



Integrated Township Limited

Annual Report

2010-11

DIRECTORS' REPORT TO THE SHARE HOLDERS

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

FINANCIAL RESULTS:

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

OPERATIONS

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

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

DIVIDEND

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

CAPITAL

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

FINANCE

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

EMPLOYEE STOCK OPTION SCHEME (ESOS)

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

Subsidiary of the Company

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

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

Remuneration/Compensation Committee

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

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

DIRECTORS

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

AUDIT COMMITTEE

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

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

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

AUDITORS

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

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

CODE OF CONDUCT

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

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

PUBLIC DEPOSITS, LOANS/ADVANCES

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

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

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

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

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

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

ACKNOWLEDGEMENT

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

For and On Behalf of the Board

Place: New Delhi
Date: April 21, 2011

Anita Arjundas
Chairperson

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board

Anita Arjundas
Chairperson

Place: New Delhi
Date : April 21, 2011

AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA INTEGRATED TOWNSHIP LIMITED

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

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

B. Ramaratnam
Partner
Membership No. 21209

Chennai, April 22, 2011

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

- (i) Having regard to the nature of the Company's business/ activities/results, clauses (iii), (v), (vi), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the same.
- (b) The fixed assets were physically verified during the year by the Management and no discrepancy was noticed on such verification.
- (c) No fixed assets have been disposed off during the year.
- (iii) In respect of its inventory:
- (a) As explained to us, the inventories representing land and construction materials were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (v) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of business.
- (vi) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed dues, including Income tax, Service tax and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income tax, Service tax and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) As on 31st March, 2011, there were no disputed dues on account of Income tax and Service tax which have not been deposited.
- (vii) The accumulated losses of the Company at the end of the financial year was less than fifty percent of its net worth and the Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (viii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investments.
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

B. Ramaratnam
Partner
 Chennai, April 22, 2011

B. Ramaratnam
Partner
 Membership No. 21209

BALANCE SHEET AS AT MAR 31, 2011

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

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

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

B. Ramaratnam
Partner

Place: Chennai
Date: April 22, 2011

For and on behalf of the Board of Directors

Anita Arjundas

Chairperson

Sangeeta Prasad

Director

Arti Batavia

Company Secretary

Place: New Delhi
Date: April 21, 2011

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

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

Notes to the Accounts

13

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

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

For and on behalf of the Board of Directors

B. Ramaratnam
Partner

Anita Arjundas

Chairperson

Sangeeta Prasad

Director

Arti Batavia

Company Secretary

Place: Chennai
Date: April 22, 2011

Place: New Delhi
Date: April 21, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

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

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

B. Ramaratnam
Partner

Place: Chennai
Date: April 22, 2011

For and on behalf of the Board of Directors

Anita Arjundas

Chairperson

Sangeeta Prasad

Director

Arti Batavia

Company Secretary

Place: New Delhi
Date: April 21, 2011

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

		Rs.				Rs.	
		As at	As at			As at	As at
		March 31,	March 31,			March 31,	March 31,
		2011	2010			2011	2010
SCHEDULE 1				SCHEDULE 2			
SHARE CAPITAL				Unsecured Loans			
Authorised				Mahindra World city Developers Ltd		73,300,000	73,300,000
60,000,000 equity shares of Rs.10 each		600,000,000	600,000,000	Mahindra Lifespace Developers Limited		298,700,000	208,700,000
Issued, Subscribed and Paid up						372,000,000	282,000,000
50,332,500 (Previous year 50,040,100) Equity Shares of Rs.10 each							
		503,325,000	500,401,000				
(Out of the above, 37,000,000 Shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees)							
(2,92,400 (Previous year 40,100) shares were allotted during the year under the ESOS scheme to eligible employees)							
		503,325,000	500,401,000				
SCHEDULE 3							
FIXED ASSETS							
Particulars	Gross block			Depreciation			Net block
	As at 01.04.2010	Additions	As at 31.03.2011	As at 01.04.2010	For the year	As at 31.03.2011	As at 31.03.2011
Computer	54,964	92,455	147,419	11,644	12,328	23,972	123,447
Office Equipment		7,990	7,990		196	196	7,794
Total	54,964	100,445	155,409	11,644	12,524	24,168	131,241
Previous Year	54,964	-	54,964	2,734	8,910	11,644	43,320
		Rs.				Rs.	
		As at	As at			As at	As at
		March 31,	March 31,			March 31,	March 31,
		2011	2010			2011	2010
SCHEDULE 4				SCHEDULE 7			
INVESTMENTS				LOANS AND ADVANCES			
Long term, Unquoted Trade (at cost)				Advances recoverable in cash or in kind or for value to be received		24,330,025	434,832
In Subsidiary Company				Advance for purchase of land		-	784,000
Mahindra Residential Developers Limited				Advance payment of Income tax		166,064	168,314
- 127,500 equity shares of Rs.10 each fully paid up		1,275,000	1,275,000	Deposits		5,666,325	5,273,469
- 10,000 Preference shares of Rs.10 each fully paid up		100,000	100,000				
- Share Warrant of Rs.1 each		1	1				
		1,375,001	1,375,001			30,162,414	6,660,615
SCHEDULE 5				SCHEDULE 8			
INVENTORIES				CURRENT LIABILITIES AND PROVISIONS			
Construction work in progress		866,805,657	782,878,804	Sundry creditors		-	-
Construction materials		6,475,669	-	- dues to micro enterprises and small enterprises		-	-
		873,281,326	782,878,804	- others		25,236,106	4,674,108
SCHEDULE 6				Advances received from customers		94,390,440	53,870,462
CASH AND BANK BALANCES				Other current liabilities		2,429,340	100,000
Cash on hand		8,838	-	Interest accrued		27,758,373	46,780,089
Balances with scheduled banks						149,814,259	105,424,659
- On current accounts		16,900,004	2,895,209				
- On deposit accounts		-	50,198,490				
		16,908,842	53,093,699				

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

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

SCHEDULE 13:

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

Significant Accounting Policies

1. Basis of Accounting

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

a) Use of Estimates:

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

b) Inventories:

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

c) Revenue recognition

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

d) Fixed assets

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

e) Depreciation

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

f) Investments

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

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

g) Provisions and contingencies

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

h) Foreign currency transactions

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

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

i) Taxes on income

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

2. EMPLOYEES' STOCK OPTION SCHEME

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

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

b. Summary of Stock options.

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

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

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

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

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

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

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

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

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

4. Related Party Transactions

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

The related party transactions are as under:

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

Figures in brackets are in respect of the previous year.

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

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

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

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

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

10. Earnings Per Share

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

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

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

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

Notes :

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

For and on behalf of the Board

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

Anita Arjundas
Chairperson

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

Balance Sheet Abstract And Company's General Business Profile**I Registration details :**Registration no.

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 State code

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Balance sheet date

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2	0	1	1
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Date Month Year**II Capital raised during the year (amount in Rs.thousands)**

Public issue										
								N	I	L

Rights issue										
								N	I	L

Bonus issue										
								N	I	L

Private placement											
								2	9	2	4

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

Total liabilities											
		1	0	2	5	4	6	4			

Total assets											
		1	0	2	5	4	6	4			

Sources of funds :

Paid-up capital											
		5	0	3	3	2	5				

Share Application money											
								3	2	5	

Unsecured loans											
		3	7	2	0	0	0				

Application of funds

Net fixed assets											
								1	3	1	

Investments											
								1	3	7	5

Net current assets											
		7	7	0	5	3	9				

Accumulated Losses													
								1	0	3	6	0	5

IV Performance of company (amount in Rs.thousands)

Turnover (including other income)													
								7	5	5			

Profit / (Loss) before tax													
								-	5	6	9	0	7

Earning per share in Rs.													
								(1	.	1	3)

Total expenditure													
								5	7	6	6	2	

Profit / (Loss) after tax													
								-	5	6	9	0	7

Dividend rate %														
												N	I	L

V Generic name of principal product /service of company.(as per monetary items)Product description : PROPERTY DEVELOPMENT
ITC Code : N I L

For and on behalf of the Board of Directors

Anita Arjundas

Chairperson

Sangeeta Prasad

Director

Arti Batavia

Company Secretary

Place: New Delhi
Date: April 21, 2011