkarni
Company Secretary

For and on behalf of the Board

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director
Managing Director & CEO

Consolidated Cash Flow Statement for the year ended 31st March,2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
A. Cash flow from operating activities		
Net Profit Before Tax	17,205.42	11,888.18
Adjustments for :		
Depreciation	812.21	658.63
Amortisation of expenses	19.46	18.75
Considered separately		
Interest Income.....	(929.39)	(647.55)
Interest and Finance charges	1,132.45	928.87
Profit on Sale of Investments.....	(96.54)	(436.71)
Provision for Doubtful debts.....	111.16	-
Dividend Income.....	(396.20)	(368.54)
Provision Written Back(Net).....	(0.19)	-
Loss/(Profit) on sale of Fixed assets (Net)	6.32	(638.32)
Operating Profit Before Working Capital Changes	17,864.70	11,403.31
Adjustments for :		
Trade and Other Receivables	(17,403.68)	(6,167.74)
Inventories	857.82	(13,855.77)
Trade Payables and Other Liabilities	5,865.94	9,951.04
Cash Generated from Operations	7,184.78	1,330.84
Income taxes received / (paid).....	(5,188.88)	(3,288.81)
Net Cash (used in) / from operating activities	1,995.90	(1,957.97)
B. Cash flow from investing activities		
Purchase of Fixed Assets.....	(2,811.63)	(1,345.75)
Proceeds from Sale of Fixed Assets	18.02	991.26
Proceeds / (Investments) in Others (Net)	6,165.25	(3,519.18)
Minority interest	(335.28)	(342.44)
Interest received	639.21	980.52
Dividend received.....	396.20	368.54
Net Cash from / (used in) investing activities	4,071.77	(2,867.05)

Consolidated Cash Flow Statement for the year ended 31st March,2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
C. Cash flow from financing activities		
Increase in borrowings	12,341.89	8,860.95
Share Application money.....	3.25	-
Interest & finance charges paid.....	(4,937.02)	(3,907.19)
Dividend Paid	(1,908.43)	(1,316.46)
Redemption of Preference Shares	(1,000.00)	-
Issue of Equity Share Capital	2.60	-
Share Premium Proceeds	108.68	-
Net Cash from / (used in) financing activities.....	4,610.97	3,637.30
Net increase/(decrease) in cash and cash equivalents	10,678.64	(1,187.72)
Cash and Cash Equivalents (Opening)	13,298.56	14,486.28
Cash and Cash Equivalents (Closing).....	23,977.60	13,298.56

Notes:

The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
 Chartered Accountants

Padmini Khare Kaicker
 Partner

Mumbai : 23rd April, 2011

Suhas Kulkarni
 Company Secretary

For and on behalf of the Board

Arun Nanda *Chairman*
Uday Y. Phadke *Director*
Sanjiv Kapoor *Director*
Shailesh Haribhakti *Director*
Anil Harish *Director*
Prakash Hebalkar *Director*

Anita Arjundas *Managing Director & CEO*

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
SCHEDULE "1"		
SHARE CAPITAL		
Authorised		
50,000,000 (Previous year 50,000,000) Equity Shares of Rs.10 each	5,000.00	5,000.00
6,500,000 (Previous year 6,500,000) Preference Shares of Rs.100 each	6,500.00	6,500.00
6,000,000 (Previous year 6,000,000) Unclassified Shares of Rs.10 each	600.00	600.00
	12,100.00	12,100.00
Issued		
40,880,501 (Previous year 40,854,501) Equity Shares of Rs.10 each	4,088.05	4,085.45
1,000,000 (Previous year 10,00,000) 10.50 % Non Cumulative Redeemable Preference shares of Rs.100 each (Refer Note 3)	1,000.00	1,000.00
	5,088.05	5,085.45
Subscribed and Paid-up		
40,835,150 (Previous year 40,809,150) Equity Shares of Rs.10 each fully paid up	4,083.52	4,080.92
- (Previous year 1,000,000) 10.50 % Non Cumulative Redeemable Preference Shares of Rs.100 each fully paid up (Refer Note 3)	-	1,000.00
	4,083.52	5,080.92
Of the above :		
a) 31,074,501 Equity Shares of Rs.10 each		
- (Previous year 1,000,000) 10.50 % Non Cumulative Redeemable Preference Shares of Rs.100 each have been issued for consideration other than cash pursuant to two Schemes of Arrangement		
b) 20,846,126 (Previous year 20,846,126) Equity shares are held by Mahindra & Mahindra Limited, the Holding Company		
- (Previous year 1,000,000) 10.50 % Non Cumulative Redeemable Preference Shares are held by Mahindra & Mahindra Limited, the Holding Company		

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2011
SCHEDULE "2" :
A) Employee Stock Option Outstanding:

	Current Year Rupees in lakh	Previous Year Rupees in lakh
Opening Balance	107.11	107.11
Add: Fresh grant of options	-	-
Less: Amount transferred to Securities premium/Options Lapsed	-	-
Closing Balance	<u>107.11</u>	<u>107.11</u>

Less:
B) Deferred Employee Compensation Expenses :

Opening Balance	66.94	85.69
Add: Fresh grant of options	-	-
Less: Transfer to Employee Compensation / Options Lapsed	<u>(20.32)</u>	<u>(18.75)</u>
Closing Balance	<u>46.62</u>	<u>66.94</u>
Total (A-B)	<u><u>60.49</u></u>	<u><u>40.17</u></u>

SCHEDULE "3" :
RESERVES AND SURPLUS
Capital Redemption Reserve

Balance as per last Balance Sheet.....	6,353.58	6,353.58
Transfer from General Reserve	<u>1,000.00</u>	<u>-</u>
	<u>7,353.58</u>	<u>6,353.58</u>

Share Premium Account

Balance as per last Balance Sheet.....	70,202.86	70,203.33
Add: Premium on shares issued during the year.....	<u>108.68</u>	<u>-</u>
	<u>70,311.54</u>	<u>70,203.33</u>

General Reserve

Balance as per last Balance Sheet.....	1,983.30	1,117.51
Add: Transfer from Profit & Loss Account.....	1,030.47	865.79
Less: Transfer to Capital Redemption Reserve	<u>(1,000.00)</u>	<u>-</u>
	<u>2,013.77</u>	<u>1,983.30</u>
Profit and Loss Account.....	<u>22,692.31</u>	<u>15,215.12</u>
	<u><u>102,371.20</u></u>	<u><u>93,755.33</u></u>

SCHEDULE "4" :
SECURED LOANS (Refer Note 4)

From Banks		
Short term Loan.....	289.02	113.77
Term loan	<u>53,298.00</u>	<u>41,198.00</u>
	<u>53,587.02</u>	<u>41,311.77</u>

SCHEDULE "5" :
UNSECURED LOANS

Short Term Loan		
- From Companies.....	825.86	759.21
	<u>825.86</u>	<u>759.21</u>

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2011

SCHEDULE "6" :

DEFERRED TAX LIABILITY (NET):

	Current Year Rupees in lakh	Previous Year Rupees in lakh
Deferred Tax Liability		
Relating to :		
Difference between book and tax depreciation.....	2,477.24	1,730.25
Income accrued based on lease equalisation	9.76	-
	2,487.00	1,730.25
Add: Share in Jointly controlled entities.....	1.96	-
	2,488.96	1,730.25
Deferred Tax Asset		
Relating to :		
Provision for impairment in asset value.....	514.96	526.90
Business loss carried forward.....	164.31	2.20
Expenses allowable on actual payment.....	269.40	224.44
	948.67	753.54
Add: Share in Jointly controlled entities.....	10.24	5.83
	958.91	759.37
	1,530.05	970.88

SCHEDULE "7" :

MINORITY INTEREST

Shares held by Minorities in Subsidiaries.....	8,301.49	8,216.21
	8,301.49	8,216.21

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2011

SCHEDULE " 8 "

FIXED ASSETS (CONSOLIDATED) :

Rs. in lakh

Particulars	COST				DEPRECIATION				NET BLOCK			
	As at March 31, 2010	Adjustments (*)	Additions	Deductions	As at March, 31 2011	Up to March 31, 2010	Adjustments (*)	Deductions	For the year 2011	Up to March, 31 2011	As at March, 31 2011	As at March, 31 2010
Land	715.07	-	-	-	715.07	14.94	-	-	4.21	19.14	695.92	700.13
Building	12,918.18	-	1,277.23	-	14,195.42	1,273.34	-	-	271.18	1,544.52	12,650.90	11,644.84
Furniture & Fixtures	1,413.22	-	116.94	-	1,530.16	234.38	-	-	152.08	386.46	1,143.71	1,178.84
Plant & Machinery	2,513.70	-	867.21	2.92	3,377.99	338.80	-	0.85	140.18	478.12	2,899.87	2,174.90
Computers	341.56	-	37.20	-	378.76	218.18	-	-	48.15	266.33	112.43	123.38
Vehicles	251.85	-	66.46	40.37	277.94	73.05	-	18.09	33.03	87.98	189.95	178.80
Intangible Assets	397.14	-	-	-	397.14	130.57	-	-	133.29	263.85	133.29	266.57
Leasehold Improvement	-	-	101.35	-	101.35	-	-	-	21.75	21.75	79.60	-
Total	18,550.72	-	2,466.39	43.29	20,973.82	2,283.24	-	18.94	803.86	3,068.16	17,905.67	16,267.46
Share in Jointly Controlled Entities	70.09	17.52	0.49	0.81	87.30	32.09	8.02	0.41	8.35	48.05	39.25	38.01
Grand Total	18,620.81	17.52	2,466.88	44.09	21,061.13	2,315.34	8.02	19.36	812.21	3,116.19	17,944.94	16,305.47
Previous year total	17,081.20	(2,278.10)	4,428.61	610.90	18,620.81	2,051.02	(136.32)	257.99	658.63	2,315.34	16,305.47	
Capital Work In Progress											1,670.68	1,274.99
											19,615.61	17,580.46

(*) Indicates Addition/(reversal) due to increase/decrease of stake in the Joint Venture/Associate Company.

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2011
SCHEDULE "9" :
INVESTMENTS (Refer Note 5)

	Face Value Rupees	Number of shares/units	Current Year Rupees in lakh	Previous Year Rupees in lakh
Long Term Investments (At Cost, Unquoted, Trade)				
Equity Shares				
In Others				
Deepmangal Developers Private Limited	100	177	284.61	284.61
Mahindra Knowledge Park (Mohali) Limited.....	10	6	0.00	0.00
New Tirupur Area Development Corporation Limited	10	15,500,000	1,550.63	1,550.63
Preference Shares				
Rathna Bhoomi Enterprises Private Limited.....	10	238,500	23.85	23.85
(10% Non Cumulative Redeemable Participating Optionally Convertible Preference Shares)				
Mahindra Knowledge Park (Mohali) Limited.....	10	50,000	5.00	5.00
(7% Non Cumulative Redeemable Participating Optionally Convertible Preference Shares)				
			1,864.09	1,864.09
Current Investments, Unquoted, Non Trade (At lower of cost and fair value)				
Equity Shares				
In Others				
Ascendas Mahindra IT Park Pvt Ltd.....	10	10,000	-	1.00
(10,000 Equity shares of Rs. 10 each Fully paid up)			-	1.00
In Units of Mutual Fund				
Redeemed during the year				
Birla Sunlife Cash Plus - Institutional - Growth.....		211	-	0.05
Birla Sunlife Savings Fund - Institutional - Growth		806,058	-	140.50
BSL Savings Fund - Institutional Plan - Daily Dividend - Reinvestment.....		14,796,060	-	1,480.61
ICICI Prudential Flexible Income Plan Growth		193,219	-	330.11
ICICI Prudential Institutional Liquid Plan Super - Growth		18	-	0.04
Kotak Flexi Debt Scheme - Growth		1,904,678	-	215.16
TATA Floater Fund - Growth.....		15,797,280	-	210.02
SBI - SHF- Ultra Short Term Fund - Institutional Daily Dividend		1,879,003	-	225.02
Kotak Liquid Institutional Growth		182	-	0.03
JM High Liquidity Fund- Institutional Plan- Growth.....		347,875	-	50.05
JM Money Manager - Super plus plan.....		23,254,508	-	2,401.61
Religare Ultra Short Term Fund - Regular		356,069	-	35.66
UTI Treasury Advantage - Institutional Plan		156,542	-	1,565.76
TATA Floater Fund - Daily Dividend - Reinvestment		1,533,633	-	1,431.44
ICICI Prudential Flexible Income Plan Premium.....		1,467,818	-	1,554.95
KOTAK Floater Fund - Daily Dividend - Reinvestment..		10,410,771	-	1,049.38
DWS Ultra Short Term Fund - Institutional Plan		16,499,681	-	1,652.63
DSP Blackrock Floating Rate Fund		63,131	-	631.65
Acquired during the year				
DWS Treasury fund - Growth.....		19,795	2.00	-
BSL Savings Fund - Institutional - Daily Dividend - Reinvestment.....		26,147,866	2,616.56	-
SBI-Magnum Insta Cash Fund - Cash Option.....		345,876	75.12	-
Kotak Floater Long Term - Growth.....		1,522,164	210.00	-
HDFC CMF Treasury Advantage Growth		1,090,899	170.00	-
JP Morgan India Treasury Fund - Institutional Plan.....		19,010,913	1,902.78	-
JM High Liquidity Fund		14,036,030	1,405.93	-
DSP Blackrock Liquidity Fund		50,078	500.94	-
Religare Ultra Short Term		2,335	23.38	-
			6,906.71	12,974.67
			8,770.80	14,839.76
Less : Provision for Diminution in Value of Investments.			(28.85)	(28.85)
			8,741.95	14,810.91
Add:Share of jointly controlled entites			1.05	0.80
			8,743.00	14,811.71

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
SCHEDULE "10" :		
INVENTORIES		
(At lower of cost and net realisable values)		
Raw Material.....	785.67	415.69
Stock-in-trade	427.41	751.34
Construction Work-in-Progress (Refer Note 6a & 6c).....	92,430.53	89,462.32
	<u>93,643.62</u>	<u>90,629.35</u>
SCHEDULE "11" :		
SUNDRY DEBTORS		
Unsecured, Considered Good Outstanding over six months		
Considered Good	1,339.74	1,903.55
Considered doubtful	111.16	-
	<u>1,450.90</u>	<u>1,903.55</u>
Other debts, Considered Good	17,629.02	9,162.96
Considered doubtful	-	-
	<u>17,629.02</u>	<u>9,162.96</u>
Less: Provision for doubtful debts.....	(111.16)	-
	<u>18,968.76</u>	<u>11,066.51</u>
Add:Share of jointly controlled entities	1,716.73	1,067.47
	<u>20,685.49</u>	<u>12,133.98</u>
SCHEDULE "12" :		
CASH AND BANK BALANCES		
Cheques on hand	4.13	2.32
Balances with Scheduled Banks		
- On Current Accounts.....	13,525.60	3,192.46
- On Deposit Accounts	10,316.23	9,914.36
- On Margin Accounts.....	29.55	29.55
	<u>23,875.51</u>	<u>13,138.69</u>
Add:Share of jointly controlled entities	102.09	159.87
	<u>23,977.60</u>	<u>13,298.56</u>
SCHEDULE "13" :		
OTHER CURRENT ASSETS		
Interest accrued on Project advances (Refer Note 6b).....	4,219.12	4,070.30
Less :-Provision for impairment in asset value	(1,550.15)	(1,550.15)
	<u>2,668.97</u>	<u>2,520.15</u>
Interest accrued on deposits	164.63	21.90
	<u>2,833.60</u>	<u>2,542.05</u>
Add:Share of jointly controlled entities	3.86	5.24
	<u>2,837.46</u>	<u>2,547.29</u>

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2011

	Current Year Rupees in lakh	Previous Year Rupees in lakh
SCHEDULE "14" :		
LOANS AND ADVANCES		
Unsecured, Considered Good, unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received	6,995.06	3,991.20
Project Advances (Refer Note 6b & 6c)		
Considered good	18,242.81	13,723.75
Considered doubtful	121.25	121.25
	18,364.06	13,845.00
Less : Provision for doubtful advances	(121.25)	(121.25)
	18,242.81	13,723.75
Intercompany Deposits	174.04	174.04
Advance payment of Income tax (net of Provision for tax Rs15,010.60 lakh, Previous year 9,813.10 lakh)	2,082.00	2,173.84
Staff Loans / Advances.....	8.61	12.47
Deposits	1,823.44	654.46
	29,325.96	20,729.76
Add:Share of jointly controlled entities	59.46	18.60
	29,385.42	20,748.36
SCHEDULE "15" :		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 8a)		
- Total outstanding dues of micro enterprises & small enterprises.....	-	-
- Others.....	5,159.46	4,115.47
Advances and Deposits.....	14,761.10	11,990.12
Unclaimed Dividends (Refer Note 8b)	32.58	6.21
Other Liabilities.....	6,717.78	4,903.39
Interest accrued but not due on loans	285.33	218.72
	26,956.25	21,233.91
Add:Share of jointly controlled entities	418.30	294.29
	27,374.55	21,528.20
SCHEDULE "16" :		
PROVISIONS		
Proposed Dividend	2,372.98	1,793.91
Provision for losses to project completion (Refer Note 8c)	1,023.00	1,023.00
Provision for Leave Encashment Benefits	121.93	117.80
Provision for Gratuity	64.51	43.09
	3,582.42	2,977.80
Add:Share of jointly controlled entities	69.31	10.17
	3,651.73	2,987.97

Schedules annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

	Current Year Rupees in lakh	Previous year Rupees in lakh
SCHEDULE "17" :		
OPERATING INCOME		
Income from Projects.....	57,746.28	38,843.27
Project Management Fees (gross)*	-	141.99
Income from Operation of Commercial Complexes (gross)*	2,571.29	1,734.52
Business Centre Revenues (gross)*(Refer Note 16)	262.25	572.32
	<u>60,579.82</u>	<u>41,292.10</u>
Add: Share in Jointly controlled entities.....	613.57	494.77
	<u>61,193.39</u>	<u>41,786.87</u>
* (Income Tax deducted at source-Rs.314.63 lakh Previous Year - Rs.303.22 lakh)		
SCHEDULE "18" :		
OTHER INCOME		
Interest Earned (gross) *		
- On InterCorporate Deposits	156.78	-
- On Bank Deposits	603.21	475.58
- Others.....	169.39	171.97
Dividend - On Current Investments-Non Trade	396.20	368.54
Profit on Sale of Current Investments-Non Trade	47.90	36.71
Profit on Sale of Long Term investments- Non Trade	48.64	400.00
Profit on Sale of other Fixed Assets (Net)	0.39	638.32
Write-back of provisions for losses to completion.....	0.19	-
Miscellaneous Income	74.68	79.29
	<u>1,497.38</u>	<u>2,170.41</u>
Add: Share in Jointly controlled entities.....	10.73	38.18
	<u>1,508.11</u>	<u>2,208.59</u>
* (Income Tax deducted at source-Rs.101.87 lakh Previous Year - Rs. 190.32 lakh)		

Schedules annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

	Current Year Rupees in lakh	Previous year Rupees in lakh
SCHEDULE "19" :		
OPERATING EXPENSES		
Cost of Projects		
Opening Stock in trade	751.34	397.84
Opening Work-in-progress.....	89,462.09	76,045.09
Opening Raw Material	415.69	330.87
	90,629.12	76,773.80
Add: Expenses incurred during the year :		
Land Cost / Premium for Development Rights	16,615.99	19,719.85
Architect Fees.....	673.34	826.97
Preliminaries & Site Expenses	464.17	394.84
Civil, Electrical, Contracting etc.	14,748.79	11,879.27
Interest (net)	3,960.63	3,149.63
Overheads allocated.....	1,208.12	1,009.40
Payment to Local Agencies	492.82	228.44
Insurance.....	8.95	64.14
Legal & Professional Fees.....	401.71	72.28
Other Expenses.....	62.93	32.59
	38,637.45	37,377.41
	129,266.57	114,151.21
Less :-Closing Work-in-progress	(92,430.53)	(89,462.32)
Closing Raw Material.....	(720.91)	(415.69)
Closing Stock in trade.....	(427.41)	(751.34)
Capital Work in Progress	(263.17)	(147.63)
	(93,842.02)	(90,776.98)
	35,424.55	23,374.22
Project Management Fees	-	147.12
Rent, Rates & Taxes	268.37	316.13
Insurance	0.13	-
Repairs & Maintenance - Commercial Properties	163.66	158.27
Professional Fees.....	219.49	57.87
Brokerage	258.13	221.83
Advertisement, Marketing & Business Development.....	130.28	407.64
Electricity	26.92	18.71
Other Operating Expenses	80.04	552.20
	36,571.57	25,253.99
Add: Share in Jointly controlled entities.....	5.92	60.53
	36,577.49	25,314.52

Schedules annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

	Current Year Rupees in lakh	Previous year Rupees in lakh
SCHEDULE "20" :		
EMPLOYEE REMUNERATION AND BENEFITS		
Salaries, Allowances & Bonus	2,799.60	2,394.18
Contribution to Provident & Other Funds.....	153.35	93.82
Staff Welfare Expenses	153.14	182.98
	<u>3,106.09</u>	<u>2,670.98</u>
Less :- Allocated to projects	(1,019.56)	(994.03)
	<u>2,086.53</u>	<u>1,676.95</u>
Add: Share in Jointly controlled entities.....	174.01	133.91
	<u>2,260.54</u>	<u>1,810.86</u>
SCHEDULE "21" :		
ADMINISTRATION AND OTHER EXPENSES		
Rent, Rates and Taxes	519.04	455.74
Insurance.....	29.46	24.56
Repairs and Maintenance		
- Buildings.....	13.55	12.78
- Others	117.37	184.48
Electricity Charges.....	236.19	212.26
Travelling & Conveyance	359.46	270.47
Legal & Professional Fees.....	468.05	405.59
Printing & Stationery.....	59.51	60.75
Communication.....	114.63	105.57
Advertisement, Marketing & Business Development.....	1,108.98	472.30
Auditors Remuneration	43.52	60.58
Loss on sale of Fixed assets	6.72	-
Doubtful Debts Provided.....	111.16	-
Miscellaneous Expenses.....	1,399.95	1,039.33
	<u>4,587.59</u>	<u>3,304.41</u>
Add: Share in Jointly controlled entities.....	125.80	89.99
	<u>4,713.39</u>	<u>3,394.40</u>
SCHEDULE "22" :		
INTEREST AND FINANCE CHARGES		
Interest		
On Fixed Loans	4,878.76	3,995.79
On other deposits	125.77	-
	<u>5,004.53</u>	<u>3,995.79</u>
Less : Allocated to projects.....	(3,872.08)	(3,066.92)
	<u>1,132.45</u>	<u>928.87</u>

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended 31st March, 2011

SCHEDULE: "23"

NOTES TO ACCOUNTS

1) SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting Convention :

- i. The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii. The accounts of a joint venture company have been prepared on the basis that the company is not regarded as a going concern.

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.

c) Basis of consolidation :

The Consolidated Financial Statements relate to Mahindra Lifespace Developers Limited (the Company), its subsidiary companies and the interest of the Company in joint ventures and associates.

A. Basis of accounting:

- (i) The Financial Statements of the subsidiary companies and the joint venture companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of the Company i.e. 31st March 2011. The accounts of all the subsidiaries, the Joint Ventures and Associates are audited except for Mahindra Water Utilities Limited.
- (ii) The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, and generally accepted accounting principles.

B. Principles of Consolidation:

The Consolidated Financial Statements have been prepared on the following basis:-

- (i) The Financial Statements of the Company and its subsidiary companies (which are not in the nature of joint ventures) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated.
- (ii) The Consolidated Financial Statements include the interest of the Company in JVCs, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line items in the Consolidated Financial Statements.
- (iii) The share of equity in the subsidiary companies as on the date of investment, being in excess of the cost of investment of the Company, the difference is recognised as "Capital Reserve on Acquisition of Subsidiaries" and shown under the head "Reserves and Surplus" in the Consolidated Financial Statements.
- (iv) Minority interest in the Net Asset of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments as stated above.

The consolidation of accounts is done for Mahindra Lifespace Developers Limited, the parent company, with its subsidiaries incorporated in India in accordance with the requirements of Accounting Standard (AS)21- 'Consolidated Financial Statements' notified by the Central Government.

Name of Subsidiary

Mahindra Infrastructure Developers Limited	100.00%	80.00%
Mahindra World City Developers Limited	82.62%	82.62%
Mahindra World City (Jaipur) Limited	74.00%	74.00%
Mahindra World City (Maharashtra) Limited	100.00%	100.00%
Mahindra Integrated Township Limited	95.48%	95.48%
Knowledge Township Limited	100.00%	100.00%
Mahindra Residential Developers Limited	48.70%	48.70%
Mahindra Bebanco Developers Limited	70.00%	70.00%
Industrial Township Maharashtra Limited	100.00%	100.00%
Raigad Industrial & Business Park Limited	100.00%	100.00%
Anthurium Developers Limited (with effect from 2 nd June, 2010)	100.00%	Nil
Watsonia Developers Limited (with effect from 2 nd June, 2010)	100.00%	Nil

Proportion of Ownership Interest	
Current Year	Previous Year
100.00%	80.00%
82.62%	82.62%
74.00%	74.00%
100.00%	100.00%
95.48%	95.48%
100.00%	100.00%
48.70%	48.70%
70.00%	70.00%
100.00%	100.00%
100.00%	100.00%
100.00%	Nil
100.00%	Nil

Investments in Joint Ventures are dealt with in accordance with the Accounting Standard (AS) 27 - "Financial Reporting of Interests in Joint Ventures" notified by the Central Government.

Name of Joint Ventures

Mahindra Water Utilities Limited	50.00%	40.00%
Mahindra Inframan Water Utilities Private Limited	49.99%	39.99%

Proportion of Ownership Interest	
Current Year	Previous Year
50.00%	40.00%
49.99%	39.99%

Investments in the following Associates have been dealt with in accordance with the Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" notified by the Central Government. Effect has been given to the carrying amount of investments in the associates using the "Equity Method". The Company's share of the post acquisition profits/ (losses) is included in the carrying cost of investments (Refer Note 19).

Name of Associates

Rathna Bhoomi Enterprises Private Limited	50.00%
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Proportion of Ownership Interest

50.00%

d) Fixed Assets :

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre operation expenses and interest in case of construction.

The carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount.

Depreciation in the Company and the subsidiaries is provided, on prorata basis, on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except in the Holding Company where in respect of certain assets, the following rates have been provided for:

- 1) Furniture & Fixtures, Plant & Machinery and Computers, individually costing more than Rs. 5,000, which are depreciated over their estimated useful lives of 5 years, and
- 2) Vehicles at 15 % per annum of cost.
- 3) Leasehold improvements are amortised over the period of lease.

e) Intangible Assets:

All Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the assets' economic benefits are consumed.

Software expenses are treated as an intangible asset and amortised over the useful life of the asset. The maximum period for such amortization is 36 months

f) Fixed Assets held for disposal:

Fixed Assets held for disposal are valued at estimated net realizable value.

g) Investments :

Investments are classified into long term and current investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current investments are carried in Dividendually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

h) Inventories :

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the Company.

l) Revenue Recognition:

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Revenues from real estate projects are recognised only when the actual project costs incurred is equal to or exceed 25 % of the total estimated project costs including land and when at least 10% of the sales consideration is realised.

Revenue from sale of land and other rights are considered upon transfer of all significant risks and rewards of ownership of such real estate/property as per the terms of the contract entered into with the buyers, which is generally with the firmity of the sale contracts/agreements.

Income from long term contracting assignments is also recognised on the percentage of completion basis. As the long term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognised in the year in which costs incurred together with the balance costs to completion are likely to be in excess of the estimated revenues from project. Unbilled costs are carried as construction work-in-progress.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/ agreement. Where the management fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

Income from operation of commercial complexes is recognised over the tenure of the lease/service agreement.

Land lease premium is recognized 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.

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

Interest income is accounted on an accrual basis at contracted rates except where there is uncertainty of ultimate collection.

Dividend income is recognised when the right to receive the same is established.

j) Employee benefits:

(i) Defined Contribution Plans

Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund are recognised in the Profit and Loss Account.

(ii) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value

k) Borrowing Costs:

Borrowing costs that are directly attributable to long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are capitalised as part of the project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

l) Foreign Currency Transactions:

Foreign Currency assets and liabilities are translated at the relevant rates of exchange prevailing at the year end and the translation differences are recognised in the Profit and Loss account. The exchange gain or loss on settlement is also recognised in the Profit and Loss account.

m) Provision for taxation:

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that 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. Deferred Tax assets are not recognized unless, in the management judgement, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax is reviewed at each Balance Sheet date.

n) Segment Information:

The Company operates in three main segments; namely, Projects, Project Management and Development activities, Operating of commercial complexes and Business Centers. The segments have been identified and reported taking into account the differing risks and returns and the internal business reporting systems. Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment. Income/expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

o) Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

p) Employee stock compensation costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis

2) Equity Share Capital and Warrants:

a) The allotment of 45,351 (*Previous Year 46,151*) Equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

b) Employee Stock Option Scheme

The Company had granted 678,359 Equity shares on 25th April, 2008 to the eligible employees under the Employee Stock Option Scheme 2006 (ESOS 2006) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 25th April, 2008
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	678,359
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	Rs. 428 /- per share
Method of Settlement	By Issue of Shares at Exercise Price
Vesting Conditions	25 % On expiry of 12 months from the date of grant ; 25 % On expiry of 24 months from the date of grant ; 25 % On expiry of 36 months from the date of grant ; 25 % On expiry of 48 months from the date of grant ;

The company has adopted intrinsic value method for computing the compensation cost for the Options granted. The exercise price of the shares is based on the average of the daily high and low of the prices for the Company's Equity Shares quoted on the Bombay Stock Exchange Limited, during the 15 days preceding the grant of the Options. The Intrinsic value i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period. The details of the same are given here under:

Particulars	Grant dated 25 th April,2008
Intrinsic Value of shares based on latest available closing market price	Rs.15.79
Total Amount to be amortized over the vesting period	Rs.99.39 lakh
Charge to Profit & Loss Account for the year	Rs.19.46 lakh
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	Rs.39.75 lakh

The Fair Value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	Grant dated 25 th April ,2008
Risk free interest rate	7.79% -8.15%
Expected life	3.5 -6.5 Years
Expected volatility	66.76%- 70.65%
Expected Dividend yield	0.33%
Exercise price	Rs. 428
Stock price	Rs. 443.79

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on “Accounting for Employee share-based Payments” is as follows.

	Particulars	Intrinsic Value Method		Fair Value Method	
		March 2011	March 2010	March 2011	March 2010
A	Net Profit After Tax (Rs. in lakh)	10,304.62	7937.86	10,033.90	7713.30
	Less Preference Dividend	119.42	122.84	119.42	122.84
B	Weighted Average number of Equity Shares of Rs.10/- each (Basic)	40,832,246	40,809,150	40,832,246	40,809,150
C	Weighted Average number of Equity Shares of Rs.10/- each (Diluted)	40,832,246	40,809,150	40,832,246	40,809,150
D	Basic Earning per Share (Rs.)	24.94	19.15	24.28	18.60
E	Diluted Earning per Share (Rs.)	24.94	19.15	24.28	18.60

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

Summary of Stock Options	Current Year	Previous Year
Options outstanding on 1st April, 2010	635,989	678,359
Options granted during the year	-	-
Options lapsed during the year	-	-
Options cancelled during the year	17,438	42,370
Options exercised during the year	26,000	-
Options outstanding on 31st March, 2011	5,92,551	635,989
Options vested but not exercised on 31st March, 2011	2,91,534	158,507

Information in respect of options outstanding as at 31st March, 2011:

Exercise price	No. of Options	Weighted average remaining life
Rs. 428	5,92,551	36 months

3) Preference Share Capital

The 10.50 % Non Cumulative Redeemable Preference shares of Rs. 100 each were redeemed on 22nd March, 2011. The Board of Directors at its meeting held on March 18, 2011 declared an Interim Dividend for the period April 01, 2010 to March 22, 2011 i.e. up to the date of redemption. The Interim Dividend was paid on March 22, 2011 along with redemption amount.

4) Secured Loans

Secured borrowings are secured by a pari-passu charge on immovable properties of the entities, and are also secured by pari-passu charge on specified movable and current assets of the entities, both present and future.

5) Investments

- In the opinion of the Management, no loss is expected to arise in respect of Investments for which an additional provision is required to be made in the accounts.
- During the year the following companies have become subsidiary of the Company:

Sr. No.	Name of the company	Nature of Investment	No. of Shares	Subsidiary w.e.f	Amount (Rs. in lakh)	% Holding
1.	Anthurium Developers Limited	Equity	50,000	02/06/2010	5.00	100%
2	Watsonia Developers Limited	Equity	50,000	02/06/2010	5.00	100%

MAHINDRA LIFESPACE DEVELOPERS LIMITED (CONSOLIDATED)

c) Mutual Fund Units purchased and sold during the year are as under:

	Current Year		Previous Year	
	No of Units	(Rs in lakh)	No of Units	(Rs in lakh)
Birla Sun Life Cash Plus – Institutional – Growth	499,497.00	125.00	4,884,728.00	1,199.95
Birla Sun Life Cash Plus – Retail – Growth	-	-	1,095,542.00	262.31
Birla Sun Life Savings Fund - Institutional - Daily Dividend..	41,971,459.41	4,200.00	23,983,691.09	2,400.00
Birla Sun Life Savings Fund – Institutional – Growth.....	-	-	7,351,520.00	1,263.62
Birla Sun Life Savings Fund – Institutional – Daily Dividend	-	-	865,345.00	86.59
Birla Sun Life Savings Fund – Retail – Growth.....	-	-	221,703.00	37.01
BNP Paribas Overnight Fund	10,010,730.48	1,001.37	-	-
DSP Blackrock Floating Rate Fund	144,502.82	1,445.82	-	-
DSP Blackrock Liquidity Fund	102,622.90	1,026.55	-	-
Dws Insta Cash Plus - Super Institutional	10,903,779.52	1,093.69	-	-
DWS Ultra Short Term Fund - Institutional Daily Dividend....	20,717,443.18	2,075.45	23,957,116.76	2,400.00
HDFC Cash Management Fund – Savings Plan – Growth...	-	-	2,764,019.00	525.00
HDFC Cash Management Fund – Treasury Adv. – Growth .	490,029.00	99.00	1,741,136.00	345.00
HDFC- Floating Rate Income Fund- Short Term Plan	609,502.00	95.00	-	-
ICICI Prudential Flexible Income Plan Premium.....	1,488,646.02	1,574.02	472,880.31	500.00
ICICI Prudential Flexible Income Plan – Growth	138,197.00	189.00	121,543.00	205.50
ICICI Prudential Flexible Income Plan – Premium Growth ...	198,817.00	348.00	-	-
ICICI Prudential Flexible Income Plan Premium - Daily Dividend.....	-	-	381,952.19	40.39
ICICI Prudential Liquid Plan – Growth.....	42,745.00	99.92	15,822.00	35.00
ICICI Prudential Liquid Plan – Institutional – Plus Plan - Growth	107,858.00	250.00	-	-
ICICI Prudential Liquid Plan – Institutional – Growth.....	72,326.00	165.54	176,273.00	399.96
ICICI Prudential Liquid Plan - Super Institutional Plan	2,632,358.29	2,632.95	199,972.15	200.02
ING Liquid Fund – Institutional – Growth.....	-	-	710,565.00	100.00
ING Treasury Advantage Fund – Institutional – Growth	-	-	831,298.00	100.03
JM High Liquidity Fund – Institutional – Growth	4,344,278.00	675.96	4,354,456.00	630.95
JM High Liquidity Fund – Regular – Growth.....	-	-	252,751.00	63.00
JM High Liquidity Fund - Super Institutional.	30,097,251.82	3,014.69	23,651,969.13	2,369.10
JM High Liquidity Fund - Super Institutional - Growth	5,970,732.00	880.00	-	-
JM MMF – Regular – Growth	-	-	193,220.00	25.00
JM MMF – Super Plus – Growth	11,002,119.00	1,466.09	4,174,206.00	538.46
JM MMF - Super Plus Plan	30,858,206.75	3,087.46	40,664,252.99	4,068.58
JM MMF Super Plus Plan - Daily Dividend.....	26,014.00	2.60	479,745.73	48.00
Kotak Flexi Debt Scheme – Growth.....	-	-	1,109,255.00	155.08
Kotak Floater Long Term Fund - Dividend - Reinvestment ..	12,332,717.27	1,243.11	4,960,415.88	500.00
Kotak Flexi Debt Scheme – Institutional – Growth	7,842,882.00	916.05	13,168,284.00	1,184.16
Kotak Floater Long Term Growth.....	646,505.00	99.00	520,327.00	75.00
Kotak Liquid – Institutional – Growth	431,430.00	80.00	5,953,607.00	1,080.38
Kotak Liquid – Institutional Premium – Growth.....	2,037,151.00	397.13	2,691,698.00	498.05

	Current Year		Previous Year	
	No of Units	(Rs in lakh)	No of Units	(Rs in lakh)
Kotak- Liquid Regular - Growth	-	-	1,224,922.00	213.92
SBI Magnum Insta Cash Fund – Cash Option – Growth.....	1,533,014.00	329.67	4,106,309.00	633.00
SBI Magnum Insta Cash Fund – Liquid Floater – Growth	-	-	196,644.00	30.33
SBI Premier Liquid Fund – Institutional – Growth.....	-	-	1,541,001.00	225.00
SBI Ultra Short Term Fund – Institutional – Daily Dividend ..	-	-	2,405.00	0.24
SBI Ultra Short Term Fund – Institutional – Growth	787,101.00	99.00	1,424,168.00	170.00
Tata Floater Fund - Daily Dividend - Reinvestment	23,408,959.22	2,349.23	18,274,020.66	1,833.91
TATA Floater Fund – Growth.....	4,965,816.00	700.00	4,975,199.00	663.05
Tata Liquid Fund Appreciation	-	-	9,814.00	200.00
TATA Liquid High Investment Fund – Growth	-	-	19,738.00	314.41
TATA Liquid Super High Investment Fund – Growth.....	21,476.00	380.00	13,783.00	228.40
TATA Treasury Manager High Investment Plan- Growth	7,737.00	99.00	-	-
UTI - Treasury Advantage Fund - Institutional Plan - Daily Dividend.....	158,624.52	1,586.58	54,988.23	550.00
UTI Floating Rate Fund – Short Term – Growth	-	-	15,183.00	219.23
UTI Liquid Cash Plan – Institutional – Growth.....	138,474.05	1,411.67	34,196.00	517.73
UTI Treasury Advantage Fund – Growth	-	-	20,076.00	297.28
	226,741,002.24	35,238.56	203,861,741.14	27,432.60

6) Inventories, Current Assets, Loans and Advances:

- Construction Work in Progress represents materials at site & unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory have been made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.
- Project advances and interest accrued thereon represent the amounts recoverable from the proceeds of projects undertaken/financed by the Company as per the contracted terms. The advances as well as the interest thereon are considered good and fully recoverable based on inter-alia the estimates and projections by the Company of the project costs and revenues.
- Construction Work-in-Progress, Project Advances and interest accrued thereon referred to in 6(a) and 6 (b) above include Rs. 7,146.11 lakh (Previous year Rs. 6,873.11 lakh) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company, which is in the process of being referred to arbitration.

7) Loans and advances include advance of Rs.2,993.03 lakh (Previous year Rs. 2,959.59 lakh) for purchase of land given by Mahindra World City Developers Limited to a company engaged in the procurement of lands and is secured by way of registered equitable mortgage of lands admeasuring 36.25 acres (Previous year 36.25 acres), owned by a director of that company and his associates.

8) Sundry Creditors and Provisions:

- 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.
- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
- The Company has, in case of certain projects, provided for Rs. 1,023.00 lakh (previous year Rs. 1,023.00 lakh) as provision for losses to project completion. The amount has been determined using best estimates with regard to percentage of completion, foreseeable costs to completion and revenues from the project activity. However, considering future business scenario, inflation in construction costs and market movement causing changes in realisations, which

cannot be presently quantified, the final outcome may differ from that presently estimated. The probability and the timing of the outflow with regard to this matter depends on the completion of the project and conclusion of the arbitration proceedings.

- 9) The estimated amount of the contracts entered into and remaining to be executed on Capital account and not provided for (net of advances) as at 31st March 2011 is Rs. 1,026.81 lakh (*Previous year: Rs. 277.42 lakh*).
- 10) In respect of real estate projects under long term contracts, determination of profits / losses and realisability of the construction work in progress & Project advances necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion and the projections of revenues expected from projects / activity and the foreseeable losses to completion. Profit from these contracts and valuation of construction work in progress is based on such estimates.
- 11) The Company has subsidiaries which are engaged in the business of land development for industrial, commercial and residential use. Few companies are in the initial phase of development and have conducted preliminary studies and surveys for the project.

12) Leases:

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

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

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Gross Carrying Amount of premises	12,647.05	9,019.29
Accumulated Depreciation	1,357.09	1,078.40
Depreciation for the year	323.38	246.01
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	1,199.42	1,482.77
➤ Later than 1 year and not later than 5 years	1,025.82	1,304.88
➤ Later than 5 years	988.73	798.47

- b) Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	159.31	153.66
➤ Later than 1 year and not later than 5 years	86.59	-
➤ Later than 5 years	-	-

13) Contingent Liabilities

Matter	Current Year Rs. in lakh	Previous Year Rs. in lakh
a) Claims against the Company not acknowledged as debts represent :		
i) A Revision First appeal filed by a party in the Delhi High Court, and disputed by the Company, for recovery of brokerage in respect of a transaction relating to operating of commercial complexes. In the opinion of the management the above claim is not sustainable.	42.67	42.67
ii) Claims raised by a civil contractor in respect of a project at Mumbai.	88.44	88.44
iii) Demand from local authorities for transfer fees on transfer of property, disputed by the Company.	123.99	123.99
iv) Demand from a local authority for energy dues disputed by the company.	2,164.04	2,164.04
b) Income tax matters under appeal		
The Income tax Department has sought to re-classify certain business income as income from house property, in respect of which the Company has partially succeeded in appeal and is pursuing the matter further with the higher appellate authorities	1,218.55	1,366.50
The liability net of Deferred Tax Asset/Deferred Tax Liability would be Rs. 743.34 Lakh (<i>previous year Rs. 891.19 Lakh</i>)		
Other Income Tax demand, for which the Subsidiary Companies are contesting with the Appellate Authorities..	114.61	73.17
c) Guarantee/ Counter guarantee given by Mahindra Infrastructure Developers Limited for its joint ventures	900.00	900.00

14) Operating Expense includes a provision of Rs. Nil (Previous year Rs. 442.00 lakh)made in respect of an Arbitration award, against which the company has filed an appeal.

15) Employee Benefits
a) Gratuity
(1) Description of the Plan:

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

(2) Principal actuarial assumptions:

	Current Year	Previous Year
Discount rate	7.50%-8.17%	8.00%
Rate of Return on Plan Assets	9.00%-9.25%	9.50%

(3) Reconciliation of Benefit Obligation:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Liability at the beginning of the year	101.64	96.12
Interest Cost	7.90	6.71
Current Service Cost	39.92	29.46
Benefit Paid	(4.01)	(1.66)
Unrecognised Past Service Cost	15.86	-
Actuarial (Gain) / Loss on Obligations	(7.66)	(28.99)
Liability at the end of the year	153.65	101.64
Fair Value of Plan Assets at the end of the year	89.14	58.55
Amount recognised and disclosed under the head "Provisions for Gratuity"	64.51	43.09

(4) Reconciliation of Fair value of Plan Assets:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Fair Value of Plan Assets at the beginning of the year	58.55	45.98
Adjustment to the opening balance	5.27	4.41
Expected Return on Plan Assets	6.68	5.17
Contributions	23.41	9.82
Benefit Paid	(4.01)	(1.66)
Actuarial Gain / (Loss) on Obligations	(0.77)	(5.17)
Fair Value of Plan Assets at the end of the year	89.14	58.55

(5) Expenses recognised in the Profit and Loss Account under the head "Employee Remuneration & Benefits":

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Current Service Cost	39.92	29.46
Interest Cost	7.90	6.72
Unrecognised Past Service Cost	15.85	-
Expected Return on Plan Assets	(6.68)	(5.17)
Net Actuarial (Gain) / Loss recognised	(6.89)	(23.82)
Expenses recognised in Profit and Loss Account	50.10	7.19

b) Leave Encashment:

- (1) The leave encashment benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.
- (2) Principal actuarial assumptions:

	Current Year	Previous Year
Discount rate	8.17%	8.00%

(3) Reconciliation of Benefit Obligation:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Liability at the beginning of the year	96.58	82.03
Interest Cost	6.61	5.06
Current Service Cost	35.90	25.35
Benefit Paid	(6.34)	(5.46)
Actuarial (Gain) / Loss on Obligations	(10.83)	(10.40)
Liability at the end of the year recognised and disclosed under the head "Provisions for Leave Encashment"	121.92	96.58

(4) Expenses recognised in the Profit and Loss Account under the head Personnel Expenses:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Current Service Cost	35.90	25.35
Interest Cost	6.61	5.06
Benefit Paid	(1.06)	0.16
Net Actuarial (Gain) / Loss recognised	(10.83)	(10.40)
Expenses to be recognised in Profit and Loss Account	30.62	20.17

16) Segmental Reporting

	Rs. in lakh			
	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
REVENUE				
External Revenue	1,228.52	59,702.62	262.25	61,193.39
<i>Previous Year</i>	<i>1,227.18</i>	<i>39,987.37</i>	<i>572.32</i>	<i>41,786.87</i>
Inter-segment Revenues	-	-	-	-
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL REVENUE	1,228.52	59,702.62	262.25	61,193.39
<i>Previous Year</i>	<i>1,227.18</i>	<i>39,987.37</i>	<i>572.32</i>	<i>41,786.87</i>
SEGMENT RESULT	1,038.70	19,924.73	(7.79)	20,955.64
<i>Previous Year</i>	<i>1,052.23</i>	<i>12,287.47</i>	<i>158.95</i>	<i>13,500.25</i>
Unallocated Corporate Expenses (net)	-	-	-	(3,224.75)
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(1,324.52)</i>
Operating profit	-	-	-	17,730.89
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>12,175.53</i>
Interest expense	-	-	-	(1,132.45)
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(928.87)</i>
Interest income	-	-	-	871.81
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>641.55</i>
Income taxes	-	-	-	(5,868.92)
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(3,834.88)</i>
Net Profit	-	-	-	11,336.50
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>8,053.33</i>
OTHER INFORMATION				
Segment Assets	2,472.19	1,65,823.68	25.42	1,68,321.30
<i>Previous Year</i>	<i>2,526.19</i>	<i>1,38,711.67</i>	<i>188.47</i>	<i>141,426.33</i>
Unallocated Corporate Assets	-	-	-	33,467.86
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>33,041.57</i>
TOTAL ASSETS	-	-	-	2,01,789.16
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1,74,467.90</i>
Segment Liabilities	621.03	89,931.3	41.91	90,594.24
<i>Previous Year</i>	<i>626.13</i>	<i>71,575.41</i>	<i>144.26</i>	<i>72,345.58</i>
Unallocated Corporate Liabilities	-	-	-	4,676.46
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3,245.63</i>
TOTAL LIABILITIES	-	-	-	95,270.70
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>75,591.21</i>
Capital Expenditure	-	2,249.29	-	2,466.88
<i>Previous Year</i>	<i>-</i>	<i>4,099.93</i>	<i>-</i>	<i>4,428.62</i>
Depreciation	51.43	567.54	1.31	811.84
<i>Previous Year</i>	<i>51.70</i>	<i>436.52</i>	<i>1.86</i>	<i>658.63</i>

Notes:

- The segment result for Projects, Project Management and Development activity is arrived at after considering an interest of Rs. 187.36 lakh (Previous year Rs. 252.37 lakh), as it formed part of the cost of projects according to the method of accounting followed by the Company.
- The Company has discontinued the Operations of its segment- Business Centre during the quarter ended 31st December, 2010.

17) Related Parties

List of related parties:	
Enterprises Controlling the Company	
Mahindra & Mahindra Limited	Holding Company
Fellow Subsidiaries	
Bristlecone India Limited.	Mahindra Logisoft Business Solutions Limited
Mahindra Holidays & Resorts India Limited.	Tech Mahindra Limited
Mahindra Two Wheelers Private Limited	Mahindra Logistics Limited
Mahindra Consulting Engineers Limited.	Mahindra Rural Housing Finance Limited
Mahindra Engineering & Chemical Product Limited	
Joint Ventures & Associates of the Company	
Mahindra Water Utilities Limited (Joint Venture)	
Mahindra Inframan Water Utilities Pvt Limited (Joint Venture)	
Rathna Bhoomi Enterprises Pvt. Limited (Associate)	

Key Management Personnel

Ms. Anita Arjundas - Managing Director and Chief Executive officer.

Mr. B K Subbaiah,

Ms. Sangeeta Prasad.

Enterprises over which key management personnel are able to exercise significant influence: Nil

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

(Rs in lakh)

Nature of Transactions	Enterprise controlling the Company	Companies under common control including fellow Subsidiaries	Key Management Personnel
Rendering of Services	1,225.09	(252.89)	-
<i>Previous Year</i>	1,912.14	10.40	-
Receiving of Services	376.58	74.62	-
<i>Previous Year</i>	406.36	76.58	-
Remuneration	-	-	237.84
<i>Previous Year</i>	-	-	176.46
Expenses Reimbursement	153.44	1.76	-
<i>Previous Year</i>	100.32	-	-
Finance Given during the year	2,700.00	11,500.00	-
<i>Previous Year</i>	993.33	-	-
Finance taken during the year	-	-	-
<i>Previous Year</i>	538.70	-	-
Interest Received	-	156.78	-
<i>Previous Year</i>	-	-	-
Purchase of Land	1,700.00	-	-
<i>Previous Year</i>	-	-	-
Purchase of Goods	39.07	-	-
<i>Previous Year</i>	-	-	-
Sale of Assets	11.55	-	-
<i>Previous Year</i>	-	-	-
Redemption of Shares	1,000.00	-	-
<i>Previous Year</i>	-	-	-
Deposit Received	-	-	-
<i>Previous Year</i>	-	1.00	-
Deposit Repaid	-	-	-
<i>Previous Year</i>	-	1.00	-
Dividend Paid	937.03	-	-
<i>Previous Year</i>	626.15	-	-
ICD Repaid	-	6,000.00	-
<i>Previous Year</i>	-	-	-
Receivables	2,017.49	5,502.46	-
<i>Previous Year</i>	994.00	2.46	-
Payables	1,207.23	577.66	-
<i>Previous Year</i>	1,214.04	577.66	-

The significant related party transactions are as under:

Nature of Services	Enterprises Controlling the Company	Amount (Rs. in lakh)	Enterprises under the Common Control of the Company / Fellow subsidiaries	Amount (Rs. in lakh)	Key Management of Personnel	Amount (Rs. in lakh)
Rendering of Services	<i>Mahindra & Mahindra Limited</i>	1,225.09	<i>Mahindra Holidays & Resorts India Limited</i>	256.89		
Receiving of Services	<i>Mahindra & Mahindra Limited</i>	502.84	<i>Mahindra Consulting Engineers Limited</i>	71.17		
Remuneration					<i>Ms. Anita Arjundas</i>	114.84
					<i>Mr. B.K. Subbaiah</i>	60.60
					<i>Ms. Sangeeta Prasad</i>	62.40
Expenses Reimbursement	<i>Mahindra & Mahindra Limited</i>	153.44	<i>Mahindra Holidays & Resorts India Limited</i>	1.76		
Finance Given during the year	<i>Mahindra & Mahindra Limited</i>	2,700.00	<i>Mahindra Two Wheelers Pvt. Limited</i>	2,000.00		
			<i>Mahindra & Mahindra Financial Services Limited</i>	4,000.00		
			<i>Mahindra Engineering & Chemical Product Limited</i>	5,500.00		
Interest Received			<i>Mahindra Two Wheelers Pvt. Limited</i>	104.38		
			<i>Mahindra & Mahindra Financial Services Limited</i>	52.40		
Purchase of goods	<i>Mahindra & Mahindra Limited</i>	39.08				
Purchase of Land	<i>Mahindra & Mahindra Limited</i>	1,700.00				
Sale of Assets	<i>Mahindra & Mahindra Limited</i>	11.55				
Redemption of Shares	<i>Mahindra & Mahindra Limited</i>	1,000.00				
Dividend Paid	<i>Mahindra & Mahindra Limited</i>	937.03				
ICD Repaid			<i>Mahindra Two Wheelers Private Limited</i>	2,000.00		
			<i>Mahindra & Mahindra Financial Services Limited</i>	4,000.00		
Receivables	<i>Mahindra & Mahindra Limited</i>	2,017.49	<i>Mahindra Engineering & Chemical Product Limited</i>	5,500.00		
Payables	<i>Mahindra & Mahindra Limited</i>	1,207.23	<i>Tech Mahindra Limited</i>	570.00		

- 18) The Subsidiary Company, Mahindra Infrastructure Developers Ltd. had entered into a Solid Waste Treatment Agreement on 17th January, 2003 (“the Agreement”) 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:

(Rs. in Lakh)

Description of Assets	Written Down Value of the Assets
Building	28.45
Plant & Machinery and Office Equipment	167.97
Computer	0.05
Furniture & Fixtures	0.10
Vehicle	0.47
Total	197.04

The carrying amount of current assets pertaining to the above discontinuing operation is Rs. 22.57 lakhs (2010: Rs. 22.73 lakhs) and its current liabilities is Rs. 20.28 lakhs (2010: Rs. 19.99 lakhs).

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

Rs. in Lakh

Particulars	Continuing Operation		Discontinuing Operation		Total	
	2011	2010	2011	2010	2011	2010
Income	39.90	115.38	0.75	1.88	40.65	117.26
Raw Materials & Finished Products	—	—	0.93	5.81	0.93	5.81
Personnel Expenses	9.76	25.11	3.62	10.59	13.38	35.69
Other Expenses	2.56	3.49	3.25	8.09	5.81	11.57
Depreciation	0.13	0.20	—	2.68	0.13	2.89
Profit/(Loss) for the year before taxation	27.45	86.57	(7.05)	(25.29)	20.40	61.30

19) Information in respect of Joint Ventures and Jointly Controlled Operations

a) Jointly Controlled operations

- i) Development of the following residential projects:
G.E. Gardens, Mumbai
- ii) Project for providing potable drinking water and sewerage facilities at Tirupur, Tamil Nadu.

b) Jointly controlled entities

Name	Country of Incorporation	Business Activity	Proportion of Ownership Interest
Mahindra Water Utilities Limited	India	O&M of water & sewerage facilities at Tirupur	50.00%
Mahindra Inframan Water Utilities Pvt. Limited	India	O&M of water & sewerage facilities at Navi Mumbai	50.00%

c) Interest in the Assets, Liabilities, Income and Expenses with respect to jointly controlled entities

	Current Year Rs. in lakh	Previous Year Rs. in lakh
Assets	1,914.94	1289.19
Liabilities	488.13	297.13
Income	624.30	532.95
Expenses	314.08	291.08

20) Details of Associates

Name of Associate	Country of Incorporation	% Holding
Rathna Bhoomi Enterprises Private Limited	India	50.00%

21) Goodwill/ Capital Reserve arising out of Investment in Associates

The share of losses in Rathna Bhoomi Enterprises Pvt. Limited., exceeds the carrying cost of the investments. As per the requirements of the Accounting Standard (AS) – 23, the Company has not recognised its shares in further losses and accordingly, the investments are carried at Nil value.

22) Earnings per share

Calculation of Net Profit (including extraordinary item) available for Equity Shareholders:

	Current Year Rs. in lakh	Previous Year Rs. in lakh
A Net Profit After Tax	10,817.27	7,849.05
Less : Dividend on Non Cumulative Redeemable Preference Shares (including Tax on distributed Profits)	119.42	122.84
Profit available for Equity Shareholders	10,697.85	7,726.21
B Weighted Average number of Equity Shares of Rs. 10/- each	408.32	408.09
C Basic and Diluted Earnings per Share (Rs)	26.20	18.93

23) The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

Signature Schedules 1 to 23

For and on behalf of the Board

Arun Nanda *Chairman*

Uday Y. Phadke *Director*

Sanjiv Kapoor *Director*

Shailesh Haribhakti *Director*

Anil Harish *Director*

Prakash Hebalkar *Director*

Mumbai : 23rd April, 2011

Sahas Kulkarni
Company Secretary

Anita Arjundas *Managing Director & CEO*

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ATTENDANCE SLIP

MAHINDRA LIFESPACE DEVELOPERS LIMITED

Registered Office: Mahindra Towers, 5th Floor, Worli, Mumbai – 400 018.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slip on request.

DP Id*

Registered Folio No.

Client Id*

No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **Twelfth Annual General Meeting** of the Company held on Thursday, 21st July, 2011 at 3.00 p.m. at Y. B. Chavan Centre, Gen. Jagannath Bhonsle Marg, Near Sachivalya Gymkhana, Mumbai – 400 021.

Signature of the shareholder or proxy _____

* Applicable for investors holding shares in electronic form.

TEAR HERE



PROXY FORM

MAHINDRA LIFESPACE DEVELOPERS LIMITED

Registered Office: Mahindra Towers, 5th Floor, Worli, Mumbai – 400 018.

DP Id*

Registered Folio No.

Client Id*

No. of Shares

I/We _____ of _____ being a member / members of MAHINDRA LIFESPACE DEVELOPERS LIMITED hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the **Twelfth Annual General Meeting** to be held on Thursday, 21st July, 2011 at 3.00 p.m. or at any adjournments thereof.

Signed this _____ day of _____ 2011

Place : _____

Signature

Affix a 30 paise Revenue Stamp

* Applicable for investors holding shares in electronic form.

Note: The proxy in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Awards & Accolades

- Mahindra World City, Chennai won the '**Integrated Township of the Year**', award at the Realty Plus Excellence Awards in 2010.
- Mahindra Lifespace Developers Ltd., ranked '**One of India's TOP 10 Builders 2010**', by Construction World.
- Eminente, Mumbai awarded '**The Economic Times ACETECH**' award for **Excellence** in Mid Segment (Exterior Architectural Design).
- Corporate newsletter 'Refresh' awarded '**Gold**' for **Newsletter Design** and the 'Aqualily Brochure' awarded '**Silver**' for **Brochure design** by Association of Business Communicators of India (ABCI).
- Corporate newsletter 'Refresh' won silver at the '**Communication Awards**' from Public Relations Council of India (PRCI) and also, won '**Silver**' for Aqualily Brochure and '**Appreciation**' for Table Diary.
- www.mahindraworldcity.com bagged runner-up position in the category '**Best Website of a National / Regional / Local Government / Association**' at World Free Zone Convention, Ras Al Khaima in December 2010.
- The Woods project in Wakad, Pune, has been awarded the First Prize by the Pimpri Chinchwad Municipal Corporation for tree plantation and conservation.



Ongoing Projects - A glimpse into the future

Chloris, Faridabad



Aquility Sample Flat, New Chennai



Eminente Clubhouse, Mumbai



Mahindra World City (MWC), Jaipur



Sundaram Clayton, MWC New Chennai



BMW, MWC New Chennai





OUR PRESENCE: MUMBAI | DELHI NCR | CHENNAI | JAIPUR | PUNE | NAGPUR | HYDERABAD

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Website: www.mahindralifespaces.com