



**Infrastructure Developers
Limited**

Annual Report

2010-11

DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIAL RESULTS

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

OPERATIONS

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

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

DIVIDEND

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

DIRECTORS

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

AUDIT COMMITTEE

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

The Audit Committee met twice during the year under review

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CODES OF CONDUCT

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

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

AUDITORS

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

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

PUBLIC DEPOSITS AND LOANS/ADVANCES

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

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

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

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

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

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

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

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

For and on behalf of the Board

S. Venkatraman
Director

Anita Arjundas
Director

Mumbai, 19th April, 2011

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

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

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

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

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

The above measures have resulted in reduction of Energy consumption.

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

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board

S. Venkatraman
Director

Anita Arjundas
Director

Mumbai, 19th April, 2011

AUDITORS' REPORT

TO THE MEMBERS OF

MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of **MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

A. C. Khanna
Partner

MUMBAI, 19th April, 2011

(Membership No.17814)

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/ activities/results, clauses (vi), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) No physical verification of fixed assets was carried out by the management during the year. The Company has a system of verifying the fixed assets once in every three years. The last physical verification was done in March, 2009. In our opinion, the frequency of verification of fixed assets is at reasonable intervals.
- (c) During the year, the Company has not disposed any part of its fixed assets.
- (iii) In respect of its inventory:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. However, in respect of interest of Rs. 0.29 Lakh accrued and due on unsecured loan granted in prior years, it has been provided for as a doubtful advance in the Accounts for the year ended 31st March, 2008.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956, particulars of which need to be entered in the register required to be maintained under that section. As there are no such contracts or arrangements, paragraph 4 (v) (b) of the Order is not applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) According to the information and explanation given to us, rules made in respect of manufacture of fertilizers, by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company during the year.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues of Income-tax, Service Tax and Cess which have not been deposited as on 31st March, 2011 on account of any disputes.
- (x) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

A. C. Khanna
Partner

MUMBAI, 19th April, 2011

(Membership No. 17814)

BALANCE SHEET AS AT 31ST MARCH, 2011

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

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

A. C. Khanna
Partner

Place: Mumbai
Date: 19th April, 2011

For and on behalf of the Board of Directors

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

Place: Mumbai
Date: 19th April, 2011

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

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

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

A. C. Khanna
Partner

Place: Mumbai
Date: 19th April, 2011

For and on behalf of the Board of Directors

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

Place: Mumbai
Date: 19th April, 2011

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

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

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

A. C. Khanna
Partner

Place: Mumbai
 Date: 19th April, 2011

For and on behalf of the Board of Directors

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

Place: Mumbai
 Date: 19th April, 2011

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

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

SCHEDULE II
FIXED ASSETS (Note 8):

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

	2011 Rupees	2010 Rupees
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SCHEDULE III
INVESTMENTS (Unquoted):

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

SCHEDULE IV
CURRENT ASSETS, LOANS AND ADVANCES:

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

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

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

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

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

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

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

1. **Significant Accounting Policies:**
 - a) **Basis for preparation of accounts:**
The accounts have been prepared to comply, in all material aspects, with the applicable accounting principles in India, the Accounting Standards referred to in sub-section (3C) of section 211 and relevant provisions of the Companies Act, 1956.
 - b) **Fixed Assets:**
 - (i) All Fixed Assets are carried at cost less depreciation. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of fixed assets upto the date the asset is ready for use.

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

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

c) **Investments:**

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

d) **Inventories:**

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

e) **Revenue Recognition:**

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

Sales of products are recognised when the products are dispatched.

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

Interest Income is accounted for on time proportion basis.

f) **Income Taxes:**

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

g) **Segment reporting:**

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

2. **Contingent liability not provided for:**

Guarantee/Counter Guarantee given by the Company:

Rupees

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

3. **Information pertaining to Joint Ventures:**

Rupees

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

4. **Earnings Per Share:**

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

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

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

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

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

List of related parties with whom the Company has transactions

Enterprises Controlling the Company

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

Fellow Subsidiaries

1	Mahindra Consulting Engineers Limited	2	Mahindra World City Developers Limited
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Joint Ventures

1	Mahindra Water Utilities Limited	2	Mahindra Inframan Water Utilities Private Limited
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Transactions with related parties during the year and balance as on 31st March, 2011:
Rupees

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

1. Previous year's figures are in brackets and italic
2. During the year there were no amounts written off and written back from such parties.

MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

The Significant related party transactions are as under:

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

Previous year's figures are in brackets and italic

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

A) Particulars in respect of goods manufactured:

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

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

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

B) Particulars of Raw Materials Consumed:

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

Value of material consumed comprises of Indigenous Consumption only.

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

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

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

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

(Amount in Rupees)

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

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

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

Signatures to Schedules I to X

Mr. S. Venkatraman

Ms. Anita Arjundas

Directors

Place: Mumbai

Date: 19th April, 2011

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

Balance Sheet Abstract And Company's General Business Profile

I Registration Details :

Registration no. - State code

Balance sheet date
Date Month Year

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

Public Issue	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="N"/>	<input type="text" value="I"/>	<input type="text" value="L"/>
Bonus Issue	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="N"/>	<input type="text" value="I"/>	<input type="text" value="L"/>
Rights Issue	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="N"/>	<input type="text" value="I"/>	<input type="text" value="L"/>
Private Placement	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="N"/>	<input type="text" value="I"/>	<input type="text" value="L"/>

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

Total Liabilities (including Shareholders' Funds)
Total Assets

Sources of Funds :

Paid-up Capital	<input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Reserves & Surplus	<input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/>
Secured Loans	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Deferred Tax Liability	<input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/>		

Application of Funds :

Net Fixed Assets	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="5"/>	Investments	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="0"/>
Net Current Assets	<input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="9"/>	Miscellaneous Expenditure	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Deferred Tax Asset	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

IV Performance of Company (Amount in Rs. Thousands)

Turnover (total income)	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="5"/>	Total Expenditure	<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="4"/>
+ - Profit/(Loss) before tax	<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/>	+ - Profit/(Loss) after tax	<input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="8"/>
Earning per share in Rupees		Dividend Rate %	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Basic 0 . 0 9 Diluted 0 . 0 9			

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

Item Code (ITC Code)
Product Description : Animal/Veg fertilizer,mixed/nt/chemically treated.

For and on behalf of the Board of Directors

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

Place: Mumbai
Date: 19th April, 2011