



Rooted in Realty
MARATHON NEXTGEN REALTY LIMITED

www.marathonnextgen.com



Marathon NexGen Realty Ltd.
Marathon Futurex, Mafatlal Mills Compound,
N. M. Joshi Marg, Lower Parel - West, Mumbai - 400 013.

By Designer/19.13



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Chairman's Speech

Dear Shareholder,

It gives me great pleasure to interact with you yet again.

1. Economic Environment:

a. The general economic environment remained subdued during the year under review. There has been a perceptible slowdown in the economy with the GDP being downgraded and pegged at growth rate of 5%, a rate lower than earlier estimated. The deceleration is being witnessed across sectors including Agriculture, Industry, Services and more particularly in Infrastructure that includes real estate.

b. While there has been a drop in the Industrial sector, it was some consolation that the construction segment saw an increase of 5.9% during 2012-13 as against 5.2% in the previous year.

2. Road to Improvement: If there has to be any tangible improvement in the macro-economic level, then it is essential to expect action and progress on many fronts-International economy, Indian economy and Real Estate Sector.

a. International economy: As has been observed, international woes have been lowered considerably and quantitative easing is nearing its end. The economy worldwide if not on growth path, is moving towards stability.

b. Indian economy: The Indian economy is struggling to balance growth and inflation.

i. The Government (Finance Minister) has been advocating higher liquidity (read, lower interest rates). This will keep India closer to our targeted growth rate but will risk higher inflation and higher costs of living and greater Rupee depreciation versus world currencies.

ii. On the other hand, Reserve Bank of India is more concerned with immediate inflation and Rupee depreciation. RBI is recommending the tightening of liquidity for long term stabilization to natural levels of growth, inflation and currency but this will come at the cost of growth.

iii. Both sides have its logic and reasoning as well as supporters from different quarters. What is required is a cohesive effort from all concerned. If the policies are aligned (Government, RBI and Industry) towards one of the two options there will be general consensus. A strategic planning by the industry can take such variables into account for the future growth. Uncertainty in policy doesn't help anyone.

c. Real Estate Sector: Uncertainty is hurting Real Estate Sector.

i. Uncertainty and making impending legislations applicable with retrospective efforts will help no one.

ii. In a developing economy, we need to continually update our legislation – removing age old Acts and Regulations which have outlived their purposes and no longer serve the current requirements. Also, implementing new Acts and Regulations which are non-existent but very much relevant to us today lead to faster approval systems and reduce corruption (read powers of officers and politicians). This would revitalize growth and restore business and customer confidence. These are agreeable arguments by all sides.

iii. Trouble brews during transition. Take for example - experience during the DC regulation change in Mumbai. All ongoing projects of every developer were delayed resulting in cash-flow difficulties and higher holding costs. Yet again, this has resulted in higher NPAs for the Banks and Delayed possession to the purchasers. The Government has good intentions at heart but no one benefits in this transitory period. I have made this suggestion earlier and would like to emphasize that all new regulations be made applicable for new projects. DO NOT CHANGE RULES OF THE GAME HALFWAY INTO THE GAME.

3. Current Scenario:

a. As per a study conducted by Prop-Equity, 3.67 lakhs residential units were sold during 2012-13 as against 3.98 lakh units in 2011-12, with unsold inventory at 20 months as against 18 months in the previous year.

b. In the commercial office space segment, 30.2 million sq. feet of area was sold as against 47.3 million sq. ft during 2011-12.

c. This situation has to dramatically improve for this sector to find its bearings. Despite the sector reeling under these problems, little help seem to be emanating from the powers that be. On the contrary, there is a plethora of levies in the form of indirect taxes that have caused considerable hardship to the sector especially in the State of Maharashtra. These include the continuation of Service Tax and the retrospective levy of VAT. There is no clarity in the levy of these taxes and are under litigation which adds to the hardship. High input costs and dearth of funding adds to the woes of the inventory pile up.



- d. The Real Estate Regulatory Bill is on the threshold of becoming part of the statute. While this is a welcome step, it will be effectively implemented only if the Sector receives a single window clearance for projects which currently does not look very feasible.
- e. The Government is currently on a reform spree. Hopefully this will usher in a path towards development that could help to lift the sagging economy and with it the fortunes of the industry.

4. Intangible Assets: While we are here to approve accounts for the last financial year, I would like to say that Business Balance Sheets hide many more assets than what they display. Only tangible assets no longer remain the competitive advantage for companies. Assets which balance sheets capture are no longer the limitations of key strengths of the company. In today's environment, many critical assets are intangible. A decade ago, your company was a sick industrial company. Over this period it has successfully completed multi user projects in its Lower Parel facility. Marathon Era - the Residential Project and Marathon Innova - the Commercial Project have won several accolades and are landmarks. Both have proved to be highly profitable and have created considerable wealth for shareholders. In the process, your company has developed intangible assets like customer loyalty and experience that company creates, by the kind of talented and sincere people company employs, by the kind of innovative technology it possesses and many more.

5. Future Projects: A joint venture for developing a prime property in Mumbai will commence shortly which will leverage not only the company's physical assets but also intangible assets. The property in the Western Suburbs and Bangalore will take a few more years to gather steam.

6. The company has embarked on an ambitious programme of Corporate Social Responsibility. It sets aside a portion of its profits, which funds a trust setup for creating quality educational facilities. Senior personnel of the group impart counseling to aspiring students relating to their future educational and social pursuits. This concept of CSR will extend to other areas as well.

7. Marathon, as the word means, is not a sprint but a run of a steady and long duration. Similarly your company Marathon Nextgen is a long term player and will stay the course. It will play a significant role in the housing requirements in the Mumbai Metropolitan Region. As CK Prahalad has said, "The Future won't be an extrapolation of the past".

My sincere thanks for the faith that you have reposed in Marathon and I urge you to continue to do so.

Yours truly,

Chetan R. Shah
Chairman & Managing Director



Vice Chairman's Speech

Dear Shareholders,

I am pleased to present to you the annual report of your company for the financial year 2012-13.

Despite lower bottom-line and general slowdown in the realty sector, I am happy to inform you that the Management has recommended an increased Dividend payout of Rs. 4.50/ share in this year, compared to the previous year (Rs. 4/ share).

The journey of your company in the last twelve months was quite satisfactory, at a time when the Indian economy as a whole was experiencing a meltdown of sorts, a condition further exacerbated by government policy measures aimed at curbing inflationary pressures.

As indicated in my Message to you last year, your Company had foreseen the possibility of a moderation of the growth momentum. It had put in place prudent corporate strategies that include a much focused roadmap with a proper segmentation of the two concepts necessary to take the group ahead of the competition.

This year we have brought these two concepts to fruition. In a glorious case of converting challenges into opportunities, we have now launched ambitious brands titled 'NEX' - which stands for Next generation Eco-friendly Xtra utility homes- and 'MONTE' - a series of High Rise towers. These projects will contribute to taking your company a step ahead in the Real Estate World.

The concept behind NEX is large and inclusive. Marathon believes that its every customer, past or prospective is special and deserves to get more than what he or she expects. The group, through the NEX brand, wishes to create homes that go beyond the expectations of its customers and would offer more value for their hard-earned money.

The pilot project of brand "NEX" titled NEXZONE at Panvel received an overwhelming response with more than 1300 bookings in a short span of time. Taking into consideration the demand for housing from the new age home buyers, Marathon Group plans to launch Nextown in Dombivli that can accommodate over 2000 families. Also, another project titled 'Nexworld' at Dombivli is on the anvil for 20000 families.

Monte is a series of High Rise towers that includes the ongoing Monte Vista and Monte Carlo and upcoming multi-towers project such as "Monte South". Marathon Group is expecting to generate revenues from this project very soon.

Marathon Group has a strong presence in the emerging growth corridors such as Dombivli and Panvel (Mumbai Metropolitan Region). We are sure that we will not only do the business of real estate but also cater to the growing need of housing and create a value for our discerning customer's money.

I take this opportunity to thank all those who have reposed their faith in us. Marathon is confident of delivering value to its shareholders. Together, we can fulfill our responsibility in society and in the words of Mahatma Gandhi, "Be the change you wish to see in the world."

Thank you,

Mayur R. Shah

Vice Chairman



Board of Directors & Associates



Mr. Chetan R. Shah
Chairman & Managing Director



Mr. Mayur R. Shah
Vice Chairman & Director



Mr. S. Ramamurthi
Wholetime Director



Mr. V. Nagarajan
Director



Mr. V. Ranganathan
Director



Mr. Padmanabha Shetty
Director

Company Secretary: Mr. K. S. Raghavan

Registered Office: Marathon Nextgen Realty Ltd, Marathon Futurex, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (W), Mumbai - 400 013.

Corporate Office: 702, Marathon Max, Mulund-Goregaon Link, Road, Mulund (W), Mumbai - 400 080.

Auditors: Haribhakti & Co, Chartered Accounts.

Bankers: AXIS Bank Ltd, HDFC Bank Ltd.







Share Transfer Agents: Adroit Corporate Services Pvt. Ltd, 19/20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059.

A G M: Friday, September 20, 2013, at 11:30 am.

Venue: Nehru Planetarium, Nehru Centre, Basement Hall, Worli, Mumbai - 400 018.

Values

Dharma

-  Stand tall in terms of integrity & transparency
-  Improve continuously & scale heights
-  Always focus on customer delight
-  Respect resources and create exponential value
-  Constantly endeavour to create happiness for one and all
-  Be committed and respectful to all and be firm and fair at the same time



Vision & Mission

There are Five Aspects to our vision. By 2017, we aim:

- To grow 6.5 times in Revenue and 5 times in Area Constructed
- To be in the Top 5 in Customer Satisfaction in MMR
- To be the Most Trusted developer in MMR
- To provide 'Best in Class' design
- To be in the Top 5 in Employee Engagement in MMR

We intend to reach this position keeping in mind our 'Dharma'



Awards



MARATHON NAGARI, BADLAPUR

Bagged National Award for 'Best Residential Apartment - Low Cost, Metro' from CREDAI on 11th August, 2012.



Marathon NextGen Era

Awarded for 'Excellent Interior Design' (Premium Segment) by The Economic Times ACETECH 2010.



Marathon NextGen Campus

Awarded for 'Best Urban Design and Master Planning Award' by Construction Source India on 15th November, 2009.



Marathon NextGen Innova

Won the award for 'The Best Commercial Project of the year 2006-07' by Accomodation Times



Marathon Heights

The first residential tower in India with a helipad, was awarded 'The Best Residential Project of the year 1999' by Accomodation Times

MONTE SOUTH

BYCULLA

Hi-Rise Residential Towers

Upcoming luxurious project
at Central Mumbai, Byculla.

Call:

+91-22-6724 8585 / 6158 8484





MARATHON FUTUREX

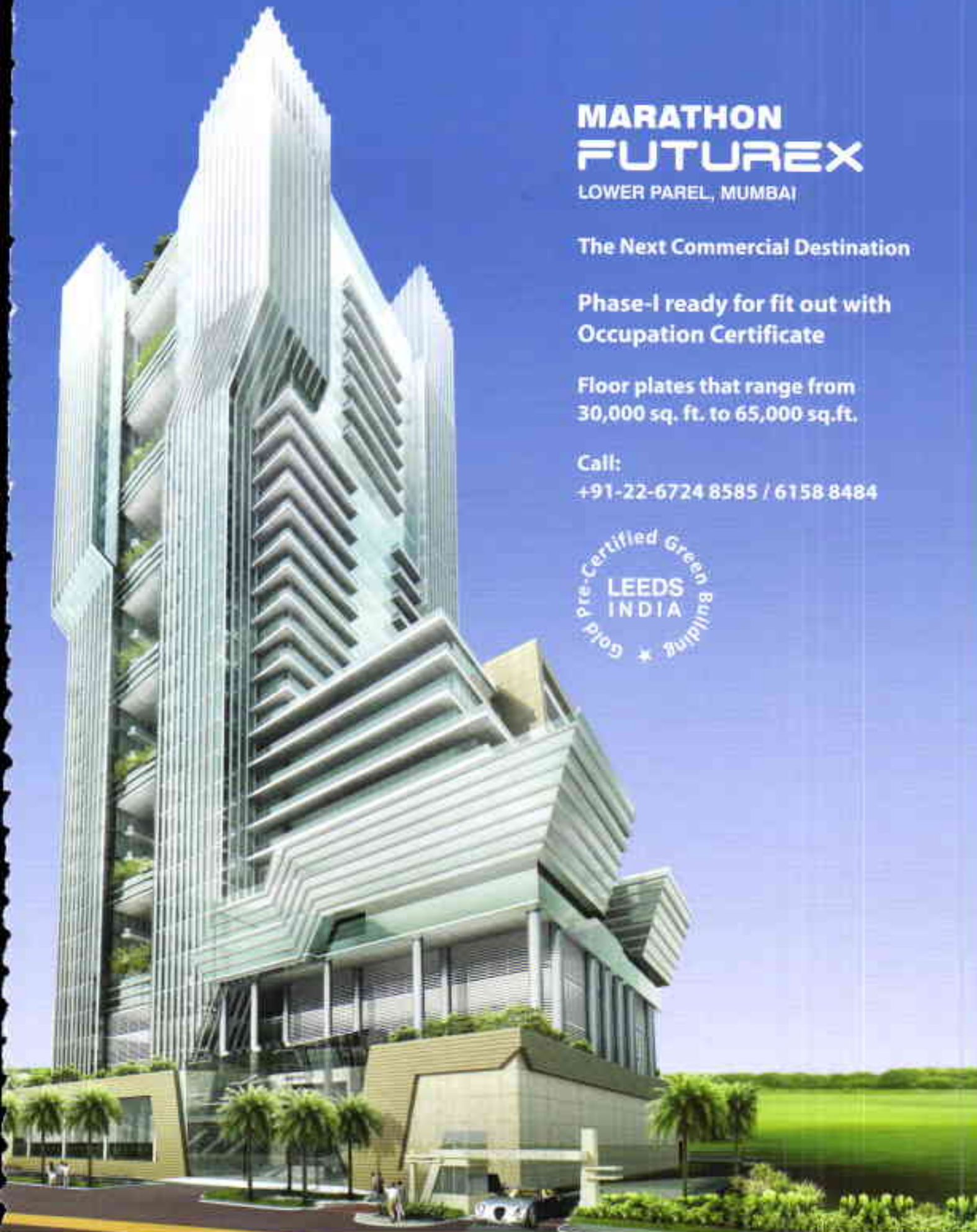
LOWER PAREL, MUMBAI

The Next Commercial Destination

Phase-I ready for fit out with
Occupation Certificate

Floor plates that range from
30,000 sq. ft. to 65,000 sq.ft.

Call:
+91-22-6724 8585 / 6158 8484



MARATHON ICON

LOWER PAREL



Available SBS starting from
1,523 sq. ft.

Call: +91-22-6724 8587



MARATHON NEXTGEN ICON



NEARING COMPLETION

MARATHON MONTE CARLO

RESIDENTIAL SUITS

MULUND (W)

EXQUISITE 4 & 5 BHK APTS.

MARATHON MONTE VISTA

A 33 STOREY
LUXURY RESIDENTIAL TOWER

MULUND (W)

2 BHK & COMBINATION
APARTMENTS

MARATHON MONTE PLAZA

OFFICES & RETAIL SPACES

MULUND (W)

RETAIL & OFFICES

Location: Madan Mohan Malviya Marg, Opp. P & T Colony, Off LBS Marg, Mulund (W), Mumbai - 400 080.

Call: +91-22-6146 6141



The NEX range of Next generation Eco-friendly Xtra utility homes are a manifestation of Marathon's endeavour to offer something extra and to its customers that can also stand the test of time. The Townships and Mini Townships that fall in the NEX family, all deploy the leading construction technologies in the real-estate space, and their commitment towards creating eco-friendly living spaces in totality.

MARATHON NEXZONE

PANVEL
2 BHK & COMBINATION APARTMENTS

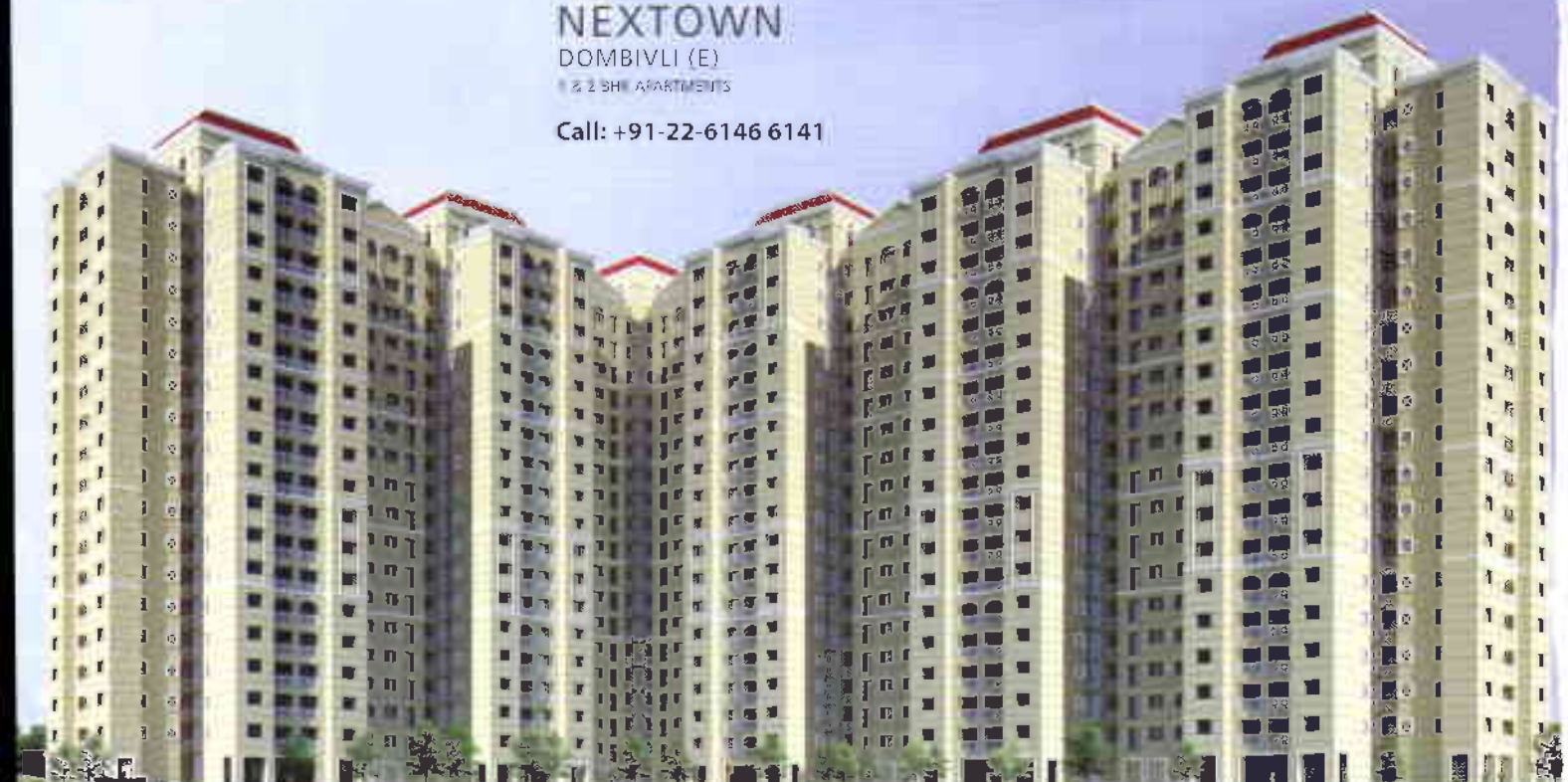
Call: +91-22-6724 8599



MARATHON NEXTOWN

DOMBIVLI (E)
1 & 2 BHK APARTMENTS

Call: +91-22-6146 6141





MARATHON NEXWORLD

DOMBIVLI (E)

1 BHK & COMBINATION APARTMENTS

Call: +91-22-6146 6141



MARATHON NAGARI-NX

BADLAPUR (E)

1 & 2 BHK APARTMENTS

Call: +91-22-6146 6141





MARATHON CHAMBERS

Independent Business House

LOWER PAREL

Floor plate: 17,729 sq. ft.

Total Area: 91,120 sq. ft.

Ready for fit-out

Call:

+91-22-6724 8585 / 6158 8484

Marathon NextGen Project



MARATHON NEXTGEN INNOVA

The Generation Next Corporate Centre

LOWER PAREL



Business spaces of
1500 & 1700 sq. ft.
with terrace

Ready for fit-out

Call: +91-22-6724 8587



Reports

A step by step approach leads to the way results are achieved and benchmarks are set. The following pages take you step by step in analyzing and scrutinizing the reports as authored by the dignitaries of the company.

The next step that we aim at taking, is to consider these reports as the testing ground and build towards new levels, Step By Step.

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of MARATHON NEXTGEN REALTY LIMITED will be held at Nehru Planetarium, Nehru Centre, Basement Hall, Worli, Mumbai- 400 018, on Friday, 20th September, 2013 at 11:30 am to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet for the year ended on 31st March, 2013 and the Profit and Loss Account as at that date and the Reports of the Directors and Auditors thereon.
2. To confirm the dividend paid upon redemption of 6% - Redeemable Cumulative Preference shares as on March 31, 2013.
3. To declare Dividend on Equity Shares.
4. To appoint a Director in place of Mr. V. Nagarajan, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. Haribhakti & Co, Chartered Accountants, retiring Auditors, as the 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 and authorize the Board to determine their remuneration.

B. SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution: "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the reappointment of Mr. Chetan R. Shah as Chairman and Managing Director of the Company for a period of five years commencing from 1st July, 2013 and the remuneration payable to him as recommended by the Remuneration Committee and as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with a liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr.Chetan R. Shah."

Registered Office:

Marathon Futurex,
N.M. Joshi Marg,
Lower Parel,
Mumbai 400 013.
Date: 18th May, 2013

By Order of the Board

K. S. Raghavan
Company Secretary

NOTICE

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorized representatives are requested to send a duly Certified Copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
4. Members are requested to send all communications relating to shares, unclaimed dividends and intimate any changes in their address to the Registrar and Share Transfer Agents, M/s Adroit Corporate Services Pvt. Ltd., 19/20, Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400 059. 'Adroit' is also the Depository interface of the Company with both NSDL and CDSL.
5. Subject to section 206A of the Companies Act 1956 the Dividend as recommended by the Board, if approved at the 36th Annual General Meeting, will be paid to those members whose name stand on the Company's Register of members as on 20th September, 2013. In respect of shares held in the electronic form, the dividend will be payable on the basis of beneficial ownership furnished by NSDL and CDSL for this purpose.
6. The interim dividend on Preference Shares as recommended by the Directors for the year ended 31st March, 2013 upon the redemption of 25,000, 6% Cumulative Redeemable Preference Shares be taken as final one.
7. Electronic Clearing Services (ECS) helps in quick remittance of Dividend without possible loss/delay in postal transit. Members are requested to fill in the enclosed form and forward the same to the Company's Registrar and Share Transfer Agents. If the shares are held in the physical form and to the Depository Participant in case the shares are held in Dematerialized form.
8. Under section 205A of the Companies Act, 1956 dividends that are unclaimed for a period of seven years are transferred to the "Investor Education and Protection Fund" constituted by the Central Government. Accordingly the Members who have not encashed the dividend warrants are requested to encash the same soon.
9. The Register of members and the share transfer books of the Company will remain closed from 11th September, 2013 to 20th September, 2013 (both days inclusive) for dividend.
10. The shareholders are requested to intimate any change in their addresses to the Share Transfer Agents of the Company.
11. The Shareholders holding the scrip in physical form are requested to dematerialize their scrip in electronic form.
12. As a part of Green Initiative all the members are requested to provide their e-mail address to the RTA/Company to enable to send the reports and other information through electronic mode.

Regd. Office:
Marathon Futurex,
N.M. Joshi Marg,
Lower Parel,
Mumbai 400 013.
Date: 18th May, 2013

By Order of the Board
K. S. Raghavan
Company Secretary

ANNEXURE TO THE NOTICE:

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

Item No. 6 :

Mr.Chetan R. Shah has over 36 years experience in planning, operations, quality assurance and execution of large projects in the construction industry. He was reappointed as Chairman and Managing Director (CMD) of the Company by the Board for a period of three years and that the same was approved by the members of the Company at the Thirty Third Annual General Meeting held on 29th September, 2010. His current term expires on 30th June, 2013.

Mr.Chetan R. Shah's contribution to the Company is invaluable and effective participation in implementing the projects of the Company coupled with his unstinted efforts in maintaining consistency in operational performance of the construction activities and in the management of affairs of the Company have led to continuous improvement of its performance. In view of the above, the Board of Directors of the Company at its meeting held on the 18th May, 2013 has reappointed Mr.Chetan R. Shah as Chairman and Managing Director of the Company for a further period of five years with effect from 1st July, 2013 on the remuneration recommended by the Remuneration Committee and the Board of Directors. The material provisions of the draft agreement as referred to in the resolution are as follows:

a. REMUNERATION :

Salary shall not exceed Rs. 5 Lacs per month with annual increments being determined and recommended by the Remuneration Committee and to be approved by the Board of Directors on a yearly basis. Bonus will be paid in accordance with the rules of the Company.

b. COMMISSION :

Commission to be paid @ 1% on the net profit of the Company in a financial year computed in the manner laid down in Section 309(5) of the Companies Act, 1956 and subject to a ceiling as may be determined by the Remuneration Committee/Board of Directors.

c. PERQUISITES :

In addition to Salary as above, the Chairman and Managing Director shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof house maintenance allowance as permissible under law together with reimbursement of expenses or allowances for utilities such as gas, electricity, water furnishings repairs and other allowances, medical reimbursement, club fees and leave travel concession for self and his family, personal accident insurance and such other perquisites as are payable in accordance with the rules of the company or as may be agreed to by the Remuneration Committee and/or Board of Directors and the Chairman & Managing Director. However such perquisites will be subject to a maximum of 100% of the salary.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

MINIMUM REMUNERATION IN THE EVENT OF NO PROFIT OR INADEQUACY OF PROFITS :

If the Company has made no profits or its profits are inadequate, in any financial year during the currency of the tenure of the CMD, the Company shall pay to the CMD, the above Salary and perquisites as Minimum Remuneration subject to the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956.

In addition to Salary as above, the CMD shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof house maintenance allowance as permissible under law together with reimbursement of expenses or allowances for utilities such as gas, electricity, water furnishing, repairs and other allowances, medical reimbursement, club fees and leave travel concession for self and his family, personal accident insurance and such other perquisites as are payable in accordance with the rules of the company or as may be agreed to by the Remuneration Committee and/or Board of Directors and the CMD.

The Managing Director shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above.

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
- iii. Earned privilege leave at the rate of one month's leave for every eleven months service. The CMD shall be entitled to on-cash leave at the end of his tenure as CMD.
- iv. Provision for Car and Telephone communication facilities at the residence of the CMD shall not be treated as perquisites.

ANNEXURE TO THE NOTICE:

Information required under Clause 49 VI A of the Listing Agreement.

The particulars of Director who is proposed to be reappointed at the ensuing Annual general Meeting is given below pursuant to Clause 49 of the Listing Agreement.

Name of the Director	Mr. V. Nagarajan	Mr. Chetan R. Shah
Date of Birth	01-03-1935	13-03-1956
Date of Appointment	02-09-2006	31-03-2003
Qualification	B.Com, LL.B, ACIS (Lan.), ACS	B.Tech (Civil Engineering) from IIT Bombay and M.S. Structural Engineering from the University of Houston, USA
Expertise in specific functional areas	Experience in Secretarial, Legal and other allied disciplines	Construction of residential, commercial & industrial buildings; responsible for implementing Projects.
Other companies in which Directorship held	NIL	Citadel Realty & Developers Ltd Columbia Chrome (I) Pvt. Ltd. Comel Hsg & Infrastructure Pvt Ltd Kanchi Rehab Pvt Ltd Lark Consultancy Pvt Ltd Marathon Energy Pvt Ltd Marathon Fiscal Pvt Ltd Marathon Housing Pvt Ltd Marathon IT Infrastructure Pvt Ltd Marathon Nextgen Realty Ltd Marathon Nextgen Township Pvt Ltd Marathon Nexzone Infrastructures Pvt Ltd Marathon Nexzone Land Pvt Ltd Marathon Prachin Infrastructures Pvt Ltd Marathon Realty Pvt Ltd Marathon Securities & Properties Pvt Ltd Marathon Ventures Pvt Ltd Matrix Enclaves Projects Developments Pvt Ltd Matrix Fiscal Pvt Ltd Matrix Waste Management Pvt Ltd Matrix Water Management Pvt Ltd Nextgen Buildcon Pvt Ltd Nextgen City Container Depot Pvt Ltd Nextgen City Energy Pvt Ltd Nextgen City Utilities Pvt Ltd

NOTICE

		Nextgen City Water Management Pvt Ltd Nextgen Green Housing & Commercial Enclave Pvt Ltd Nextgen Land Pvt Ltd Nexzone Fiscal Services Pvt Ltd Nexzone IT Infrastructure Pvt Ltd Nexzone Land Pvt Ltd Nexzone Utilities Pvt Ltd Parmeka Pvt Ltd Sanvo Resorts Pvt Ltd Svarnim Enterprises Pvt Ltd
Other public companies in which membership of Committees of Directors held	NIL	Marathon Nextgen Realty Ltd
No. of shares held as on 31st March, 2013	NIL	1500

Regd. Office:

Marathon Futurex,
 NM Joshi Marg,
 Lower Parel,
 Mumbai 400 013.
 Date: 18th May, 2013

By Order of the Board

K. S. Raghavan
 Company Secretary

The Directors have pleasure in submitting their Thirty Sixth Annual Report together with the audited accounts of your Company for the year ended 31st March, 2013.

WORKING RESULTS:

	Year ended 31st March 2013 (₹ Lacs)	Year ended 31st March 2012 (₹ Lacs)
Profit / (Loss) before Depreciation, interest and Taxation	5,143	9,733
Less: Depreciation	27	41
	5,116	9,692
Less: Interest	347	908
Profit before Taxation	4,769	8,784
Less / (Add): Provision for Taxation	(218)	1,681
Add: Prior period adjustment	-	-
Profit / (Loss) after tax after adjustment	4,987	7,103
Add: Balance Brought Forward from previous year	13,718	11,998
Less: Dividend on Preference shares including arrears thereon	-	1
Less: Dividend on equity shares Rs. 4.50/share	855	759
Tax on distributed profits	145	123
Less: Transfer to General Reserve	3,000	4,500
Balance carried to Balance Sheet	14,705	13,717
Earnings per share – basic and diluted (₹)	26.30	37.45

DIVIDEND:

It has been the consistent policy of the Company to adequately reward its shareholders. Even though Profits for the current financial year are lower than the previous year your directors are pleased to recommend a higher dividend of Rs. 4.50/- per share (45%), compared to the previous year of Rs. 4 per share (40%).

The Directors would like to inform Members that as on March 31, 2013 the 6% Redeemable Cumulative Preference Capital of the Company were redeemed out of the profit of the year and the accumulated dividend thereon has been paid which is placed before you for ratification.

The dividends paid would be tax free in the hands of the shareholders as the Dividend Distribution Tax will be paid by the company.

FUTURE PROSPECTS:

Your Company is a 40% stake holder in a Special Purpose Vehicle for the development of prestigious parcels of properties in South Mumbai and the Eastern Suburbs. It is expected that the project in South Mumbai would commence shortly. During the year under review, the Special Purpose Vehicle which was a Public Limited Company has been converted into a Limited Liability Partnership.

The Joint Venture project in Bangalore is slow in taking off. However with the improvement of market conditions in Real Estate in Bangalore it is hoped that considerable progress would happen during the current year.

Innova at Lower Parel was the first commercial venture by your Company and is a designated Private Technology Park. It is still a sought after address in Lower Parel and there are only few units in this project that are yet to be sold.

DIRECTORS:

Mr.V.Nagarajan, Director retires by rotation and being eligible offers himself for reappointment.

Mr. Chetan Shah's term as Chairman & Managing Director of the Company expires on 30th June, 2013. Considering the admirable way in which he has steered the Company, your directors have recommended his reappointment for a further period of five years on revised terms and conditions that are contained in the Notice convening the Annual General Meeting.

Brief resume of the Director seeking reappointment, nature of their experience in specific functional area and names of the companies in which they hold directorship and membership / chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange form part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors responsibility it is hereby confirmed that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

Your Company has not accepted any deposits from the public or its employees during the period under review.

PARTICULARS OF EMPLOYEES:

Except the Chairman & Managing Director none of the employees are covered under Section 217(2A) of the Companies Act, 1956.

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

In view of the nature of activities which are being carried on by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, concerning conservations of energy and technology absorption respectively, are not applicable to the Company.

There were no foreign exchange earnings and outgo during the current period.

LISTING:

The Equity Shares of the Company are listed with the Bombay Stock Exchange Limited. The Company has already paid the Annual Listing Fees for the year 2013-14.

DEMATERIALIZATION OF SHARES:

The members are aware that the Company's equity shares are under compulsory trading in dematerialized form for all categories of investors.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance together with a certificate from a Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

AUDITORS:

M/s. Haribhakti & Co., Chartered Accountants, retire as the Statutory Auditors at the conclusion of the 36th Annual General Meeting and being eligible offer themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors, if made, is within the limits prescribed under section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGMENTS:

The Board of Directors take this opportunity to express its sincere appreciation for the excellent support and cooperation extended by the shareholders, bankers, customers, suppliers / associates during the year under review.

The Board wholeheartedly acknowledges the dedicated and sincere efforts, and services put in by the employees at all levels in the Company during very trying times. Their dedicated efforts and enthusiasm has been integral to your Company's growth.

For and on behalf of the Board

Place: Mumbai

Date: 18th May, 2013

Chetan R. Shah

Chairman & Managing Director

The Management of the Company is pleased to present this report covering the activities of the Company during the year ended on March 31, 2013.

It was perceived that the economic slow down would be contained in the financial year 2012 - 13. However it was not so. The real estate sector is witnessing high debt, mounting unsold inventories and stringent regulatory clutches. While the housing sector has shown some sun shine, the demand for Commercial units were absolutely mute particularly in MMR region.

I. Industry structure and development:

The Realty sector can be broadly divided into Residential and Commercial.

Residential Real Estate

The continuous slow down of the Indian economy since 2008 and the outlook of economies are not favourable to increase the exports. Hence the Indian economy has to look inward for avenues to grow. One productive way to spur demand would be to address the issue of shortage of houses in the country.

Commercial Real Estate

Most of the establishments are looking to pre-lease office spaces to take advantage of the favorable terms currently being offered, as the outright sales are not happening at satisfactory levels. Demand are expected to be stable throughout India. However there is expected to be a commendable demand for Small business spaces.

II. Opportunities and Threats:

Urbanization has been progressing rapidly from around 11% in 1901 to 31% in 2011 and is expected to reach 41% by 2030. Residential prices are expected to rise in almost all the metropolitan cities. The Realty sector contributed to 6.5% of the country's GDP in 2012 (10.5% in 2011) and is the second largest employment generator after agriculture. The total revenue of the real estate sector was \$66.8 bn during 2010-11. By 2020, the sector is expected to earn a revenue of \$180 bn.

Threats:

The Real estate sector had high expectation from Budget 2013 but it remained unfulfilled. The sector, a major growth driver of the Indian economy has once again been left without the coveted "Industry" status resulted in disability to access the debts at improved interest rates and reduced collateral. Clarity on many issues under the negative list regime of Service tax, reduction of excise duty on cement and exemption from service tax for affordable housing, The two fold increase in excise duty on marble, enhances the construction cost. No steps have been taken to address the long standing demands such as removal of the cascading effect on the stamp duties and rationalization of stamp duty rates, a single window clearance mechanism for approvals, implementation of the Real Estate Regulatory bill and liberalization of FDI for the sector.

III. Segment-wise or product-wise performance:

- i. The Company's focus is on the residential and commercial segments.
- ii. The Company is of the opinion that with its present core competencies it has a significant role to play in this area.
- iii. To this end the Company has entered into joint ventures which include:
 - a. The development of a commercial complex with a group company.
 - b. Development of properties in South Mumbai and the Western Suburbs.

IV. Outlook:

With the proposed projects, the Company looks to the future with optimism. The Company is confident of sustained growth in the years ahead. The current JVs & SPVs in which your Company is a party to the contract will yield good returns to the Company.

V. Risks and concerns:

Apart from the increase in land prices, input costs have also been constantly increasing. Higher interest cost would dent margins and may have a direct effect on the customers' cash flow as well. Increase in end product prices coupled with tight liquidity may impact demand. The various taxes and levies would add to the costs and this is likely to squeeze margins as the end product prices may not go up correspondingly.

The Company has a Risk Management Policy, which is being periodically reviewed.

VI. Internal control systems and their adequacy:

The internal control is supplemented by an extensive internal audit, review by management and audit committee, documented policies and guidelines and procedures. The internal audit covers all activities of the Company. The internal control system is designed to ensure that every aspect of the Company's activity is properly monitored. Despite the satisfactory functioning of the control systems, the Company is reviewing the same and has appointed external consultants to critically examine the existing systems and suggest changes, if any, to make them more contemporary.

VII. Discussion on financial performance with respect to operational performance:

(₹ in Lacs)

Financial Year	2012-13	2011-12
Income	11,562.00	11,595.29
EBIDT	5,143.00	9,733.49
Interest	347.00	907.89
Depreciation	27.00	41.71
Profit/ (Loss) before tax	4,769.00	8,783.89
Profit/ (Loss) after tax	4,987.00	7,102.51

VIII. Material developments in Human Resources:

The Company has harmonious employee relations and there is close interaction between the management and employees to facilitate smooth functioning of our organizational activities. The Company facilitates consistent improvement in performance, productivity and effectiveness by setting targets through an interactive process. Human resources are being recognized as one of the critical areas to the success of our organization. They are subject to constant training to augment their skills to effectively carry out their assignment.

IX. Cautionary Statement:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projection, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events.

Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and other incidental factors. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent development.

The Marathon Group in general and Marathon Nextgen Realty Limited in particular is committed to the adherence of all compliances in true spirit, at all times and the adoption of the best practices conducive to maintain good governance. Our inherent desire to improve and innovate brings out good governance practices which reflect and redefine the Marathon culture at every point of time – all this is deeply ingrained in our value system and forms part of the strategic thought process – our philosophy mainly rests on five basic concepts, viz.,

- i. Board accountability to the company and shareholders as a whole,
- ii. guidance and effective monitoring by the Board in strict terms,
- iii. protection of minority interests and rights
- iv. equitable treatment to all concerned
- v. transparency and timely disclosure.

Keeping in view the above philosophy, the Company has been striving continuously for maintaining excellence through adoption of good governance and disclosure practices. The Company has complied and/or has been complying with the provisions contained in Clause 49 of the Listing Agreement (as amended) as detailed hereunder:

1. MANDATORY REQUIREMENTS:

- i. Proper composition of the Board of Directors
- ii. Timely dissemination of material information to the shareholders concerning their interests
- iii. Transparency and accountability
- iv. Adequate internal control measures and
- v. Compliance with the applicable laws and regulations

2. BOARD COMPOSITION AND PARTICULARS OF DIRECTORS:

The present strength of Board of Directors of the Company is six Directors. The composition of which is as follows:

1. Mr. Chetan R. Shah	Promoter	Chairman & Managing Director
2. Mr. Mayur R. Shah	Promoter	Vice Chairman & Director
3. Mr. S. Ramamurthi	Non-promoter	Whole Time Director
4. Mr. V. Ranganathan	Non-Executive	Independent Director
5. Mr. V. Nagarajan	Non-Executive	Independent Director
6. Mr. Padmanabha Shetty	Non-Executive	Independent Director

The Board of Directors of the Company are qualified and experienced.

3. (i) Board/Committee Meetings and Proceedings:

The Company has a methodical and well designed process of placing vital and sufficient intimation before the Board pertaining to business to be considered at each Board Meeting. This enables the members of the Board to actively and freely participate in discussions in the meeting and the Board in turn is able to take corrective and appropriate decision based on the available inputs from the members of the Board. The Members of the Board are also updated upon various events as are required under the Listing Agreement.

On the advice of the Chairman & Managing Director of the Company and in compliance of the Secretarial Standards, the Company Secretary after collecting and collating details and information from the concerned departments finalizes the agenda for the Board Meeting which is distributed to all members of the Board well in advance.

(ii) Number of Board Meetings held and the dates on which held:

Four Board Meetings were held during the Financial Year ended 31st March 2013 on the following dates:

30th May, 2012; 14th August, 2012; 9th November, 2012 and 11th February, 2013

The Company has obtained the requisite disclosures from the Directors in respect of their directorships in other companies. Composition of Board of Directors and their attendance at the Board meetings during the period and at the last Annual General Meeting as also number of other directorship/ membership of committees of other companies are as under:

Name of Director	Director Identification number	Category of Directorship		No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies including Private Companies in India	No. of Committees in which Chairman/ Member (other than Marathon Nextgen Realty Limited)	
		Executive or Non-Executive	Independent				Member	Chairman
Mr. Chetan R. Shah Chairman & Managing Director	00135296	Promoter-Executive		4	Yes	35	NIL	NIL
Mr. Mayur R. Shah Vice Chairman & Director	00135504	Promoter-Executive		3	Yes	35	NIL	NIL
Mr. S. Ramamurthi Wholetime Director	00135602	Executive WTD		4	Yes	1	1	NIL
Mr. V. Nagarajan	00135714	Non-Executive	Independent	3	Yes	-	NIL	NIL
Mr. V. Ranganathan	00269682	Non-Executive	Independent	3	No	-	NIL	-
Mr. Padmanabha Shetty	00433761	Non-Executive	Independent	4	Yes	3	NIL	-

The particulars of Director who are proposed to be re-appointed at the ensuing Annual General Meeting is given below pursuant to Clause 49 of the Listing Agreement.

Name of the Director	Mr. V. Nagarajan	Mr. Chetan R. Shah
Date of Birth	01-03-1935	13-03-1956
Date of Appointment	02-09-2006	31-03-2003
Qualification	B.Com., LL.B., ACIS (Lon.), ACS	B.Tech (Civil Engineering) from IIT Bombay and M.S. Structural Engineering from the University of Houston, USA
Expertise in specific functional areas	Experience in Secretarial, Legal and other allied disciplines	Construction of residential, commercial & industrial buildings, responsible for implementing Projects

Other companies in which Directorship held	NIL	Citadel Realty & Developers Ltd Columbia Chronse (I) Pvt. Ltd. Cornell Hsg & Infrastructure Pvt Ltd Kanchi Rehab Pvt Ltd Lark Consultancy Pvt Ltd Marathon Energy Pvt Ltd Marathon Fiscal Pvt Ltd Marathon Housing Pvt Ltd Marathon IT Infrastructure Pvt Ltd Marathon Nextgen Realty Ltd Marathon Nextgen Township Pvt Ltd Marathon Nexzone Infrastructures Pvt Ltd Marathon Nexzone Land Pvt Ltd Marathon Prachin Infrastructures Pvt Ltd Marathon Realty Pvt Ltd Marathon Securities & Properties Pvt Ltd Marathon Ventures Pvt Ltd Matrix Enclaves Projects Developments Pvt Ltd Matrix Fiscal Pvt Ltd Matrix Waste Management Pvt Ltd Matrix Water Management Pvt Ltd Nextgen Buildcon Pvt Ltd Nextgen City Container Depot Pvt Ltd Nextgen City Energy Pvt Ltd Nextgen City Utilitres Pvt Ltd Nextgen City Water Management Pvt Ltd Nextgen Green Housing & Commercial Enclave Pvt Ltd Nextgen Land Pvt Ltd Nexzone Fiscal Services Pvt Ltd Nexzone IT Infrastructure Pvt Ltd Nexzone Land Pvt Ltd Nexzone Utilities Pvt Ltd Parimeka Pvt Ltd Sanvo Resorts Pvt Ltd Svarnim Enterprises Pvt Ltd
Other public companies in which membership of Committees of Directors held	NIL	Marathon Nextgen Realty Ltd
No. of shares held as on 31st March, 2013	NIL	1500

IV. NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2013:

NAME OF THE DIRECTORS	NO. OF SHARES HELD
Mr. V. Ranganathan	NIL
Mr. V. Nagarajan	NIL
Mr. Padmanabha Shetty	NIL

4. AUDIT COMMITTEE:

4.1 Composition, Meetings and Attendance:

During the Year ended March 31, 2013 four Audit Committee Meetings were held on the following dates:

30th May, 2012; 14th August, 2012; 9th November, 2012 and 11th February, 2013

The constitution of the Committee and the attendance of each Member of the committee are given below:

Name	Designation	Executive / Non -Executive / Independent	Committee Meeting attended
Mr. V. Nagarajan	Chairman	Independent	3
Mr. Padmanabha Shetty	Member	Independent	4
Mr. Chetan R. Shah	Member	Executive - CMD	4

4.2 Terms of Reference:

Reviewing:

- (i) the Company's financial reporting process
- (ii) disclosure of financial information
- (iii) the periodical and annual financial statements
- (iv) related party transactions
- (v) risk assessment
- (vi) adequacy of internal control
- (vii) performance of Auditors

5. REMUNERATION COMMITTEE:

The Remuneration Committee determines/reviews the remuneration of Managerial personnel viz. CMD and Whole-time Director. Mr. V. Ranganathan, Mr. V. Nagarajan and Mr. S. Ramamurthi are the members of the committee.

The meeting of the Remuneration Committee was held on May 15, 2013 during the period under review to determine and recommend the Commission payable to the Chairman and Managing Director.

Details of the remuneration paid to the Directors of the Company during the period ended March 31, 2013 are given below:

Name of Director	Salary	Perquisites	Others	Sitting Fees	Total
Mr. Chetan R. Shah	48,00,000	4,00,000	72,00,000	Nil	1,24,00,000
Mr. S. Ramamurthi	Nil	Nil	Nil	Nil	Nil
Mr. Mayur R. Shah	Nil	Nil	Nil	30,000	30,000
Mr. V. Ranganathan	Nil	Nil	Nil	33,000	33,000
Mr. V. Nagarajan	Nil	Nil	Nil	39,000	39,000
Mr. Padmanabha Shetty	Nil	Nil	Nil	52,000	52,000

(in ₹)

11. GENERAL SHAREHOLDERS INFORMATION:

- Annual General Meeting : 36th Annual General Meeting
- Date and Time : 20th September, 2013 at 11:30 am
- Venue : Nehru Planetarium, Nehru Centre, Basement Hall, Worli, Mumbai - 400 018
- Financial Year : 1st April 2012 to 31st March 2013
- Date of Book Closure : 11th September, 2013 to 20th September, 2013
- Listing on Stock Exchanges : The Bombay Stock Exchange Limited
 - (a) Stock Code : 503101
 - (b) ISIN in NSDL & CDSL : INE182D01012

STOCK PRICE DATA:

Table below gives the monthly highs and lows of the Company's shares on the Bombay Stock Exchange Limited (BSE):

MONTHS (Years 2012 -2013)	HIGH (₹)	LOW (₹)	SENSEX		
			HIGH	LOW	CLOSE
April	164.00	146.05	17,664.10	17,010.16	17,318.81
May	155.90	131.00	17,432.33	15,809.71	16,218.53
June	156.85	131.50	17,448.48	15,748.98	17,429.98
July	161.80	139.50	17,631.19	16,598.48	17,236.18
August	149.95	117.25	17,972.54	17,026.97	17,429.56
September	162.90	125.00	18,869.94	17,250.80	18,762.74
October	174.75	140.00	19,137.29	18,393.42	18,505.38
November	149.90	124.95	19,372.70	18,255.69	19,339.90
December	149.80	130.30	19,612.18	19,149.03	19,426.71
January	163.95	139.65	20,203.66	19,508.93	19,894.98
February	147.85	116.10	19,966.69	18,793.97	18,861.54
March	159.00	110.10	19,754.66	18,568.43	18,835.77

Registrar & Transfer Agents: Adroit Corporate Services Private Limited
 19/20 Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East),
 Mumbai 400 059. Email: adroits@vsnl.net

Share Transfer System :

Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of fifteen days from the date of receipt, if the documents are otherwise in order.

Share transfers and other related requests are considered for approval every fortnight by the Share Transfer Committee.

Distribution of shareholding as on 31st March, 2013:

Category (Shares)	No. of Shareholders	Percentage (%)	No. of Shares of ₹10/- each	Percentage (%)
1 - 500	4456	92.35	3,72,707	1.96
501 - 1000	162	3.36	1,16,902	0.62
1001 - 2000	87	1.80	1,24,268	0.66
2001 - 3000	26	0.54	62,941	0.33
3001 - 4000	15	0.31	51,700	0.27
4001 - 5000	24	0.50	1,08,658	0.57
5001 - 10000	22	0.46	1,54,514	0.82
Above 10000	33	0.68	179,66,540	94.77
Total	4825	100.00	189,58,320	100.00

Dematerialization of Shares and Liquidity:

The status of Dematerialized/ Physical shares of the Company as on 31st March, 2013 is as under:

Categories	Physical	Demat	Total	% in Physical	% in Demat
Resident Individuals	1,20,874	16,01,762	17,22,636	0.63	8.45
NRIs/CB/FII	-	1,27,086	1,27,086	-	0.67
Corporate Bodies	64,542	1,42,166	2,06,708	0.34	0.75
Mutual Funds/UTI	488	15	503	-	-
FI/Banks	990	495	1,485	0.05	0.01
Promoter group, including Directors, relatives & bodies corporate	-	1,68,99,812	1,68,99,812	-	89.14
Total	1,86,894	187,71,336	189,58,230	0.98	99.02

Categories of Shareholders as on 31st March, 2013:

Sr. No.	Categories	No. of Shareholders	No. of Shares	Voting Strength (%)
1	Promoters	7	1,68,99,812	89.14
2	Mutual Funds / UTI	6	503	0.00
i	Financial Institution / Banks	2	1485	0.01
ii	Corp. Bodies, CI, Members, Brokers, Trusts	117	2,06,708	1.09
iii	NRIs/OCBs/FIIs	36	1,27,086	0.67
iv	General Public	4657	17,22,636	9.09
	Total	4825	1,89,58,230	100

Outstanding GDRs/ ADRs/Warrants or any convertible instruments conversion date and likely impact on equity: Not Applicable

Address for correspondence :

The Shareholders may send their queries to the e-mail address, shares@marathonnextgen.com, proactively managed by the Company, under the Shareholders' / Investors' Grievance Committee at its corporate office:

Marathon Nextgen Realty Limited
 8th Floor, Marathon Max,
 Jn of Mulund Goregaon Link Road,
 Mulund (W)
 Mumbai 400080,
 Tel.:022 67728474

Registered Office :

Marathon Nextgen Realty Limited
 Marathon Futurex,
 N.M. Joshi Marg,
 Lower Parel (West), Mumbai 400013.
 Tel : 022 24925869/ 24963547 Fax: 022 2496 3560
 Website: marathonnextgenrealty.com

Registrar and Share Transfer Agents:

Adroit Corporate Services Private Limited
 19/20 Jaferbhoy Industrial Estate, 1st Floor,
 Makwana Road, Marol Naka, Andheri (East), Mumbai 400059
 Tel : 022 2859 4060/ 6060/ 4442 Fax: 022 2850 3748
 e-mail: adroits@vsnl.net

Secretarial Audit Reports:

Quarterly Secretarial Audit Reports were furnished to the Stock Exchanges on the following dates:

Quarter ended on	Furnished on
30th June, 2012	17-07-2012
30th September, 2012	19-10-2012
31st December, 2012	27-01-2013
31st March, 2013	12-04-2013

Declaration regarding Compliance by Board Members and Senior Management Personnel with Company's Code of Conduct

To

The Members of Marathon Nextgen Realty Ltd.

Sub: Declaration by the Managing Director under clause 49 D(ii) of the Listing Agreement.

I, Chetan R Shah, Managing Director of Marathon Nextgen Realty Ltd hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2013.

Place : Mumbai

Chetan R. Shah

Date: 18th May, 2013

Chairman & Managing Director

Certificate on Compliance from the Practicing Company Secretary

Certificate of the Practicing Company Secretary has been obtained on the compliance of conditions of the Corporate Governance in reference to Clause 49 of the Listing agreement and the same is annexed.

Mumbai

Chetan R. Shah

Date: 18th May, 2013

Managing Director

Certificate on Corporate Governance

To

The Members of
MARATHON NEXTGEN REALTY LIMITED
Mumbai

I have examined the compliance of the conditions of Governance by Marathon Nextgen Realty Limited ("the Company) for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

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.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

I 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 S. Krishnamurthy & Company

Sd/-

Prop. S. KRISHNAMURTHY
Company Secretary

ACS 7233 / CP 2120

Place: Pune

Date: 18th May, 2013

To

The Members of MARATHON NEXTGEN REALTY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MARATHON NEXTGEN REALTY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

1. Attention is invited to Note No.13, with regard to investments of Rs. 125,02,62,000, return on which would accrue to the Company only on the investee Company reaching the specified profit level.
2. Attention is invited to Note No.23, with regard to loss on transfer of fixed assets amounting to Rs.4,41,20,943/- due to write off relating to the Era Club House upon transfer of the same to the Society. This has been charged to Property Development Expenses.

Our opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 except for the matter described in the Basis for Qualified Opinion paragraph;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Haribhakti & Co.**
Chartered Accountants
Firm's Registration No. 103523W

Chetan Desai
Partner
Membership No. 17000

Place: Mumbai

Date: 18th May, 2013

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of MARATHON NEXTGEN REALTY LIMITED on the financial statements for the year ended March 31, 2013]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all fixed assets have been physically verified by the management during the year. We are informed no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - (c) During the year, the Company has disposed off a substantial part of the Fixed Assets. On the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we are of the opinion that the disposal of the said part of fixed assets has not affected the going concern status of the Company.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification has to be made reasonable.
 - (b) The procedures of physical verification of inventory followed by the management has to be made reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of examination of the records of the company, we are of the opinion that the company needs to strengthen the record keeping and documentation procedures for the inventory.
- (iii) (a) The Company has granted unsecured loan to three Companies, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3,42,08,31,400 and the year-end balance of the loan granted to the said party was Rs. 3,42,77,03,143.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are, prima facie, not prejudicial to the interest of the Company.
 - (c) The loans granted are repayable on demand. As informed, the Company has not demanded repayment of any such loan and interest during the year, thus, there has been no default on the part of the parties to whom the money has been lend. The payment of interest has been regular.
 - (d) As the Company has not demanded repayment of such loan and interest, there is no overdue amount more than rupees one lakh for the respective amounts.
 - (e) As informed, during the year the Company has taken unsecured loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 6,00,00,000 and the year-end balance of loans taken from such party was Rs. NIL.
 - (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
 - (g) The loans taken are repayable on demand. As informed, the lenders have not demanded repayment of any such loan during the year, thus, there has been no default on the part of the Company. The interest is payable on demand and is being provided for regularly.
- (iv) In our opinion and according to the information and explanations given to us, **the existing internal control procedures are required to be adequate with the size of the Company and nature of its business for the purchase of inventory.** As regards, sale of goods and fixed assets, in our opinion, the existing system of internal control is adequate. On the basis of our examination of books and records of the Company, and according to the information and explanations given to us, **except in relation of strengthening of internal control over purchase of inventory, there has not been continuing failure to correct major weakness in internal control system.**
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) 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 Sections 58A and 58AA of the Act and the rules framed there under. In view of the above the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(vii) According to the information and explanations given to us, **the Company does have an internal audit system commensurate with the size and nature of its business, which needs to be considerably strengthened.**

(viii) We have broadly reviewed the books of account maintained by the company in respect of real estate operations where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed (under clause (d) of sub-section (1) of Section 209 of the Act) and we are of the opinion that prima facie, the prescribed accounts and records are required to be made and maintained.

(ix) (a) The Company is regular in depositing with appropriate authorities 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 material statutory dues applicable to it. However, there are several delays in case of service tax and minor delays in case of income-tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, as at 31st March 2013, for a period of more than six months from the date they became payable except as mentioned below:

Sr. No.	Nature of the Statute	Nature of the Dues	Amount (₹)	Period to which Amount relates	Due Dates	Date of Payment
1	Service Tax	Service Tax	5,066	2008 - 09	31st March, 2009	
2	Income Tax Act, 1961	Self assessment tax	5,70,217	2010 - 11	31st March, 2011	
3	Maharashtra Labour Welfare Fund	MLWF	17,763	2006 - 11	Various dates of respective year	

(c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except for the dues in relation to excise duty as disclosed hereunder:

Name of statute	Nature of Dues	Amount (Rs.)	Period to which Amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty including penalty	90,83,934	1991-1992, 1992-1993, 1994-1995, 1995-1996, 1997-98, 1998-99	Central Excise & Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Excise Duty	14,62,522	1977-78, 1983-84, 1990-91 through 1992-93	Deputy Commissioner of Central Excise (Appeal)
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Damages & interest on delayed payment -Employees Provident Fund	38,83,486	Various years	Provident Fund Appellate Tribunal
Employees' State Insurance Act, 1948	Arrears of contribution, damages and delayed payment of interest	8,67,074	Various years	ESIC Court (Appeal)

(x) The company does not have any accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution and bank.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/ trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanation given to us, generally the company did not deal or trade in it. However on short term basis, surplus funds were invested in mutual funds for which proper records of the transactions and contracts have been maintained and timely entries have been made therein. The shares, Securities, debentures and other investments have been held by the Company, in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) According to the information and explanation given to us, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year and hence the question of creating security, in respect of debentures, does not arise.
- (xx) The Company has not raised money by way of public issue during the year. Hence the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**
Chartered Accountants
Firm's Registration No. 103523W

Chetan Desai
Partner
Membership No. 17000

Place: Mumbai
Date: 18th May, 2013



Results



PARTICULARS	NOTE NO.	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a. Share capital	2	189,582,300	192,082,300
b. Reserves and surplus	3	4,722,997,705	4,324,273,932
		4,912,580,005	4,516,356,232
2. Non-current liabilities			
a. Long-term borrowings	4	1,401,374	439,571
b. Deferred tax liabilities (Net)	5	-	1,528,028
c. Other Long term liabilities	6	54,285,181	71,292,594
d. Long-term provisions	7	3,877,021	4,279,619
		59,563,576	77,539,812
3. Current liabilities			
a. Short-term borrowings	8	110,000,000	309,922,437
b. Trade Payables	9	3,277,572	11,886,092
c. Other current liabilities	10	37,611,186	158,874,624
d. Short-term provisions	11	100,945,789	326,405,512
		251,834,548	807,088,665
TOTAL		5,223,978,128	5,400,984,709
ASSETS			
1. Non-current assets			
a. Fixed assets			
Tangible assets	12	13,599,597	84,558,510
b. Non-current investments	13	1,256,715,422	1,259,294,744
c. Def. Tax Assets (Net)	14	11,575,702	-
d. Long-term loans and advances	15	69,715,429	50,839,875
		1,351,606,150	1,394,693,129
2. Current assets			
a. Inventories	16	306,353,816	527,208,054
b. Trade receivables	17	40,257,278	35,500,910
c. Cash and Bank Balances	18	86,661,484	126,885,229
d. Short-term loans and advances	19	3,438,849,979	3,310,676,840
e. Other Current Assets	20	249,421	6,020,546
		3,872,371,978	4,006,291,580
TOTAL		5,223,978,128	5,400,984,709
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 34		

As per our report of even date

For HARIBHAKTI & CO.
Chartered Accountants
Chetan Desai
Partner
Membership No. 17000
Place: Mumbai
Date: 18th May, 2013

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman & Mg. Director
V. NAGARAJAN
Director

S. RAMAMURTHI
Wholtime Director
K. S. RAGHAVAN
Company Secretary

(in ₹)

PARTICULARS	NOTE NO.	2012-13	2011-12
I. Revenue from Operations	21	460,638,697	819,190,569
II. Other Income	22	395,512,992	340,338,900
III. Total Revenue (I + II)		856,151,689	1,159,529,469
IV. Expenses:			
Property Development Expenses	23	50,978,882	9,431,711
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	223,687,568	97,499,348
Employee benefits expense	25	40,486,475	40,528,078
Finance costs	26	34,676,502	90,789,401
Depreciation		2,713,968	4,171,032
Other expenses	27	26,688,702	38,720,683
TOTAL EXPENSES		379,232,097	281,140,253
V. Profit before tax (III - IV)		476,919,593	878,389,216
VI. Tax Expense:			
1. Current tax (MAT)	32	96,000,000	178,000,000
2. Deferred tax		(13,103,730)	1,330,203
3. Short / (Excess) Provision of earlier year written back		(104,686,758)	(11,191,674)
VII. Profit (Loss) for the year (V - VI)		498,710,081	710,250,687
VIII. Earnings per equity share of face value of ₹10 each			
Basic & Diluted (in ₹)	30	26.30	37.45
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 34		

As per our report of even date

For **HARIBHAKTI & CO.**
Chartered Accountants**Chetan Desai**
Partner
Membership No. 17000Place: Mumbai
Date: 18th May, 2013

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman &
Managing Director**V. NAGARAJAN**
Director**S. RAMAMURTHI**
Wholetime Director**K. S. RAGHAVAN**
Company Secretary

MARATHON NEXTGEN REALTY LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

PARTICULARS	2012-13	2011-12
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per statement of profit and loss	476,919,593	878,389,216
ADJUSTMENTS FOR:		
Depreciation	2,713,968	4,171,032
Depreciation on Investment Property	(254,008)	(226,687)
Finance Cost	34,676,502	90,789,401
Interest Income	(383,917,296)	(322,393,939)
Misc Balances Written back	(4,036,022)	(4,098,914)
Income from Dividend	(18,414)	(28,458)
Profit on Sale of Mutual Funds	(71,298)	(5,856,821)
Property Development Expenses	44,120,943	
Provision for Dividend	(85,462,035)	(75,982,920)
Increase in Cost of Sales		3,348,104
Loss on Disposal of Assets	430,651	752,251
Provision for Employee Benefits	(170,353)	206,456
	(391,987,363)	(309,320,495)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	84,932,230	569,068,721
ADJUSTMENTS FOR:		
Trade and Other Receivables	(146,033,936)	(502,067,320)
Inventories	220,854,238	98,916,013
Trade Payables and other payables	(94,618,184)	(11,495,953)
	(19,797,882)	(414,647,261)
Cash Generated from Operations	65,134,348	154,421,460
Direct Taxes Paid	(240,456,000)	(177,902,323)
	(240,456,000)	(177,902,323)
NET CASH FLOW FROM OPERATING ACTIVITIES	(175,321,652)	(23,480,863)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(9500)
Sales of Fixed Assets	23,693,351	355,556
Purchase of Investments		(1,416,665)
Transfer of Investment to stock	2,833,330	
Purchase of UTI Mutual Fund	(10,000,000)	(285,000,000)
Sales of UTI Mutual Fund	10,071,298	401,642,668
Interest Received	383,917,296	322,393,939
Income from Dividend	18,414	28,458
Investments in Fixed Deposits	19,753,650	1,589,130
NET CASH FLOW FROM INVESTING ACTIVITIES	430,287,340	439,583,586

MARATHON NEXTGEN REALTY LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	2012-13		2011-12	
[C] CASH FLOW FROM FINANCING ACTIVITIES				
Unpaid Dividend and Fractional entitlement of shares	(224,485)		(707,700)	
Redemptions of Redeemable Preference share	(2,500,000)			
Proceeds from Long Term borrowings	961,803			
Repayment of Long Term borrowings	(48,627,761)		(177,342,268)	
Repayment of Short Term borrowings	(199,922,437)		(176,410,541)	
Interest on Term Loans	(34,676,502)		(90,789,401)	
Dividend Paid	9,329,115		9,479,115	
Dividend Distribution Tax				
NET CASH FLOW FROM FINANCING ACTIVITIES		(275,660,267)		(435,770,795)
Net increase in cash and cash equivalents (A+B+C)		(206,945,79)		(19,668,073)
Cash and cash equivalents as at 31.03.12		84,141,879		103,809,951
Cash and cash equivalents as at 31.03.13		63,447,299		84,141,879
Note: Cash and cash equivalents includes:				
Cash in hand				
Balances with scheduled banks:				
- In Current Accounts	63,447,299	63,447,299	84,141,879	84,141,879

As per our report of even date

For HARIBHAKTI & CO.
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place: Mumbai
Date: 18th May, 2013

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman &
Managing Director

V. NAGARAJAN
Director

S. RAMAMURTHI
Whole Time Director

K. S. RAGHAVAN
Company Secretary

Note 1 Significant Accounting Policies**I. Accounting convention**

The financial statements have been prepared on historical costs and on the basis of going concern and are in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 1956. Incomes and expenses are recognized on accrual basis, except in case of sale of car parking rights the income is recognized on cash basis due to uncertainty of receipt of these amounts through separate agreement/letter of allotment.

ii. Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates are made to the best of the management's ability considering all necessary information. Differences, if any, between actual results and estimates are recognized in the period in which the results are ascertained. These being technical in nature the auditors rely on the judgment of the management.

iii. Revenue

- Revenue in respect of realty development activities is recognized upon the transfer of significant risks and rewards to the buyer in terms of the underlying sale agreement, provided it is not unreasonable to expect ultimate collection. The Company perceives that risk and reward stands transferred to the buyer when the underlying sale agreements are registered with the appropriate authorities.
- Dividend income is recognized when the right to receive the same is established.

IV. Inventories

Inventory comprising of Finished Stock and construction work-in-progress, including stock of materials, is valued at cost or Net Realizable Value whichever is lower. Cost includes materials, direct expenses that is arrived at on first-in-first-out basis. Inventory includes cost of land determined at historical value.

v. Fixed assets and depreciation

- Fixed assets are stated at cost less accumulated depreciation. Cost includes acquisition / construction price and include incidental expenses, but is net of CENVAT or other duty credits.
- Depreciation is provided on the Straight Line Basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956:
- Cost (less estimated salvage value) of fixed assets acquired for specific projects is depreciated over the duration of the project.
- Cost of Fixed Assets acquired for Club House is depreciated @ 20%.

vi. Investments

- Long-term investments including investment held as land and buildings are shown at cost. Provision for diminution in the value of investments is made to recognize a decline of a permanent nature.
- Current investments are carried at the lower of cost and fair value as at the balance sheet date.

vii. Employee Benefit

- Defined Contribution Plan
The Company's liability towards Employee Provident Scheme is administered through the Employee Provident Fund Organisation administered by the Govt. of India. The company's contributions paid / payable towards this defined contribution plan is recognized as expense in the Profit & Loss Account during the period in which the employee renders the related service. The interest rate payable to the beneficiaries is determined by the government.
- The company provides for retirement/post retirement benefits in the form of gratuity and leave encashment. Both these funds are non funded and are provided for in the Balance Sheet on the basis of actuarial valuations. The obligation is measured at the present value using a discount rate.

viii. Borrowing Costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognized as an expense in the Profit and Loss account.

ix. Taxes on income

Current tax is ascertained on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on timing differences between accounting income and taxable income, which arise in an accounting period and are capable of reversal in later periods. Deferred tax assets are recognized when there is reasonable certainty of realization;

In case of carry forward depreciation / business losses, deferred tax assets are recognized only where there is virtual certainty that the Company will have sufficient future taxable income against which the losses /depreciation can be set off. Deferred tax assets / liabilities are reviewed at each balance sheet date.

x. Impairment of Fixed Assets

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

xi. Leases

Assets leased out under operating lease are capitalized. Rental income is recognized on accrual basis over the lease term.

xii. Contingent Liabilities

Contingent liability is a possible obligation that arises from past events and the existence will be confirmed by the occurrence or non occurrence of an uncertain future event not wholly within the control of the company or it may be an obligation that may arise out of a past event but is not recognized because it is not probable that there could be an outflow of resources or the amount of obligation cannot be reliably estimated. Accordingly contingent liabilities are disclosed after careful evaluation of facts and their legal consequences.

(in ₹)

Note 2 Share Capital

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Authorised:		
49,750,000 (P Y 49,750,000) Equity Shares of ₹10 each	497,500,000	497,500,000
25,000 - 6% Non Convertible Redeemable Cumulative Preference Shares of ₹100 each	2,500,000	2,500,000
Total	500,000,000	500,000,000
Issued, Subscribed & fully Paid up Shares:		
18,958,230 (P Y 18,958,230) Equity Shares of ₹10 each	189,582,300	189,582,300
Nil (P Y 25,000) - 6% Non Convertible Redeemable Cumulative Preference Shares of ₹100 each		2,500,000
Total	189,582,300	192,082,300

Note:

i. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. All shares rank parri passu with regard to dividend. In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Board of Director's have recommended a dividend of ₹ 4.50 (P.Y.₹4) per equity share 45 % (P.Y.40%) of Face value of equity share of ₹10 each.

ii. Terms/rights attached to 6% Non Convertible Cumulative Redeemable Preference Shares:

The Company had only one class of preference shares having par value of ₹100 each Preference Shares are Redeemable on or before August 22, 2013. The Preference Share holders do not have any voting rights. The Preference Share were redeemed at the year end.

a. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

(in ₹)

PARTICULARS	EQUITY SHARES			
	AS AT 31 MARCH 2013		AS AT 31 MARCH 2012	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	18,958,230	189,582,300	18,958,230	189,582,300
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	18,958,230	189,582,300	18,958,230	189,582,300

PARTICULARS	PREFERENCE SHARES			
	AS ON 31 MARCH 2013		AS ON 31 MARCH 2012	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	25,000	2,500,000	25,000	2,500,000
Shares issued during the year	-	-	-	-
Shares redeemed during the year	(25,000)	(2,500,000)	-	-
Shares outstanding at the end of the year	-	-	25,000	2,500,000

b. Out of Equity and Preference shares issued by the Company, shares held by its holding company are as below:

PARTICULARS	Name of Relationship	AS ON 31 MARCH 2013	AS ON 31 MARCH 2012
Ithaca Informatics Pvt. Ltd.	Holding Company	₹	₹
Equity Shares		14,246,178	14,246,178
Preference Shares		-	25,000

c. Details of shareholders holding more than 5% shares in the Company

(in ₹)

NAME OF SHAREHOLDER	AS AT 31 MARCH 2013		AS AT 31 MARCH 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ithaca Informatics Pvt. Ltd. - Holding Company				
Equity Shares	14,246,178	75.15	14,246,178	75.15
Preference Shares	-	0.00	25,000	100.00

d. Aggregate number of bonus shares issued for the last five Financial Years

(in ₹)

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Equity Shares		
Alloted as fully paid up by way of bonus shares by capitalising General Reserve	6,319,410	14,745,290

Note: There were no bonus shares issued in between the financial year ended 2008-09, 2009-2010 & 2011-2012.

(in ₹)

Note 3 Reserves and Surplus

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Capital Redemption Reserve		
Balance as per last Balance Sheet	2,500,000	2,500,000
Less: Transferred from statement of profit and loss	-	-
Closing Balance	2,500,000	2,500,000
General Reserve		
Balance as per last Balance Sheet	2,950,000,000	2,500,000,000
Add: Transferred from statement of profit and loss	300,000,000	450,000,000
Closing Balance	3,250,000,000	2,950,000,000
Surplus		
Balance as per last Balance Sheet	1,371,773,932	1,199,832,494
Add: Profit for the year	498,710,081	710,250,687
Less: Appropriations		
Proposed Dividends on Equity Shares (Dividend per Share ₹4.50/- (Previous year ₹4))	85,312,035	75,832,920
Proposed Dividends on Preference Shares (Dividend per Share ₹6/- (Previous year ₹6/-))	150,000	150,000
Tax on Dividend	14,524,273	12,326,329
Transfer to General Reserves	300,000,000	450,000,000
Closing Balance	1,470,497,705	1,371,773,932
Total	4,722,997,705	4,324,273,932

(in ₹)

Note 4 Long Term Borrowings

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Term loans (Secured)		
From Banks	-	-
From other Parties:		
Vehicle Loan	-	439,571
Other Loan	1,401,374	-
Total	1,401,374	439,571

a. Loan from Kotak Mahindra Prime Ltd is secured by hypothecation of the Existing Mercedes Benz Car. The said loan is sanctioned on August 6, 2012 is payable in 24 EMI at a rate of 8.17%. The period of maturity w.r.t. balance sheet date is within 1 year 4 months.

b. Car loan from Kotak Mahindra Prime Ltd is secured by hypothecation of the respective car. The said loan is sanctioned on June 16, 2010 is payable in 36 EMI at a rate of 7.70%. The period of maturity w.r.t. balance sheet date is within 2 months.

Note 5 Deferred Tax Liabilities (Net)

(in ₹)

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Deferred Tax Liability		
Related to Fixed Asset		3,319,928
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961		1,791,900
Total		1,528,028

Note 6 Other Long Term Liabilities

(in ₹)

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Others:		
Rent, Rates & Taxes	1,24,5,957	1,137,260
Society Dues#	53,039,224	70,155,334
Total	54,285,181	71,292,594

Society dues is netted off fixed deposit and interest accrued on fixed deposit of ₹ 6,07,42,699 (P.Y. ₹ 1,28,46,449)

Note 7 Long Term Provisions

(in ₹)

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Provision for employee benefits:		
Gratuity (unfunded)	3,645,499	3,482,805
Leave Encashment (unfunded)	231,522	796,814
Total	38,77,021	42,79,619

Disclosure as required by the Accounting Standard-15 "Employee Benefit" are given below:

a. Defined contributions Plan

(in ₹)

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Employers contribution to Provident Fund	1,590,989	1,419,643

b. Defined Benefit Plan

Reconciliation of opening and closing balances of Defined Benefit Obligations

(in ₹)

i. Actuarial Assumptions

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Mortality table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
Retirement Age	58 yrs	58 yrs	58 yrs	58 yrs
Expected Return on Plan Assets	N/A	N/A	N/A	N/A
Withdrawal Rates	10% to 2% p.a. related on graduated scale	10% to 2% p.a. related on graduated scale	10% to 2% p.a. related on graduated scale	10% to 2% p.a. related on graduated scale
Discount Rate per annum	8%	8%	8%	8%
Rate of Increase in compensation levels	7%	7%	7%	7%

ii. Changes in the Present Value of the Obligations and in the Fair Value of the Assets

(in ₹)

PARTICULARS	2012-2013		2011-2012	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Defined benefit obligation at the beginning of the year	3,869,783	1,062,419	3,331,550	451,890
Current Service Cost	568,159	406,728	582,796	837,366
Interest Cost	309,583	84,994	266,524	36,151
Actuarial (Gain) / Loss	327,663	(459,318)	(268,147)	(258,544)
Benefit paid / accrued	(1,024,633)	(786,127)	(42,940)	(4,444)
Define benefit at year end	4,050,555	308,696	3,869,783	1,062,419
Fair Value of Plan Assets as on 1/04/2012	Nil	Nil	Nil	Nil
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Contributions	Nil	786,127	Nil	4,444
Benefits Paid	(1,024,633)	(786,127)	Nil	(4,444)
Actuarial Gain (Loss) Plan Assets	Nil	Nil	Nil	Nil
Fair Value of Plan Assets as on 31-03-2013	Nil	Nil	Nil	Nil
Total Actuarial (Gain)/loss to be recognized	327,663	(459,318)	(268,147)	(258,444)

iii. Profit & Loss Expenses

Current Service Cost	568,159	406,728	636,060	211,837
Interest Cost	309,583	84,994	253,446	38,723
Actuarial (gain) /loss	327,663	(459,318)	(726,037)	217,995
CHARGED TO STATEMENT OF PROFIT & LOSS	1,205,405	32,404	163,469	468,555

iv. Balance sheet Recognition

Present Value of Obligation	4,050,555	308,696	3,331,550	451,890
Fair Value of Plan Assets	Nil	Nil	Nil	Nil
Liability (assets)	4,050,555	308,696	3,331,550	451,890
Unrecognized actuarial gain or loss	Nil	Nil	Nil	Nil
Liability (asset) recognized in Balance sheet	4,050,555	308,696	3,331,550	451,890

v. Movement in the net Liability recognized in the Balance Sheet

Opening net Liability	3,869,783	1,062,419	31,68,081	4,84,037
Expenses	1,205,405	32,404	1,63,469	4,68,555
Contribution	(1,024,633)	(786,127)	Nil	(5,00,702)
Closing Net Liability	4,050,555	308,696	33,31,550	4,51,890

Data				
No. of Employees	59	59	59	59
Avg. Age	35 yrs.	35 yrs.	35 yrs.	35 yrs.
Avg. Salary	₹ 43,276	₹ 43,276	₹ 33,944	₹ 33,944

The above information is based on the Certificate provided by the Certified Actuary.

Note 8 Short Term Borrowings

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Loan repayable on demand (secured)		
From other Parties		
Working Capital Demand Loan	110,000,000	309,922,437
Total	110,000,000	309,922,437

a. Working Capital Demand loan from Kotak Mahindra Prime Ltd is secured by creating mortgage on the 9th & 10th Floor of the building known as Marathon Innova, Lower Parel, Mumbai and further counter-guaranteed by the promoter directors. The said loan sanctioned on May 4, 2010 is payable in 25 EMI at a floating rate of 19.75% as on March 31, 2012 from 12 to 36 months or 60% inflow from sale of property to be adjusted towards repayment. The period of maturity w.r.t. balance sheet date is within 3 months.

Note 9 Trade Payables

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Micro, Small and Medium Enterprises*		
Others	3,277,572	11,886,092
Total	3,277,572	11,886,092

* Based on the information available with the Company, as at the balance sheet date, there are no small and medium enterprises that are registered with the Company. The Company has however by way of abundant caution dispatched to some of its creditor's to confirm whether they come under Micro, Small and Medium Enterprise Development Act, 2006 as well as they have filed required Memorandum with the prescribed authority.

Note 10 Other Current Liabilities

PARTICULARS	(in ₹)	
	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Current maturities of long-term debt* (Refer Note 4)†	4,546,627	53,174,388
Unpaid dividends*	855,161	629,915
Unclaimed Debentures*		189,575
Unclaimed VRS	1,040,231	1,040,231
Other payables:		
Advance from Customers	16,662,211	70,614,473
Bonus Payable	486,563	590,684
Directors Commission Payable	3,316,800	4,975,200
Statutory Dues Payable	2,367,429	3,686,046
Other Payables	1,285,589	23,974,111
Bank Overdraft	7,050,575	
Total	37,611,186	158,874,624

*These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

† Lease Rent discounting finance from Kotak Mahindra Bank Ltd. was secured by creating mortgage on the Unit No. 601 and Unit No. 602 having saleable area aggregating to 8263 sq. ft. in the building known as Marathon Innova, Lower Parel, Mumbai. The said loan sanctioned on February 28, 2008 was payable in 60 EMI at a floating rate of 19.75%, the same has been matured and paid during the year.

Note 11 Short Term Provision

PARTICULARS	(in ₹)	
	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Provision for employee benefits (Refer Note 7)		
Gratuity (unfunded)	405,056	386,978
Leave Encashment (unfunded)	77,174	265,605
Other Provisions:		
Provision for Income Tax*	570,217	237,400,411
Provision for Wealth Tax	57,034	43,269
Proposed Dividend	85,312,035	75,982,920
Tax on Dividend	14,524,273	12,326,329
Total	100,945,789	326,405,512

*Netted off advance tax & TDS of ₹ 23,50,34,905 (P.Y. ₹ 63,97,14,238)

(in ₹)

Note 12 Fixed Assets

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01-04-2012	ADDITIONS DURING THE YEAR	SALES / TRANSFER DURING THE YEAR	AS AT 31-03-2013	AS AT 01-04-2012	DEDUCTIONS/ ADJUSTMENTS	FOR THE YEAR	UPTO 31-03-2013	AS ON 31-03-2013	AS ON 31-03-2012
Tangible Assets										
Own Assets:										
Freshhold Land	257,648	-	-	257,648	3,469,490	(4,038,923)	569,433	-	257,648	66,308,707
Buildings	69,678,287	-	(69,678,287)	37,146,000	31,848,333	-	271,206	32,119,539	5,026,461	5,297,667
Plant and Machinery	37,146,000	-	(1,464,080)	2,911,315	3,247,860	(1,051,451)	196,882	2,393,291	518,023	1,127,535
Furniture and Fixture	4,375,395	-	-	561,313	3,353,691	(3,555,252)	540,996	339,435	222,077	2,214,263
Air Conditioners and	5,567,954	-	(5,006,441)	561,313	2,269,020	(630,302)	1,099,570	2,738,288	7,524,221	9,365,553
Office equipment	11,634,573	-	(1,372,064)	10,262,509	569,012	-	35,881	685,493	51,167	87,048
Motor Vehicles	656,660	-	-	656,660	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-	-
Total	129,316,516	9,500	(77,520,872)	51,795,644	44,758,006	(9,275,927)	2,713,968	38,196,047	13,599,597	84,558,510
Previous Year	131,834,567	9,500	2,527,551	129,316,516	42,006,718	1,419,744	4,171,032	44,758,006	84,558,510	

Note: There are no additions/deletions through business combinations during the year/previous years. There is no impairment of fixed assets during the year/previous year.

Note 13 Non-Current Investments

PARTICULARS	AS AT 31 st MARCH 2013 QUANTITY (Nos.)	AS AT 31 st MARCH 2012 QUANTITY (Nos.)	FACE VALUE (in ₹)	AS AT 31 st MARCH 2013 (₹)	AS AT 31 st MARCH 2012 (₹)
Non Current Investments					
(A) Investment Properties (at cost)					
Land				25,467	25,467
Immovable Property				4,249,995	4,249,995
Less: Cost of car parking transferred to stock in trade				2,833,330	-
				1,442,132	4,275,462
Less: Prov. for diminution in the value of Investment				23,092	277,100
				1,419,040	3,998,362
(B) Trade Investment (at cost)					
(a) In Equity Instruments Quoted Fully Paid Up					
Others					
Peninsula Land Limited	16,740	16,740	2	58,378	58,378
Morarjee Textiles Limited	8,000	8,000	10	186,394	186,394
				244,772	244,772
Unquoted Fully Paid Up					
Associate Company					
Columbia Chrome (I) Private Limited	5,208	5,208	100	520,800	520,800
				520,800	520,800
Others					
Electric Control Gear (India) Limited	210,000	210,000	10	2,100	2,100
Less: Provision for dimunition				2,100	2,100
				-	-
Total of Equity Instruments				765,572	765,572
(b) In Preference Shares Unquoted Fully Paid Up					
Associate Company					
11% Redeemable Cumulative Preference Shares of Parmeka Pvt Ltd*	92,612	92,612	100	1,250,262,000	1,250,262,000
c) In Limited Liability Partnership					
Associates					
Swayam Realtors & Traders LLP				4,240,810	4,240,810
				1,254,502,810	1,254,502,810
Total of Trade Investments				1,255,268,382	1,255,268,382

(C) Other than Trade Investments (at cost)					
(a) In Equity Instruments					
Unquoted Fully Paid Up					
6 Years National Saving Certificates					
lodged with Government Authority	6	6	28,000	28,000	
Total of Non Trade Investments			28,000	28,000	
Total of Non Current Investments			1,256,715,422	1,259,294,744	
	AS AT	Market		AS AT	Market
	31st MARCH 2013	Value		31st MARCH 2012	Value
	Book Value			Book Value	
	(₹ in lacs)	(₹ in lacs)		(₹ in lacs)	(₹ in lacs)
Quoted Investments	244,772	689,310	244,772	613,692	
Unquoted Investments	1,256,470,650	-	1,25,90,49,972	-	
	1,256,715,422	-	1,259,294,744		

i. For the basis of valuation of non current investments refer note 1 (vi).

ii. Aggregate amount of provisions for diminution of non current investments of ₹ 25,192/- (P.Y ₹ 2,79,200).

*The Company's investment of 92612, 11% Redeemable Cumulative Preference Shares of Rs. 100/- each that it had subscribed at a premium of Rs. 13400/- per share aggregating to ₹ 125,02,62,000/- in Parmeka Pvt Ltd (PPL) during the year 2011-12 was construed as its contribution in a profit sharing joint venture with PPL. In terms of a Memorandum of Understanding between the company and PPL the company would be entitled to receive 25% of the profits of PPL that would be accounted for when PPL generates profits from its activities.

Note 14 Deferred Tax Asset (Net)

(in ₹)

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Deferred Tax Assets		
Difference between book WDV and WDV as per IT Act, 1961	10,003,477	-
Deferred Tax Assets		
Disallowance under Section 43B of the IT Act, 1961		-
Gratuity Payable	1,314,203	-
Leave Salary Payable	100,157	-
Bonus Payable	157,865	-
	1,572,225	-
Total	11,575,702	-

(in ₹)

Note 15 Long Term Loans and Advances

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Unsecured, considered good and subject to confirmation		
(a) Security Deposits	537,625	514,875
(b) Other loans and advances		
Advance for Land (Refer Note Below 15.2)	50,325,000	50,325,000
Income Tax paid (net of provision)*	18,849,775	
Wealth Tax paid (net of provision)†	3,029	
Total	69,715,429	50,839,875

*Netted off advance tax of ₹ 29,28,49,775, (P.Y. ₹ Nil)

†Netted off wealth tax paid ₹ 46,298 (P.Y. ₹ Nil)

15.1 In the opinion of the management, long term loans and advances are approximately of the value stated, if realised in ordinary course of business.

15.2 The Company has entered into an agreement on 20th February, 2007 for development of property in Bangalore with the owner of the land. Development work would commence once the regulatory compliances are met with. The Company has paid an advance towards the joint venture on the basis of the agreement signed.

(in ₹)

Note 16 Inventories

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
(a) Finished Stock		
Closing Stock-Era	51,686,008	51,686,008
Closing Stock-Innova Phase-II	238,378,159	466,090,336
Closing Stock-Innova Phase-III	16,289,650	
	306,353,816	517,776,343
(b) Work-in-progress		
Work-in-Progress-Innova Phase-III		9,431,711
Total	306,353,816	527,208,054

For Valuation of Inventory refer 1(iv)

(in ₹)

Note 17 Trade Receivables

PARTICULARS	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Unsecured, considered good and subject to confirmation		
Trade receivables outstanding for a period less than six months		28,303,170
Trade receivables outstanding for a period exceeding six months	40,257,278	7,197,740
Total	40,257,278	35,500,910

Note 18 Cash and Bank Balances

PARTICULARS	(in ₹)	
	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Cash and cash equivalents		
(a) Balances with banks		
(b) Cash on hand	63,447,299	84,141,879
Total	63,447,299	84,141,879
Other Bank Balances		
(a) Bank deposits with more than 12 months maturity secured against borrowings	22,282,000	42,035,650
(b) Earmark Balance with Banks Unpaid Dividend Fractional Entitlement of shares	855,161 77,023	629,915 77,785
	23,214,184	42,743,350
Total	86,661,484	126,885,229

Note 19 Short Term Loans and Advances

PARTICULARS	(in ₹)	
	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Unsecured, considered good		
(a) Loans and advances to related parties (Refer Note 28)	3,427,703,143	3,305,259,871
(b) Advance to Suppliers	2,093,416	2,164,804
(c) Others		
Prepaid Expenses	33,810	169,609
Loans to Employees	145,604	130,599
Receivables Society	6,215,674	2,311,104
Service Tax input credit	1,222,537	228,444
Other Receivables	1,435,795	412,409
Total	3,438,849,979	3,310,676,840

In the opinion of the management, short term loans and advances are approximately of the value stated, if realised in ordinary course of business.

Note 20 Other Current Assets

PARTICULARS	(in ₹)	
	AS AT 31 MARCH 2013	AS AT 31 MARCH 2012
Interest Accrued but not due on FD	221,001	244,446
Interest Accrued on Investments	28,420	28,420
Refund receivable A.Y. 2010 - 11		5,747,680
Total	249,421	60,20,546

(in ₹)

Note 21 Revenue from Operations

PARTICULARS	2012-13	2011-12
Sale of Products:		
Sale of Products	459,849,800	779,727,450
Sale of Property	-	35,097,500
Sale of Property held as long term investment	-	-
Sale of Transfer of Development Rights	459,849,800	814,824,950
Revenue from Services:		
Lease Rental	788,897	4,365,619
Total	460,638,697	819,190,569

21.1 The Company has entered into operating Leases relating to certain portions of its property situated in Lower Panel in Accordance with Accounting Standard 19 (The Institute of Chartered Accountants of India), pertaining to Leases the following information is furnished:-

Premises given on Lease:

Sr. No.	Assets held as long term investments	2012-13	2011-12
i	Depreciation on investment Property	23,092	46,183
ii	Carrying cost of investment	1,416,665	4,249,995
iii	Lease Rent Received During the year	788,897	4,365,619
iv	Lease Rent receivable within 1 year	246,353	907,500
v	Later than 1 year and not later than 5 years	-	1,161,000
vi	Later than 5 years	-	-

General Terms of Lease Rentals:

- i. Lease Rentals are given on the basis of agreed terms
- ii. Assets are given on lease for a period upto 6 months

Note 22 Other Income

PARTICULARS	2012-13	2011-12
Interest from other	383,917,296	322,393,939
Dividend from Long Term Investments	18,414	28,458
Net gain on sale of current investment	71,298	5,856,821
Club House Income	459,962	2,769,425
Miscellaneous Balances Written Back	4,036,022	4,098,914
Miscellaneous Income	7,010,000	5,191,342
Total	395,512,992	340,338,900

Note 23 Property Development Expenses

PARTICULARS	2012-13	2011-12
Cost of Material Consumed	96,628	3,612,371
Direct Expenses	6,761,311	4,274,740
MCGM Expenses	-	1,544,600
Loss on transfer of Fixed Assets*	44,120,943	-
Total	50,978,882	9,431,711

*On the basis of an understanding reach between Marathon Era Co-operative Housing Society Ltd and the company it was decided to transfer the Club House hitherto held by the company as fixed assets to the Society net of corpus, deposits etc. collected from the members of the society. This has resulted in a loss of Rs. 4,41,20,943/-, which has been charged to Property Development Expenses Era. the residential complex constructed by the company was completed in the Financial Year 2009 and the said club house was transferred to Fixed Assets in the Financial Year 2009.

Note 24 Changes in inventories of finished goods, work-in-progress and stock in trade

PARTICULARS	(in ₹)	
	2012-13	2011-12
Inventories at the end of the year		
(A) Finished Stock:		
Finished Stock-Era		
Finished Stock-Innova	51,686,008	51,686,008
Finished Stock Innova Extension	238,378,159	466,090,336
	16,289,650	-
	306,353,816	517,776,343
(B) Work in Progress:		
Innova - Phase III(Extension)		
	-	9,431,711
	-	9,431,711
Total	-	-
(C) Total (A+B)	306,353,816	527,208,054
Less : Inventories at the beginning of the year		
(A) Finished Stock:		
Finished Stock-Era		
Finished Stock-Innova	51,686,008	57,877,424
	466,090,336	568,246,644
	517,776,343	626,124,067
(B) Work in Progress:		
Innova Phase III (Extn)		
	9,431,711	-
	9,431,711	-
(D) Total (A+B)	527,208,054	626,124,067
Add: Adjustments		
Cost of Car Parking transferred to/(from) Investments (E)	(2,833,330)	1,416,665
Total (C-D-E)	(223,687,568)	(97,499,348)

Note 25 Employee Benefits Expense

PARTICULARS	(in ₹)	
	2012-13	2011-12
Salaries and Wages		
Directors Commission	32,553,230	31,039,398
Contributions to Provident and other fund*	4,800,000	7,200,000
Staff welfare expenses	2,796,394	2,000,816
	336,851	287,864
Total	40,486,475	40,528,078

*Refer Note 7

Note 26 Finance Cost

(in ₹)

Particulars	2012-13	2011-12
Interest expense	34,623,735	90,789,401
Other borrowing costs	52,767	-
Total	34,676,502	90,789,401

Note 27 Other Expenses

(in ₹)

Particulars	2012-13	2011-12
Administrative Expenses:		
Power	405,146	4,151,341
Rent	75,915	64,656
Repairs to Building	-	-
Repairs to Others	132,848	122,291
Rates & Taxes	132,356	118,551
Insurance	-	-
Director's Sitting Fees	154,000	196,000
Payment to Auditors [Refer Note 27.1]	1,521,503	868,303
Cost of Investment Sold	-	3,348,104
Depreciation on Property held as Investment	(254,008)	(226,687)
Property Upkeep Expenses	5,876,507	9,701,395
Professional Fees	1,731,424	2,127,514
Security Expenses	2,812,644	1,083,252
Brokerage	2,233,402	5,002,956
Advertisement Expenses	1,365,677	586,805
Loss on Sale of Fixed Assets	430,651	752,251
Other Expenses	10,070,637	10,823,951
Total	26,688,702	38,720,683

27.1 Payment to Auditors:

(in ₹)

Particulars	2012-13	2011-12
Statutory Audit Fees	500,000	285,000
Tax Audit Fees	175,000	130,000
Limited Review Fees	225,000	225,000
Company Law Matter	449,055	135,000
Service Tax	152,808	81,083
Reimbursement of Expenses	19,640	12,220
Total	1,521,503	868,303

Note 28 Related Party Disclosures.

Disclosure as required by Accounting Standard 18 - 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India are as follows:

(a) Holding Company	Ithaca Informatics Pvt Ltd
(b) Key Managerial Personnel	Chetan R. Shah – Managing Director S. Ramamurthi - Whole Time Director
(c) Relatives of Key Managerial Personnel	Mayur R. Shah (Brother of Managing Director) - Director Ansuya R. Shah (Mother of Managing Director) Ramniklal Z. Shah (Father of Managing Director) Shailaja C. Shah (Wife of Managing Director) Sonal M. Shah (Wife of Mayur R Shah-Director)
(d) Associates	Columbia Chrome (I) Pvt Ltd Swayam Realtors & Traders LLP
(e) Enterprises over which key managerial personnel / relatives exercise significant influence	Citadel Realty & Developers Ltd Cornell Hsg & Infrastructure Pvt Ltd Fibre Box (Bombay) Pvt Ltd Hariyali Estate Pvt. Ltd. Kanchi Rehab Pvt Ltd Lark Consultancy Pvt Ltd Marathon Buildcon LLP Marathon Construction Co. Marathon Construction LLP Marathon Developers Marathon Ener-Gen LLP Marathon Energy Pvt Ltd Marathon Fiscal Pvt Ltd Marathon Group Marathon Housing Pvt Ltd Marathon Infotech Pvt Ltd Marathon IT Infrastructure Pvt Ltd Marathon Nextgen Townships Pvt Ltd Marathon Nexzone Infrastructures Pvt Ltd Marathon Nexzone Land Pvt Ltd Marathon Prachin Infrastructures Pvt Ltd Marathon Realty Pvt Ltd Marathon Securities & Properties Pvt Ltd Marathon Ventures Pvt Ltd Matrix Architects & Engineers Matrix Enclaves Projects Developments Pvt Ltd Matrix Fiscal Pvt Ltd Matrix Green Housing & Commercial Developers LLP Matrix H ₂ O Management LLP Matrix Salvage Management LLP Matrix Waste Management Pvt Ltd Matrix Water Management Pvt Ltd Nextgen Buildcon Pvt Ltd Nextgen City Container Depot Pvt Ltd Nextgen City Energy Pvt Ltd Nextgen City Utilities Pvt Ltd Nextgen City Water Management Pvt Ltd Nextgen Green Housing & Commercial Enclave Pvt Ltd

Nextgen Land Pvt Ltd
 Nexzone Bullcon LLP
 Nexzone Energy Utilities LLP
 Nexzone Fiscal Services Pvt Ltd
 Nexzone IT Infrastructure Pvt Ltd
 Nexzone Land Pvt Ltd
 Nexzone Utilities Pvt Ltd
 Nexzone Water Management Pvt Ltd
 Olympic Enterprises
 Parmeka Pvt Ltd
 Rare Townships Pvt Ltd
 Sanvo Resorts Pvt Ltd
 Shree Mulund News Publication
 Sonasha Enterprises
 Svarnim Enterprises Pvt Ltd
 Trident Ozone LLP
 United Builders
 United Enterprises
 Vector Molular System (I) Pvt Ltd
 Vector Project (India) Pvt Ltd
 Vector Properties Pvt Ltd
 Vinotak Investment Pvt Ltd

(f) Details of Transactions during the year with related parties:

Particulars	Holding company	Associates	Enterprises Included in (e) above	Key Management Personnel / Relatives	TOTAL
Expenses reimbursed by MNRL	-	583,401	6,062,345	-	6,645,746
	-	(88,117)	(12,851,762)	-	(12,939,879)
Expense Reimbursed to MNRL	-	583,401	6,061,580	-	6,644,981
	-	(88,117)	(12,736,283)	-	(12,824,400)
Advance Received	-	84,013,382	527,986,744	-	612,000,126
	-	-	(430,800,000)	-	(430,800,000)
Advance Repaid / Given	-	39,548,273	278,455,356	-	318,003,629
	-	(79,733,526)	(592,750,000)	-	(672,483,526)
Interest Received	-	122,952,126	218,129,617	-	341,081,743
	-	(89,602,674)	(228,168,890)	-	(317,771,564)
Counter guarantee given by Promotor Director towards loans	-	-	-	600,000,000	600,000,000
	-	-	-	(600,000,000)	(600,000,000)
Rent	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Equity	56,984,712	-	-	10,614,536	67,599,248
	(49,883,558)	-	-	(9,267,535)	(59,151,092)
Preference	150,000	-	-	-	150,000
	(150,000)	-	-	-	(150,000)
Redemption of 6% Non Convertible Redeemable Cumulative Preference	2,500,000	-	-	-	2,500,000
	-	-	-	-	-

Particulars	Holding company	Associates	Enterprises Included in (e) above	Key Management Personnel / Relatives	TOTAL
Share of Joint Venture Profit given	-	-	(18,750,000)	-	(18,750,000)
Remuneration	-	-	-	5,200,000	5,200,000
	-	-	-	(5,200,000)	(5,200,000)
Commission	-	-	-	4,800,000	4,800,000
	-	-	-	(7,200,000)	(7,200,000)
Director's Sitting Fees	-	-	-	30,000	30,000
	-	-	-	40,000	40,000
Loan Receivable Outstanding (Dr.)	-	1,652,697,329	1,775,005,815	-	3,427,703,143
	-	(1,494,396,930)	(1,810,862,942)	-	(3,305,259,871)
Loan Payable Outstanding (Cr.)	-	-	-	-	-
	-	-	(765)	-	(765)

Note:

- 1) Guarantees given by Key Management Person / relatives for loan availed by the Company from financial institution
- 2) Figures in bracket (-) indicate previous year's figures

Disclosure in respect of transactions that exceed 10% of the total value of transactions of the same type with related parties during the year :

PARTICULARS	2012-13	2011-12
(in ₹)		
Expenses reimbursed by MNRL		
Marathon Realty Pvt Ltd	6,062,345	138,090
Swayam Realtors & Traders LLP	583,401	88,117
Total	6,645,746	226,207
Expenses reimbursed to MNRL		
Marathon Realty Pvt Ltd	6,061,580	21,846
Swayam Realtors & Traders LLP	583,401	88,117
Total	6,644,981	109,963
Advances Received		
Marathon Realty Pvt Ltd	527,986,744	430,800,000
Total	527,986,744	430,800,000
Advances Given / Repaid		
Swayam Realtors & Traders LLP	32,548,273	76,233,526
Marathon Realty Pvt Ltd	278,455,356	592,750,000
Total	311,003,629	668,983,526

	2012-13	2011-12
Interest Received		
Columbia Chrome (I) Pvt. Ltd.	43,138,744	32,331,757
Swayam Realtors & Traders LLP	79,813,382	57,270,917
Marathon Realty Pvt Ltd	218,129,617	228,168,890
Total	341,081,743	317,771,564
Dividend Paid		
Ithaca Informatics Pvt. Ltd.	56,984,712	49,883,558
Equity	150,000	150,000
Preference		
Total	57,134,712	50,033,558
Remuneration		
Chetan R. Shah	5,200,000	5,200,000
Commission		
Chetan R. Shah	4,800,000	72,00,000
Share of Joint Venture Profit		
Marathon Realty Pvt Ltd	-	18,750,000
Loan receivable outstanding (Dr.)		
Marathon Realty Pvt Ltd	1,775,005,815	1,810,862,942
Columbia Chrome (I) Pvt. Ltd.	574,486,190	528,547,446
Swayam Realtors & Traders LLP	1,078,211,138	965,849,483
Total	3,427,703,143	3,305,259,871

Note 29 Disclosure required by Clause 32 of Listing Agreement:

Amount of loans and advances outstanding from associates and companies in which directors are interested.

(in ₹)

Name of the Companies	Closing Balance		Maximum Balance Outstanding during the year	
	2012-13	2011-12	2012-13	2011-12
Associates:				
Columbia Chrome (I) Pvt. Ltd.	574,486,190	528,547,446	574,486,190	528,547,446
Swayam Realtors & Traders LLP	1,078,211,138	965,849,483	1,078,211,138	965,849,483
Others:				
Marathon Realty Pvt Ltd	1,775,005,818	1,810,862,942	1,942,916,103	1,822,680,324

Note 30 Earnings per Share (EPS)

Sr. No.	Particulars	2012-13	2011-12
i	Net Profit after Tax as per Profit and Loss Statement	498,710,081	710,250,687
ii	Less: Dividend on cumulative preference share capital	150,000	150,000
iii	Less:- Tax on Dividend	25,493	24,334
iv	Net profit for the year attributable to equity shareholders	498,534,588	710,076,353
v	Weighted average number of equity shares	18,958,230	18,958,230
vi	Basic and diluted earnings per share	26.30	37.45
vii	Nominal value per equity share	10	10

Note 31 Contingent Liabilities (to the extent not provided for excluding interest, penal charges, if any)

Particulars	2012-13	2011-12
Claims against the Company not acknowledged as debt:		
1. Disputed Liabilities in appeal*		
Central Excise Duty	10,546,456	15,419,366
ESIC and PF	4,750,560	4,750,560
Total	15,297,016	20,169,926

* As certified by management and consultants.

- Disputed excise duty claims ₹1,05,46,546/- (Previous Year ₹ 1,54,19,366/-) in respect of which the Company made Excise duty payment of ₹ Nil (Previous Year ₹1,40,424/-). Differential Excise duty demanded on sale of yarn ₹ 48,72,910/- (Previous Year Rs. Nil) dropped by the Commissioner of Central Excise.
- The Employees Provident Fund Authorities have issued a show cause notice against the Company raising a claim of Rs 38,83,486/- purportedly being arrears pertaining to damages and delayed payment interest. The Company appealed against the order in the Provident Fund Appellate Tribunal and pending hearing the recovery of principal interest and damages has been stayed.
- The Employees' State Insurance Corporation has raised a claim of ₹8,67,074/- purportedly being arrears of contribution, damages and delayed payment interest. The Company had made a representation to the Board for Industrial and Financial Reconstruction in this regard besides filing an appeal in the ESIC court.

Note 32

Provision for tax as per the normal provisions of the IT Act 1961 is ₹ 11.40 crores as against the MAT of ₹ 9.60 crores as per the section 115JB. During the past three financial years the company's provision for tax was computed in accordance with the provisions of Section 115JB of the IT Act 1961 i.e. Minimum Alternate Tax (MAT). In view of this the company is entitled to MAT credit set off of ₹ 1.80 Crore calculated in accordance with the provisions of Section 115JAA of the IT Act 1961. Accordingly, the Provision for Tax of ₹9.60 crore is after netting off to the extent of the MAT Credit Entitlement.

Note 33

The Company is operating in a single segment i.e. Real Estate Development, pursuant to which the information required to be disclosed as per AS-17 "Segment Reporting" in case of different segment have not been disclosed here.

Note 34

The Previous years figures have been regrouped / rearranged / reclassified, wherever necessary to make them comparable with the current year.

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman &
Managing Director

V. NAGARAJAN
Director

S. RAMAMURTHI
Whole Time Director

K S RAGHAVAN
Company Secretary

May 28, 2014

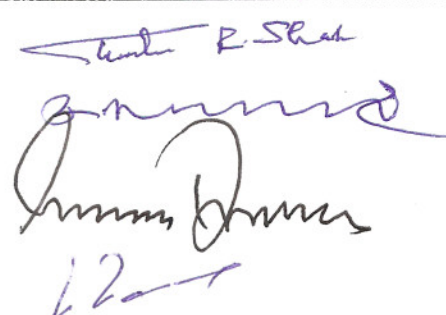

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Dept. of Corporate Services
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CIN: L65990MH1978PLC020080

FORM A

1.	Name of the Company	Marathon Nextgen Realty Limited
2.	Annual Financial Statements for the year ended	March 31, 2013
3.	Type of Audit observation	<p>Matter of Emphasis:</p> <ol style="list-style-type: none"> 1. Attention is invited to note no.13, with regard to investments of Rs.125,02,62,000/-, return on which would accrue to the Company only on the investee company reaching the specified profit level. 2. Attention is invited to Note No.23, with regard to loss on transfer of fixed assets amounting to Rs.4,41,20,943/- due to write-off relating to the Era Club House upon transfer of the same to the society. This has been charged to Property Development Expenses. <p>Our opinion is not qualified in respect of the above matters.</p>
4.	Frequency of observation	First Time
5.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman 	 



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