

WINDING THE PAST



UNWINDING THE FUTURE



From 2004 - 2010

At Marathon, a leap year comes every year

Some results speak, but some just shoot from the graph. This year's results of Marathon NextGen Realty Limited have topped the charts. We have posted a whopping 251% jump from last year's figures which has encouraged us to announce a 1:2 bonus. This is possible because we don't just want to satisfy customers, we want to delight them. We push the limits of imagination and technology to develop our projects. At the end of the day, we aspire to deliver more than our customers' expectations. We have channelised all our resources to focus on this singular mission.

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Turning non-performance into efficiency

It was the era of globalisation, the mid-nineties. Mumbai was a hotbed of economic revolution, but Lower Parel, the mill capital of Mumbai had, as yet, not arrived on the scene.

This was the case with all the surrounding mills. The owners of the properties had accepted that the land would never fetch them profits, in the near future.

Factors like zero revenue to the government and tumbling stock prices worsened the situation. The entire area was in quite a state with very little left to revive the properties.

Marathon Group was one of the pioneers in Textile Mill Redevelopment. They cemented this fact by acquiring Piramal Mills.



Piramal Mills - Lower Parel



Piramal Mills - Lower Parel

Dreaming of feasible creations

With vast experience in real estate, Marathon Group envisioned the potential of the land and signaled the first ever mill land redevelopment deal, giving momentum to the whole process. This spot in Lower Parel eventually turned into the most sought-after location in Mumbai. It became a complete win-win situation for everyone in the picture. Government revenues, employment, an up-market lifestyle and a make over.

A Blueprint of the future

Master planning is the key to developing a property successfully. With the help of our in-house experts and international consultants, we planned the layout of the mill land, which was acquired to promote a walk-to-work culture. Our efforts concentrated on giving our customers a uniquely planned project as well as a versatile product mix.

The Marathon NextGen campus comprises: a high-rise NextGen Era, that is adorned with plush apartments and penthouses, NextGen Innova, a business space with large floor plates and Club NextGen, an exquisite and modern clubhouse.



Master plan promotes walk-to-work



Awarded by The Construction Source of India.



The NextGen campus master plan encompasses 7 acres of land, keeping a walk-to-work culture in mind. The campus was awarded "Best Urban Design & Master planing" (2009) by The Construction Source of India.

MARATHON NEXTGEN ERA

A 36 STOREY LUXURY RESIDENTIAL TOWER



Design and intelligence, hand in hand

Marathon came out with a mixed design concept for the campus while keeping in mind our redefining philosophy and walk-to-work culture.

Marathon NextGen Era – the residential high-rise was designed with panache and given a very elegant curvature. It was to be the 3rd tallest high-rise of its time. It was built with state-of-the-art Aluminum Shuttering MIVAN technology and equipped with ample 5-level stilt parking, with a 2.5 acre garden on the 5th level. The apartments were designed to utilise space effectively, resulting in minimum wastage and boasted an impressive layout. The apartments were appointed with L-shaped French windows that not only gave a breathtaking view of the Arabian Sea, Bandra-Worli sea link and Mahalaxmi Race course, but also provided ample sunlight and ventilation.

MARATHON NEXTGEN INNOVA

The Generation Next Corporate Centre



Marathon NextGen Innova is a thoughtfully designed business space, with a horizontally spread elevation that supports large floor plates. The entrance lobby is carved so as to make a grand impression, adding to its corporate ambience. The building has posh lobbies and capsule elevators. A separate 5-storeyed building has been constructed with parking facilities for over 500 cars. The NextGen campus has a Lotus pond with an event space and wide internal roads to facilitate smooth flow of traffic.



Marathon NextGen Innova is also designed to offer Small Business Spaces (SBS), starting from 1,000 sq.ft. Suitable for SMEs. SBS is a unique concept introduced by Marathon Group.



As a reward for our efforts, Marathon NextGen Innova received the 'Best commercial project' award by Accommodation Times (2006-07).

Financial Snapshot

(Figures in Lacs)

Earnings	2002-03	2003-04	2004-05	• 2005-06	•• 2006-07	2007-08	2008-09	2009-10 Year
Income Earned	40	1375	270	8012	9693	11666	13185	25004
Expenditure	637	400	547	3181	4037	2972	7754	5342
Profit Before Tax	-597	975	-277	4831	5656	8694	5431	19662
Profit After Tax	-579	2095	312	3677	4527	***6217	4216	14921
Earnings Per Share Rs.	-644	382	-3.88	**87.23	107	***49	33	116
Dividend Per Share Rs.	-	-	-	1.25	1.2	1.6	1.6	3.5
Dividend Payout	-	-	-	19	50	202	202	443

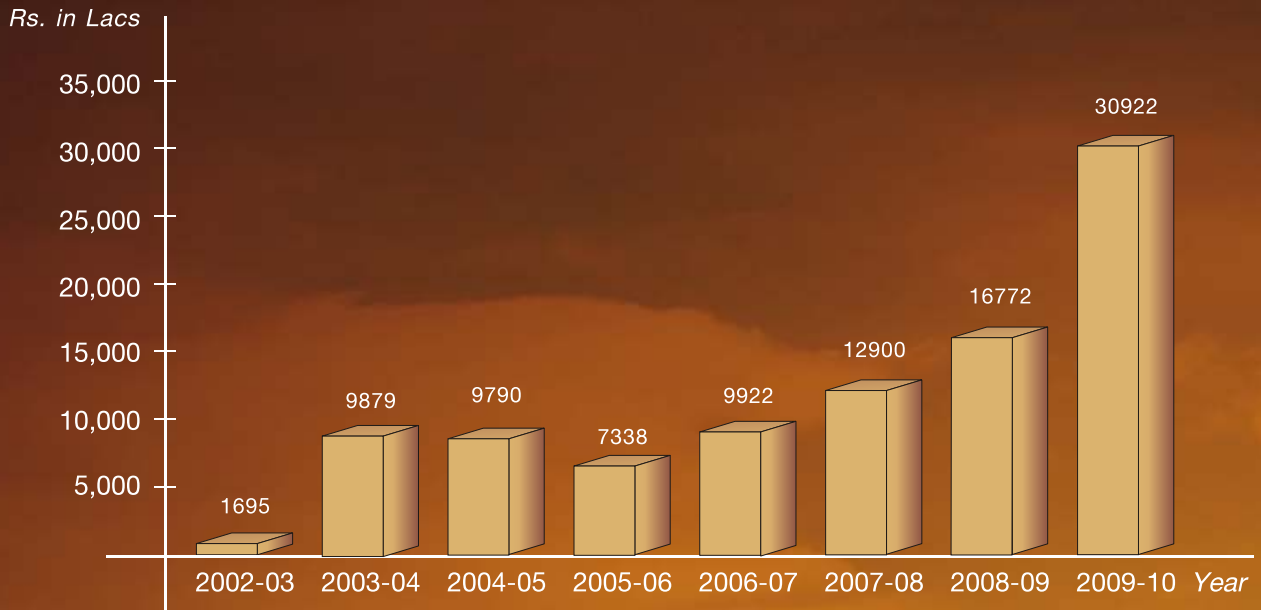
** After 4:1 Bonus Shares

*** After 2:1 Bonus Issue

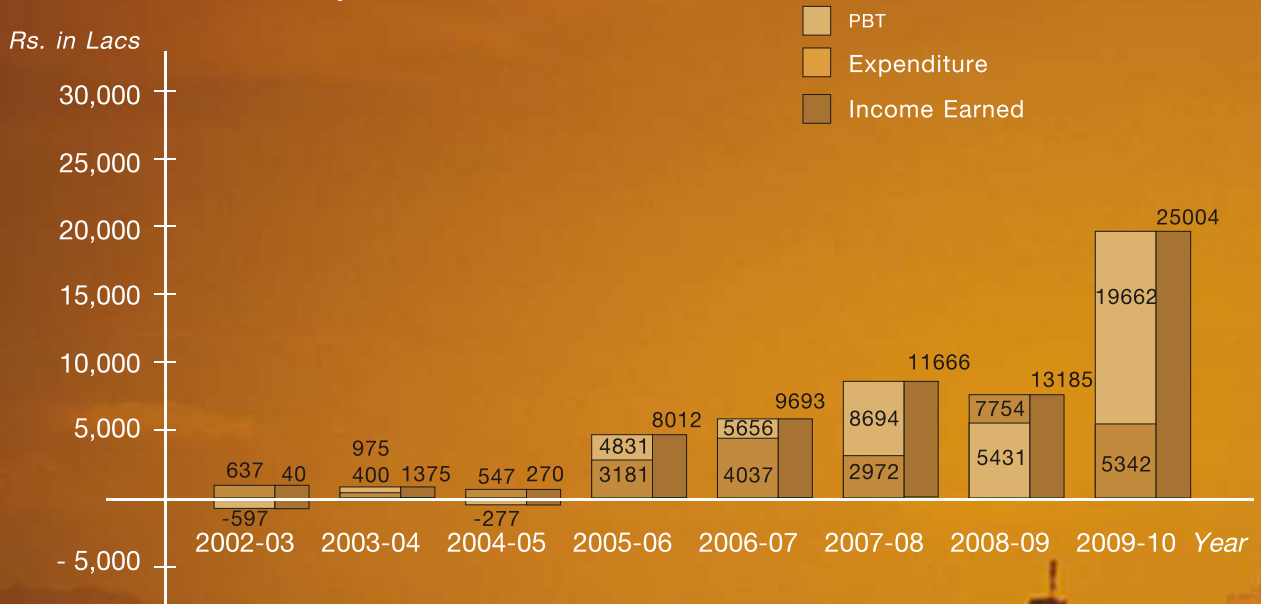
• Fifteen month period

•• Nine Month period

Shareholders Funds



PBT & Expenditure



A growth story with success manifold



Era Entrance lobby



Era Podium Garden



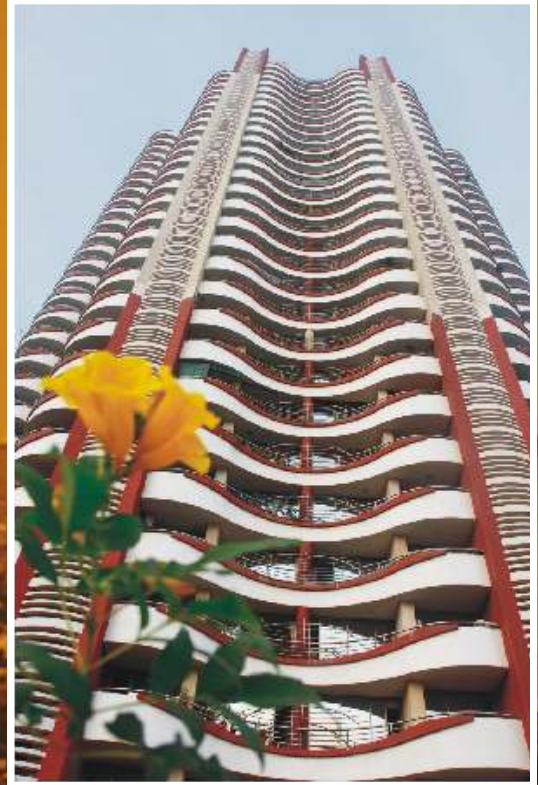
Club NextGen



Well-equipped Gymnasium



Swimming pools



Marathon NextGen Era

Actual photographs



Innova Drop-off area



Innova Entrance lobby



Innova facade



Innova Lift lobby



Stylish Capsule Elevators (Innova)



*Independent Multi-level car park
for over 500 cars (Innova)*

Actual photographs

Vision and Mission

Vision for a better world

We continue on the path that we have been on since we started. It has been a journey of constant innovation, of setting new benchmarks in the real estate industry, of offering our customers, which include individuals, businesses, institutions, infrastructure, new amenities, new technologies and new benefits never seen before in India.

We are building a road where none exists. A road on which others will follow us.

A Mission to serve and delight

The customer is our prime focus. We aim to enhance lives through our innovations.

All our actions revolve around the customer. We acquire land that has the potential for value appreciation. We develop it by conceptualising a product that takes care of needs and aspirations. We bring it to a reality through technology and talent and we deliver more than promised. We also continue to be of service, even after we have delivered.

At Marathon, the customer is our dharma.



MARATHON GROUP'S CURRENT PROJECTS

HIGH-RISE RESIDENCES



MARATHON
ONYX
Mulund (W)

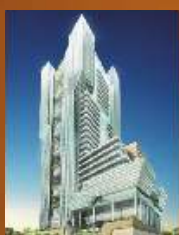


MARATHON
MONTE VISTA
Mulund (W)



MARATHON
MONTE CARLO
Mulund (W)

COMMERCIAL PROJECTS



MARATHON
FUTUREX
Lower Parel



MARATHON
NEXTGEN ICON
Lower Parel



MARATHON
MONTE PLAZA
Mulund (W)

RETAIL



MARATHON NEXZONE - Panvel

UPCOMING
TOWNSHIPS
AT
THANE AND
DOMBIVALI



MARATHON NAGARI-Badlapur (E)

TOWNSHIPS



Dear Shareholder,

The year under review has been one of the best years of performance in the annals of the company. This coming immediately after a turbulent period prior to the year portrays the resilience of the Indian Economy and has given a tremendous fillip to the industry at large.

The global perspective: The financial crisis that had erupted towards the end of 2007 after the collapse of the U S sub prime mortgage market transformed into one of the deepest global recessions in recent times affecting trade, output, employment, income and above all consumer sentiment across the globe. Growth rate plummeted and it was the direct intervention Sovereign Nations the helped to stem the tide.

While the worst seems to be over the recovery especially in the perceived developed nations across Europe and America will continue to be sluggish. Trade and investment flows in these countries remain strained and investment flows were very low.

The Indian Scenario: In contrast, the developing countries have fared much better and have battled the recession with a more than a fair degree of success. In this context, the Indian economy stands out amongst its peers in the developing world. With a large and vibrant domestic economy, India was relatively insulated and with efficient regulations and well governed financial markets deep fissures and excessive leveraging of the system were prevented. The extent of public intervention was largely within the capacity of the Government to stimulate growth without compromising on the medium to long term stability.

The Real Estate Sector in India: The performance of the construction sector which is the second largest sector in the Indian economy recorded significant growth during the year. Aided with a strong consumer sentiment, the demand for realty picked up pace and showed a tremendous growth rate. The demand for residential sector is quite encouraging and is expected to remain very strong. The growth in the residential sector as per the planning commission would be in the range of 1.5 million units per year up to the end of the plan period in 2012. The commercial sector continues to be a little sluggish. There are however visible signs of growth in this sector and with the growth in the finance, hospitality and healthcare coupled with the growth in the IT and ITeS should see future demand.

Annual results: The company has performed exceedingly well as is evident from the results. The company had exhausted its stock of residential apartments and during the year concentrated only in the commercial sector. The company significantly changed its strategy by selective marketing of small and medium sized office spaces in its state-of-the-art commercial property-Innova. Many businesses who hitherto were hesitant to invest in this property suddenly found an opportunity to work out of this complex. The change in strategy has helped in tapping lucrative segment which continues to grow. The company believes in inclusive creation of wealth and has for the third time in five years proposed a bonus issue of shares in the ratio of one share for every two held. Besides, it has maintained the dividend and has also proposed an additional dividend to commemorate the fortieth year of the group in the realty business.

Future Prospects: Going forward, the company is of the opinion that there are exciting opportunities ahead and it would be part of this growth. The company would also move from the traditional housing and commercial segments to explore other segments of growth which may include hospitably, service apartments, etc. The company firmly believes that in order to succeed in future there should be a sound business model supported by a sound balance sheet.

Acknowledgements: I would like to express my gratitude to my fellow colleagues in the board and thank the entire Marathon team, the stakeholders like you and all associates who have helped the company in achieving such strong results.

Yours truly,

Chetan R. Shah
Chairman & Managing Director



Dear Shareholder,

It gives me immense pleasure to address you through the annual report of performance. I thank you for your continued trust, encouragement and support.

Your company has posted stellar results by registering a whopping increase of 251% in net profit to Rs. 146.69 crores for the year ended March 31, 2010 as compared to Rs. 41.76 crores recorded in the previous year. The total income of the company surged to Rs. 250 crores during the year ended March 31, 2010, as compared to Rs. 131 crores reported during the previous year.

Marathon NextGen Realty Ltd. in the short span of 7 years have emerged as one of the major real estate players in the Mumbai Metropolitan Region (MMR) with its contribution setting new benchmarks in the real estate developments across various locations in both residential and commercial segments in terms of innovation in technologies as well as creating destinations.

I am proud to tell you that your company has created a benchmark in the real estate sector by significantly reducing the construction cost with the use of most advanced technologies. Marathon NextGen started with the MIVAN technology and subsequently deployed the world-class PERI and STEM technologies in the ongoing commercial and residential projects. We were perhaps the first developer to introduce these advance technologies in real estate in India apart from the few public sector construction companies.

Looking at the current pace of county's economic growth, future prospectus is certainly bright. Encouraged by the rapid growth in Infrastructure across MMR demand for the residential and commercial properties is expected to scale higher in the current financial year, offering a immense opportunities to the Marathon NextGen Realty Ltd.

Mayur R. Shah

Vice Chairman - Marathon NextGen Realty Ltd.

Board of Directors



Mr. Chetan R. Shah
Chairman & Managing Director



Mr. Mayur R. Shah
Vice-Chairman & Director



Mr. S. Ramamurthi
Wholetime Director



Mr. V. Nagarajan
Director



Mr. V. Ranganathan
Director



Mr. Padmanabha Shetty
Director

Company Secretary

Mr. K. S. Raghavan

Registered Office

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

Corporate Office

101, Marathon House, Devidayal Road,
Mulund (West), Mumbai - 400 080.

Auditors

Haribhakti & Co.
Chartered Accountants

Bankers

AXIS Bank Ltd.
HDFC Bank Ltd.
Citi Bank NA

Share Transfer Agents

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

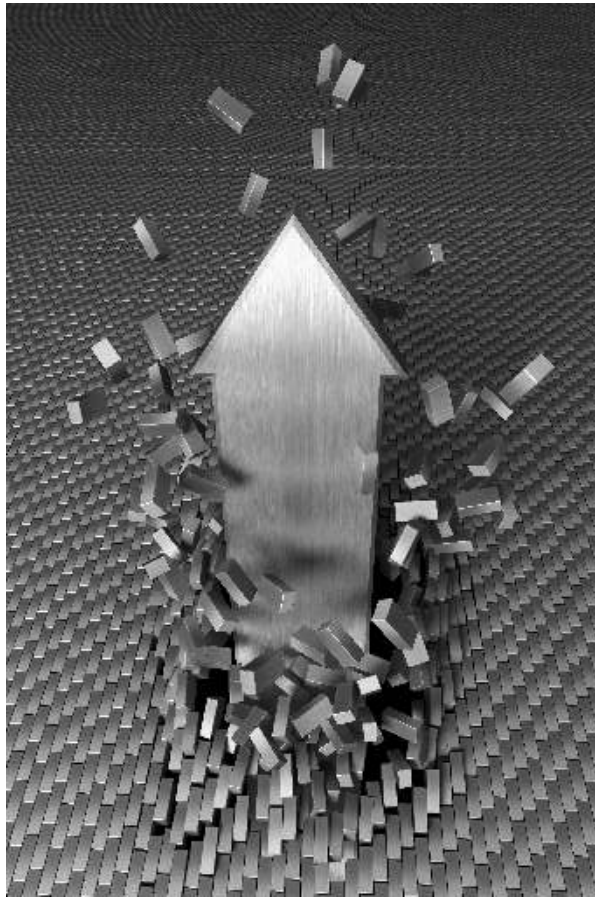
Annual General Meeting

Wednesday, 29th September, 2010
at 11.30 a.m.

Venue

Nehru Planetarium, Nehru Centre,
Basement, Hall of Quest, Worli,
Mumbai - 400 018.

Reports



NOTICE is hereby given that the Thirty Third Annual General Meeting of the members of **MARATHON NEXTGEN REALTY LIMITED** will be held at Nehru Planetarium, Nehru Centre, Basement Hall, Worli, Mumbai 400 018 on Wednesday, 29th September, 2010 at 11.30 a.m. to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet for the year ended on 31st March, 2010 and the Profit and Loss Account as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Preference Shares.
3. To declare a Final and Special Dividend on Equity Shares.
4. To appoint a Director in place of Mr. V. Ranganathan, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. Haribhakti & Co., Chartered Accountants, retiring Auditors, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

B. SPECIAL BUSINESS:

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

“**RESOLVED THAT** subject to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act 1956, if any, read with Schedule XIII of the Companies Act 1956, consent of the Company be and is hereby accorded to the reappointment of Mr. Chetan R. Shah as Chairman and Managing Director of the Company for a period of three year commencing from 1st July, 2010 and the remuneration payable to him as recommended by the Remuneration Committee and as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with a liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Director and Mr. Chetan R. Shah. ”

Registered Office:

Marathon Nextgen
Ganpatrao Kadam Marg
Lower Parel (West)
Mumbai 400 013.
Date: 31st May, 2010

By Order of the Board

K. S. Raghavan
Company Secretary

Notes:

1. The Explanatory Statement pursuant to 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and a proxy need not be a member of the Company.
3. The instrument appointing a proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
4. The register of Members and the share transfer books of the Company will remain closed from Monday, 20th September, 2010 to Wednesday, 29th September, 2010 (both days inclusive)
5. Subject to Section 206A of the Companies Act, 1956, the dividend as recommended by the Board, if approved at the 33rd Annual General Meeting, will be paid to those members whose names stand on the Company's Register of Members as on 29th September, 2010. In respect of shares held in the electronic form, the dividend will be payable on the basis on beneficial ownership furnished by National Securities Depository Limited (NSDL) and Depository Services Limited (CDSL) for this purpose.
6. Electronic Clearing Service (ECS) helps in quick remittance of Dividend without possible loss/delay in postal transit. Members are requested to fill in the enclosed form and forward the same to Company's Registrar and Share Transfer Agents if the shares held in physical form and to the Depository Participant in case the shares are held in dematerialized form.
7. 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.
8. The dividend on Preference shares as recommended by the Directors for the year ended March 31, 2010 will be payable on or after October 4, 2010.
9. 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.
10. The shareholders are requested to intimate any changes in their addresses to the Share Transfer Agents of the Company.

ANNEXURE TO THE NOTICE:

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

Item No. 6: Reappointment of Managing Director and payment of remuneration to him:

Mr.Chetan R Shah has over 31 years experience in planning, operations, quality assurance and execution of large projects in the construction industry. He was reappointed as Chairman and Managing Director of the Company by the Board on 29th June 2007 for a period of three years and that the same was approved by the members of the Company at the 30th Annual General Meeting held on 12th September 2007. His current term expires on 30th June 2007.

Mr.Chetan R. Shah's contribution to the Company is invaluable in that his effective participation in implementing the projects of the Company coupled with his unstinted efforts in maintaining consistency in operational performance of the construction activities of the Company have led to achieving a sizeable profit for the financial year ended 31st March, 2010. In view of the above, the Board of Directors of the Company at its meeting held on the 31st May 2010 has reappointed Mr. Chetan R Shah as Chairman and Managing Director of the Company for a further period of three years with effect from 1st July 2010 on the remuneration recommended by the Remuneration Committee and the Board of Directors. The material provisions of the draft agreement as referred to in the resolution are as follows:

a. REMUNERATION

Salary shall not exceed Rs. 4 lacs per month with annual increments being determined and recommended by the Remuneration Committee and to be approved by the Board of Directors on a year to year basis. Bonus will be paid in accordance with the rules of the Company.

b. COMMISSION

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

c. PERQUISITES

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

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

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

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

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

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

Other terms :

The Managing Director shall unless prevented by ill health, through out the said term devote his attention and ability to the business of the Company and shall perform such duties and exercise such power as shall from time to time be assigned to or vested in him by the Board of Directors, and shall comply with the orders, directions and regulations from time to time of the Board of Directors of the Company and shall well and faithfully serve the company and use his utmost endeavor to promote the interest thereof. The Board commends the approval by the members of the re-appointment of Managing Director and the remuneration payable to him.

The Board recommends passing of the resolution.

Mr.Chetan R Shah is concerned or interested in the said Resolution at item No.6 of accompanying notice as it relates to his own reappointment. Mr. Mayur R Shah being a relative is also deemed to be interested or concerned in the said resolution.

A copy of the agreement for the reappointment of Mr.Chetan R Shah as Managing Director of the Company is open for inspection by the members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p..m.

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

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

Name of the Director	Mr. V. Ranganathan
Date of Birth	23.09.1942
Date of Appointment	30.01.2007
Qualification	IAS
Expertise in specific functional areas	Retired civil servant with decades of distinguished service at senior levels in the State and Central Governments with successful stints as Municipal Commissioner, Birhan Mumbai Mahanagarpalika and Chief Secretary to the Govt. of Maharashtra. Currently devotes time to various social organizations besides advising and coordinating the activities of a prestigious Trust.
Other companies in which Directorship held	Nil
Other public companies in which membership of Committees of Directors held	Nil
No. of shares held as on 31 st March, 2010	Nil

Registered Office:
Marathon Nextgen
Ganpatrao Kadam Marg
Lower Parel (West)
Mumbai 400 013.
Date: 31st May, 2010

By Order of the Board

K.S.Raghavan
Company Secretary

The Directors have pleasure in submitting their Thirty Third Annual Report together with the audited accounts of your Company for the year ended 31st March, 2010.

The realty sector in which your Company is leading player showed signs of recovery during the second quarter of the fiscal year and grew in strength during the rest of the year. The Company has done exceedingly well as is bore out by the stellar set of numbers.

WORKING RESULTS:

	Year ended 31st March 2010 Rs.	Year ended 31st March 2009 Rs.
Profit / (Loss) before Depreciation, interest and Taxation	21,246	5,341.38
Less: Depreciation	34	11
	21,212	6,962
Less: Interest	1,550	1,621
Profit before Taxation	19,662	5,341
Less: Provision for Taxation	4,741	1,125
Less: Prior period adjustment	252	39
Profit / (Loss) after tax after adjustment	14,669	4,177
Add: Balance brought from previous year	4,821	4,882
Less: Dividend on Preference Shares including arrears thereon	1	1
Dividend on equity shares	443	202
Tax on distributed profits	74	35
Less: Transfer to General Reserve	9,400	4,000
Balance carried to Balance Sheet	9,571	4,821
Earnings per share – basic and diluted	116.05	33.03

This has been by far the best ever results attained by the Company.

Shareholders were informed during the previous year that the Company's commercial project Innova at Lower Parel has been designated as Private Technology Park by the Government of Maharashtra. In terms of Section 80-IA(4) (iii) of the Income Tax Act 1961, 100% of the profits generated from sale/lease of this property would be exempt from Income Tax. The Company has made the requisite applications to the Central Board of Direct Taxes in this regard and it is hoped that the necessary permissions would be made available to it shortly. Provision for taxes in the accounts has been made without considering the impact of the deductions available under Section 80-IA(4) (iii) of the Income Tax Act 1961. Had the deduction under the section been considered the Profit after Tax and earning thereof would be increased to extent of relief.

YEAR IN RETROSPECT :

While the realty sector continued to consolidate it was the residential segment that saw sustained demand even at higher prices thereby indicating a genuine demand. There was a marked sluggishness in the commercial segment.

In view of the heavy demand the entire residential project was sold out even before it was completed. During the year the Company concentrated in marketing its commercial complex.

In so far as commercial space was concerned the Company hitherto was concentrating in selling large floor plates. During the year the Company re-strategized its marketing plans and forayed into a large untapped market of small and medium office space that had a huge potential. This revised strategy paid off well and Innova today has dedicated sufficient space to cater to this ever growing demand.

DIVIDEND

The Company has always maintained that it derives substantial strength from its shareholders who have stood by it over a long period of time and it has been the consistent policy of the Company to reward them adequately.

The Marathon Group has been in the business of Realty Development for the past forty years. Your Company has become an integral and important part of the group. In commemorating this land mark that the Group has reached, your Directors are proposing a one time special dividend of 15% (Rs.1.50 per share.)

Further a final dividend of 5% (Rs.0.50 per share) is being proposed which together with the interim dividend of 15% (Rs.1.50 per share) already paid would amount to 20% (Rs.2/- per share).

The total dividend for the year would be 35% (Rs. 3.50 per share as against 16% (Rs. 1.60) paid in the previous year.

The total dividend pay out during the year would be Rs.4,43,85,870 as against Rs. 2,03,72,112 in the previous year and the Dividend distribution tax would be Rs.75,45,165 as against Rs.34,62,241

BONUS SHARES

The Board of Directors have recommended a bonus issue by capitalizing its general reserves in the ratio of one equity share of Rs.10/- each for every two equity shares of Rs.10/- each held. The issue of these bonus shares would be subject to the consent of shareholders and such other regulatory permissions / sanctions as may be necessary. The bonus issue would require appropriating Rs. 6,31,94,100 from its general reserves.

This is the third bonus issue from the Company after the Marathon Group assumed Management Control.

FUTURE PROSPECTS:

The Company is in the process of developing of property in South Mumbai and the Western Suburbs. Your Company has a 40% share in a Special Purpose Vehicle that is to develop these projects. The South Mumbai project would commence shortly as all permissions / sanctions are in place.

The Company along with Mumbai Housing and Area Development Authority (MHADA) is in the process of forging an alliance to construct a high rise at the Nextgen premises. The contours of the deal are being worked out.

The Company is exploring an opportunity to enter into a joint venture with a group Company to construct high end apartments at the eastern suburbs.

The joint venture project in Bangalore is slow in taking off mainly because it is mired in regulatory sanctions. Efforts are being made to ensure speedy implementation.

The Company has ready stock at Innova which is maintaining a sustained demand.

DIRECTORS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts, the applicable accounting standards has 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. 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

Any shareholder interested in obtaining a copy of the statement of particulars of employees referred to in Section 217(2A) of the Companies Act, 1956 may write to the Company Secretary at the Registered Office of the Company.

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 paid the Annual Listing Fees for the year 2009-10.

DEMATERIALIZATION OF SHARES

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

CORPORATE GOVERNANCE

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

AUDITORS

M/s.Haribhakti & Co., Chartered Accountants, retire as the Statutory Auditors at the conclusion of the 33rd 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 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

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 whole heartedly 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 : 31st May, 2010

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 31st March 2010.

With the melting of the slowdown the Indian economy is showing signs of robust growth which has resulted in an all-round growth of the economy with a consensus that the GDP would grow by at least 8%.

This bodes well for the real estate sector which had suffered badly during the slowdown. The latter half of the fiscal year under review has shown prices harden which has resulted in an overall improvement in revenues and income in the sector. The new buoyancy has resulted in the revival of projects that were kept on the back burner. The Indian real estate industry is so large that the demand dynamics of this industry decides the fortune of its ancillary industries. The ups and downs of the real estate market have serious implications on companies whose future is linked to the housing and infrastructure demand in India.

I. Industry structure and development:

The realty industry can be broadly divide into residential and commercial.

Residential real estate comprises of 65% of the real estate market in India. Increasing population, rising income levels of a growing middle class along with social dynamics of nuclear families and changing attitudes from that of save and buy, to buy and repay have contributed to the exponential growth in this sector. The demand for premium apartments with contemporary amenities and integrated townships has also witnessed significant increase in the past few years.

The demand in the residential sector is unabated and in the larger metropolitan cites there is a continuous demand for quality houses which phenomenon is currently transcending to the Tier II and Tier III cities as well. A new avenue has opened in the form of affordable housing where the potential is immense.

Commercial real estate broadly makes up the balance of realty market. The rapid growth in the economy has had a cascading effect on the demand for commercial property to help meet demand of businesses such as modern offices and business centers. This growth has been driven predominantly by the burgeoning outsourcing and the boom in Information Technology which brought with it a huge base of support systems including the banks and financial service sectors. India became the preferred destination for anybody who wanted do business. While the Indian economy has rebounded Global economies are yet to recover from the slowdown and have not exactly participated in this segment to the extent expected.

As a result in the commercial sector there has been a perceptible lull with the supply outstripping the demand.

In view of the heavy demand the entire residential project of the Company was sold out even before it was completed.

During the year the Company concentrated in marketing its commercial complex.

In so far as commercial space was concerned the Company hitherto was concentrating in selling large floor plates. During the year the Company restructured its marketing plans and forayed into a large untapped market of small and medium office space that had a huge potential. This revised strategy paid off well and Marathon Innova today has dedicated sufficient space to cater to this ever growing demand.

II. Opportunities and Threats

The Marathon Group has been in the Realty Industry for over four decades. The Group has successfully completed over seventy prestigious projects in Mumbai. The Group is managed by second generation entrepreneurs who are eminently qualified in civil and construction engineering with post-graduate degrees from prestigious universities in the United States of America. They are competently supported by a dedicated team of professionals that include Chartered Accountants, Management Graduates, Engineers, Architects, Designers, Lawyers, Company Secretaries etc.

The group has carried out an introspection on its activities and has taken in its stride the slowdown and has emerged better off.

The Company has always been able to identify pockets of land which has high growth potential. Over the years this has helped the Company to create long term cash reserves and generate wealth for its shareholders.

However the spiraling land prices and the major inputs costs across the spectrum undermines the quantum growth of the overall industry. The industry suffers from a plethora of taxes and duties levied on it with no set offs available. In the current scenario this proves to be counter productive. The Union Budget levies of Service Tax and the Government of Maharashtra's levy of VAT on sale of property is only going to add to the problems.

The dictat of the Reserve Bank of India to the Banking Community to make additional provisioning on advances is going to make funding to the industry even more difficult.

The global financial crisis has altered the landscape for real estate finance in India. "Return maximization" is no longer the fundamental investment strategy. Post the emergence of "risk-minimization" as a focus area, investment structure has drifted from unsecured equity deals towards debt deals. Furthermore, developers are scouting for fresh sources of financing to mitigate the liquidity crunch faced by them. This has accelerated the process of institutionalization in Indian Real Estate sector due to developers' prompt willingness to leverage opportunities available in the financial market instruments like IPOs and QIPs.

Jones Lang LaSalle Meghraj's latest research report, Emerging Trends in Real Estate Finance, explores the trends and challenges in different channels of financing real estate development in India. The report establishes the importance of real estate as an investment avenue and investigates the stakeholders' strategy to obtain financing for continuing a high growth story of this sector in recent years. The report also articulates the need for clear policy guidelines for REMFs, REITs and FDI necessary for sustainable growth of the real estate sector in India.

The Company's conservative approach has paid rich dividends in the past. With the Company embarking into larger projects it would have to take into consideration the cost of funding and the inherent risks of over leveraging. The Company is however confident that it would be able to overcome these impediments.

III. Segment-wise or product-wise performance

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

IV. Outlook

With the proposed projects the Company looks to the future with optimism. The Company is confident of sustained growth in the years ahead. The current projects on hand will yield good returns to the Company.

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. Discussion on financial performance with respect to operational performance

Financial Year	(Rs. in lacs)	
	2009-10	2008-09
Income	28905.57	13123.21
EBIDT	7659.52	6149.28
Interest	1549.74	1621.19
Depreciation	33.78	11.36
Profit/ (Loss) before tax	19662.52	5341.38
Profit/ (Loss) after tax	14921.39	4216.15

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 organization activities. The Company facilitates consistent improvement in performance, productivity and effectiveness by setting targets through an interactive process. Human resources are being recognized as one of the critical areas to the success of our organization. They are subject to constant training to augment their skills to effectively carry out their assignment.

IX. Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projection, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and other incidental factors. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent development.

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

A 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 and
- * Compliance with the applicable laws and regulations

2. BOARD COMPOSITION AND PARTICULARS OF DIRECTORS:

(i) The present strength of Board of Directors of the Company is six Directors the composition of which is as follows:

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

The Board of Directors of the Company is 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 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:

Five Board Meetings were held during the Financial Year ended 31st March 2010 on the following dates: 20th May, 2009; 30th June, 2009; 27th July, 2009; 28th October, 2009 and 27th January, 2010.

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

Name of Director	Director Identification Number	Category of Directorship		No. of Board Meetings Attended	Attendance at the last AGM	Directorship in other Companies including Private Companies in India	No. of committees in which Chairman/ Member (other than Marathon Nextgen Realty Limited)	
		Executive or Non Executive	Independent				Member	Chairman
Mr. Chetan R. Shah Chairman & Managing Director	135296	Promoter – Executive		5	Yes	35	Nil	Nil
Mr. Mayur R. Shah Vice-Chairman & Director	135504	Promoter – Executive		2	Yes	36	Nil	Nil
Mr. S. Ramamurthi Wholetime Director	135602	Executive–WTD		5	Yes	2	Nil	Nil
Mr. V. Nagarajan	135714	Non-Executive	Independent	5	Yes	1	Nil	Nil
Mr. V.Ranganathan	269682	Non-Executive	Independent	5	Yes	1	Nil	Nil
Mr. Padmanabha Shetty	00433761	Non-Executive	Independent	4	Yes	-	-	-

NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH 2010:

<u>NAME OF THE DIRECTORS</u>	<u>NO. OF SHARES HELD</u>
Mr. V. Ranganathan	Nil
Mr. V. Nagarajan	Nil
Mr. Padmanabha Shetty	Nil

4. AUDIT COMMITTEE:

During the Year ended March 31, 2010 four Audit Committee Meetings were held on the following dates: 30th June, 2009; 27th July, 2009; 28th October, 2009 and 27th January, 2010.

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 2010 reviewed:

- The Company's financial reporting process.
- Disclosure of financial information.

- (iii) The periodical and annual financial statements.
- (iv) Related party transactions
- (v) Risk assessment
- (vi) Adequacy of internal control
- (vii) Performance of Auditors

5. REMUNERATION COMMITTEE:

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

The Remuneration Committee determines/ reviews the remuneration of management personnel, i.e., Managing Director and Whole-time Director of the Company.

The meeting of the Remuneration Committee was held on the 17th May, 2010 to determine and recommend the Commission payable to the Chairman and Managing Director.

Details of the remuneration paid to the Directors of the Company during the period ended March 31, 2010 are given below:

Name of Director	Salary Rs.	Perquisites Rs.	Others Rs.	Sitting fees Rs.	Total Rs.
Mr. Chetan R. Shah	27,00,000	12,00,000	72,00,000	Nil	111,00,000
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	62,000	62,000
Mr. V. Nagarajan	Nil	Nil	Nil	74,000	74,000
Mr. Padmanabha Shetty	Nil	Nil	Nil	62,000	62,000

6. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE :

The following are the members of the Shareholders' / Investors' Grievance Committee

Mr. V. Nagarajan	Chairman
Mr. V. Ranganathan	Member
Mr. S. Ramamurthi	Member

The committee deals with the various matters relating to:

- Transfer/ transmission of shares/ debentures,
- Issue of duplicate share certificates,
- Review of shares dematerialised and all other matters
- Monitoring and expeditious redressal of investors' grievances,

* All other matters related to shares/debenture.

During the Financial Year ended 31st March 2010: -12- complaints were received by the Registrars. All requests/complaints were attended to promptly and resolved to the satisfaction of the shareholders.

GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

Year	Location	Date	Time	Special Resolutions	Postal Ballot
2006-07	Nehru Planetarium Nehru Centre, Basement Hall, Worli, Mumbai 400 018	12.09.2007	11.30 a.m.	2 (three)	Two special resolutions passed through postal ballot on 18.10.2006
2007-08	M. C. Ghia Hall, Second floor, Bhogilal Hargovindas Building 18/20 K. Dubash Marg, Kalaghoda, Mumbai 400 001	18.08.2008	11.30 a.m.	1 (One)	Two special resolutions passed through postal ballot on 18.08.2008
2008-09	Nehru Planetarium Nehru Centre, Basement Hall, Worli, Mumbai 400 018	24.09.2009	3.30 p.m.	1 (One)	

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 2010 which are prejudicial to the interest of the Company and its shareholders.

Transaction with related parties are discussed in Note No. 18 to Schedule M Notes to the accounts in the Annual Report

- Statutory Compliance, Penalties and Strictures:

The Company has complied with all requirements of the Listing Agreement entered into with the Stock Exchanges 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.

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 news paper 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.

GENERAL SHAREHOLDERS INFORMATION

- Annual General Meeting

Date and Time : 29th September, 2010 - 11.30 a.m.

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

- Financial Year : 1st April 2009 to 31st March 2010

- Date of Book Closure : 20th September, 2010 to 29th September, 2010

- Listing on Stock Exchanges : The Bombay Stock Exchange Limited

(a) Stock Code : 503101

(b) ISIN in NSDL & CDSL : INE182D01012

- Stock Price Data:

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

MONTHS (year 2009- 2010)	HIGH (Rs)	LOW (Rs)	SENSEX High	SENSEX	
				Low	Close
April	220.55	148.50	11,492.10	9,546.29	11,403.25
May	171.00	243.00	14,930.54	11,621.30	14,625.25
June	283.00	192.90	15,600.30	14,016.95	14,493.84
July	251.70	154.00	15,732.81	13,219.99	15,670.31
August	281.60	211.00	16,002.46	14,684.45	15,666.64
September	459.80	295.65	17,142.52	15,356.72	17,126.84
October	445.00	376.35	17,493.17	15,805.20	15,896.28
November	403.95	339.00	17,290.48	15,330.56	16,926.22
December	389.80	339.10	17,530.94	16,577.78	17,464.81
January	567.45	360.00	17,790.33	15,982.08	16,357.96
February	474.80	370.10	16,669.25	15,651.99	16,429.55
March	411.95	360.00	17,793.01	16,438.45	17,527.77

•Registrar & Transfer Agents:

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

•Share Transfer System:

Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of thirty 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, 2010:

Category (Shares)	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 - 500	4,251	95.04	2,77,707	2.20
501 - 1000	84	1.88	63,262	0.50
1001 - 2000	50	1.12	69,586	0.55
2001 - 3000	28	0.63	73,900	0.58
3001 - 4000	7	0.16	25,162	0.20
4001 - 5000	7	0.16	31,572	0.25
5001 - 10000	20	0.45	1,47,297	1.17
Above 10000	26	0.58	1,19,50,334	94.55
Total	4,473	100.00	1,26,38,820	100.00

Dematerialization of Shares and Liquidity:

The status of Dematerialized/ Physical shares of the Company as on 31st March, 2010 is as under:

Category	Physical	D'mat	Total	% in Physical	% in D'mat
Resident Individual	1,02,484	10,55,111	11,57,595	8.85	91.15
Non-Resident Individual	-	79,196	79,196	-	100.00
Corporate Bodies	43,510	90,318	1,33,828	32.51	67.49
Mutual Funds/UTI	336	-	336	100	-
FI/Banks	990	-	990	100	-
Promoters including Directors and relatives-	-	1,12,66,875	1,12,66,875	-	100.00
Total	1,47,320	1,24,91,500	1,26,38,820	1.17	98.83

Categories of Shareholders as on 31st March, 2010:

Category	No. of Shareholders	No. of Shares	Voting Strength (%)
Promoters	7	1,12,66,875	89.15
Mutual Funds/ UTI	5	336	0.00
Financial Institutions/ Banks	1	990	0.01
Bodies Corporate, CI, Members, Brokers,Trusts	147	1,49,569	1.18
NRI/ OCB/ FII	15	79,196	0.63
General Public	4,298	11,41,854	9.03
Total	4,473	1,26,38,820	100.00

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 :

Marathon Nextgen Realty Limited

101, Marathon House
Devidayal Road, Mulund (W)
Mumbai 400080.
Tel.:022 67728475 / 67728450

Registered Office :

Marathon Nextgen Realty Limited
Marathon Nextgen, Ganpatrao Kadam Marg,
Lower Parel (West), Mumbai 400013.
Tel.: 022 24925869/ 24963547 Fax: 022 2496 3560
Website: marathonnextgen.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
30 th June, 2009	20 th July, 2009
30 th September, 2009	20 th October, 2009
31 st December, 2009	18 th January, 2010
31 st March, 2010	20 th April, 2010

List of Promoters:

The following entities constitute "Group" pursuant to Regulation 3(e)(i) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997

Sr. No.	Names
1.	Ithaca Informatics Private Limited
2.	Marathon Realty Private Limited
3.	Mr. Chetan Ramniklal Shah along with his family members.
4.	Mr. Mayur Ramniklal Shah along with his family members.

To

The Members of Marathon Nextgen Realty Ltd.

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

I, Chetan R Shah, Managing Director of Marathon Nextgen Realty Ltd hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2010.

For and on behalf of the Board of Directors

Mumbai
Date : 31st May, 2010

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 deference to Clause 49 of the Listing agreement and the same is annexed.

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 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the 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 ensuing 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
Company Secretaries
Sd/-
Prop. S. KRISHNAMURTHY
ACS 7233 / CP 2120

Place : Pune
Date : 20th May, 2010

To

The Members of MARATHON NEXTGEN REALTY LIMITED

1. We have audited the attached Balance Sheet of MARATHON NEXTGEN REALTY LIMITED ('the Company') as at March 31, 2010 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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.
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the Directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. Without qualifying our opinion, attention is invited in respect of a transaction of purchase of leasehold right and ultimate sale of Development Rights to a related party during the previous year. The Company had in the previous year recorded profits aggregating to Rs. 42,56,00,000 in this transaction. During the year the Company has received property in lieu of the net amount of Rs. 39,41,44,372 due from the related party and the value of the property so received has been shown as purchase / stock of finished property.(Refer Note No. 6 of Schedule M).
 - vii. The adequacy of provision for income tax, which comprises of long term capital gain and business and other income, have been as certified by another Chartered Accountant.

- viii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the above mentioned paragraph vi, vii, and viii and along with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For Haribhakti & Co.
Chartered Accountants
FRN No.103523W

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Date : 31st May, 2010

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of MARATHON NEXTGEN REALTY LIMITED on the financial statements for the year ended March 31, 2010]

- I. (a) The Company needs to maintain proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company needs to have a regular programme of physical verification of its fixed assets, which in our opinion has to be made reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, as represented by the management to us, fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
- (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 to be physically verified by the management. In our opinion, the frequency of verification has to be made reasonable.
- (b) The procedures of physical verification of inventory required to be followed by the management has to be made reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of the Company, we are of the opinion that the Company needs to strengthen the record keeping and documentation procedures for the inventory. The discrepancies noticed on verification between the physical and book records were not material.
- iii. (a) The Company has granted loan to five companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 426,75,25,034 and the year-end balance of loans granted to such parties was Rs. 309,80,61,113.
- (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 receipt of interest and principal amount is required to be made regular.
- (d) In respect of the aforesaid loans, in the cases where the overdue amount is more than Rupees One lakh, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest, wherever applicable.
- (e) As informed, the Company has taken unsecured loan, from Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,65,51,775 and the year-end balance of loans taken from such parties was Nil.

- iv. In our opinion and according to the information and explanations given to us, *the existing internal control procedures are required to be made adequate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets. As regards, sale of goods, in our opinion, the existing system of internal control is adequate. On the basis of our examination of books and records of the Company, and according to the information and explanations given to us, except in relation of strengthening of internal control over purchase of inventory and fixed assets there has not been continuing failure to correct major weakness in internal control system. As regards club house operated by the Company , the internal control procedure need to be streamlined and documented.*

- 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. 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. According to the information and explanations given to us, the Company does not have an internal audit system.

- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

- 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, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
Service Tax	Service Tax	12,46,224	2009-2010	31 st March, 2010	-
Income Tax Act, 1961	Interest u/s 234 B	70,02,596	2007-2008	31 st March, 2008	-
	Interest u/s 220	46,68,397	2007-2008	31 st March, 2008	-
	Interest u/s 234 C	77,40,000	2009-2010	15 th September, 2009	-
	Advance income tax	10,69,90,538	2009-2010	15 th September, 2009	-

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

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	1,30,55,847	1990-91 through 1995-96, 1998-99	CESTAT
		63,42,042	1990-91, 1991-92, 1992-93, 1994-95	Commissioner
		52,99,705	1977-78, 1983-84, 1990-91, through 1992-93, 1994-95, through 1997-98	Deputy Commissioner

- x. The Company does not have any accumulated losses at the year end. Further, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank.
- xii. According to the records of the Company and according to the information and explanations provided to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, generally the Company did not deal or trade in it. However, on short term basis, surplus funds were invested in mutual fund for which proper records for the transaction and contracts have been maintained and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanation given to us, out of the term loans obtained by the Company, a sum of Rs. 14,53,00,000 have been applied for the purpose for which loan 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 explanations given to us, the Company has not made preferential allotments of equity shares to the parties listed in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year (except to the extent of amounts remaining uncollected) the question of creating security, in respect of debentures, does not arise.
- (xx) The Company has not raised any money by way of public issue during the year. Hence the provisions of clause (4) (xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
FRN No.103523W

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Date : 31st May, 2010

Results



BALANCE SHEET AS AT MARCH 31, 2010

Rupees

	Schedule	March 31,2010	March 31,2009
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	A	128,888,200	128,888,200
(b) Reserves and Surplus	B	2,963,332,628	1,548,309,404
		3,092,220,828	1,677,197,604
2. Loan funds			
(a) Secured Loans	C	408,927,738	1,492,770,215
(b) Unsecured Loans	D	5,527,819	137,607,341
		414,455,557	1,630,377,556
TOTAL		3,506,676,385	3,307,575,160
APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	E	121,166,743	128,743,447
(b) Less: Depreciation		38,225,472	41,392,491
(c) Net Block		82,941,271	87,350,956
2. Investments			
3. Deferred Tax Assets			
4. Current assets, loans and advances			
(a) Inventories	G	735,548,215	439,265,125
(b) Sundry Debtors		20,878,422	436,393,258
(c) Cash and Bank Balances		88,608,799	45,258,411
(d) Loans and Advances		3,523,111,567	2,873,043,716
(e) Interest Accrued on Investments		28,420	28,420
		4,368,175,423	3,793,988,930
Less: Current Liabilities and Provisions	H		
(a) Current Liabilities		149,583,893	360,592,143
(b) Provisions		833,684,264	353,082,549
		983,268,157	713,674,692
Net current assets		3,384,907,266	3,080,314,239
TOTAL		3,506,676,385	3,307,575,160

Significant Accounting Policies

L

Notes to accounts

M

The Schedule referred to above form an integral part of Balance Sheet

As per our report of even date attached

For HARIBHAKTI & CO.

Chartered Accountants

For and on behalf of the Board of Directors

Chetan Desai

Partner

CHETAN R. SHAH

Chairman & Managing Director

MAYUR R. SHAH

Vice Chairman

S RAMAMURTHI

Whole time Director

V NAGARAJAN

Director

Place : Mumbai

Date : 31st May, 2010

K S RAGHAVAN

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Rupees

	Schedule	2009-2010		2008-2009	
INCOME					
Income From Operations			2,138,838,570		1,050,429,533
Other Income	I		361,562,178		268,126,851
			2,500,400,748		1,318,556,384
Increase / (Decrease) in Inventories	J		390,156,878		(6,235,737)
			2,890,557,626		1,312,320,647
EXPENDITURE					
Property Development and Other Expenses	K		765,951,874		614,928,293
Depreciation			3,378,709		1,135,892
Interest			154,974,864		162,118,936
			924,305,447		778,183,121
Profit / (Loss) for the year before tax			1,966,252,178		534,137,526
Less : Provision for Taxation					
Income Tax - Current Year		463,509,527		74,200,000	
Previous Year		-		32,231,817	
Interest on Income Tax		9,336,795		9,300,000	
Wealth Tax		9,760		17,458	
Deferred Tax		1,256,879		(3,361,551)	
Fringe Benefit Tax		-	474,112,961	134,339	112,522,063
Net Profit After Tax			1,492,139,217		421,615,463
Less:- Prior Period Adjustments			(25,242,958)		(3,942,837)
Net Profit After Adjustment			1,466,896,259		417,672,626
Balance brought forward from previous year			482,068,983		488,230,710
Balance available for appropriation			1,948,965,242		905,903,336
Appropriations					
Transfer to General Reserve			940,000,000		400,000,000
Interim Dividend		18,958,230			
Proposed Dividend :					
Preference shares		150,000		150,000	
Equity shares		25,277,640	44,385,870	20,222,112	20,372,112
Dividend Distribution Tax			7,445,165		3,462,241
Balance carried to the Balance Sheet			957,134,207		482,068,983

Earnings per share (F.V.of Rs.10 each) - basic and diluted

116.05

33.03

Significant Accounting Policies

L

Notes to accounts

M

The Schedule referred to above form an integral part of Balance Sheet

As per our report of even date attached

For HARIBHAKTI & CO.

For and on behalf of the Board of Directors

Chartered Accountants

CHETAN DESAI

Partner

CHETAN R. SHAH

Chairman & Managing Director

MAYUR R. SHAH

Vice Chairman

S RAMAMURTHI

Whole time Director

V NAGARAJAN

Director

Place : Mumbai

K S RAGHAVAN

Date : 31st May, 2010

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2010

	2009-2010		2008-2009	
[A] CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extra-ordinary items		1,966,252,178		534,137,526
ADJUSTMENTS FOR :				
Depreciation	3,378,709		1,135,892	
Interest Expenses	154,974,864		162,118,936	
Prior Period Expenses	(25,242,958)		(3,942,837)	
Interest Income	(331,113,117)		(242,627,636)	
Misc Balances Written back	(25,233,624)		(17,031,554)	
Income From Dividend	(15,066)		(13,392)	
Profit on Sale of Mutual Funds	(894,775)		(7,737,795)	
Provision for Diminution in Investments	(80,524)		81,574	
Increase in Cost of Sales (Transfer from Fixed Assets)	100,769,579		175,538	
Provision for doubtful debts	1,090,852		-	
Loss on Disposal of Assets	964,593		-	
Provision for Employee Benefits	2,566,362		-	
Sale of Transformer	(11,021,240)		-	
		(129,856,345)		(107,841,274)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,836,395,833		426,296,252
ADJUSTMENS FOR:				
Trade & Other Receivables	(148,011,358)		(1,087,221,193)	
Inventories	(270,902,145)		6,298,738	
Trade Payables and Other Current Liabilities	(211,153,035)		(77,040,728)	
		(630,066,538)		(1,157,963,183)
Cash Genrated From Operations		1,206,329,295		(731,666,931)
Direct Taxes Paid	(82,629,003)		(72,784,679)	
		(82,629,003)		(72,784,679)
NET CASH FLOW FROM OPERATING ACTIVITIES		1,123,700,292		(804,451,610)
[B] CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(743,714)		(1,523,202)	
Purchase of Investments	(67,275)		-	
Sale of Investments	-		-	
Purchase of UTI Mutual Fund	(290,000,000)		(690,000,000)	
Sale of UTI Mutual Fund	290,894,775		697,737,795	
Interest Received	331,113,117		242,627,636	
Income From Dividend	15,066		13,392	
Sale of Transformer	11,021,240		-	
NET CASH FLOW FROM INVESTING ACTIVITIES		342,233,209		248,855,621
[C] CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds From Long Term Borrowings	(1,215,921,999)		553,290,767	
Interest on Term Loans	(154,974,864)		(162,118,936)	

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2010

Dividend Paid	(44,241,085)		(20,422,735)	
Dividend Distribution Tax	(7,445,165)		(3,462,241)	
NET CASH FLOW FROM FINANCING ACTIVITIES		(1,422,583,113)		367,286,855
Net increase in cash and cash equivalents		43,350,388		(188,309,134)
Cash and cash equivalents as at 31.03.09		45,258,411		233,567,545
Cash and cash equivalents as at 31.03.10		88,608,799		45,258,411
Note- Cash and Cash Equivalents Includes:				
Cash in hand	7,502		100,000	
Balance with scheduled banks:				
In Fixed Deposit Accounts	31,504,502		18,407,575	
In Current Accounts	28,064,279		18,827,841	
In Unpaid Dividend Accounts	300,854		156,140	
In Current Account- balance belongs to society under formation	28,731,662	88,608,799	7,766,855	45,258,411

As per our report of even date attached
For HARIBHAKTI & CO.
Chartered Accountants

Chetan Desai
Partner

Place : Mumbai
Date : 31st May, 2010

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman & Managing Director

S RAMAMURTHI
Whole time Director

K S RAGHAVAN
Company Secretary

MAYUR R. SHAH
Vice Chairman

V. NAGARAJAN
Director

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010**

	March 31,2010 Rs.	March 31,2009 Rs.
SCHEDULE A		
SHARE CAPITAL		
Authorised		
49,750,000 (previous year 49,750,000) Equity Shares of Rs.10 each	497,500,000	497,500,000
25,000 (previous year 25,000) 6% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 100 each	2,500,000	2,500,000
	500,000,000	500,000,000
Issued, subscribed and fully paid-up		
Equity shares:		
12,638,820 (Previous Year 12,638,820) Equity Shares of Rs. 10 each	126,388,200	126,388,200
Of the above:		
i) 9,501,630 (previous year 9,501,630) shares are held by Ithaca Informatics Pvt.Ltd., the holding company.		
ii) 1,17,96,232 shares have been issued as fully paid up bonus shares by capitalising Security Premium and General Reserve.		
Preference Shares :		
25,000 (previous year 25,000) 6% Non-Convertible Redeemable Cumulative Preference shares of Rs. 100/- each	2,500,000	2,500,000
[All the above shares are held by Ithaca Informatics Pvt. Ltd., the holding Company. These shares are redeemable on or before August 22, 2013]		
TOTAL	128,888,200	128,888,200
SCHEDULE B		
Revaluation Reserve I (for fixed assets)		
As per last balance sheet	41,999	6,698,617
Less: Net off with replacement cost and retained at Original Cost	-	(6,654,318)
Less: Transferred to the Profit and Loss Account	-	(2,300)
Less: Loss on retirement of Fixed Assets revalued	(41,999)	-
	-	41,999
General Reserve		
As per last balance sheet	1,066,198,421	666,198,421
Add:- Transfer From Profit & Loss Account	940,000,000	400,000,000
	2,006,198,421	1,066,198,421
Surplus in the Profit and Loss Account	957,134,207	482,068,983
TOTAL	2,963,332,628	1,548,309,404

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010**

	March 31,2010 Rs.	March 31,2009 Rs.
SCHEDULE C		
SECURED LOANS (Long Term)		
From banks		
Construction Finance	145,300,000	-
Lease Rent discounting	263,264,774	498,249,203
Car Loan* (* Hypothicated to ICICI Bank against Car Loan Taken)	362,964	698,383
TOTAL	408,927,738	498,947,586
From Others		
Construction Finance	-	900,394,521
Lease Rent Discounting	-	93,428,108
	-	993,822,629
TOTAL	408,927,738	1,492,770,215
Note:		
Of the above		
i) Lease Rent Discounting is secured by creating mortgage on property leased by the Company. The above Loans are further secured by personal guarantees issued by the Promoter Directors.		
ii) Term Loan sanctioned during the year is secured against mortgage of partially constructed immovable property of Innova and also further secured by personal guarantees issued by the Promoter Directors.		
SCHEDULE D		
UNSECURED LOANS (Long Term)		
Inter-corporate Deposits from others		
Sharda Exports Pvt Ltd	3,334,973	6,669,945
Twist Spin Industries Ltd	2,192,846	4,385,621
TOTAL	5,527,819	11,055,566
UNSECURED LOANS (Short Term)		
Inter-corporate Deposits from others		
Anchor Leasing Pvt Ltd	-	100,000,000
Marathon IT Infrastructure Pvt Ltd	-	26,551,775
	-	126,551,775
TOTAL	5,527,819	137,607,341

**SCHEDULE E
FIXED ASSETS**

Rupees

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01/04/2009	Additions during the year	Sales/ Retired during the year	As on 31/03/2010	As on 01/04/2009	Deletion	For the Year	Upto 31/03/2010	As on 31/03/2010	As on 31/3/2009
Freehold Land	257,648	-	-	257,648	-	-	-	-	257,648	257,648
Buildings	76,222,926	-	(7,875,169)	68,347,758	6,454,206	6,421,493	1,175,974	1,208,687	67,139,071	69,768,720
Plant and Machinery	37,578,750	-	(432,749)	37,146,001	31,128,817	114,660	291,761	31,305,918	5,840,083	6,449,933
Furniture and Fixtures	4,319,816	50,884	-	4,370,700	2,215,040	-	343,285	2,558,325	1,812,375	2,104,776
Air Conditioners and Office Equipments	5,390,791	44,680	-	5,435,471	267,521	-	1,014,656	1,282,177	4,153,294	5,123,270
Motor Vehicles	4,316,856	648,150	(12,500)	4,952,506	1,019,655	11,875	452,747	1,460,527	3,491,979	3,297,201
Computers	656,660	-	-	656,660	307,252	-	102,586	409,838	246,822	349,408
TOTAL	128,743,447	743,714	(8,320,418)	121,166,743	41,392,491	6,548,028	3,381,009	38,225,472	82,941,271	87,350,956
Previous Year	59,518,065	286,118,240	(216,892,857)	128,743,447	40,254,299	-	1,138,192	41,392,491	87,350,956	

**SCHEDULE F
INVESTMENTS**

	March 31, 2010			March 31, 2009		
	No's	Face Value (Rupees)	Cost (Rupees)	No's	Face Value (Rupees)	Cost (Rupees)
LONG TERM INVESTMENTS (Trade)						
In Shares of Companies [Fully Paid-up]						
In equity shares, other than subsidiaries						
Quoted						
Peninsula Land Ltd.	16,740	2	58,378	16,740	2	58,378
Morarjee Textiles Ltd	8,000	10	186,394	3,515	10	119,119
Unquoted						
Electric Control Gear (India) Ltd.	210,000	10.00	2,100	210,000	10	2,100
Columbia Chrome (I) Pvt Ltd.	5,208	100	520,800	5,208	100	520,800
Swayam Realtors & Textiles Ltd.	424,081	10	4,240,810	424,081	10	4,240,810
Less provision for diminution in value			5,008,482			4,941,207
			2,100			82,624
			5,006,382			4,858,583
In Immovable Properties						
a) In self-constructed building						
Construction cost of building (Inclusive of Land)			131,716,032			119,249,365
Add : Cost of Old Emperor Building Structure			759,352			-
Add : Cost of Leased Car Parking transferred from stock in trade			-			12,466,667
Less:- Sale of Investments			101,528,931			-
			30,946,453			131,716,032
LONG TERM INVESTMENTS (Non-Trade)						
Government Securities (Unquoted)						
6 Years National Savings Certificates	9	28,000	28,000	9	28,000	28,000
[Lodged as security with government authorities]						
SHORT TERM INVESTMENTS (Trade)						
UTI Mutual Fund		529	796,542			28,000
TOTAL			36,777,377			136,602,615

Notes:

- (i) Aggregate cost of quoted investments: Rs. 2.45 Lacs (Previous year Rs.1.77) Market Value Rs.13.56 lacs (previous year Rs.3.99 lacs)
- (ii) Aggregate cost of unquoted investments: Rs. 47.89 lacs (previous year Rs. 47.89 lacs)
- (iii) Aggregate NAV of unquoted Mutual Fund: Rs.1511.8044 (Previous year Rs.Nil)
- Investments purchased and sold during the year:**
- Purchased 1,93,553 Units (Previous Year 5,06,600 Units) of UTI Liquid Cash Plan Institutional (Growth Option) Rs.29,00,00,000/- (Previous Year Rs 69,00,00,000/-)
- Sold 1,93,024 Units (Previous Year 5,06,600 Units) of UTI Liquid Cash Plan Institutional (Growth Option) Rs.29,00,00,000/- (Previous Year Rs 69,00,00,000/-)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010**

	March 31,2010 Rs.	March 31,2009 Rs.
SCHEDULE G		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) INVENTORIES		
Finished Stock-Era	57,877,424	104,959,028
Finished Stock-Innova II	677,619,262	-
Stock in Trade-TDR (MHADA)	51,530	-
Work-in-Progress :		
Construction work-in-progress (Innova Phase II)	-	334,197,445
Stock in Trade (Innova Phase II)	-	108,652
	735,548,215	439,265,125
(b) SUNDRY DEBTORS (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	2,531,684	4,740,200
Others	18,346,738	431,653,058
	20,878,422	436,393,258
(c) CASH AND BANK BALANCES		
Cash in hand	7,502	100,000
Balances with scheduled banks:		
- In Fixed Deposit accounts	31,504,502	18,407,575
- In Current Accounts	28,064,279	18,827,841
- In Unpaid Dividend Accounts	300,854	156,140
- In Current Account - balance belongs to society under formation	28,731,662	7,766,855
	88,608,799	45,258,411
(d) LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	50,949,129	55,642,457
Advances to Suppliers	2,563,054	6,548,508
Loans to group concerns	3,098,061,113	2,525,834,372
Advances Considered Doubtful	1,090,852	-
	3,152,635,727	2,587,996,917
Less : Provision for Doubtful Debts	1,090,852	-
	3,151,544,875	2,587,996,917
Taxes paid in advance and TDS	371,270,678	284,742,086
Advance FBT	296,013	282,948
Balances with central excise	-	21,765
	3,523,111,567	2,873,043,716
TOTAL	4,368,147,003	3,793,960,510

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010**

	March 31, 2010 Rs.	March 31, 2009 Rs.
SCHEDULE H		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors		
Due to Micro and Small Enterprises		
Others	48,544,217	93,839,848
Advances from customers	10,022,035	10,830,801
Bank Overdraft	-	1,549,894
Other Liabilities	88,935,022	252,433,766
Unpaid Dividend	300,854	156,068
* Unclaimed Debentures [To be deposited in Investor Education and Protection Fund Dues when due]	741,535	741,535
* Unclaimed VRS	1,040,231	1,040,231
* The figure do not include any amount due and outstanding to be credited to Investors Education & Protection Fund]		
	149,583,893	360,592,143
PROVISIONS		
Provision For Fringe Benefit Tax	296,013	312,235
Provision For Taxation	799,376,270	327,141,196
Provision for Employee Benefits	4,361,127	1,794,765
Proposed Dividend	25,427,640	20,372,112
Dividend Distribution Tax	4,223,214	3,462,241
	833,684,264	353,082,549
TOTAL	983,268,157	713,674,692

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010**

	March 31, 2010 Rs.	March 31, 2009 Rs.
SCHEDULE I		
OTHER INCOME		
Interest received (TDS Rs.3,35,91,695/- P.Y. Rs.5,46,98,801/-)	331,113,117	242,627,636
Miscellaneous income	18,202,410	3,347,243
Dividend (Non-Trade)	15,066	13,392
Rent Received	845,638	548,122
Balances Written back (Refer Note No.12 of schedule M)	7,031,214	13,684,311
Profit on Sale of Investments	894,775	7,737,795
Club House Income	3,459,958	168,352
TOTAL	361,562,178	268,126,851
SCHEDULE J		
INCREASE/(DECREASE) IN INVENTORIES		
Closing Stock		
Finished Stock-Era	57,877,424	104,959,028
Finished Stock-Innova II	677,619,262	-
Stock in Trade-TDR (MHADA)	51,530	334,306,097
	735,548,215	439,265,125
Less: Opening Stock		
Finished Stock-Era	104,959,028	-
Construction Work in Progress (including land)	334,306,097	532,562,567
	439,265,125	532,562,567
Increase/(Decrease) in Inventories	296,283,090	(93,297,442)
Add : Transfer of Cost of Club House Building, Equipment and Furniture & Fixture to Fixed Assets.	-	74,595,038
Add : Transfer of Cost Innova Car Parking of Lease Premises to Investments [as per contra in Schedule F]	-	12,466,667
Less : Cost of TDR(MHADA) re-stated written off in the previous year	(51,530)	-
Add : Transfer of Construction Cost of 2000 sqmt of FSI net off against deposit in lieu of development obligation	68,544,372	-
Add : Transfer of Land Stock in Trade to Prior Period Expenses not charged to cost of sales in the earlier year	25,380,945	
TOTAL	390,156,878	(6,235,737)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010**

Rupees

	2009-2010		2008-2009	
SCHEDULE K				
PROPERTY DEVELOPMENT AND OTHER EXPENSES				
A) Property Development Expenses				
- Materials Consumed				
Steel	3,644,848		21,949,850	
Cement	2,132,517		4,935,686	
Marble	651,275		5,977,794	
Other Materials	27,872,762	34,301,403	57,513,979	90,377,309
- Direct Expenses				
Labour charges	105,747,735		138,987,632	
Transport Charges	1,577,818		3,893,974	
Purchase of Lease Hold Rights	-		210,000,000	
Other Direct Expenses	20,879,941	128,205,495	89,193,694	442,075,300
- Power and fuel	3,912,563	3,912,563	2,440,590	2,440,590
Cost of Investments Sold		101,528,931		
Cost of 2000 sqmt Space Constructed		394,144,372		
B) Personnel cost				
- Salaries, wages, bonus	30,801,558		24,871,667	
- Contribution to PF and gratuity	3,168,713		911,821	
- Staff welfare expenses	301,829	34,272,100	960,970	26,474,458
C) Administrative expenses				
- Repairs and maintenance - Buildings	42,849		1,307,314	
- Repairs and maintenance - Others	361,761		31,738	
- Rent	61,714		242,335	
- Rates and Taxes	74,539		91,630	
- Insurance	381,756		65,863	
- Security Expenses	1,780,025		533,456	
- Professional Fees	1,161,382		1,475,867	
- Directors Sitting Fees	215,000		124,000	
- Auditors Remuneration				
Tax Audit Fees	140,000		140,000	
Statutory Audit Fees	500,000		500,000	
Out of Pocket Expenses	20,396		13,635	
- Brokerage	11,759,381		1,628,416	
- Advertisement	3,060,394		12,936,866	
- Service Tax	6,356,764		3,004,367	
- Other expenses	43,671,050		31,465,150	
		69,587,011		53,560,636
TOTAL		765,951,874		614,928,293

SCHEDULE 'L' - SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are as follows:

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.

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.
- (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 Realisable 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
- (d) Cost of Fixed Assets acquired for Club House is depreciated @ 20%.

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) Segment Reporting

(a) Segment Revenue & Expenses:

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprises as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable".

(b) Segment Assets and Liabilities:

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(c) Inter segment Transfers:

Segment revenue, segment Expenses and segment results include transfer between business segments, such transfers are eliminated in consolidation.

(d) Accounting Policies:

The accounting policies consistently used in the Preparation of the financial statements are also applied to item of revenue and expenditure in individual segments

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.

1. Contingent liabilities:

Disputed excise duty claims Rs. 1,56,81,285 (Previous Year Rs. 1,69,30,761) in respect of which the Company made payment of Rs. 3,43,034 & Rs. 9,06,442 has been dropped by the Commissioner (Appeals), Central Excise. The Company has issued the Counter Guarantees up to a maximum amount of Rs. Nil (Previous Year Rs. 95,00,00,000) for Loans granted by the Financial Institutions to its Associates Concern.
2. The Company has entered into an agreement for development of property in Bangalore on the basis of a joint venture agreement 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.
3. (a) The Govt. of Maharashtra, Directorate of Industries has issued a communication to the effect that an area of 19201 Sq. mts at the Lower Parel facility of the Company be treated as a Private Information Technology Park. This would in effect mean that the Company could develop, maintain or sell double the area i.e. 38,402 sq. mtrs, so earmarked. Subject to the provisions of the Income Tax Act 1961 100% of the Income earned from a Private Information Technology Park would be exempt from Income Tax under Sec80IA (4)iii of the Income Tax Act 1961.

(b) The Company has made an application to the Central Board of Direct Taxes (CBDT) seeking exemption of taxes payable from profits generated from this Private Information Technology Park.

(c) Pending exemption to be obtained from the CBDT the Company has provided for tax on its profits as if the deduction under Section Sec 80IA (4)iii is not available.

(d) If deduction under Section Sec 80IA (4)iii were to be contemplated then Profit after Tax and resultant Earnings per Share would be higher to the extent of the relief obtained.
4. Innova the Commercial project has been completed during the year. Based on management decision Unsold office space at Innova is segregated between Finished Stock and Long Term Investment.
5. In terms of Development Agreement Regulation 58, which governs the Development of Sick and/ or closed textile mills the Company had in the previous year transferred 1424.54 sq.mt area to Maharashtra Housing and Area Development Authority. During the year the Company has received Transfer of Development Rights for 1894.63 sqmt area which is being shown in Inventories at cost.
6. During the financial year 2008-09 the Company entered into an agreement with a related party, wherein in lieu of the net amount of Rs. 42,56,00,000 due from them, the Company was to receive a built up area of 2000 sq. mtrs. In terms of a mutual understanding between the Company and that party arrived at during the current year, such built up area has been constructed by the Company itself on its commercial project Innova on behalf of the said party and the cost of such construction of Rs. 6,85,44,372/- has been adjusted against a security deposit of Rs. 10,00,00,000/- and the balance of the security deposit has been adjusted against the outstanding. Consequently, the balance amount of Rs. 39,41,44,372/- due from the party has been considered as a part of finished goods.
7. The Company has computed Income Tax on its profits for the year ended March 31, 2010 as per the provisions of the Income tax Act 1961. The computation made by the Company has been verified by an independent firm of Chartered Accountants and the Auditors have taken cognizance of the same.
8. The income Tax Assessments of the Company have been completed upto Assessment Year 2007-08 For the Assessment Year 2005-06 the Company has preferred an appeal to the Income Tax Appellate Tribunal based on the order of the Commissioner of Income Tax. The Company does not envisage any additional tax liability.
9. Income from operations include:-
 - (a) Sale of property Rs. 110,59,12,731/- (Previous Year Rs. 30,72,81,369/-),
 - (b) Lease rental Rs. 9,57,05,239/- (Previous Year Rs. 10,75,48,164/-),
 - (c) Sale of property held as long term investment of Rs. 93,72,20,600/-(Previous year Rs. Nil).
 - (d) Sale of Development Rights. Rs. NIL (Previous year Rs. 63,56,00,000/-)
10. Property development expenses is net of expenses transferred towards transaction with associate Company of Rs. Nil [Previous Year Rs. 65,77,160/-] towards Material & Rs. Nil [Previous Year Rs. 1,51,87,969/-] towards Direct Expenses.

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

11. Computation of Net Profit in accordance with section 349 of Companies Act, 1956:

Particulars	2009-10 Rs.		2008-09 Rs.	
Profit Before Tax		196,62,52,278		53,41,37,256
Add:				
Managerial Remuneration	1,11,00,000		75,00,000	
Depreciation as per Books	33,78,709		11,35,892	
Loss on scrapped Fixed Assets	9,64,593		-	
Sub-total		198,16,95,580		54,27,73,148
Less:				
Depreciation u/s 350 of Companies Act	33,78,709		11,35,892	
Provision No longer Required	70,31,214		1,36,84,311	
		1,04,09,923		1,48,20,203
		197,12,85,657		52,79,52,945

Commission payable to the Chairman and Managing Director at 1% of the Profits is Rs.1,97,12,857 [Previous Year Rs.52,79,529].

The Commission payable to the Chairman and the Managing Director restricted to Rs. 72,00,000 [Previous Year Rs.36,00,000] as per recommendation of the Remuneration Committee.

12. Remuneration to Director

Salary to CMD	2009-2010 (Rs.)	2008-2009 (Rs.)
Salary to Chairman & Managing Director		
Salary	36,00,000	36,00,000
Bonus	3,00,000	3,00,000
Commission	72,00,000	36,00,000
Total	111,00,000	75,00,000
Sitting Fees paid to Non Executive Directors	2,15,000	1,24,000
Total	113,15,000	76,24,000

Note: Gratuity has been computed for all the employees of the Company. There are no particular computations for Managing Director and Whole Time Director. Hence the gratuity is not included in Managerial Remuneration.

13. Miscellaneous balances written back of Rs.70,31,214/- [Previous Year Rs. 1,36,84,311/-] is net of balances written off Rs. 29,65,445/- [Previous Year Rs.11,32,701/-].

14. Prior Period Adjustment :

	2009-10 (Rs.)	2008-09 (Rs.)
Stock in Trade-TDR (MHADA)	(-)51,530	-
Diminution on Investment (Emperor Bldg)	(-)86,457	-
Land Stock in Trade	2,53,80,945	-
Electricity - Direct	-	2,51,451
Professional Fees	-	9,00,000
Advertisement	-	5,45,000
Interest on Loan	-	12,65,764
Other Expenses	-	9,80,622
	+Rs. 2,52,42,958/-	+ Rs. 39,42,837/-

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

15. Reconciliation of opening and closing balances of Defined Benefit Obligations

Particulars	2009-2010		2008-2009	
	Gratuity Unfunded Rs.	Leave Encashment Unfunded Rs.	Gratuity Unfunded Rs.	Leave Encashment Unfunded Rs.
Defined benefit obligation at the beginning of the year	844,330	275,731	463,595	26,313
Current Service Cost	665,870	456,761	244,619	464,651
Interest Cost	59,103	19,301	32,452	1,842
Actuarial gain (loss)	(1,598,778)	231,336	(103,664)	205,779
Benefits paid/accrued	-	36,420	-	(11,296)
Defined benefit at year end	3,168,081	484,037	844,330	275,731
Expenses recognized during the year				
Current Service Cost	665,870	456,761	244,619	464,651
Interest Cost	59,103	19,301	32,452	1,842
Actuarial gain (loss)	(1,598,778)	231,336	(103,664)	353,162
CHARGED TO PROFIT AND LOSS ACCOUNT	2,323,751	244,726	380,735	260,714

Assumptions and liabilities

Mortality table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Discount Rate per annum	7%	7%	7%	7%
Rate of increase in compensation levels	4%	4%	4%	4%

The Company has recognized the following amounts in the Profit and Loss Account for the year:

	Year ended 31st March, 2010 (Rs.)	Year ended 31st March, 2009 (Rs.)
(i) Contribution to Provident Fund	844,962	795,636
(ii) Gratuity charged to Profit and Loss Account	2,323,751	380,735
(iii) Leave encashment charged to Profit and Loss Account	244,726	260,714

The above information is based on the Certificate provided by the certified actuary.

16. Segment Reporting (Rs.)

	Property Development		Lease Rental		Others		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE								
External Revenue	2,043,133,331	942,881,369	95,754,643	108,096,286	14,765,288	24,951,093	2,153,653,262	1,075,928,748
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	2,043,133,331	942,881,369	95,754,643	108,096,286	14,765,288	24,951,093	2,153,653,262	1,075,928,748
SEGMENT RESULT	1,718,692,759	324,048,670	92,517,055	104,981,258	6,843,321	24,598,898	1,818,053,135	453,628,826
Unallocated Corporate Expenses	-	-	-	-	-	-	27,889,806	-
Operating Profit	-	-	-	-	-	-	1,790,163,329	453,628,826
Interest Expenses	-	-	-	-	-	-	154,974,864	162,118,936
Interest Income	-	-	-	-	-	-	331,063,713	242,627,636
Income Taxes	-	-	-	-	-	-	474,112,961	112,522,063
Net Profit							1,492,139,217	421,615,463
OTHER INFORMATION								
Segment Assets	876,136,859	3,486,420,843	39,706,518	137,763,000	73,184,706	74,393,139	989,028,083	3,698,576,983
Unallocated Corporate Assets	-	-	-	-	-	-	3,500,916,459	302,513,000
Total Assets	876,136,859	3,486,420,843	39,706,518	137,763,000	73,184,706	74,393,139	4,489,944,542	4,001,089,983
Segment Liabilities	1,066,069,397	1,849,113,995	-	105,331,000	289,407,017	12,250,940	1,355,476,414	1,966,695,935
Unallocated Corporate Liabilities	-	-	-	-	-	-	42,247,300	357,196,000
Total Liabilities	1,066,069,397	1,849,113,995	-	105,331,000	289,407,017	12,250,940	1,397,723,714	2,323,891,935
Capital Expenditure	-	211,522,962	-	12,466,000	743,714	74,595,038	743,714	298,584,000
Depreciation	900,932	936,000	-	-	2,477,777	202,000	3,378,709	1,138,000
Non-Cash Expenditure Bad Debt W/off	2,965,445	1,132,701	-	-	-	-	2,965,445	1,132,701

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

(a) Where control exists:	
Holding Company	Ithaca Informatics Pvt. Ltd
(b) Key managerial person	Chetan R. Shah – Managing Director
(c) Relatives of key managerial person	Mayur R.Shah (Brother of Managing Director) - Director
(d) Associates	Columbia Chrome (I) Pvt. Ltd. Swayam Realtors & Traders Ltd.
(e) Enterprises over which key managerial person / relatives exercise significant Influence	Marathon Group Matrix Architects & Engineers Olympic Enterprises Marathon Developers Sonasha Enterprises United Builders United Enterprises Marathon Construction Co. Shree Mulund News Publication Marathon Realty Pvt. Ltd Vinotak Investment Pvt. Ltd Marathon Prachin Infrastructures Pvt. Ltd. Cornell Hsg. & Infrastructure Pvt.Ltd. Marathon Infotech Private Ltd. Fibre Box (Bombay) Private Limited Svarnim Enterprises Private Limited Sanvo Resorts Private Limited Parmeka Private Limited Nextgen City Water Mgt. Private Limited Nextgen City Utilities Private Limited Nextgen City Energy Private Limited Nextgen City Container Depot Pvt. Ltd. Nexzone Water Management Pvt. Ltd. Nexzone IT Infrastrucuture Pvt. Ltd. Nexzone Utilities Pvt. Ltd. Matrix Waste Management Pvt. Ltd. Matrix Utilities Private Limited Matrix Water Management Pvt. Ltd. Marathon Energy Private Limited Marathon IT Infrastrucuture Pvt. Ltd. Marathon Fiscal Pvt. Ltd Marathon Housing Pvt. Ltd Marathon Nextgen Township Pvt. Ltd Marathon Nexzone Infrastructure Pvt. Ltd Marathon Nexzone Land Pvt. Ltd Matrix Fiscal Pvt. Ltd Nextgen Buildcon Pvt Ltd Nextgen Green Housing & Cmmercial Enclave Pvt Ltd Nextgen Land Pvt. Ltd Nexzone Fiscal Services Pvt. Ltd Nexzone Land Pvt. Ltd

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

Marathon Venture Pvt. Ltd
 Kanchi Rehab Pvt. Ltd
 Lark Consultancy Pvt. Ltd
 Vector Modular System (I) Pvt.Ltd.
 Infrastructure Venture India Ltd.
 Marathon Securities & Properties Pvt. Ltd.
 Chhaganlal Khimji & Co Ltd
 Citadel Realty & Developers Ltd
 Vector Projects (India) Pvt. Ltd
 Vector Properties (I) Pvt. Ltd

(f) Details of Transactions:

(Amount in Rs.)

	Holding company	Associates	Enterprises Included in (e) above	Key Management Person / Relative	Total
Expenses reimbursed by MNRL	-	211,504	1,301,019	-	1,512,523
	-	-	(6,999,334)	-	(6,999,334)
Deposit in Lieu of Performance Gurantee	-	-	-	-	-
	-	-	(12,079,500)	-	(12,079,500)
Purchase of Leasehold Rights	-	-	-	-	-
	-	-	(210,000,000)	-	(210,000,000)
Sale of Development Rights	-	-	-	-	-
	-	-	(635,600,000)	-	(635,600,000)
Hire Charges	-	-	1,323,600	-	1,323,600
	-	-	-	-	-
Expense Reimbursed to MNRL	-	-	14,468,920	-	14,468,920
	-	-	(62,456,892)	-	(62,456,892)
Project Expenses Transferred (Net)	-	-	3,112,464	-	3,112,464
	-	-	(21,765,129)	-	(21,765,129)
Assignment of Liabilities by the Company	-	-	-	-	-
	(144,702)	-	-	-	(144,702)
Advance Received	-	-	926,627,720	-	926,627,720
	-	-	(458,800,000)	-	(458,800,000)
Advance Repaid / Given	-	30,053,722	2,551,272,020	-	258,132,5742
	-	(34,900,000)	(1,118,155,000)	-	(1,153,055,000)
Interest Received	-	129,548,662	197,683,104	-	327,231,766
	-	(104,045,460)	(135,277,393)	-	(239,322,853)
Interest Paid	71,769	-	-	-	71,769
	(916,750)	-	-	-	(916,750)

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

Dividend Paid					
Equity	15,202,608			2,824,392	1,802,700
	(15,202,608)	-	-	(2,824,392)	1,802,700
Preference	150,000	-	-	-	150,000
	(150,000)	-	-	-	(150,000)
Interim	14,252,445	-	-	2,647,868	16,900,313
	-	-	-	-	-
Share of Joint Venture Profit	-	-	29,100,000	-	29,100,000
	-	-	(118,750,431)	-	(118,750,431)
Remuneration	-	-	-	3,900,000	3,900,000
	-	-	-	3,925,000	(3,925,000)
Commission	-	-	-	7,200,000	7,200,000
	-	-	-	3,600,000	(3,600,000)
Debit Balances Outstanding	-	1,162,651,675	1,935,409,438	-	3,098,061,113
	-	(1,016,004,158)	(1,908,950,378)	-	(2,924,954,536)
Credit Balances Outstanding	-	-	-	-	-
	(6,354,341)	-	-	-	(6,354,341)

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.

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

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

(Amount in Rs.)

Particulars	2009 - 2010	2008 - 2009
Expenses reimbursed by MNRL		
Vinotak Investments Pvt Ltd	-	3,516
Marathon Realty Pvt Ltd	1,301,019	3,827,216
Marathon IT Infrastructure Pvt Ltd	-	58,626,160
Swayam Realtors & Traders Ltd	211,504	-
TOTAL	1,512,523	62,456,892
Deposit in Lieu of Performance Gurantee		
Marathon Realty Pvt Ltd	-	12,079,500
Purchase of Leasehold Rights		
Marathon IT Infrastructure Pvt Ltd.	-	210,000,000
Sale of Development Rights		
Marathon IT Infrastructure Pvt Ltd.	-	635,600,000
Hire Charges		
Marathon Realty Pvt Ltd	1,323,600	-
Expense Reimbursed to MNRL		
Marathon Realty Pvt Ltd	14,468,920	6,997,607
Vinotak Investments Pvt Ltd	-	1,727
TOTAL	14,468,920	6,999,334
Project Expenses Transferred		
Marathon Realty Pvt Ltd	3,112,464	21,765,129
Assignment of Liabilities by the Company		
Ithaca Informatics Pvt. Ltd.	-	144,702
Advances Received		
Columbia Chrome (I) Pvt Ltd	-	4,600,000
Swayam Realtors & Traders Ltd	-	30,300,000
Marathon Realty Pvt Ltd	676,830,000	659,155,000
Chhaganlal Khimji & Co Pvt Ltd	249,797,720	-
TOTAL	926,627,720	694,055,000
Advances Given \ Repaid		
Marathon Realty Pvt Ltd	1,126,272,020	-
Chhaganlal Khimji & Co Pvt Ltd	1,425,000,000	-
TOTAL	2,551,272,020	-
Interest Received		
Columbia Chrome (I) Pvt. Ltd.	48,964,895	39,705,735
Swayam Realtors & Traders Pvt. Ltd.	80,583,767	64,339,725
Marathon Realty Pvt. Ltd.	176,332,611	135,277,393
TOTAL	305,881,273	239,322,853
Interest Paid		
Ithaca Informatics Pvt Ltd	71,769	916,750
Dividend Paid		
Ithaca Informatics Pvt. Ltd.		
Equity	15,202,608	15,202,608
Preference	150,000	150,000
Interim	14,252,445	
TOTAL	29,605,053	15,052,608
Remuneration		
Chetan R. Shah	3,900,000	3,925,000
Commission		
Chetan R. Shah	7,200,000	3,600,000

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

Share of Joint Venture Profit Marathon Realty Pvt Ltd	29,100,000	118,750,431
Debit Balances Outstanding	740,991,714	1,509,830,214
Marathon Realty Pvt. Ltd.	445,590,673	384,402,268
Columbia Chrome (I) Pvt. Ltd.	717,061,002	631,601,890
Swayam Realtors & Traders Pvt. Ltd.	-	425,600,000
Marathon IT Infrastructure Pvt. Ltd.	-	71,935
Chhaganlal Khimji & Co Pvt Ltd	1,194,417,724	-
Credit Balances Outstanding		
Ithaca Informatics Pvt. Ltd.	-	6,354,341
Marathon IT Infrastructure Pvt Ltd	-	26,551,775
TOTAL		32,906,116

18. 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 Accountants of India pertaining to Leases the following information is furnished:-

(a) **Premises given on Lease :**

- I. The Assets are held as Long term investment .
- II. There is no depreciation charged to Profit and Loss A/c during the year.
- III. There is no impairment of Losses charged to Profit and Loss Account during the year
- IV. Carrying cost of investment Rs. 3,09,46,453/- (P.Y. Rs. 13,17,16,032/-)
- V. Lease rent received during the year Rs.9,57,05,239/-
- VI. Lease rent Receivable within one Year Rs. 4,05,34,502/- (P.Y.Rs. 11,30,99,944/-)
- VII. Later than one year & not Later than Five years Rs. 1,60,25,438/- (PY.Rs. 20,14,12,366/-)
- VIII. Later than five years Nil (PY. NIL)

(b) **Equipment given on Lease :**

- I. Lease rent received during the year Rs.2,40,000/- (P.Y. Rs.Nil)

Disclosure of Assets given on Rent.

Description of Assets	Gross Block		Depreciation		Net Block
	As on 31/03/2010	As on 01/04/2009	For the Year	Up to 31/03/2010	As on 31/03/2010
Batching Plant	29,40,452	13,22,700	92,571	14,15,271	15,25,181

19. Earnings per Share

Sr.No.	Particulars	2009-10	2008-09
(i)	Profit after tax for the year as per Profit and Loss Account (Rs.)	1,466,896,259	417,672,626
(ii)	Less dividend for the year on cumulative preference share capital (Rs.)	(150,000)	(150,000)
(iii)	Less:- Dividend Distribution Tax	(24,914)	(25,493)
(v)	Net profit for the year attributable to equity shareholders (Rs.)	1,466,721,345	417,497,134
(v)	Weighted average number of equity shares outstanding during the year	12,638,820	12,638,820
(vi)	Basic and diluted earnings per share (Rs.)	116.05	33.03
(vii)	Nominal value per equity share (Rs.)	10.00	10.00

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

20. 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 comes under Micro, Small and Medium Enterprise Development Act 2006 as well as they have file required Memorandum with the prescribed authority.

21. Balance of Creditors are subject to Confirmation.

22. Deferred tax assets and liabilities:

The composition of balances of deferred tax assets and liabilities is as follows:

Sr.No.	Nature of timing differences	March 31, 2010 Rs.	March 31, 2010 Rs.
1	Deferred tax assets in respect of:		
	-Differences in book & tax WDV of fixed assets	6,01,812	26,97,310
	-Leave salary and Gratuity provision	14,48,657	6,10,040
2	Deferred tax liability:	-	-
3	Net deferred tax Assets / (Liability)	20,50,471	33,07,350

22. Disclosure required by Clause 32 of Listing Agreement :

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

Name of the Companies	Closing Balance		Maximum Balance Outstanding during the year	
	Rs.		Rs.	
	2009-10	2008-09	2009-10	2008-09
Marathon Realty Pvt Ltd	74,09,91,714	150,98,30,214	167,01,00,134	150,98,30,214
Chhaganlal Khimji & Company Pvt Ltd	119,44,17,724	-	142,50,00,000	-
Columbia Chrome (I) Pvt Ltd	44,55,90,673	38,44,02,268	44,55,90,673	38,44,02,268
Swayam Realtors & Traders Ltd	71,70,61,002	63,16,01,890	71,70,61,002	63,32,45,840
Marathon IT Infrastructure Pvt. Ltd.	-	-	97,73,225	30,82,48,225

24. Previous years figures have been regrouped or rearranged to make them comparable with the current year.

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman & Managing Director

MAYUR R. SHAH
Vice Chairman

S. RAMAMURTHI
Director

V. NAGARAJAN
Director

K S RAGHAVAN
Company Secretary

Date :31st May, 2010

Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956 is annexed hereto.

(1) Registration Details		
Registration No.	:	20080
State Code	:	11
Balance Sheet Date	:	31.03.2010
(2) Capital Raised during the year (Amount in Rs.'000s)		
Public Issue	:	-
Rights Issue	:	-
Bonus Issue	:	-
Private Placement	:	-
(3) Position of Mobilisation and Deployment of Funds (Amount in Rs.'000s)		
Total Liabilities (Excludes Current Assets)	:	4,489,945
Total Assets (Excludes Current Liability)	:	4,489,945
Sources of Funds		
Paid up capital change	:	128,888
Reserves & Surplus	:	2,963,333
Secured Loans	:	408,928
Unsecured Loans	:	5,528
Deferred Tax Liability	:	-
Application of Funds		
Net Fixed Assets	:	82,941
Investments	:	36,777
Deferred Tax Assets	:	2,050
Net Current Assets		
Misc.Expenditure	:	3,384,907
Accumulated Losses	:	-
(4) Performance of Company (Amount in Rs.'000s)		
Turnover *	:	2,890,558
Total Expenditure	:	924,305
Profit/(Loss) before tax	:	1,966,252
Profit/(Loss) after tax	:	1,492,139
Prior Period Item	:	25,243
Earning Per Share (in Rs.)	:	116.05
Dividend Rate (Interim 15%, Final 5%, Special 15%)	:	35.00%

* Includes Other Income & Increase and Decrease In Stock

(5) Generic Names of Three Principal Products/Services of the Company

Sr. No.	ITC Code No	Product Description
1.	NA	Real Estate Developers
2.	NA	Lease Rental

FORM OF PROXY

MARATHON NEXTGEN REALTY LTD.

Regd Off: Marathon Nextgen, G.K.Marg, Lower Parel, Mumbai-400 013.

DP Id:
Client Id:

Regd. Folio

I/We of in the district of being a member of the above named Company, hereby appoint Mr./Mrs. of in the district of or failing him/her Mr./Mrs. of in the district of as my /our Proxy to vote for me/our behalf at the 33rd Annual General Meeting of the Company to be held on Wednesday, 29th September, 2010 at 11.30 a.m. and at any adjournment thereof.

Signed this day of 2010

Affix
Re. 1
Revenue
stamp

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

..... TEAR HERE

Attendance Slip

MARATHON NEXTGEN REALTY LTD.

Regd. Off.: Marathon Nextgen, G. K. Marg, Lower Parel, Mumbai-400 013.

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

Joint Shareholders may obtain additional slip on request

DP Id : Regd. Folio

Client ID:

NAME AND ADDRESS OF THE SHAREHOLDER

NO. OF SHARES HELD:

I hereby record my presence at the 33rd Annual General Meeting of the Company held on Wednesday, 29th September, 2010 at 11.30 a.m at Nehru Planetarium, Nehru Centre, Basement, Hall of Quest, Worli, Mumbai- 400 018.

Signature of the Share holder/Proxy.....

MARATHON GROUP

RUN FROM 1969 ONWARDS



1972
POONAM



1975
KUMUDINI



1977 MAHAVIR
DHAM



1979 RITA
APARTMENTS



1982 TIRUPATI
& BALAJI



1985 JUPITER-
VENUS



1990
ANTARIKSH



1996 MARATHON
GALAXY



1996
MOUNT VIEW



1996 VIRAYATAN
(DEOLALI)



1997 MARATHON
HEIGHTS



1997 UDYOG
KSHETRA



1999 MARATHON
HERITAGE



2001 MARATHON
COSMOS



2003 MARATHON
MAX



2003 MARATHON
MAXIMA



2004 MARATHON
CHAMBERS



2004 MARATHON
NEXTGEN EMPEROR

www.marathonnextgen.com



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