

**DEVOTED TO TODAY.
COMMITTED TO TOMORROW.**

**37TH ANNUAL REPORT
2013 - 14**

MARATHON NEXTGEN REALTY LIMITED





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FROM CHETAN SHAH'S DESK

Chairman & Managing Director

Dear Shareholder,

It is indeed a great pleasure for me to meet you all in a changed business environment, that is full of hope and anticipation.

1. Changes in the Business Environment :

In the recent months business sentiments have turned positive. There is a sense of euphoria on the economic front brought in primarily by the new government, who have assumed power with a decisive majority in the current election (16th Lok Sabha).

There is a lot of anticipation on quick execution of long overdue reforms, some initiated by the previous government but languishing for want of clear majority in the house and many more planned by the new government. This is expected to give an impetus to the growth rate. This may lead the country to becoming one of the FASTEST emerging economies in the coming years.

For the last two financial years, the economy expanded at sub 5% levels. However, latest indicators point to a bottoming out of deceleration and the economy could now be on a recovery path with a projected GDP growth of 5.5% for 2014-15. Internationally too, the economies of the world are getting in better shape.

2. Central and Maharashtra Government Initiatives:

To reduce the pressures on urbanization of metros, the Urban Ministry has committed itself towards creation of 100 smart cities. Simultaneously creating Rail and Road connectivity will bring better living conditions, thus furthering economic growth of smaller towns and cities.

Another policy initiative aims at achieving "inclusiveness", for permanent structure (pakka) houses and sanitation facilities for all by subsidizing and reducing the interest rate for such activities.

Maharashtra Government has also given a boost to Public-Private Partnership projects such as Slum Redevelopment. The cut-off date for slums eligible for Slum Redevelopment Scheme has been revised from 1995 to 2000, removing the bottleneck and making many projects now viable.

Infrastructure projects like Eastern Freeway, Panvel Airport and Sion-Panvel Expressway among others will pave the way for decongestion of the city and creating housing stock in the peripheral areas.

The process hurdles are being reduced. Registration of documents has become simpler and conversion of land into Non-Agricultural use – a big hurdle and a time consuming one - has been simplified. Going ahead, all land capable of urbanizing will be presumed to be Non-Agricultural land. This will hasten the development of peripheral areas of Mumbai Metropolitan Region like Dombivli, Kalyan, Panvel.

3. Real Estate Sector:

Most of the international problems have had their bearing on Real Estate. Products such as Mortgage Based Securities were the ones that were hit the most. Last five years has seen the absorption of all such shocks and stabilizing of the economy with withdrawal of Quantitative Easing that supported the developed economies.

In India, Reserve Bank of India has done well with its policies of containing the inflation and stabilizing Indian currency. Government wants more liquidity in the system to fast-pace the growth of infrastructure. Attempts are being made to attract foreign funds by opening up some of the sectors that were hitherto protected. Increase in FDI limits in sectors such as Insurance and Retail will bring in more money. However, a lot more needs to be done on this front.

To channelise Indian savings towards infrastructure and real estate, certain steps are being taken such as regulations related to Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InfITs). This will give much-needed boost to liquidity in these sectors while offering smaller investors opportunity to participate in the growth. Tax efficiencies at various stages are required. Pass-through mechanism at one level has been permitted but many other areas such as stamp-duty and taxation on sale of units as well as Dividend Distribution Taxes need more clarity for these schemes to be successful.

To create competition between the lenders of housing finance and to curb malpractices, RBI has done away with pre-payment penalties for housing loan. Budget saw the limit under section 80C being increased from 100,000 to 150,000. Real estate Sector contributes substantially in generating employment. The market size of real estate in India is expected to increase at a CAGR of 11.2% during the period 2008-2020.

While rapid urbanization will boost our sector, new challenges such as ensuring housing and other basic infra facilities like clean water, schools, sanitation, drainage, waste management and recycling of water need to be addressed.

4. Emerging scenario - Service Sectors:

Rapid growth of Service sectors like Banking, Insurance, Telecom, Information Technology, and enabled services are driving demands for commercial spaces in the Metros. Last five years had seen reduced demand in this sector due to the global meltdown. This had created an over supply in segments like Lower Parel and Bandra-Kurla complex in Mumbai. With no new projects launched for commercial sector, this oversupply is getting absorbed and a balance of supply and demand is likely to be restored by next year.

With these sectors hiring more employees, it will give boost to the housing sector too.

5. Emerging scenario - Regulations:

From the policy perspective, the Realty Estate (Regulation and Development) Bill 2013 is expected to lead to better consumer redressal mechanism. However, as is true with any new regulation, the devil lies in interpretation of the details.

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 leading to lot of litigation. We expect GST regime to resolve most of these issues when implemented.

6. Company:

Your company has invested in a joint-venture for developing a prime property admeasuring about 13 Acres (erstwhile Khatau Mills). The foundation work of the first building here has already commenced. The Project is known as Monte South, and it is located near the Fire Brigade at Byculla. This project is being undertaken as a joint venture of Marathon and Adani Group.

The Company, as part of its Corporate Social Responsibility (CSR), sets aside a portion of its profits for educational purposes. Under this initiative, senior personnel of the Group are encouraged to impart counseling to aspiring students for their future educational and social pursuits.

As I sign off, Marathon Group stands on the strong foundation of values, engaged workforce and a long-term vision. As the macro economic factors improve, I am sure we would be able to capitalize on the new and emerging opportunities and achieve higher growth levels.

I express my thanks to the shareholders like you for your continued faith in the Management; to the staff who have stood by the management and to all the directors for the support during the year.

Warm regards.

Yours truly

Chetan R Shah.

Chairman & Managing Director



FROM MAYUR SHAH'S DESK

Vice Chairman

Dear Shareholders,

I am pleased to present the 37th Annual Report of your company.

Despite a lower bottom line and continued slowdown in the realty sector, I am overwhelmed to inform you all that the Board has recommended a higher and increased Dividend payout of Rs. 5/share (i.e. 50%) for the year 2013-14 compared to Rs. 4/share (40%) in the previous year.

New government and positive pace of new regulatory processes with special impetus on building SMART cities with adequate infrastructure facilities to address the growing housing demand will generate substantial demand for low and mid sector housing needs. Also with the added influx of FDI in the ailing sectors of Indian economy will further spur the demand for commercial spaces in turn increasing the purchasing power of the people in general. The latest KPMG research report says that India will need to create 30,000 homes per day, for to the next 8 years to meet the housing needs for our country.

As communicated to you, the launch of Nextown at Dombivli, Nexzone at Panvel and impending Monte-South at Byculla by Marathon Group signifies the Management's untiring efforts to keep abreast with customer's expectations and be closest to their hearts. The first phase of Monte South comprises 62-storey towers with cutting-edge technology. Our soft launch has received a tremendous response.

Talking about commercial spaces, I am proud to share that Marathon Group is the only developer offering spaces from around 15,000 sq. ft. to around 80,000 sq. ft. in a single floor plate. The concept of SBS (Small Business Spaces) pioneered by the Group has indeed curtailed the impact of the slowdown to a large extent.

The encouraging factor in the coming years is the increase in demand of Commercial spaces from BFSI sectors.

I must talk about use of technology in the Group Projects, usage of Aluminum Shuttering i.e. MIVAN technology for the first time in the prestigious project "Marathon ERA" and combining with HPC for concrete facade has eliminated the cost and hassles of external plastering and negligible dust collection, thus resulting in savings in terms of maintenance. Aluminum Shuttering is now used by the Group in all its projects irrespective of sizes and locations. The lessons learned from leveraging cutting edge technology in building Marathon NextGen have remained with us, as we continue to implement similar and even more innovative technologies in all our projects.

In our pursuit to minimize environmental damages, the Group is proud to say that Marathon Futurex, at Lower Parel is a Gold-rated and LEED certified building. The building is designed based on changes in the thermal patterns throughout the year. With the use of double glazed, low-e-glass that lets light in, but cuts out the heat. During the construction phases also, relatively in all the projects the Group ensures usage of fly ash, micro-silica, low volatile organic compound paints, adhesives and other recycled resources to ensure minimal environment damage.

With the projected expansion at Panvel and Dombivli, I would like to share that the Group is poised to develop 20,000 "NEX" series homes, besides "Monte" series plush residencies in the Mumbai suburbs.

On the organizational level, we are proud to announce that the company is now poised to take up thought-based leadership and has implemented several initiatives that are meant to give us an opportunity to grow well not only in terms of business but also in terms of becoming a company that truly transmutes its philosophy and values across its processes both for external stakeholders like Shareholders and customers and internal stakeholders like employees. To name a few, initiatives like NGL-I and II for developing leadership capabilities and succession planning, technology backed and integrated sales and marketing efforts like introduction of salesforce, ameyo.

The Group's Brand Refreshment exercise with a special focus on increasing and efficiently managing customer touch points with internationally renowned Landor Associates has been taken up.

Such measures have been taken up in keeping with the fact that every contact point with a potential customer is an opportunity.

I am sure with the available opportunities and leveraging the Group's goodwill, the future growth is strong and we are racing ahead.

I dedicate this to you all for without your continuous support and strength this expansive growth would have remained a dream only.

Warm Regards,

Mayur R. Shah

Vice Chairman



BOARD OF DIRECTORS & ASSOCIATES



Chetan R. Shah
Chairman / Managing Director



Mayur R. Shah
Vice Chairman



S. Ramamurthi
Wholetime Director



V. Nagarajan
Director



V. Ranganathan
Director



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: Wednesday, September 24th, 2014, at 11:30 am.

Venue: Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber building, IMC Marg, Churchgate, Mumbai - 400020



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'

Values



STAND TALL IN TERMS OF INTEGRITY & TRANSPARENCY

Do the right thing at all times and in all circumstances. Be honest, upright, and decent in our dealings with others.



IMPROVE CONTINUOUSLY & SCALE HEIGHTS

Begin each day with positivity and possibility and do our best to take ourself and the organisation forward. Aim for measurable goals & track this status to continuously improve upon the work



ALWAYS FOCUS ON CUSTOMER DELIGHT

Customer satisfaction remains the prime focus of every employee and their valuable feedback should point to the way ahead



RESPECT RESOURCES AND CREATE EXPONENTIAL VALUE

Every resource should be utilised effectively to generate success and ensure long-term value.



CONSTANTLY ENDEAVOUR TO CREATE HAPPINESS FOR ONE AND ALL

All-round contentment of all stakeholders, right from customers to colleagues and self alike are one of our prime objectives.



BE COMMITTED AND RESPECTFUL TO ALL AND BE FIRM AND FAIR AT THE SAME TIME

Resolute commitment to our work and to our goals is the surest & only way to achieve our dreams.



AWARDS



MARATHON NAGARI, BADLAPUR

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



Sales Force Software Implementation in Mumbai

Awarded for fastest implementation and adoption of SFDC platform



'Most Promising Brand' - Marathon Group

Marathon Group has been chosen as the 'Most Promising Brand - India, 2013 - 14' in the Real Estate segment by the World Consulting & Research Corporation



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



MARATHON NEXTGEN JV PROJECT

Presenting a Joint Venture between
Marathon & Adani

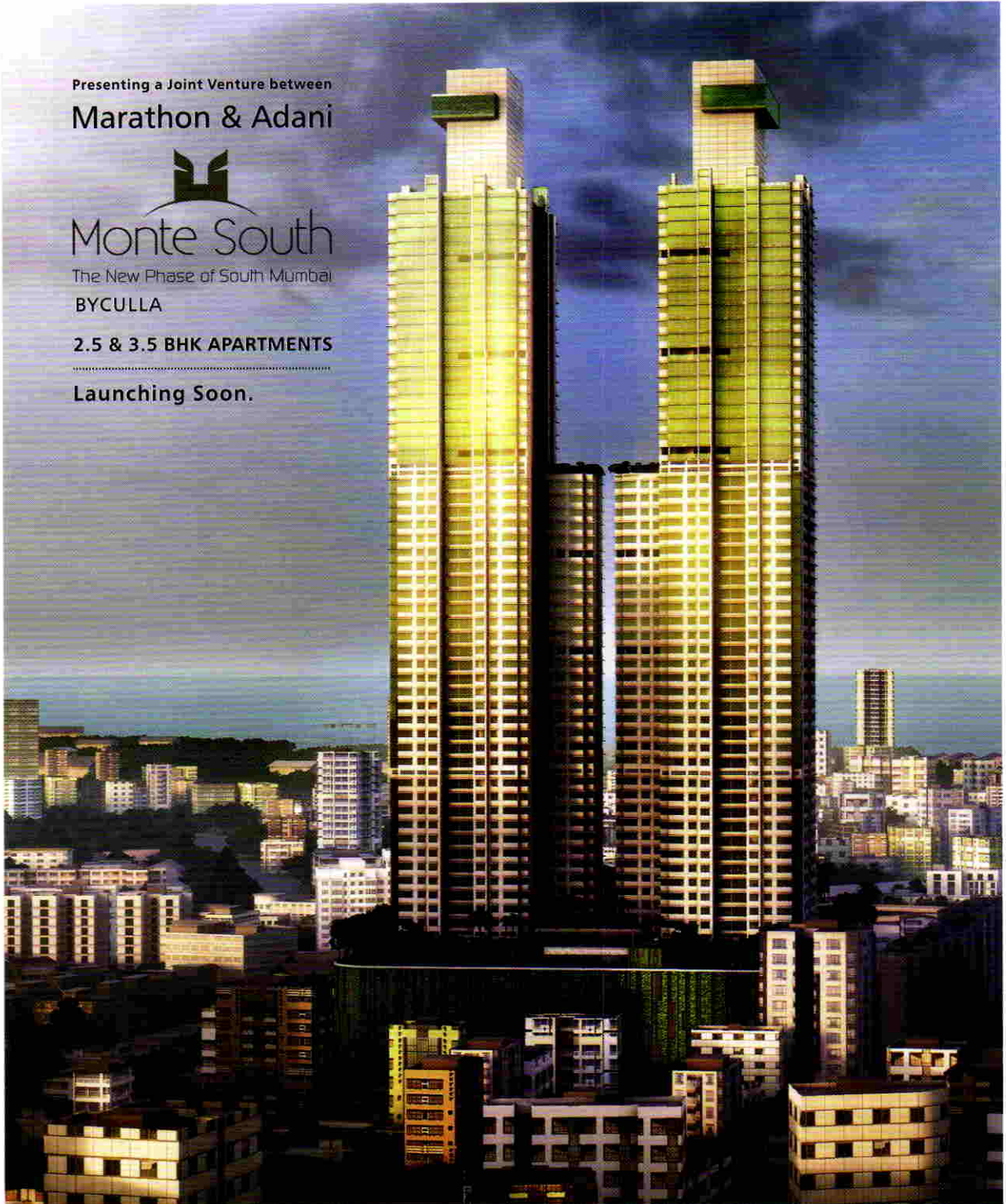


Monte South

The New Phase of South Mumbai
BYCULLA

2.5 & 3.5 BHK APARTMENTS

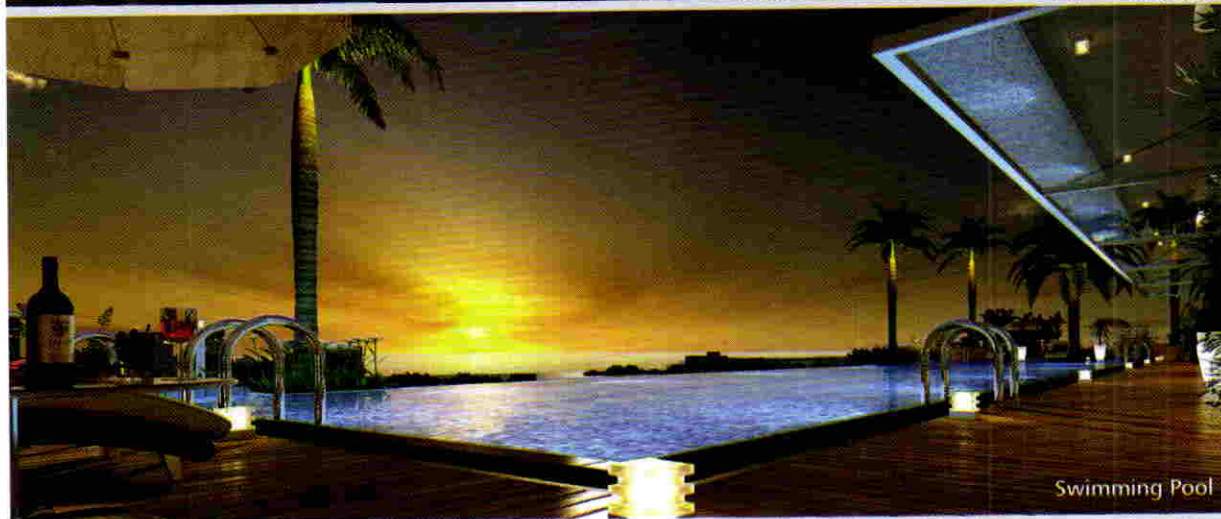
Launching Soon.



All images are Artist's Impression



Landscaped Garden



Swimming Pool



Grand Entrance Lobby

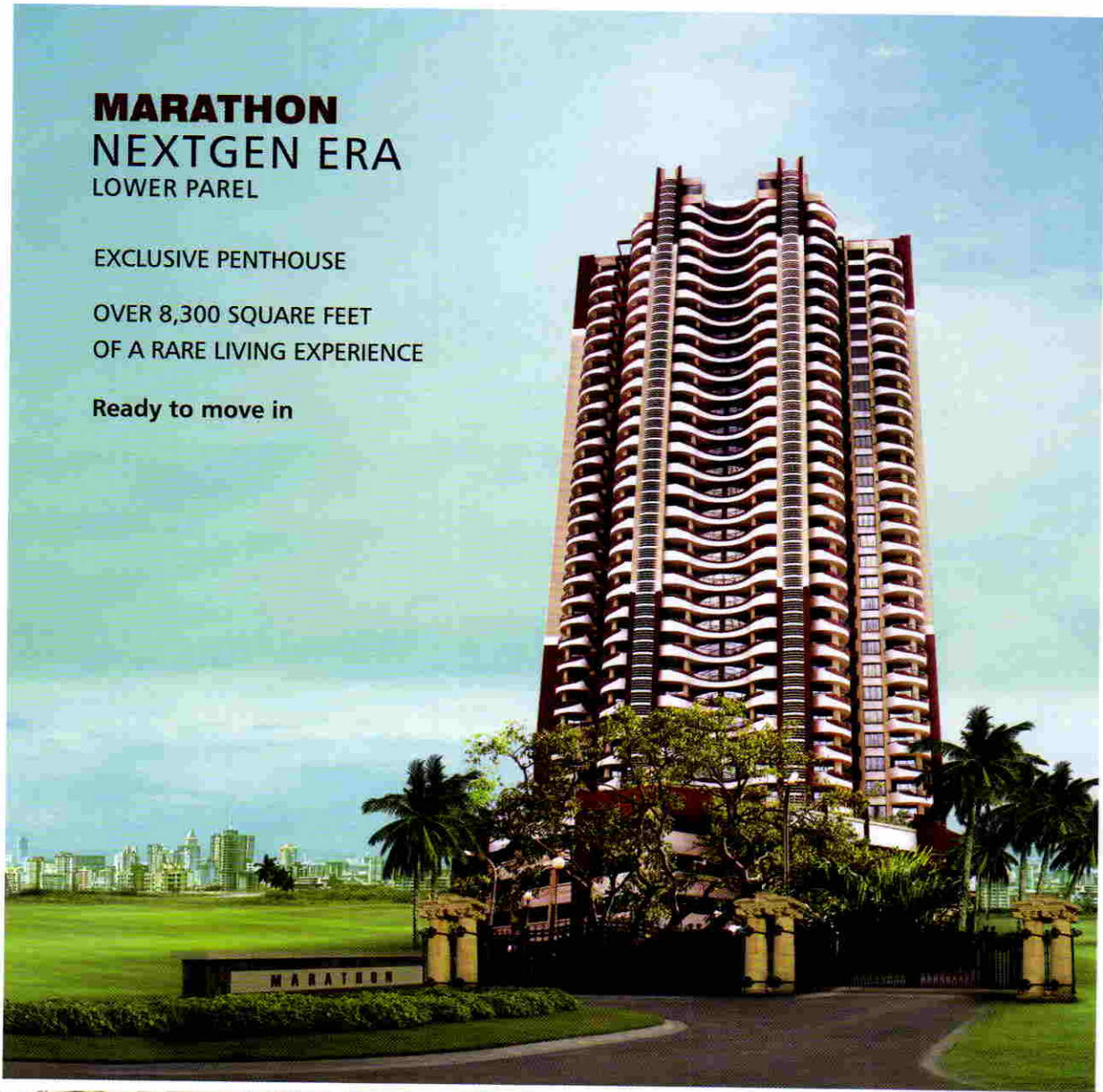


MARATHON NEXTGEN ERA LOWER PAREL

EXCLUSIVE PENTHOUSE

OVER 8,300 SQUARE FEET
OF A RARE LIVING EXPERIENCE

Ready to move in



Double height living room



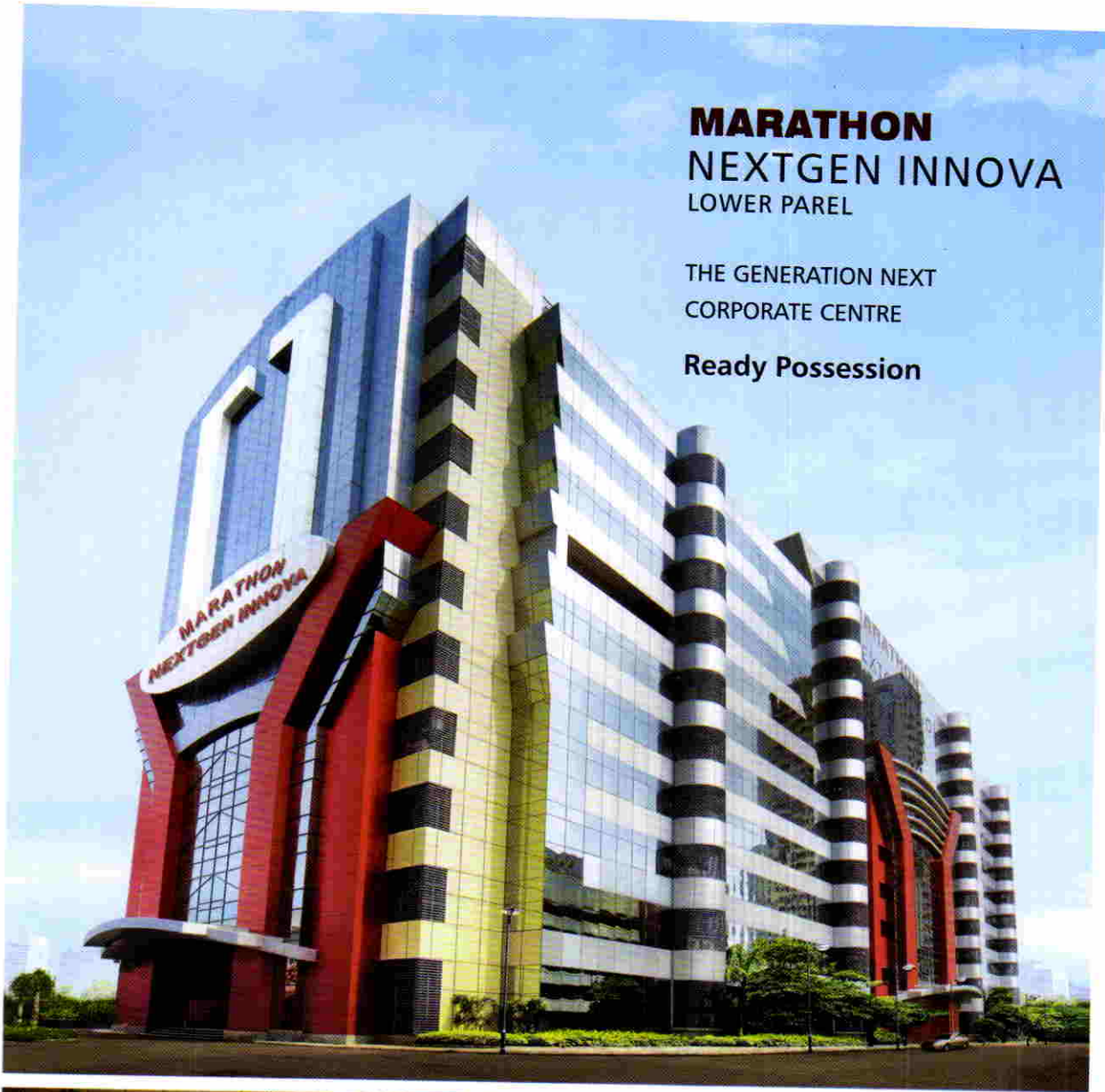
Gymnasium



Clubhouse with Swimming Pool



MARATHON NEXTGEN PROJECT



MARATHON NEXTGEN INNOVA LOWER PAREL

THE GENERATION NEXT
CORPORATE CENTRE

Ready Possession



Grand Entrance Lobby

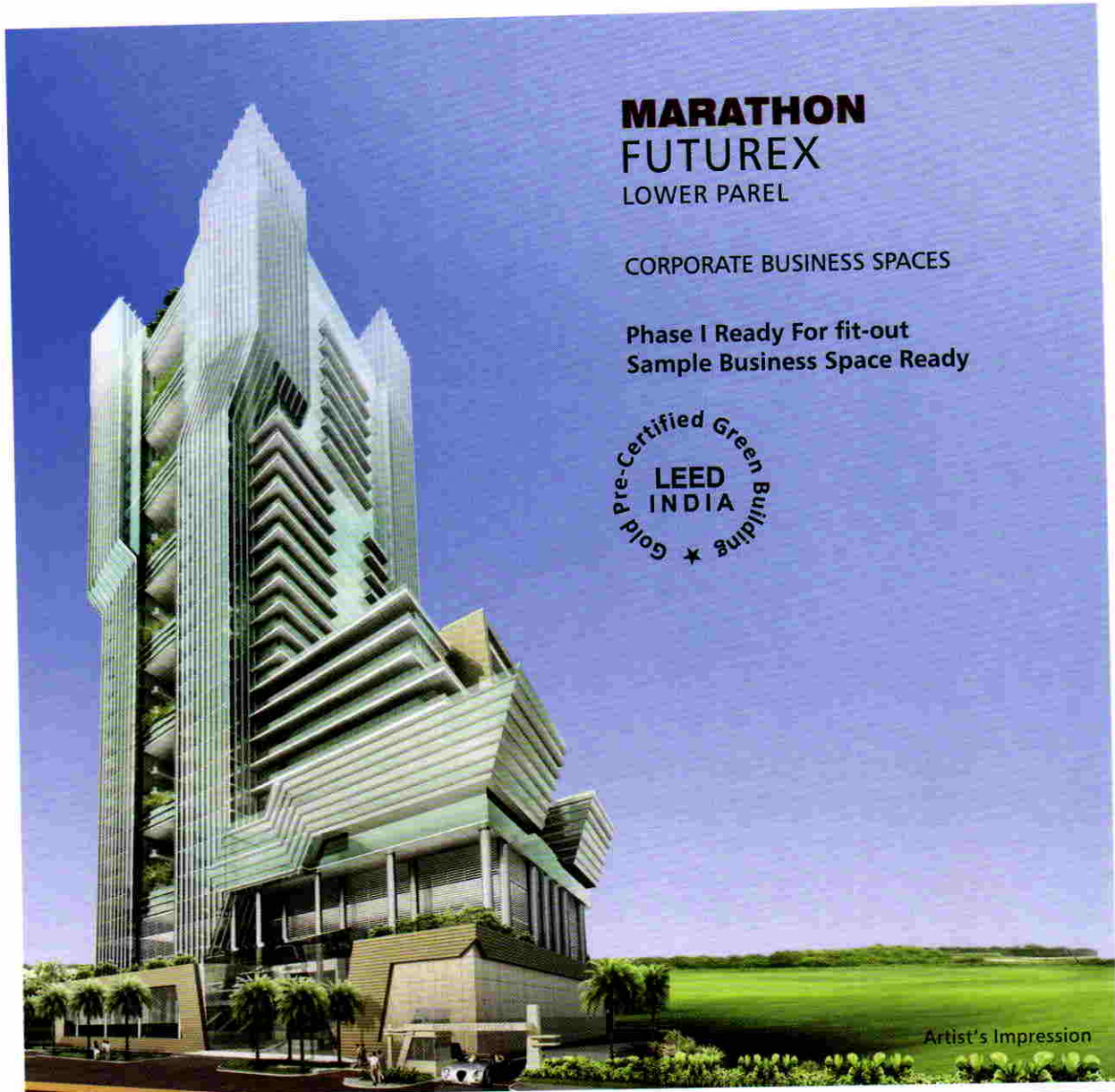


Capsule Elevator



Car Park

All images are Actual Images



MARATHON FUTUREX LOWER PAREL

CORPORATE BUSINESS SPACES

Phase I Ready For fit-out
Sample Business Space Ready



Artist's Impression



Grand Entrance Lobby

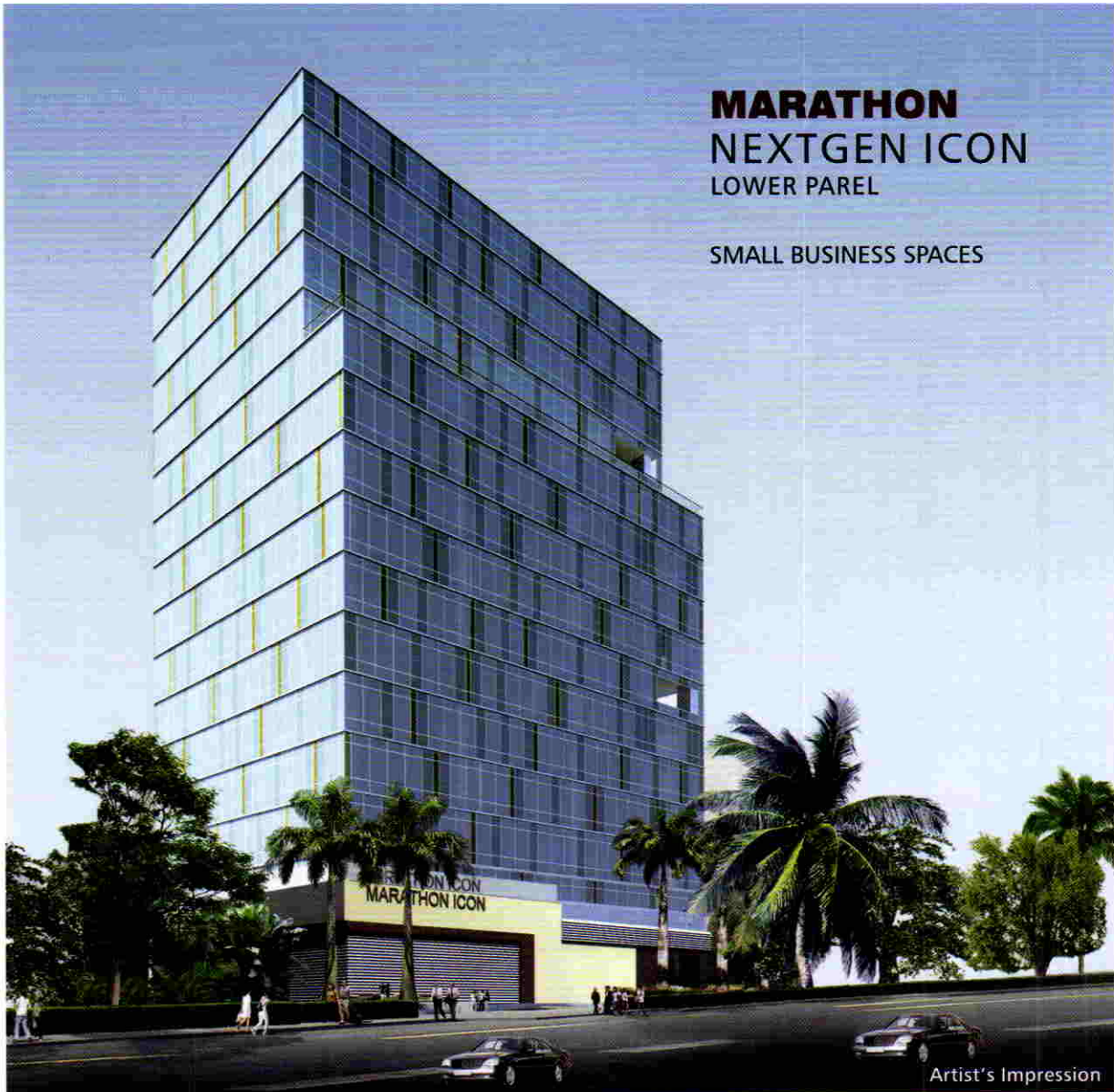


Sky Garden



Costa Coffee Lounge

Actual Images



Reception Area



Work Station



Manager's Cabin

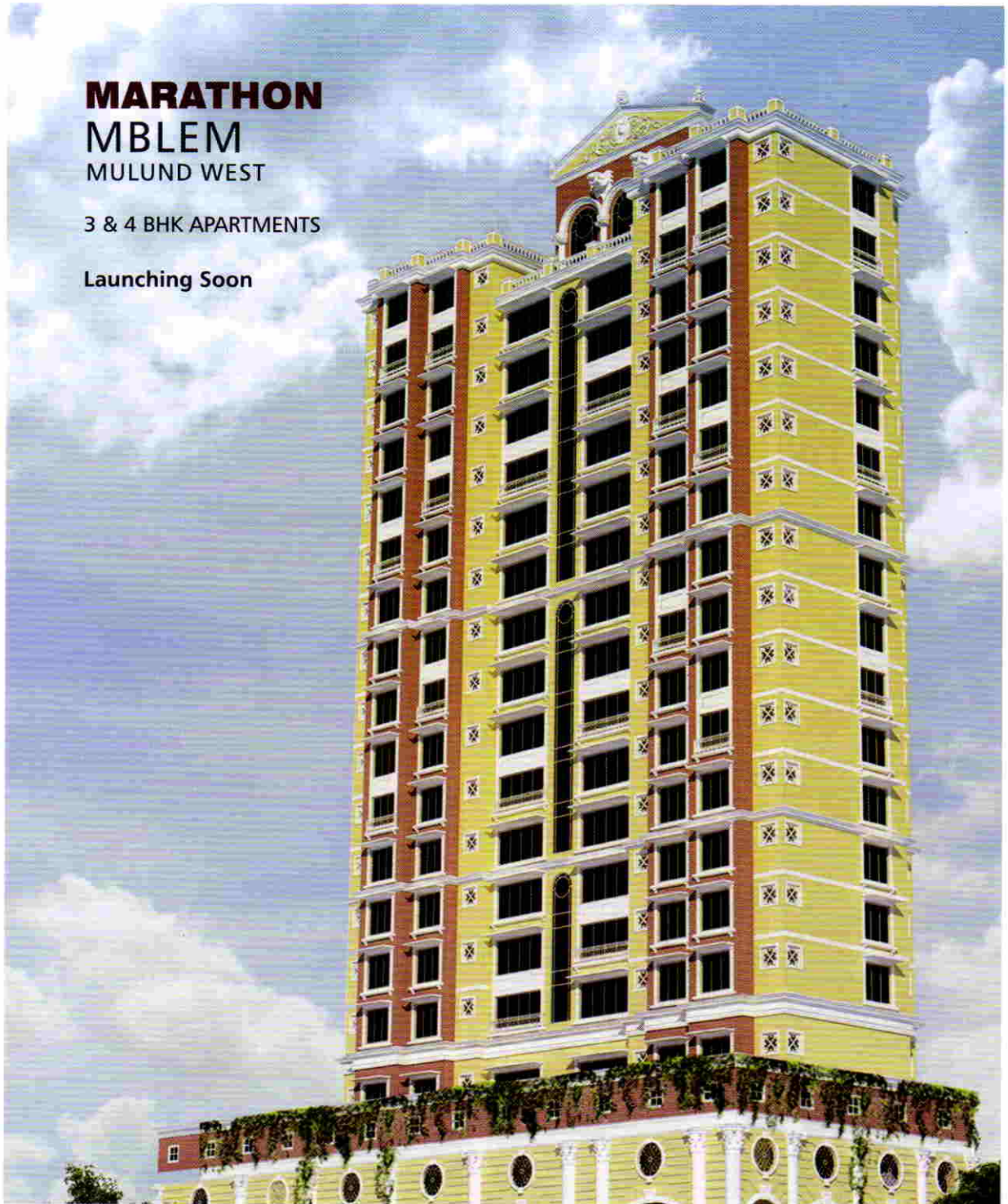
Actual Images



MARATHON **MBLEM** MULUND WEST

3 & 4 BHK APARTMENTS

Launching Soon



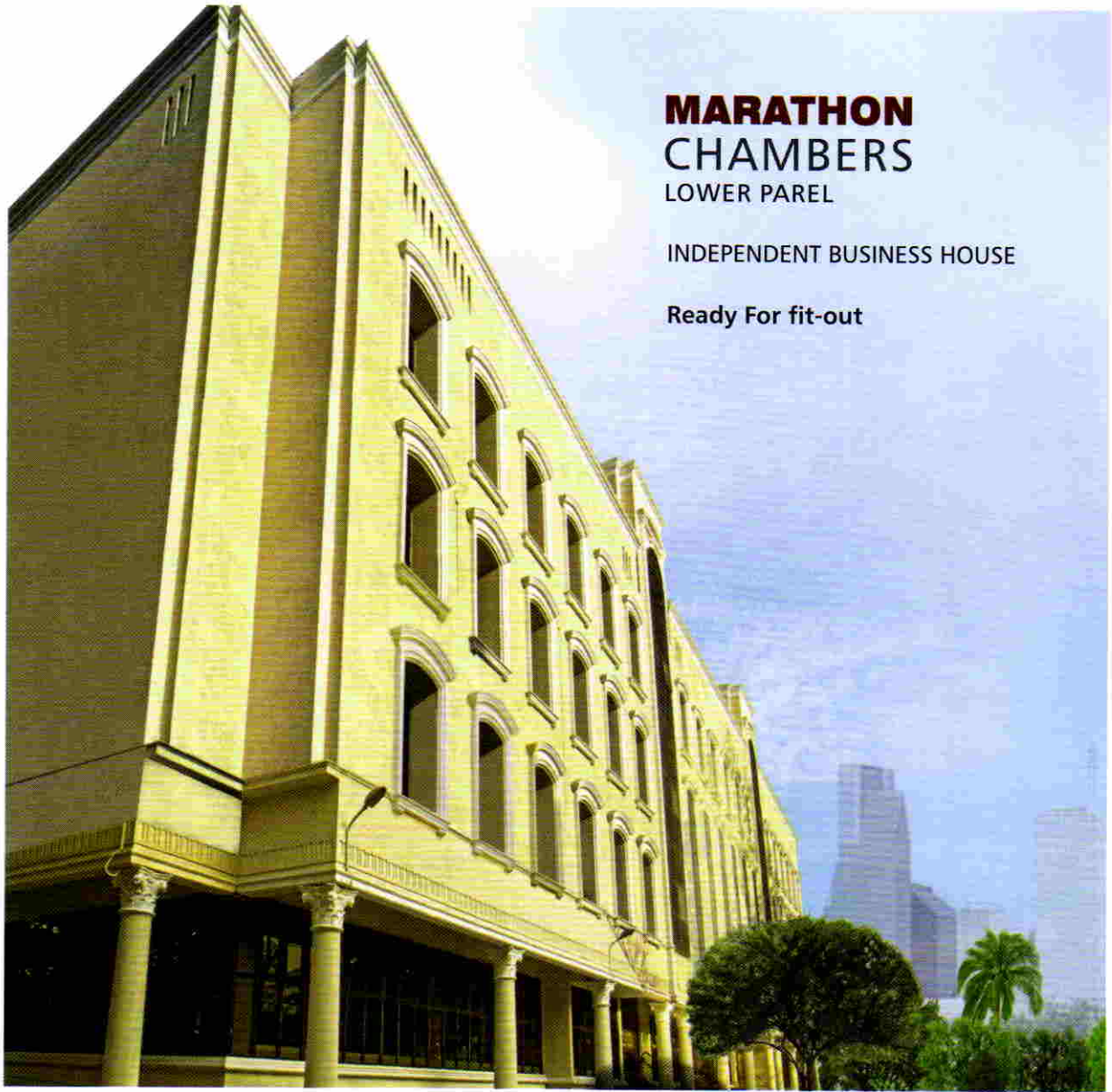
Artist's Impression



MARATHON
MBRYO
BHANDUP WEST

1 & 2 BHK APARTMENTS

Artist's Impression



MARATHON CHAMBERS

LOWER PAREL

INDEPENDENT BUSINESS HOUSE

Ready For fit-out



Garden



Elevator



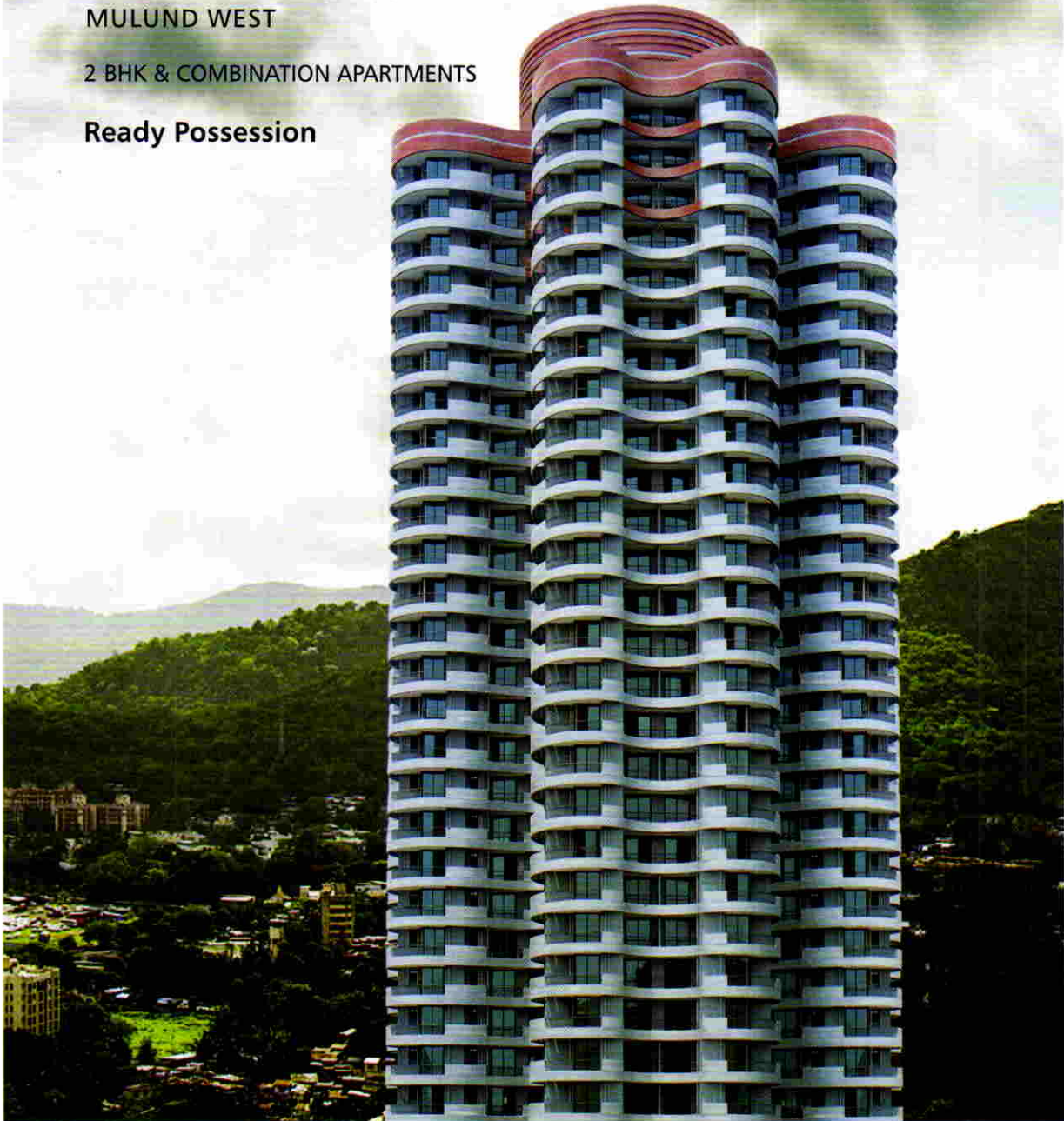
Security Camera



MARATHON MONTE VISTA MULUND WEST

2 BHK & COMBINATION APARTMENTS

Ready Possession





MARATHON NEXZONE PANVEL

2, 2.5 BHK and
COMBINATION APARTMENTS



Landscaped Garden



Swimming Pool & Clubhouse



Gazebo



MARATHON NEXTOWN

KALYAN-SHIL ROAD
DOMBIVLI EAST

1 & 2 BHK APARTMENTS



Kid's Play Area



Temple



Clubhouse with Swimming Pool

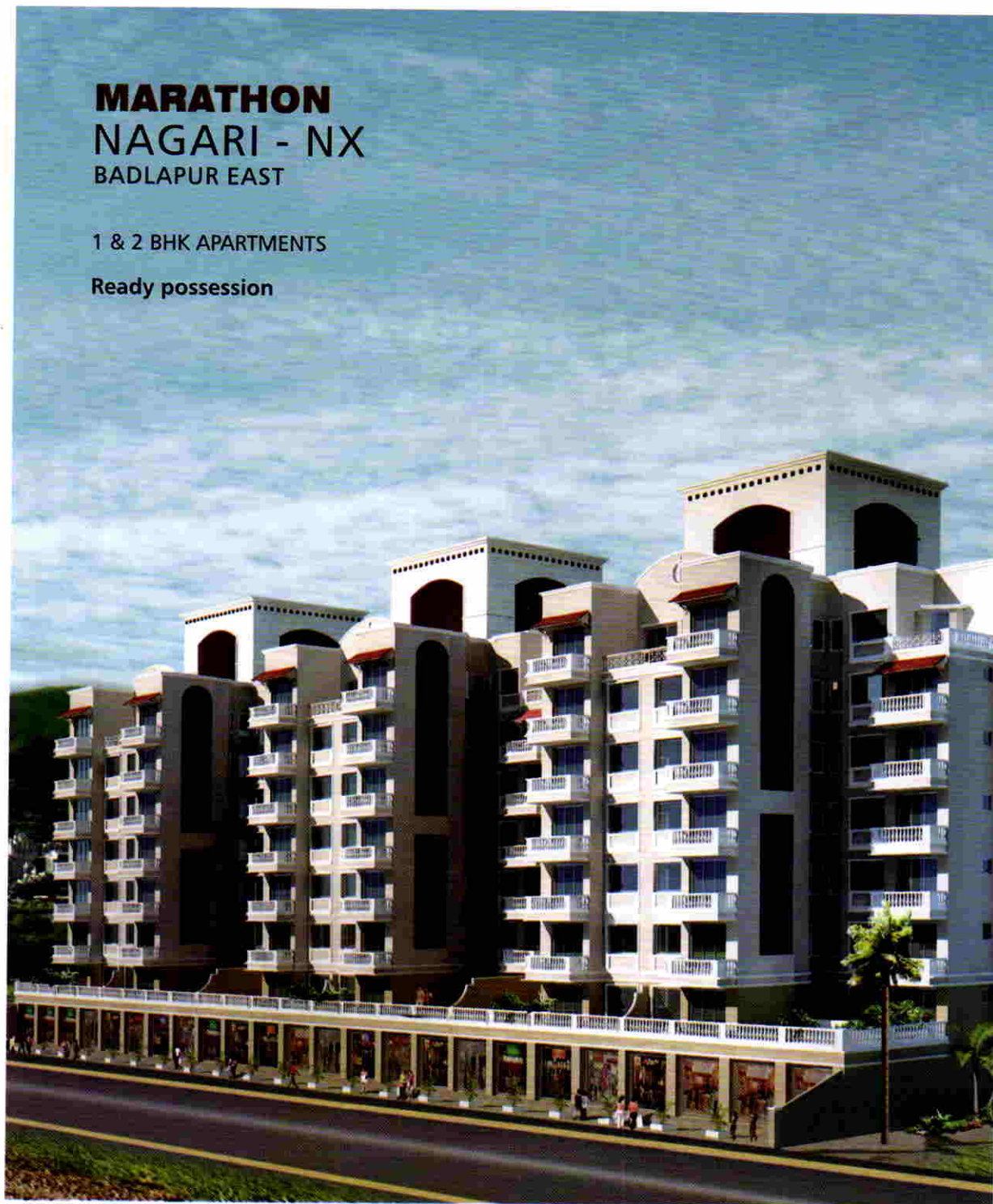
All images are Artist's Impression



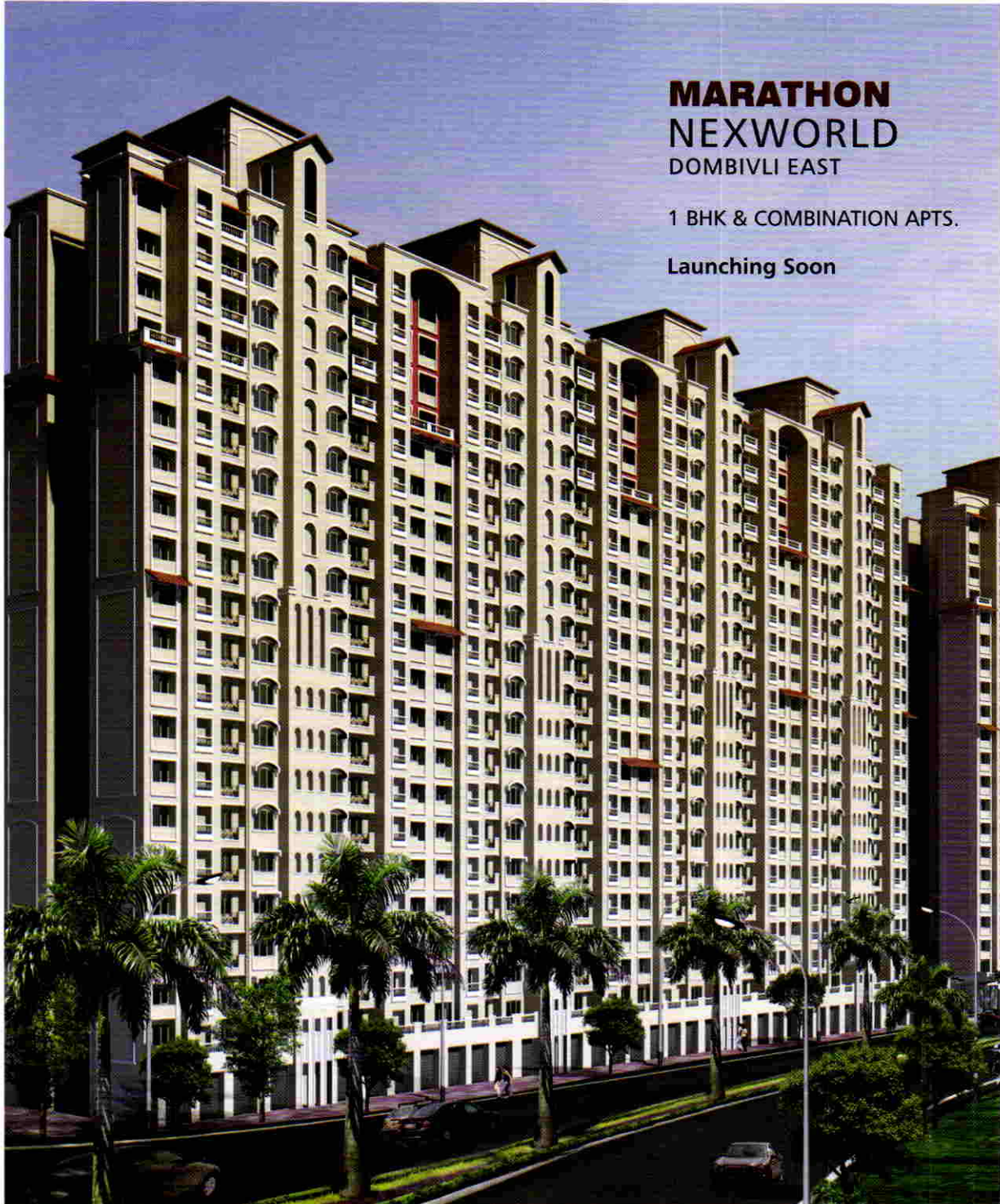
MARATHON NAGARI - NX BADLAPUR EAST

1 & 2 BHK APARTMENTS

Ready possession



Artist's Impression



**MARATHON
NEXWORLD**
DOMBIVLI EAST

1 BHK & COMBINATION APTS.

Launching Soon

Artist's Impression



Marketing & Sales

1. **ERP Training & widespread implementation-** In 2013, we conducted department-wise training of employees on ERP usage. This helped departments to trace the movement of new assignments and status of existing jobs successfully, thereby helping them to manage the assignments as per the departments that handle them. It resulted in appropriate level-wise and task-wise structuring of assignments amongst various departments. This training further led to increased and effective usage of ERP by employees from initial 25% to present 75%. Customer Care team's work of managing post sales process and documentation has been facilitated helping in establishing proper understanding of booking and post booking processes. Post sales turnaround time (TAT) has improved and customer satisfaction has increased.
2. **SFDC implementation -** In Oct, 2013, Sales Force software was implemented with an objective of tracking the entire sales cycle end-to-end, on a project to project basis. This proved to be a milestone that will help in understanding our lead conversion time, mapping sales cycle loops and enhancing communication efforts in line with sales targets and sales cycles. Opportunity level lead management & lead profiling is being done effectively. Now we are looking at developing a customer portal on SFDC that will help in tracking client transactions and grievances effectively. Tagging of marketing campaigns and campaign effectiveness is one more important area that has been addressed successfully through SFDC.
3. **Contact Center Team Training -** This has helped us build an effective communication channel right from pre-sales to walk-ins. With a dedicated Contact Center Team, we have been successful in establishing a personnel touch point that guides the prospective leads on relevant project related updates, thereby aiding in maintaining channelised communication support, until the walk in happens.
4. **Digital Marketing -** With the advent of social media marketing and a diversified online presence, we have been able to tap prospective clients through the web, which is one of the most widely reaching and cost effective marketing channels. By the use of web banners on a host of website platforms, we have been able to generate good leads and conversions that are further strengthening our insights and focus towards using the online platform effectively.
5. **Direct marketing -** This has been the first year when we have begun tapping prospective clients via targeted mailer activities for different projects, across different platforms. The insights gained show promise of developing a wide host of marketing communications across this channel, which will help us to further deploy strong communication channels.
6. **Digital Monitoring -** In sync with the above online and digital activities, we have also started analysis of the traffic on our website and micro-sites that will help in gaining insight about developing consistent communication and Information, on a platform that is most easily accessible and also happens to be the face of the company to the world.
7. **Possession experience -** For the first time at Marathon, we have started client engagement initiatives that aim at targeting the possession process. This will be done in a way that will help in building a customer touch point that is memorable, enhances the takeaway from the group, by way of an experience of holding a customised possession event as well as 'Moving to New Address' E-mailers.
8. **Setting up the Marketing Department -** Appropriate structuring is also one of the most important milestones achieved in the year 2013. With the setting up of the marketing team, we are now strongly focused on building channelised and real time communication paradigms, that will not only help in highlighting our projects but also contribute strongly in building Brand Equity.



Organisational Initiatives

1. **NGL 1 & 2** - This year with an added focus on developing leadership skills in our workforce, we have initiated the Leadership Development Program - NGL 1 & 2. This program is for a select few Head of Departments in the organization. NGL 1 was implemented for HOD across departments and is focused on increasing awareness and appreciation of contributive work from other allied departments. It includes various initiatives such as Training programs, Live project etc. NGL 2 focused on developing future leaders who will guide functional decisions with the bigger picture in mind and implementing a collaborative approach to lead and energize teams towards high performance.
2. **Study Circle** - This is a program that was undertaken for educating departments about the functional aspects of other departments through weekly sessions, where a department makes a presentation on the key role and responsibilities of that department, to improve understanding amongst other departments as well as to share their expectations with them. It provides a platform for discussing new initiatives, bottlenecks and their solutions, etc.
3. **Development planning** - Competency Framework was rolled out across the organization through workshops to understand the framework and the relevance of their job responsibilities vis-a-vis competencies required for day to day work. Also initiated was Development planning, which is used to identify strong areas of improvements for employees every individual and create development plans to enhance capability for better performance.
4. **Employee Engagement** - One of our vision statements is to be in Top 5 in Employee Engagement across the MMR. To this end, we measure engagement levels of employees towards the job and the organization through an annual survey. EE Group discussion was also used to dive deeper and identify focus areas. Based on focus areas, action plans for each department were drawn and executed through champions. Organization wide initiatives were planned and executed by the HR team.
5. **IDP** - A development program for supervisors to stretch their capabilities and enhance productivity was implemented. This year long program provides project supervisors with additional responsibility and helps them to become resilient and independent in their work. Guides and mentors support and teach them on a regular basis. And supervisors present their progress and learning reports to their HODs on a monthly basis.
6. **Brand Refresh : Landor Associates** - The current year promises to be one of the most important in India's history. A time when the Indian economy is striving to cope up with needs of young Indians. When politics has changed communication radically from traditional rallies to online reputation management. When Social media is becoming a mode to live life in a larger group. These and many more changes are about to redefine the new age customer. Being a part of the Real Estate industry, we have seen various phases of Real Estate and rapidly changing market trends. From a Product or supply oriented market, it has become a customer-oriented market like any other service industry. Customers these days have several criteria for deciding to buy a flat, just like they would for a typical product over the shelf viz. How it has been marketed, the onsite experience, salesperson interactions etc. But out of all these, one of the most important is the brand name or the developer. The Brand name plays an integral role for any decision made by the customer. However, the brand name itself isn't restricted to the customer's decision-making but also impacts the decision-making of partners, vendors, consultants, the media etc.

As we move steadily towards Marathon Vision 2017, we believe that the brand will play a key role in achieving our vision. Yet, a brand is signified not only by the name "Marathon" but various other key attributes such as brand perception, values, ethos, brand personality, brand positioning, customer touch points, brand promise, its overall performance etc. All of these together add to the entire life and influence of a brand or an organisation. Understanding the gravity of the subject, we have decided to approach it in a more scientific manner. Hence, we have tied up with an internationally renowned brand consultant "Landor Associates". They will work closely with us over the next few months to analyze and suggest for us a road map through their global experience for Marathon and the way ahead.

We would like to reiterate that this initiative can only succeed with your support.



REPORTS

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the members of MARATHON NEXTGEN REALTY LIMITED will be held at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber building, IMC Marg, Churchgate, Mumbai - 400020, at 11:30 am on Wednesday, September 24th, 2014 to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet for the year ended on 31st March, 2014 and the Profit and Loss Account for the year ended 31st March 2014 on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on the Equity Shares, if any.
3. To appoint a Director in place of Mr. Mayur R. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. 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 to authorise the Board to determine their remuneration.

B. SPECIAL BUSINESS:

5. Appointment (Regularizing) of Mr.V.Nagarajan as an Independent Director.

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

RESOLVED THAT Mr.V.Nagarajan (DIN:00135714) who was appointed as a Director w.e.f January 28,2005 ,eligible to retire by rotation and is continuing as an Independent Director, and who meets the criteria of Independence as provided under section 149(6) of the Companies Act 2013, be and is hereby appointed as an Independent Director not liable to retire by rotation in terms of Sections 149 and 152 of the Companies Act 2013 to hold office for another term of 5 years ,i.e., up to the conclusion of the AGM for the FY2018- 19"

6. Appointment (Regularizing) of Mr. V.Ranganathan as an Independent Director.

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

RESOLVED THAT Mr.V.Ranganathan (DIN:00269682) who was appointed as a Director w.e.f January 30,2007, eligible to retire by rotation and is continuing as an Independent Director, and who meets the criteria of Independence as provided under section 149(6) of the Companies Act 2013, be and is hereby appointed as an Independent Director not liable to retire by rotation in terms of Sections 149 and 152 of the Companies Act 2013 to hold office for another term of 5 years, i.e., up to the conclusion of the AGM for the FY:2018-19"

7. Appointment (Regularizing) of Mr.Padmanabha Shetty as an Independent Director.

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

RESOLVED THAT Mr.Padmanabha Shetty (DIN:00433761) who was appointed as a Director w.e.f May 20,2009 ,eligible to retire by rotation and is continuing as an Independent Director, and who meets the criteria of Independence as provided under section 149(6) of the Companies Act 2013, be and is hereby appointed as an Independent Director not liable to retire by rotation in terms of Sections 149 and 152 of the Companies Act 2013 to hold office for another term of 5 years, i.e., up to the conclusion of the AGM for the FY:2018-19"

8. Re-appointment of Mr.S.Ramamurthi as Whole Time Director :

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196 &197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby accorded to the reappointment of Mr.S. Ramamurthi as Whole-Time Director & CFO of the Company without remuneration for a period of three years effective from 1st May, 2014 as per the terms set out in the draft agreement to be entered into between the Company and Mr. S.Ramamurthi with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. S. Ramamurthi."

RESOLVED FURTHER THAT notwithstanding anything contained in Part II of the Schedule V of the Companies Act, 2013, Mr.S. Ramamurthi will not be paid any remuneration whatsoever for the services being rendered by him during the tenure of his appointment as Whole Time Director & CFO of the Company until such time the Board decides otherwise except the reimbursement of vehicle expenses, entertainment and/or other expenses, if any, at actual incurred by him for and on behalf of the Company."

9. Adoption of Memorandum of Association:

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

"RESOLVED THAT pursuant to Section 13 and all other applicable provisions, Rules made thereunder and made effective by the Central Government, Ministry of Corporate Affairs, and subject to the approval of the Company in General Meeting and subject to the approval of Central Government, if any, the new set of Memorandum of Association of the Company, as per Table A of Schedule-1 (limited by shares) of the Companies Act 2013 be and is hereby adopted and that the said clauses so adopted shall apply accordingly to the Memorandum so altered."

10. Adoption of Articles of Association:

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

"RESOLVED THAT pursuant to Section 14 and all other applicable provisions, rules made there under and made effective by the Central Government, MCA and subject approval of the Company in General Meeting and subject to the approval of Central Government, if any, the new set of Articles of Association of the Company, as per Table-F of Schedule-1 of the Companies Act 2013 be and is hereby adopted and that the said clauses so adopted shall apply accordingly to the Articles of Association so altered."

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

"RESOLVED THAT pursuant to the provisions of Section 185 (1) and other applicable provisions, if any, read with the Companies (Meeting of Board and its powers) Rules -2014 of the Companies Act, 2013 (Act) or subject to such modification and re-enactment thereof, approval is hereby accorded for advancing any secured/unsecured loan, including any loan represented by a book debt, / deposit(s) and /or to give guarantee(s) or security(s) indirectly to any other person in whom the director is interested, in the ordinary course of its business as envisaged in aforesaid section of the Act and such loan so advanced shall carry an interest at a rate not less than the bank rate declared by the Reserve Bank of India and on such other terms and conditions as may be mutually agreed between the both parties.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deed, matters and things as may be necessary or incidental or ancillary thereof in this connection."

Registered Office:

Marathon Futurex,
N.M. Joshi Marg,
Lower Parel,
Mumbai 400 013.
Date: 28th May, 2014

By Order of the Board

K. S. Raghavan
Company Secretary

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 EFFCTIVE, 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 102(2) of the Companies Act, 2013 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. Under 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.
6. The Register of members and the share transfer books of the Company will remain closed from September 19th, 2014 to September 24th, 2014 (both days inclusive) for payment of dividend.
7. Members may exercise their right to vote at by electronic voting system in accordance with the Companies (Management and Administration) Rules 2014. The Company has tied up with NSDL for this e-voting facility.

Process for members opting for e-voting is as under:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed, the members are provided with the facility to exercise their votes at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

- A. In case a member receives an e-mail from NSDL (for members whose e-mail addresses are registered with the Company Depositories):
 1. Open the e-mail and also open PDF file with your Client ID or Folio no. as password. The said file contains your user ID and password for e-voting. Please note that the password is an initial password.
 2. Open the internet browser and type the following URL: <https://evoting.nsdl.com>
 3. Click on Shareholder - Login.
 4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 5. If you are logging for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 6. The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 7. Once the e-voting homepage opens, click on e-voting > Active e-voting cycles.
 8. Select "EVEN" (E-Voting Event Number) of Marathon Nextgen Realty Limited. Now you are ready for e-voting as Cast Vote page opens.
 9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 10. Upon confirmation, the message "Vote cast successfully" will be displayed.
 11. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 12. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy of (PDF/JPG format) of the relevant Board Resolution / Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to n_r_joshi@yahoo.com, with a copy marked to evoting@nsdl.co.in
 13. In case of any queries, you may refer the frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com

NOTICE

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/ Depositories):

1. Initial password is provided in the enclosed ballot form; EVEN (E-Voting Event Number), user ID and password.
2. Please follow all steps from S. No. (2) to Sl. No. (13) above, to cast vote.

C. Other instructions:

1. The e-voting period commences on Friday, September 19, 2014 (at 10.00 a.m. IST.) and ends on Sunday, September 21, 2014 (at 05.30 IST), during this period Members of the Company, holding shares either in physical form or in dematerialised form, as on Friday, September 19th, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital if the Company as on September 19, 2014 and as per the Register of Members of the Company.
3. Mr. Nitin R. Joshi, Practicing Company Secretary (Membership No. FCS - 3137) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Postal Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach Scrutinizer in the enclosed postage pre-paid self-addressed envelope, not later than Sunday September 21st, 2014 (at 05.30 p.m. IST). Ballot Forms deposited in person or sent by courier by post or courier at the expense of the Member will also be accepted.

Members have the option to request for physical copy of the Ballot form by sending an e-mail to ganeshs@adroitcorporate.com by mentioning their Folio/DP ID and Client ID no. However, the duly completed Ballot Form should reach the Scrutinizer not later than Sunday, September 21st, 2014 (at 05.30 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both mode, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

6. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.marathonnextgen.com and on the website of NSDL www.e-voting.nsdl.com within two working days of the passing of the resolutions at the Thirty Seventh AGM of the Company on Wednesday, September 24th, 2014 and communicated to BSE Limited, where the shares of the Company are listed.

By Order of the Board of Director

K. S. Raghavan
Company Secretary

Place: Mumbai

Date: 28th May, 2014

Registered Office:

Marathon Futurex

N. M. Joshi Marg

Lower Parel

Mumbai 400 013

CIN: L65990MH1978PLC020080

Website: www.marathonnextgen.com

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013.

Item Nos 5, 6 & 7:

The Board of Directors of the Company comprises of six Directors, viz., Mr. Chetan R. Shah - Chairman & Managing Director, Mr. Mayur R. Shah - Vice Chairman, Mr. S. Ramamurthi, Whole-time Director and three Independent Directors, viz., Mr. V. Nagarajan, Mr. V. Ranganathan and Mr. Padmanabha Shetty.

All the three independent directors continue to be Independent and have confirmed compliance with the criteria of independence prescribed under section 146(6) of the Companies Act 2013. Declaration in this regard have been received from all of them as required u/s 149(7) of the Companies Act 2013. However, in order to ensure compliance with the provisions Sec 149(4) of the Companies Act 2013, which states that every listed company shall have at least one third of the total number as Independent Directors, approval of the shareholders is requested towards the Resolutions set out at items No 5, 6, and 7 above for the regularization of their appointment as "Independent Directors".

Further, Section 149(13) provides that provisions pertaining to the retirement of Directors by rotation shall not be applicable to Independent Directors.

In terms of section 149(10) of the Companies Act 2013, an Independent Director shall hold office for a term up to five consecutive years, but shall be eligible for re-appointment by passing a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

All the above Independent Directors have expertise in specific functional area and are eminent personalities in their respective fields. The Board is of the opinion that their continued association with the Company would be of benefit to the Company. Further in the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Companies Act 2013 and the Rules made there under and they are independent of the Management.

The Directors concerned, are interested in the Resolutions relating to their respective appointments. Other than this, no Director or any KMP of the Company or their relatives are directly, or indirectly, concerned or interested in the Resolutions set out at item nos 5, 6 and 7. None of the Directors are related to each other.

Item No. 8:

The term of appointment of Mr. S. Ramamurthi as Whole Time Director without remuneration has expired on 30th April, 2014. The Board of Directors of the Company at its meeting held on 28th May, 2014 approved his re-appointment as Whole-Time Director of the Company for a further period of three years effective from 1st May, 2014.

While his re-appointment is on the anvil and in order to comply with section 203 (appointment of Key Managerial Personnel-KMP) of the Companies Act 2013, the Board at its meeting held on 28th May, 2014 had re-designated Mr. S. Ramamurthi as WTD & CFO of the Company.

Mr. Ramamurthi has consented to act as such if appointed.

He will not be paid any remuneration for the services rendered by him except the reimbursement of vehicle and entertainment and/or other expenses at actual incurred by him or behalf of the Company.

This appointment, if made, would be within the provisions contained in Part I, II and III of Schedule V of the Companies Act, 2013.

The Board recommends passing of the resolution.

Except Mr. S. Ramamurthi, none of the Directors is concerned or interested in the said Resolution.

A draft copy of the Agreement for the reappointment of Mr. S. Ramamurthi as Whole-Time Director & CFO of the Company is open for inspection by the members at the Corporate Office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

Item No.9 & 10:

The Government of India, through Ministry of Corporate Affairs, in exercise of the power conferred upon them had notified certain sections of the new Companies Act 2013 (New Act), to be operative from April 1, 2014. Section 13 & 14 of said New Act with the amendments (adoption) of "Memorandum and Articles of Association" (M&AA) of Registered Companies.

Numerous changes incorporated in the New Act had necessitated to adopt a new set of Memorandum as envisaged in Schedule-1 -Table A (Memorandum) & Table - F (Articles) of the New Act 2013.

In order to amend and "adopt" the changed M&AA of the Company, the Board recommends passing of a Special Resolution of the shareholders.

None of the Directors are interested except to extent of their holdings.

Item No. 11:

The Company is in the business of "Construction and Real Estate" development and undertakes such activities either on the stand alone basis or through its group companies and associates (such companies). In almost in all the such companies the Directors either hold the position of Directorships or have sizeable shareholding position/s". This arrangement has been necessitated in order to extend the support and to comply with the requirements of the funding from banks/FIs and/or to compete in the tendering process/orders process floated by the local Municipal bodies, State government and others in procuring the job orders by such companies. The common Directorship holding is for the improved business expansion activities and are in the best interest of the Company.

Further, as a strategy to further improve the "Marathon" Brand presence in the business arena and also to attract further funds by way of PE/QIP, it has become imperative for the directors to hold directorships in such companies.

Moreover, in the Ordinary Course of its business, the Company has to necessarily borrow, advance, lend, give guarantee/s and transact with such companies and as such these transactions are life-line of any corporate be it private/public companies in Realty & Construction sector. Such advancement of monies to its group companies with an interest rate not less than the bank rate declared by RBI from time to time for meeting its business purposes ONLY and such loans are not to be construed as "Loans to Directors"

Your directors recommend passing of this resolution

None of the Directors or KMPs are interested or concerned in the resolution save and except to the extent of their shareholdings and directorships held by them in the Company.

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

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

Name of the Director	Mr. Mayur R. Shah	Mr. S. Ramamurthi	Mr. V. Nagarajan	Mr. V. Ranganathan	Mr. Padmanabha Shetty
Date of Birth	16-04-1962	08-11-1951	01-03-1935	23-09-1942	19-01-1947
Date of Appointment (original)	31-03-2003	28-04-2005	02-09-2006	30-01-2007	20-05-2009
Qualification	Civil Engineering from Bombay University & M.S. in Structural Engineering from USA.	B.A., A.C.A., P.G. in System Mgmt. from Jamnalal Bajaj Institute of Management	B.Com.,LL.B., ACIS(Lon.),ACS	I.A.S.	Post Graduate and LLB
Expertise in specific functional areas	Having rich and varied experience in Construction Industry	Rich experience in Finance, Taxation, Treasury, Corporate Secretarial Administration.	Experience in Secretarial, Legal and other allied disciplines	Retired civil servant with decades of distinguished service at senior levels in the State and Central Govt. with successful stints as Municipal Commissioner, Brihan Mumbai Mahanagarpalika and Chief Secretary to the Govt. of Maharashtra	Corporate Financial Services
Other companies in which Directorship held	1. Columbia Chrome (India) Pvt. Ltd. 2. Cornell Housing And Infrastructure Pvt. Ltd. 3. Kanchi Rehab Pvt. Ltd. 4. Lark Consultancy Pvt. Ltd. 5. Marathon Energy Pvt. Ltd. 6. Marathon Fiscal Pvt. Ltd. 7. Marathon Hsg. Pvt. Ltd. 8. Marathon IT Infrastructure Pvt. Ltd. 9. Marathon Nextgen Townships Pvt. Ltd.	Citadel Realty and Developers Limited	NIL	Citadel Realty and Developers Limited	1. Spectrum Corporate Consultants Pvt.Ltd. 2. Saint-Gobain Sekurit India Ltd. 3. Ganpati Credit Pvt. Ltd.

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Name of the Director	Mr. Mayur R. Shah	Mr. S. Ramamurthi	Mr. V. Nagarajan	Mr. V. Ranganathan	Mr. Padmanabha Shetty
	10. Marathon Nexzone Infrastructures Pvt. Ltd. 11. Marathon Nexzone Land Pvt. Ltd. 12. Marathon Prachin Infrastructures Pvt. Ltd. 13. Marathon Realty Pvt. Ltd. 14. Marathon Securities And Properties Pvt. Ltd. 15. Marathon Ventures Pvt. Ltd. 16. Matrix Enclaves Projects Developments Pvt. Ltd. 17. Matrix Fiscal Pvt. Ltd. 18. Matrix Waste Management Pvt. Ltd. 19. Matrix Water Management Pvt. Ltd. 20. Nextgen Buildcon Pvt. Ltd. 21. Nextgen City Container Depot Pvt. Ltd. 22. Nextgen City Energy Pvt. Ltd. 23. Nextgen City Utilities Pvt. Ltd. 24. Nextgen City Water Management Pvt. Ltd. 25. Nextgen Green Housing And Commercial Enclave Pvt. Ltd. 26. Nextgen Land Pvt. Ltd. 27. Nexzone Fiscal Services Pvt. Ltd. 28. Nexzone IT Infrastructure Pvt. Ltd. 29. Nexzone Land Pvt. Ltd. 30. Nexzone Utilities Pvt. Ltd. 31. Nexzone Water Management Pvt. Ltd. 32. Parmeka Pvt. Ltd. 33. Rare Townships Pvt. Ltd. 34. Sanvo Resorts Pvt. Ltd. 35. Svarnim Enterprises Private Limited				

NOTICE

Name of the Director	Mr. Mayur R. Shah	Mr. S. Ramamurthi	Mr. V. Nagarajan	Mr. V. Ranganathan	Mr. Padmanabha Shetty
Other public companies in which membership of Committees of Directors held	NIL	Citadel Realty and Developers Limited	NIL	Citadel Realty and Developers Limited	NIL
No. of shares held as on 31st March, 2014	100	NIL	NIL	NIL	NIL

Regd. Office:

Marathon Futurex,
NM Joshi Marg,
Lower Parel,
Mumbai 400 013.
Date: 28th May, 2014.

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

DIRECTOR'S REPORT

The Directors have pleasure in submitting their Thirty Seventh Annual Report together with the audited accounts of your Company for the year ended 31st March, 2014.

WORKING RESULTS:

	Year ended 31st March 2014 (₹ Lacs)	Year ended 31st March 2013 (₹ Lacs)
Profit / (Loss) before Depreciation, Interest and Taxation	4,744	5,143
Less: Depreciation	13	27
	4,731	5,116
Less: Interest	19	347
Profit before Taxation	4,712	4,769
Less / (Add): Provision for Taxation	1,063	(218)
Profit / (Loss) after tax after adjustment	3,649	4,987
Add: Balance Brought Forward from previous year	14,705	13,718
Less: Dividend on equity shares Rs. 5/share	948	855
Less: Tax on distributed profits	161	145
Less: Transfer to General Reserve	1,500	3,000
Balance carried to Balance Sheet	15,745	14,705
Earnings per share – basic and diluted (₹)	19.25	26.30

DIVIDEND:

In line with the Dividend Policy of the Company, your directors are pleased to recommend a dividend of Rs.5/-per equity share (50%) for the year 2013-14.

DILUTION OF PROMOTERS STAKE:

Directors wish to inform all stakeholders that as per SEBI Regulations, the Promoters had brought down their holding from 89.40% to 75% during June 2014.

FUTURE PROSPECTS:

The project under development by a SPV (a LLP) wherein your Company holds 40% equity stake has commenced its basic activities and is in progress. The said project is witnessing good sale enquiries even before its official launch/commencement.

The JV project in Bangalore is yet to take off and is lagging behind and efforts are under way to make it happen during the current financial year.

DIRECTORS:

Mr. Mayur R. Shah, Director retires by rotation and being eligible offers himself for reappointment.

The tenure of Mr. S. Ramamurthi, Whole-Time Director of the Company, expired on 30th April, 2014. The Board recommended his re-appointment as Whole time Director & CFO of the Company for a further period of three years effective from 1st May, 2014.

Upon notification of the applicable sections of the Companies Act 2013 w.e.f April 1st, 2014, it is required to obtain approval of the shareholders for regularizing appointments of all the Independent Directors, viz., Mr.V.Nagàrajan, Mr.V.Ranganathan and Mr.Padmanahba Shetty at this Annual General Meeting.

Brief resume of the Directors, 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 forms 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 2014-15.

DEMATERIALIZED 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 37th Annual General Meeting and being eligible offer themselves for reappointment. A certificate from them has been received to the effect that their reappointment as Statutory Auditors, if made, is within the limits prescribed under section 139 of the Companies Act, 2013.

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: 28th May, 2014

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 31st, 2014.

I. Industry structure and development:

The Realty sector contributes about 5% to India's GDP and can be broadly divided into:

- a. Residential Space
- b. Commercial Space
- c. Retail space
- d. Hospitality space and
- e. SEZs

Your Company presently operates in Residential and Commercial spaces:

In Residential Space market is fragmented with few large players. Demand to grow at a CAGR of 19% between 2010 and 2014. 40% of this is from Tier-1 cities. Rapid urbanization and rise in number of nuclear families provides ample opportunity for business growth,

II. Opportunities and Threats:

The housing shortage in urban India is around 21.7 mn units. A major portion of this is in Tier-1 cities like Mumbai. Significant increase in real-estate activity is expected to happen soon. Your Company is expected to garner its share of construction of Residential spaces.

The sector, despite being the main driver of growth has not been granted the "Industry" status. This has resulted in difficulties in rising debts from banks and institutions for development of projects. The Sector has to depend on the private debts at high interest rates with huge collateral requirements.

Also, the cascading tax levies from State and Central government at various stages of construction and possession and as well as till the time of obtaining the completion certificate from local Corporation are the biggest deterrent and impediment for the growth of this sector.

III. Segment-wise or product-wise performance:

- i. The focus of the Company at present is on the Residential & Commercial segments.
- ii. There is an increase in demand for the commercial space owing to rapid growth in Services sector such as ITES, BFSI, Telecom and owing to a raising demand from MNCs to establish offices in India.
- iii. Mumbai, NCR and Bangalore accounts for 46% of total office space demand in India.

IV. Outlook:

The Indian economy is expected to grow almost 6% and is likely to be one of the fastest growing economies in the coming years.

The demand for the commercial properties is on the rise due to rapid economic growth. This is expected to give a major boost to your Company.

Realty Sector is the fourth largest in terms of FDI inflows in the year 13-14. During the period between April 2000 and September 2013, the FDI inflows stood at around USD 22.7 bn. The number of Indians living in Urban areas will increase from the current 377 mn to about 600 mn by 2031. The size of the market which stood at USD 55.6 bn in the year 2011 is expected to grow to USD 180 bn in the year 2020.

V. Risks and concerns:

Apart from the increase in land prices, inputs costs have also been constantly increasing. Higher interest cost would dent margins and may have a direct effect on the customer's 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 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 auditor 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. Operational performance:

Financial Year	(₹ in Lacs)	
	2013-14	2012-13
Income	7,173	8,562
EBIDT	4,744	5,143
Interest	19	347
Depreciation	13	27
Profit/ (Loss) before tax	4,712	4769
Profit/ (Loss) after tax	3,649	4987

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 Directors present the Company's Report on Corporate Governance for the year ended 2013-14.

Philosophy on Corporate Governance:

The Marathon Group is committed to the highest standards of service in the sector. The vision of the Company is to provide the customer a product, meeting the highest standard of excellence at the most reasonable price.

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 and v) transparency and timely disclosure.

Keeping in view of 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:

- Proper composition of the Board of Directors
- Timely dissemination of material information to the shareholders concerning their interests
- Transparency and accountability
- Adequate internal control measures
- 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
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 2014 on the following dates:

18th May, 2013; 7th August, 2013; 30th October, 2013 and 7th February, 2014

REPORT ON CORPORATE GOVERNANCE 2013-14

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 the Director	Director Identification Number (DIN)	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 Reality 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	00135504	Promoter - Executive		4	Yes	35	Nil	Nil
Mr. S. Ramamurthi Whole time Director	00135602	Executive - WTD		4	Yes	1	Nil	Nil
Mr. V. Nagarajan	00135714	Non Executive	Independent	4	Yes	1	Nil	Nil
Mr. V. Ranganathan	00269682	Non Executive	Independent	4	No	-	Nil	Nil
Mr. Padmanabha Shetty	00433761	Non Executive	Independent	4	Yes	3	1	Nil

The particulars of Directors who are proposed to be re-appointed / regularized at the ensuing AGM is given below pursuant to Clause -49 of the Listing agreement :

REPORT ON CORPORATE GOVERNANCE 2013-14

Name of the Director	Mr. Mayur R. Shah	Mr. S. Ramamurthi	Mr. V. Nagarajan	V. Ranganathan	Mr. Padmanabha Shetty
Date of Birth	16-04-1962	08-11-1951	01-03-1935	23-09-1942	19-01-1947
Date of Appointment (original)	31-03-2003	28-04-2005	02-09-2006	30-01-2007	20-05-2009
Qualification	Civil Engineering from Bombay University & M.S. in Structural Engineering from USA.	B.A., A.C.A., P.G. in System Mgmt. from Jamnalal Bajaj Institute of Management	B.Com.,LL.B., ACIS(Lon.),ACS	I.A.S.	Post Graduate and LLB
Expertise in specific functional areas	Having rich and varied experience in Construction Industry	Rich experience in Finance, Taxation, Treasury, Corporate Secretarial Administration.	Experience in Secretarial, Legal and other allied disciplines	Retired civil servant with decades of distinguished service at senior levels in the State and Central Govt. with successful stints as Municipal Commissioner, Birhan Mumbai Mahanagarपालिका and Chief Secretary to the Govt. of Maharashtra	Corporate Financial Services
Other companies in which Directorship held	<ol style="list-style-type: none"> 1. Columbia Chrome (India) Pvt. Ltd. 2. Cornell Housing And Infrastructure Pvt. Ltd. 3. Kanchi Rehab Pvt. Ltd. 4. Lark Consultancy Pvt. Ltd. 5. Marathon Energy Pvt. Ltd. 6. Marathon Fiscal Pvt. Ltd. 7. Marathon Hsg. Pvt. Ltd. 8. Marathon IT Infrastructure Pvt. Ltd. 9. Marathon Nextgen Townships Pvt. Ltd. 10. Marathon Nexzone Infrastructures Pvt. Ltd. 11. Marathon Nexzone Land Pvt. Ltd. 12. Marathon Prachin Infrastructures Pvt. Ltd. 13. Marathon Realty Pvt. Ltd. 14. Marathon Securities And Properties Pvt. Ltd. 15. Marathon Ventures Pvt. Ltd. 16. Matrix Enclaves Projects Developments Pvt. Ltd. 17. Matrix Fiscal Pvt. Ltd. 	Citadel Realty and Developers Limited	NIL	Citadel Realty and Developers Limited	<ol style="list-style-type: none"> 1. Spectrum Corporate Consultants Pvt.Ltd. 2. Saint-Gobain Sekurit India Ltd. 3. Ganpati Credit Pvt. Ltd.

Name of the Director	Mr. Mayur R. Shah	Mr. S. Ramamurthi	Mr. V. Nagarajan	V. Ranganathan	Mr. Padmanabha Shetty
	18.Matrix Waste Management Pvt. Ltd. 19.Matrix Water Management Pvt. Ltd. 20.Nextgen Buildcon Pvt. Ltd. 21.Nextgen City Container Depot Pvt. Ltd. 22.Nextgen City Energy Pvt. Ltd. 23.Nextgen City Utilities Pvt. Ltd. 24.Nextgen City Water Management Pvt. Ltd. 25.Nextgen Green Housing And Commercial Enclave Pvt. Ltd. 26.Nextgen Land Pvt. Ltd. 27.Nexzone Fiscal Services Pvt. Ltd. 28.Nexzone IT Infrastructure Pvt. Ltd. 29.Nexzone Land Pvt. Ltd. 30.Nexzone Utilities Pvt. Ltd. 31.Nexzone Water Management Pvt. Ltd. 32.Parmeka Pvt. Ltd. 33.Rare Townships Pvt. Ltd. 34.Sanvo Resorts Pvt. Ltd. 35.Svarnim Enterprises Private Limited				
Other public companies in which membership of Committees of Directors held	NIL	Citadel Realty and Developers Limited	NIL	Citadel Realty and Developers Limited	NIL
No. of shares held as on 31st March, 2014	100	NIL	NIL		NIL

(iii) NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2014:

Name of the Directors	No. of shares held
Mr. V. Ranganathan	NIL
Mr. V. Nagarajan	NIL
Mr. Padmanabha Shetty	NIL

4. AUDIT COMMITTEE:

During the Year ended March 31st, 2014 four Audit Committee Meetings were held on the following dates: 18th May, 2013; 7th August, 2013; 30th October, 2013 and 7th February, 2014

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

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

The Audit Committee during the year ended 31st March 2014 reviewed:

- (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 :

a. The following is the composition of Remuneration Committee of Directors:

Remuneration Committee	Mr. V. Ranganathan - Chairman Mr. V. Nagarajan - Member Mr. S. Ramamurthi - Member	Independent Director Independent Director Executive(Whole Time Director)
-------------------------------	--	--

b. The role and the terms of reference of the Committee:

The role of the committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and managerial personnel and recommend to the Board a policy, relating to the remuneration /commission of the directors, managerial personnel and other employees;
2. Formulation of criteria for evaluation of managerial personnel;
3. Devising a policy on Board diversity;

A meeting of the said Committee was held on May 21, 2014 to review and recommend the Commission payable to the CMD for the year under review.

Details of the remuneration paid to the Directors of the Company during the period ended March 31st, 2014 are given below:

Name of Director	Salary	Bonus	Commission	Sitting Fees	Total
Mr. Chetan R. Shah	57,00,000	5,00,000	48,00,000	Nil	1,10,00,000
Mr. S. Ramamurthi	Nil	Nil	Nil	Nil	Nil
Mr. Mayur R. Shah	Nil	Nil	Nil	20,000	20,000
Mr. V. Ranganathan	Nil	Nil	Nil	26,000	26,000
Mr. V. Nagarajan	Nil	Nil	Nil	58,000	58,000
Mr. Padmanabha Shetty	Nil	Nil	Nil	52,000	52,000

6. SHARE HOLDER/INVESTORS GRIEVANCE COMMITTEE :

a. The following is the composition of Shareholders Grievance Committee of Directors:

Shareholders Grievance Committee -	Mr. V. Ranganathan - Chairman Mr. V. Nagarajan - Member Mr. S. Ramamurthi - Member	Independent Director Independent Director Executive(Whole Time Director)
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During the Financial Year ended 31st March 2014 : 2 - complaints were received by the Registrars. All requests/complaints were attended to promptly and resolved to the satisfaction of the shareholders and no complaint is pending as on date.

7. GENERAL BODY MEETINGS :

Location and time of last three Annual General Meetings:

Year	Location	Date	Time	Special Resolution	Postal Ballot
2010 - 11	Nehru Planetarium, Nehru Centre, Basement Hall, Worli, Mumbai 400 018.	20.09.2011	12.30 p.m.	2 (Two)	NIL
2011 - 12	Nehru Planetarium, Nehru Centre, Basement Hall, Worli, Mumbai 400 018.	29.09.2012	11.30 a.m.	-	NIL
2012 - 13	Nehru Planetarium, Nehru Centre, Basement Hall, Worli, Mumbai 400 018.	20.09.2013	11.30 a.m.	1 (One)	NIL

8. DISCLOSURES:

Related Party Transactions:

Related Party Transactions under Clause 49 of the Listing Agreement are defined as the transactions of the Company of a material nature, with its promoters, Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There were no material transactions with related parties during the Financial year ended on 31st March, 2014 which are prejudicial to the interest of the Company and its shareholders.

Transaction with related parties are discussed in Note No. 27 of the accounts in the Annual Report-2013-14

9. Statutory Compliance, Penalties and Strictures:

The Company has complied with all requirements of the Listing Agreement entered into with the Stock Exchange as well as the regulations and guidelines of SEBI.

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter relating to the capital markets during the last three years.

10. MEANS OF COMMUNICATION:

The quarterly and half-yearly results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in one English daily newspaper and one vernacular daily newspaper having adequate circulation.

The Management Discussion and Analysis Report forms part of this Annual Report.

There were no presentations made to the institutional investors or analysts separately.

11. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting	: 37th Annual General Meeting
- Date and Time	: 11:30 am on Wednesday, September 24th, 2014
- Venue	: Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber building, IMC Marg, Churchgate, Mumbai - 400020.
Financial Year	: 1st April 2013 to 31st March 2014
Date of Book Closure	: September 19th, 2014 to September 24th, 2014
Listing on Stock Exchanges	: The Bombay Stock Exchange Limited
(a) Scrip Code	: 503101
(b) ISIN in NSDL & CDSL	: INE182D01012
(c) CIN	: L65990MH1978PLC020080

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 2013 -2014)	HIGH (₹)	LOW (₹)	SENSEX		
			HIGH	LOW	CLOSE
April	140.15	114.00	19,622.38	18,144.22	19,504.18
May	155.00	118.60	20,443.62	19,451.26	19,760.30
June	134.95	110.00	19,860.19	18,467.16	19,395.81
July	130.05	106.00	20,351.06	19,126.82	19,345.70
August	130.80	114.10	19,569.20	17,448.71	18,619.72
September	136.25	119.30	20,739.69	18,166.17	19,379.77
October	138.00	118.00	21,205.44	19,264.72	21,164.52
November	128.00	110.15	21,321.53	20,137.67	20,791.93
December	126.45	113.25	21,483.74	20,568.70	21,170.68
January	136.50	110.00	21,409.66	20,343.78	20,513.85
February	122.00	103.10	21,140.51	19,963.12	21,120.12
March	150.00	103.30	22,467.21	20,920.98	22,386.27

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, 2014:

Category (Shares)	No. of Shareholders	Percentage (%)	No. of Shares of ₹10/- each	Percentage (%)
1 – 500	4338	92.46	3,60,314	1.90
501 – 1000	147	3.13	1,06,404	0.56
1001 – 2000	89	1.90	1,28,713	0.68
2001 – 3000	22	0.47	53,537	0.28
3001 – 4000	14	0.30	47,881	0.25
4001 – 5000	25	0.53	1,13,182	0.60
5001 – 10000	20	0.43	1,38,623	0.74
Above 10000	37	0.78	18,009,576	94.99
Total	4692	100.00	189,58,230	100.00

Dematerialization of Shares and Liquidity:

The status of Dematerialized/ Physical shares of the Company as on 31st March, 2014 is as under:

Categories	Physical	Demat	Total	% in Physical	% in Demat
Resident Individuals	1,18,389	42,84,256	44,02,645	0.62	22.60
NRIs/CB/FII	0	1,26,465	1,26,465	0	0.67
Corporate Bodies	64,542	1,43,990	2,08,532	0.34	0.76
Mutual Funds/UTI	488	15	503	0	0.00
FI/Banks	990	495	1,485	0	0.01
Promoter group, including Directors, relatives & bodies corporate	0	142,18,600	142,18,600	0	75.00
Total	1,84,409	187,73,821	189,58,230	0.96	99.04

Categories of Shareholders as on 31st March, 2014:

Sr. No.	Categories	No. of Shareholders	No. of Shares	Voting Strength (%)
1	Promoters	7	142,18,600	75.14
2	Mutual Funds / UTI	6	503	0.00
i	Financial Institution / Banks	2	1485	0.01
ii	Corp. Bodies, Cl. Members, Brokers, Trusts	112	2,11,605	1.11
iii	NRIs/OCBs/FIIs	35	1,26,465	0.67
iv	General Public	4530	43,99,572	23.21
	Total	4692	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 400 059
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, 2013	16-07-2013
30th September, 2013	17-10-2013
31st December, 2013	21-01-2014
31st March, 2014	15-04-2014

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 31st, 2014.

Place : Mumbai

Date: 28th May, 2014

Chetan R. Shah

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 obtained.

Mumbai

Date: 28th May, 2014

Chetan R. Shah

Chairman & 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 31st, 2014 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: 28th May, 2014

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 31st, 2014, 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonable 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 31st, 2014;
- (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. We draw attention to Note No. 12 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. We draw attention to Note no. 14 with regard to the development agreement wherein we are informed that the agreement is still in force. However, the relevant confirmation is yet to be obtained from the party.

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;
 - 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 Act;

AUDITOR'S REPORT

- e. on the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Chetan Desai
Partner
Membership No. 17000

Place: Mumbai
Date: 28th May, 2014

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 31st, 2014]

- (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 and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) The Company has granted 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 3,92,88,46,668 and the year-end balance of loans granted to such parties was Rs 3,87,11,45,244.
(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 not prima facie 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, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (v) (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.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products 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 generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, excise duty, cess and other material statutory dues applicable to it.
(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, excise duty, cess and other undisputed statutory dues were outstanding, as at 31st March 2014, for a period of more than six months from the date they became payable.

AUDITOR'S REPORT

- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, 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 here under:

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 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, bank or debenture holders.
- (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 (xiii) of paragraph 4 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 explanations given to us, proper records have been maintained of the transactions and contracts 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) In our opinion, 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, 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) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (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: 28th May, 2014



RESULTS

MARATHON NEXTGEN REALTY LTD.
BALANCE SHEET AS ON MARCH 31, 2014

(in ₹)

PARTICULARS	NOTE NO.	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a. Share capital	2	189,582,300	189,582,300
b. Reserves and surplus	3	4,976,968,643	4,722,997,705
		5,166,550,943	4,912,580,005
2. Non-current liabilities			
a. Long-term borrowings	4	-	1,401,374
b. Other Long term liabilities	5	40,860,532	54,285,181
c. Long-term provisions	6	4,181,875	3,877,021
		45,042,407	59,563,576
3. Current liabilities			
a. Short-term borrowings	7	-	110,000,000
b. Trade Payables	8	5,272,000	3,277,572
c. Other current liabilities	9	76,380,519	37,611,186
d. Short-term provisions	10	112,420,397	100,945,789
		194,072,916	251,834,548
TOTAL		5,405,666,266	5,223,978,128
ASSETS			
1. Non-current assets			
a. Fixed assets			
Tangible assets	11	12,245,176	13,599,597
b. Non-current investments	12	1,256,692,330	1,256,715,422
c. Deferred Tax Assets (Net)	13	4,626,712	11,575,702
d. Long-term loans and advances	14	70,822,541	69,715,429
		1,344,386,760	135,160,615
2. Current assets			
a. Inventories	15	146,173,347	306,353,816
b. Trade receivables	16	16,745,982	40,257,278
c. Cash and Bank Balances	17	13,096,256	86,661,484
d. Short-term loans and advances	18	3,885,235,502	3,438,849,979
e. Other Current Assets	19	28,420	249,421
		4,061,279,507	3,872,371,978
TOTAL		5,405,666,266	5,223,978,128
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

As per our report of even date
For **Haribhakti & Co.**
Chartered Accountants
Firm's Registration No. 103523W
Chetan Desai
Partner
Membership No. 17000
Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

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

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

MARATHON NEXTGEN REALTY LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(in ₹)

PARTICULARS	NOTE NO.	Year Ended 31-3-2014	Year Ended 31-3-2013
I. Revenue from Operations	20	295,567,479	460,638,697
II. Other Income	21	421,781,031	395,512,992
III. Total Revenue (I + II)		717,348,510	856,151,689
IV. Expenses:			
Property Development Expenses	22	-	50,978,882
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	160,180,470	223,687,568
Employee benefits expense	24	42,776,334	40,486,475
Finance costs	25	1,868,418	34,676,502
Depreciation	11	1,354,421	2,713,968
Other expenses	26	39,962,870	26,688,702
Total Expenses		246,142,513	379,232,097
V. Profit before tax (III - IV)		471,205,997	476,919,593
VI. Exceptional Items		-	-
VII. Profit before tax (V - VI)		471,205,997	476,919,593
VIII. Tax Expense:			
1. Current tax (MAT)	31	98,800,000	96,000,000
2. Deferred tax		6,948,990	(13,103,730)
3. Short / (Excess) Provision of earlier year written back		585,163	(104,686,758)
IX. Profit (Loss) for the year (VII - VIII)		364,871,844	498,710,081
X. Earnings per equity share of face value of ₹10 each			
Basic & Diluted (in ₹) : Refer note 29		19.25	26.30
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

As per our report of even date

For Haribhakti & Co.
Chartered Accountants
Firm's Registration No. 103523W
Chetan Desai
Partner
Membership No. 17000
Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman &
Managing Director

S. RAMAMURTHI
Wholetime Director

V. NAGARAJAN
Director

K. S. RAGHAVAN
Company Secretary

MARATHON NEXTGEN REALTY LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(in ₹)

PARTICULARS	Year Ended 31st March 2014	Year Ended 31st March 2013
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per statement of profit and loss	471,205,997	476,919,593
ADJUSTMENTS FOR:		
Depreciation	1,354,421	2,713,968
Depreciation on Investment Property	23,092	(254,008)
Finance Cost	1,868,418	34,676,502
Interest Income	(417,617,431)	(383,917,296)
Misc Balances Written back	20,220,762	(4,036,022)
Income from Dividend	(39,110)	(18,414)
Profit on Sale of Mutual Funds	(859,983)	(71,298)
Property Development Expenses	-	44,120,943
Provision for Dividend	(94,791,150)	(85,462,035)
Loss on Disposal of Assets	-	430,651
Provision for Employee Benefits	9,82,422	(170,353)
	(488,858,559)	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(17,652,562)	84,932,230
ADJUSTMENTS FOR:		
Trade and Other Receivables	(423,760,338)	(146,033,936)
Inventories	160,180,470	220,854,238
Trade Payables and other payables	10,568,457	(94,618,184)
	(253,011,411)	(19,797,882)
Cash Generated from Operations	(270,663,973)	65,134,348
Direct Taxes Paid	(114,481,848)	(240,456,000)
	(114,481,848)	(240,456,000)
NET CASH FLOW FROM OPERATING ACTIVITIES	(385,145,821)	(175,321,652)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Sales of Fixed Assets	-	23,693,351
Transfer of Investment to stock	-	2,833,330
Purchase of UTI Mutual Fund	(90,000,000)	(10,000,000)
Sales of UTI Mutual Fund	90,859,983	10,071,298
Interest Received	417,617,431	383,917,296
Income from Dividend	39,110	18,414
Investments in Fixed Deposits	22,282,000	19,753,650
NET CASH FLOW FROM INVESTING ACTIVITIES	440,798,524	430,287,340

MARATHON NEXTGEN REALTY LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Year Ended 31st March 2014		Year Ended 31st March 2013	
[C] CASH FLOW FROM FINANCING ACTIVITIES				
Unpaid Dividend and Fractional entitlement of shares	(161,870)		(224,485)	
Redemptions of Redeemable Preference share	-		(2,500,000)	
Proceeds from Long Term borrowings	(1,401,374)		961,803	
Repayment of Long Term borrowings	(3,145,253)		(48,627,761)	
Repayment of Short Term borrowings	(110,000,000)		(199,922,437)	
Interest on Term Loans	(1,868,418)		(34,676,502)	
Dividend Paid	9,479,115		9,329,115	
NET CASH FLOW FROM FINANCING ACTIVITIES		(107,097,800)		(275,660,267)
Net increase in cash and cash equivalents (A+B+C)		(51,445,097)		(206,945,79)
Cash and cash equivalents as at 31.03.13		63,447,299		84,141,879
Cash and cash equivalents as at 31.03.14		12,002,202		63,447,299
Note: Cash and cash equivalents includes:				
Cash in hand	23,498		-	
Balances with scheduled banks:				
- In Current Accounts	11,978,704	12,002,202	63,447,299	63,447,299

As per our report of even date
For **Haribhakti & Co.**
Chartered Accountants
Firm's Registration No. 103523W
Chetan Desai
Partner
Membership No. 17000
Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman &
Managing Director

S. RAMAMURTHI
Whole Time Director

V. NAGARAJAN
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

(a) 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.

(b) 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

(a) 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.

(b) Depreciation is provided on the Straight Line Basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956:

(c) Cost (less estimated salvage value) of fixed assets acquired for specific projects is depreciated over the duration of the project

(vi) Investments

(a) 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.

(b) Current investments are carried at the lower of cost and fair value as at the balance sheet date.

(vii) Employee Benefit**(a) Defined Contribution Plan**

The Company's liability towards Employee Provident Scheme is administered through the Employee Provident Fund Organisation administrated 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.

(b) 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.

Note 2 Share Capital

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Authorised:		
49,750,000 (P Y 49,750,000) Equity Shares of ₹10 each	497,500,000	497,500,000
25,000 (P Y 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
Total	189,582,300	189,582,300

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.

The Board of Director's have recommended a dividend of ₹ 5 (P.Y.₹4.5) per equity share 50 % (P.Y.45%) of Face value of equity share of ₹10 each.

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

(in ₹)

PARTICULARS	EQUITY SHARES			
	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	18,958,230	189,582,300	18,958,230	18,958,230
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	18,958,230

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 31st MARCH 2014	AS ON 31st MARCH 2012
Ithaca Informatics Pvt. Ltd.	Holding Company	₹	₹
Equity Shares		14,218,000	14,246,178

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

(in ₹)

NAME OF SHAREHOLDER	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ithaca Informatics Pvt. Ltd. - (Holding Company)				
Equity Shares	14,218,000	75.00	14,246,178	75.15

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

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Equity Shares		
Alloted as fully paid up by way of bonus shares by capitalising General Reserve	6,319,410	6,319,410

Note: There were no bonus shares issued in between the financial year ended 2008-09, 2009-2010, 2011-2012 & 2012-2013

Note 3 Reserves and Surplus

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
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	3,250,000,000	2,950,000,000
Add: Transferred from statement of profit and loss	150,000,000	300,000,000
Closing Balance	3,400,000,000	3,250,000,000
Surplus		
Balance as per last Balance Sheet	1,470,497,705	1,371,773,932
Add: Profit for the year	364,871,844	498,710,081
Less: Appropriations		
Proposed Dividends on Equity Shares [Dividend per Share ₹5/- (Previous year ₹4.5)]	94,791,150	85,312,035
Proposed Dividends on Preference Shares [Dividend per Share ₹6/- (Previous year ₹6/-)]	-	150,000
Tax on Dividend	16,109,756	14,524,273
Transfer to General Reserves	150,000,000	300,000,000
Closing Balance	1,574,468,643	1,470,497,705
Total	4,976,968,643	4,722,997,705

Note 4 Long Term Borrowings

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Term loans (Secured)		
From other Parties:		
Other Loan	-	1,401,374
Total	-	1,401,374

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 4 months.

Note 5 Other Long Term Liabilities

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Others:		
Rent, Rates & Taxes	1,406,867	1,245,957
Society Dues#	39,453,665	53,039,224
Total	40,860,532	54,285,181

Society dues is netted off fixed deposit and interest accrued on fixed deposit of ₹.7,83,03,422 (P.Y. ₹ 6,07,42,699)

Note 6 Long Term Provisions

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Provision for employee benefits:		
Gratuity (unfunded)	3,719,046	3,645,499
Leave Encashment (unfunded)	462,829	231,522
Total	4,181,875	38,77,021

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

a. Defined contributions Plan

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Employers contribution to Provident Fund	1,820,059	1,590,989

b. Defined Benefit Plan

Reconciliation of opening and closing balances of Defined Benefit Obligations

i. Actuarial Assumptions

(in ₹)

PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
	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	2013-2014		2012-2013	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Defined benefit obligation at the beginning of the year	4,050,555	1,062,419	3,869,783	1,062,419
Current Service Cost	690,791	406,728	568,159	406,728
Interest Cost	324,044	84,994	309,583	84,994
Actuarial (Gain) / Loss	169,310	(459,318)	327,663	(459,318)
Benefit paid / accrued	(102,427)	(786,127)	(1,024,633)	(786,127)
Define benefit at year end	5,132,273	308,696	4,050,555	308,696
Fair Value of Plan Assets as on 1/04/2013	Nil	Nil	Nil	Nil
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Contributions	Nil	786,127	Nil	786,127
Benefits Paid	(102,427)	(786,127)	(1,024,633)	(786,127)
Actuarial Gain (Loss) Plan Assets	Nil	Nil	Nil	Nil
Fair Value of Plan Assets as on 31-03-2014	Nil	Nil	Nil	Nil
Total Actuarial (Gain)/loss to be recognized	169,310	(459,318)	327,663	(459,318)

iii. Profit & Loss Expenses

(in ₹)

Current Service Cost	690,791	406,728	636,060	211,837
Interest Cost	324,044	84,994	253,446	38,723
Actuarial (gain) /loss	169,310	(459,318)	(726,037)	217,995
CHARGED TO STATEMENT OF PROFIT & LOSS	1,184,145	32,404	163,469	468,555

iv. Balance sheet Recognition

(in ₹)

Present Value of Obligation	5,132,273	308,696	3,331,550	451,890
Fair Value of Plan Assets	Nil	Nil	Nil	Nil
Liability (assets)	5,132,273	308,696	3,331,550	451,890
Unrecognized actuarial gain or loss	Nil	Nil	Nil	Nil
Liability (asset) recognized in Balance sheet	5,132,273	308,696	3,331,550	451,890

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

Opening net Liability	4,050,555	1,062,419	31,68,081	4,84,037
Expenses	1,184,145	32,404	1,63,469	4,68,555
Contribution	(102,427)	(786,127)	Nil	(5,00,702)
Closing Net Liability	5,132,273	308,696	33,31,550	4,51,890

The above information is based on the certificate provided by the certificate actuary.

Note 7 Short Term Borrowings

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Loan repayable on demand (secured)		
From other Parties Working Capital Demand Loan	-	110,000,000
Total	-	110,000,000

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 counterguaranteed by the Promotor 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 8 Trade Payables

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Micro, Small and Medium Enterprises*	-	-
Others	5,272,000	3,277,572
Total	5,272,000	3,277,572

* 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 9 Other Current Liabilities

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Current maturities of long-term debt# (Refer Note 4)	1,401,374	4,546,627
Unpaid dividends*	1,017,792	855,161
Unclaimed VRS	1,040,231	1,040,231
Other payables:		
Advance from Customers	59,794,562	16,662,211
Bonus Payable	607,389	486,563
Directors Commission Payable	3,316,800	3,316,800
Statutory Dues Payable	2,177,394	2,367,429
Other Payables	1,137,185	1,285,589
Book Overdraft	5,887,791	7,050,575
Total	76,380,519	37,611,186

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

Note 10 Short Term Provision

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Provision for employee benefits [Refer Note 6]		
Gratuity (unfunded)	1,413,227	405,056
Leave Encashment (unfunded)	51,425	77,174
Other Provisions:		
Provision for Income Tax*	-	570,217
Provision for Wealth Tax	54,839	57,034
Proposed Dividend	94,791,150	85,312,035
Tax on Dividend	16,109,756	14,524,273
Total	112,420,397	100,945,789

*Netted off advance tax & TDS of NIL (P.Y. ₹ 23,50,34,905)

Note 11 Fixed Assets

(in ₹)

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01-04-2013	ADDITIONS DURING THE YEAR	SALES / TRANSFER DURING THE YEAR	AS AT 31-03-2014	AS AT 01-04-2013	DEDUCTIONS/ ADJUSTMENTS	FOR THE YEAR	UPTO 31-03-2014	AS ON 31-03-2014	AS ON 31-03-2013
Tangible Assets										
Own Assets:										
Freehold Land	257,648	-	-	257,648	-	-	-	-	257,648	257,648
Plant and Machinery	37,146,000	-	-	37,146,000	32,119,539	-	271,206	32,390,745	4,755,255	5,026,461
Furniture and Fixture	2,911,315	-	-	2,911,315	2,393,291	-	50,544	2,443,835	467,479	518,023
Air Conditioners and										
Office equipment	561,513	-	-	561,513	339,435	-	38,979	378,414	183,098	222,077
Motor Vehicles	10,262,509	-	-	10,262,509	2,738,288	-	974,938	3,713,226	6,549,283	7,524,221
Computers	656,660	-	-	656,660	605,493	-	18,754	624,247	32,413	51,167
Total	51,795,644	-	-	51,795,644	38,196,047	-	1,354,421	39,550,468	12,245,176	13,599,597
Previous Year	129,316,516	-	(77,520,872)	51,795,644	44,758,006	(9,275,927)	2,713,968	38,196,047	13,599,597	

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 12 Non-Current Investments

PARTICULARS	AS AT 31 st MARCH 2014 QUANTITY (Nos.)	AS AT 31 st MARCH 2013 QUANTITY (Nos.)	FACE VALUE (in ₹)	AS AT 31 st MARCH 2014 (₹)	AS AT 31 st MARCH 2013 (₹)
Non Current Investments					
(A) Investment Properties (at cost)					
Land				25,467	25,467
Immovable Property				1,416,665	4,249,995
Less: Cost of car parking transferred to stock in trade				-	2,833,330
				1,442,132	1,442,132
Less: Prov. for diminution in the value of Investment				46,184	23,092
				1,395,948	1,419,040
(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
Integra Garments and Textiles Ltd	8,000	8,000	3	-	-
Morarjee Textiles Limited	8,000	8,000	7	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			1,256,692,330	1,256,715,422
	AS AT 31 st MARCH 2014 Book Value	Market Value	AS AT 31 st MARCH 2013 Book Value	Market Value
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
Quoted Investments	244,772	727,931	244,772	689,310
Unquoted Investments	1,256,470,558	-	1,256,470,650	-
	1,256,692,330	-	1,256,715,422	

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 ₹ 23,092/- P.Y. ₹ 25,192/-).

*The Company's investment of 92612, 11% Redeemable Cumulative Preference Shares of Rs. 100/- each that it had subscribed at a premium of Rs. 13,400/- 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 13 Deferred Tax Asset (Net)

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Deferred Tax Assets		
Difference between book WDV and WDV as per IT Act, 1961	2,501,006	10,003,477
Deferred Tax Assets		
Disallowances under Section 43B of the IT Act, 1961		
Gratuity Payable	1,744,460	1,314,203
Leave Salary Payable	174,795	100,157
Bonus Payable	206,451	157,865
	2,125,706	1,572,225
Total	4,626,712	11,575,702

Note 14 Long Term Loans and Advances

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Unsecured, considered good and subject to confirmation		
(a) Security Deposits	620,625	537,625
(b) Other loans and advances		
Advance for Land (Refer Note Below 14.2)	50,325,000	50,325,000
Income Tax paid (net of provision)*	19,873,887	18,849,775
Wealth Tax paid (net of provision)#	3,029	3,029
Total	70,822,541	69,715,429

*Netted off advance tax of ₹ 39,26,73,887, (P.Y. ₹ 29,28,49,775)

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

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

14.2 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. The advance paid by the company is adequately secured by a collateral in the form of unencumbered land based on an agreement between the company and the power of Attorney holders in the form of registered document

Note 15 Inventories

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
(a) Finished Stock		
Closing Stock-Era	450,000	51,686,008
Closing Stock-Innova Phase-II	135,428,577	238,378,159
Closing Stock-Innova Phase-III	10,294,770	16,289,650
	146,173,347	306,353,816
(b) Work-in-progress		
Work-in-Progress-Innova Phase-III	-	-
Total	146,173,347	306,353,816

For Valuation of Inventory refer 1(iv)

Note 16 Trade Receivables

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Unsecured, considered good and subject to confirmation		
Trade receivables outstanding for a period less than six months	-	-
Trade receivables outstanding for a period exceeding six months	16,745,982	40,257,278
Total	16,745,982	40,257,278

Note 17 Cash and Bank Balances

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Cash and cash equivalents		
(a) Balances with banks	11,978,704	63,447,299
(b) Cash on hand	23,498	-
Total	12,002,202	63,447,299
Other Bank Balances		
(a) Bank deposits with more than 12 months maturity secured against borrowings	-	22,282,000
(b) Earmark Balance with Banks Unpaid Dividend Fractional Entitlement of shares	1,017,792 76,262	855,161 77,023
	1,094,055	23,214,184
Total	13,096,256	86,661,484

Note 18 Short Term Loans and Advances

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Unsecured, considered good		
(a) Loans and advances to related parties-[Refer Note 27]	3,871,145,244	3,427,703,143
(b) Advance to Suppliers	620,092	2,093,416
(c) Others		
Prepaid Expenses	43,117	33,810
Loans to Employees	60,387	145,604
Receivables Society	10,647,585	6,215,674
Service Tax input credit	1,374,360	1,222,537
Other Receivables	1,344,716	1,435,795
Total	3,885,235,502	3,438,849,979

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 19 Other Current Assets

(in ₹)

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Interest Accrued but not due on FD	-	221,001
Interest Accrued on Investments	28,420	28,420
Total	28,420	249,421

Note 20 Revenue from Operations

(in ₹)

PARTICULARS	Year Ended 31-3-2014	Year Ended 31-3-2013
Sale of Products:		
Sale of Property	295,075,000	459,849,800
Sale of Property held as long term investment	-	-
Sale of Transfer of Development Rights	-	-
	295,075,000	459,849,800
Revenue from Services:		
Lease Rental	492,479	788,897
Total	295,567,479	460,638,697

20.1 The Company has entered into operating Leases relating to certain portions of its property situated in Lower Parel. In Accordance with Accounting Standard 19 [The Institute of Chartered Accounts of India], pertaining to Leases the following information is furnished:-

Premises given on Lease:

(in ₹)

Sr. No.	Assets held as long term investments	2013-14	2012-13
i	Depreciation on investment Property	23,092	23,092
ii	Carrying cost of investment	1,416,665	1,416,665
iii	Lease Rent Received During the year	492,479	788,897
iv	Lease Rent receivable within 1 year	134,562	246,353
v	Later than 1 year and not later than 5 years	-	-
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 21 Other Income

(in ₹)

PARTICULARS	Year Ended 31-3-2014	Year Ended 31-3-2013
Interest from other	417,617,431	383,917,296
Dividend from Long Term Investments	39,110	18,414
Net gain on sale of current investment	859,983	71,298
Club House Income	-	459,962
Miscellaneous Balances Written Back	-	4,036,022
Miscellaneous Income	3,264,507	7,010,000
Total	421,781,031	395,512,992

Note 22 Property Development Expenses

(in ₹)

PARTICULARS	Year Ended 31-3-2014	Year Ended 31-3-2013
Cost of Material Consumed	-	96,628
Direct Expenses	-	6,761,311
Loss on transfer of Fixed Assets*	-	44,120,943
Total	-	50,978,882

*On the basis of an understanding reached 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 23 Changes in inventories of finished goods, work-in-progress and stock in trade

(in ₹)

PARTICULARS	Year Ended 31-3-2014	Year Ended 31-3-2013
Inventories at the end of the year		
(A) Finished Stock:		
Finished Stock-Era	450,000	51,686,008
Finished Stock-Innova	135,428,577	238,378,159
Finished Stock-Innova Extension	10,294,770	16,289,650
	146,173,347	306,353,816
(B) Work in Progress:		
Innova - Phase III(Extension)	-	-
Total	-	-
(C) Total (A+B)	146,173,347	306,353,816
Less : Inventories at the beginning of the year		
(A) Finished Stock:		
Finished Stock-Era	51,686,008	51,686,008
Finished Stock-Innova	238,378,159	466,090,336
Finished Stock-Innova Extension	16,289,650	-
	306,353,816	517,776,343
(B) Work in Progress:		
Innova Phase III (Extn)	-	9,431,711
	-	9,431,711
(D) Total (A+B)	306,353,816	527,208,054
Add: Adjustments		
Cost of Car Parking transferred to/(from) Investments (E)	-	(2,833,330)
Total (C-D-E)	(160,180,470)	(223,687,568)

Note 24 Employee Benefits Expense

(in ₹)

PARTICULARS	Year Ended 31-3-2014	Year Ended 31-3-2013
Salaries and Wages	34,751,810	32,553,230
Directors Commission	4,800,000	4,800,000
Contributions to Provident and other fund*	3,004,204	2,796,394
Staff welfare expenses	220,320	336,851
Total	42,776,334	40,486,475

*Refer Note 6

Note 25 Finance Cost

(in ₹)

Particulars	Year Ended 31-3-2014	Year Ended 31-3-2013
Interest expense	1,868,418	34,623,735
Other borrowing costs	-	52,767
Total	1,868,418	34,676,502

Note 26 Other Expenses

Particulars	Year Ended 31-3-2014	Year Ended 31-3-2013
Administrative Expenses:		
Power	164,533	405,146
Rent	87,871	75,915
Repairs to Building	-	-
Repairs to Others	118,567	132,848
Rates & Taxes	169,215	132,356
Director's Sitting Fees	156,000	154,000
Payment to Auditors [Refer Note 27.1]	1,044,421	1,521,503
Depreciation on Property held as Investment	23,092	(254,008)
Property Upkeep Expenses	2,704,338	5,876,507
Professional Fees	3,475,741	1,731,424
Security Expenses	1,638,980	2,812,644
Brokerage	2,612,741	2,233,402
Advertisement Expenses	1,354,431	1,365,677
Loss on Sale of Fixed Assets	-	430,651
Misc Balances W/back	20,220,762	-
Other Expenses	6,192,179	10,070,637
Total	39,962,870	26,688,702

26.1 Payment to Auditors:

(in ₹)

Particulars	Year Ended 31-3-2014	Year Ended 31-3-2013
Administrative Expenses:		
Statutory Audit Fees	500,000	285,000
Tax Audit Fees	175,000	130,000
Limited Review Fees	225,000	225,000
Company Law Matter	-	135,000
Service Tax	114,890	81,083
Reimbursement of Expenses	29,531	12,220
Total	1,044,421	868,303

Note 27 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 Bulcon 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:

(in ₹)

Particulars	Holding company	Associates	Enterprises Included in (e) above	Key Management Personnel / Relatives	TOTAL
Expenses reimbursed by MNRL	-	-	213,789	-	213,789
	-	(583,401)	(6,062,345)	-	(6,645,746)
Expense Reimbursed to MNRL	-	-	213,789	-	213,789
	-	(583,401)	(6,061,580)	-	(6,644,981)
Advance Received	-	82,100,000	269,616,839	-	351,716,839
	-	(84,013,382)	(527,986,744)	-	(612,000,126)
Advance Repaid / Given	-	50,783,795	455,836,804	-	506,620,599
	-	(39,548,273)	(278,455,356)	-	(318,003,629)
Interest Received	-	149,023,475	226,514,866	-	375,538,341
	-	(122,952,126)	(218,129,617)	-	(341,081,743)
Counter guarantee given by Promotor Director towards loans	-	-	-	-	-
	-	-	-	(600,000,000)	(600,000,000)
Rent	-	-	-	-	-
	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Equity	63,981,000	-	-	2,700	63,983,700
	(56,984,712)	-	-	(10,614,536)	(67,599,248)
Preference	-	-	-	-	-
	(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	-	-	87,000,000	-	87,000,000
	-	-	-	-	-
Remuneration	-	-	-	6,200,000	6,200,000
	-	-	-	(5,200,000)	(5,200,000)
Commission	-	-	-	4,800,000	4,800,000
	-	-	-	(4,800,000)	(4,800,000)
Director's Sitting Fees	-	-	-	20,000	20,000
	-	-	-	(30,000)	(30,000)
Loan Receivable Outstanding (Dr.)	-	1,770,404,599	2,100,740,646	-	3,871,145,244
	-	(1,652,697,329)	(1,775,005,815)	-	3,427,703,143

Notes

- 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 :

(in ₹)

PARTICULARS	2013-14	2012-13
Expenses reimbursed by MNRL		
Marathon Realty Pvt Ltd	213,789	6,062,345
Swayam Realtors & Traders LLP	-	583,401
Total	213,789	6,645,746
Expenses reimbursed to MNRL		
Marathon Realty Pvt Ltd	213,789	6,061,580
Swayam Realtors & Traders LLP	-	583,401
Total	213,789	6,644,981
Advances Received		
Marathon Realty Pvt Ltd	269,616,839	527,986,744
Swayam Realtors & Traders LLP	82,100,000	-
Total	351,716,839	527,986,744
Advances Given / Repaid		
Swayam Realtors & Traders LLP	40,783,795	32,548,273
Marathon Realty Pvt Ltd	455,836,804	278,455,356
Total	496,620,599	311,003,629

PARTICULARS	2013-14	2012-13
Interesst Received		
Columbia Chrome (I) Pvt. Ltd.	51,967,360	43,138,744
Swayam Realtors & Traders LLP	97,056,115	79,813,382
Marathon Realty Pvt Ltd	226,514,866	218,129,617
Total	375,538,341	341,081,743
Dividend Paid		
Ithaca Informatics Pvt. Ltd.	-	
Equity	63,981,000	56,984,712
Preference	-	150,000
Total	63,981,000	57,134,712
Remuneration		
Chetan R. Shah	6,200,000	5,200,000
Commission		
Chetan R. Shah	4,800,000	4,800,000
Share of Joint Venture Profit		
Marathon Realty Pvt Ltd	87,000,000	-
Loan receivable outstanding (Dr.)		
Marathon Realty Pvt Ltd	2,100,740,646	1,775,005,815
Columbia Chrome (I) Pvt. Ltd.	636,453,550	574,486,190
Swayam Realtors & Traders LLP	1,133,951,048	1,078,211,138
Total	3,871,145,244	3,427,703,143

Note 28 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	
	2013-14	2012-13	2013-14	2012-13
Associates:				
Columbia Chrome (I) Pvt. Ltd.	636,453,550	574,486,190	636,453,550	574,486,190
Swayam Realtors & Traders LLP	1,133,951,048	1,078,211,138	1,191,652,472	1,078,211,138
Others:				
Marathon Realty Pvt Ltd	2,100,740,646	1,775,005,818	2,100,740,646	1,942,916,103

Note 29 Earnings per Share (EPS)

Sr. No.	Particulars	2013-14	2012-13
i	Net Profit after Tax as per Profit and Loss Statement (in ₹)	364,871,844	498,710,081
ii	Less: Dividend on cumulative preference share capital (in ₹)	-	150,000
iii	Less:- Tax on Dividend (in ₹)	-	25,493
iv	Net profit for the year attributable to equity shareholders (in ₹)	364,871,844	498,534,588
v	Weighted average number of equity shares	18,958,230	18,958,230
vi	Basic and diluted earnings per share (in ₹)	19.25	26.30
vii	Nominal value per equity share (in ₹)	10	10

Note 30 Contingent Liabilities (to the extent not provided for excluding interest, penal charges, if any)

(in ₹)

Particulars	2013-14	2012-13
Claims against the Company not acknowledged as debt:		
1. Disputed Liabilities in appeal*		
Central Excise Duty	10,546,456	10,546,456
ESIC and PF	4,750,560	4,750,560
Total	15,297,016	15,297,016

* As certified by management and consultants.

- Disputed excise duty claims ₹1,05,46,546/- (Previous Year ₹ 1,05,46,546/-).
- The Employees Provident Fund Authorities have issued a show cause notice against the Company raising a claim of ₹ 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 31

Provision for tax as per the normal provisions of the Income Tax Act, 1961 is ₹ 15.17 crores as against the MAT of ₹ 9.88 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 ₹5.29 Crore calculated in accordance with the provisions of Section 115JAA of the IT Act 1961. Accordingly, the Provision for Tax of ₹9.88 crore is after netting off the MAT Credit Entitlement.

Note 32

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 33

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

Place: Mumbai
Date: 28th May, 2014

CHETAN R. SHAH
Chairman &
Managing Director

S. RAMAMURTHI
Whole Time Director

V. NAGARAJAN
Director

K S RAGHAVAN
Company Secretary



