

ONLY IF YOUR PAST IS CLEAR, CAN YOUR FUTURE BE SECURE.

The only thing that remains constant is change.

It is an era of change across the globe.

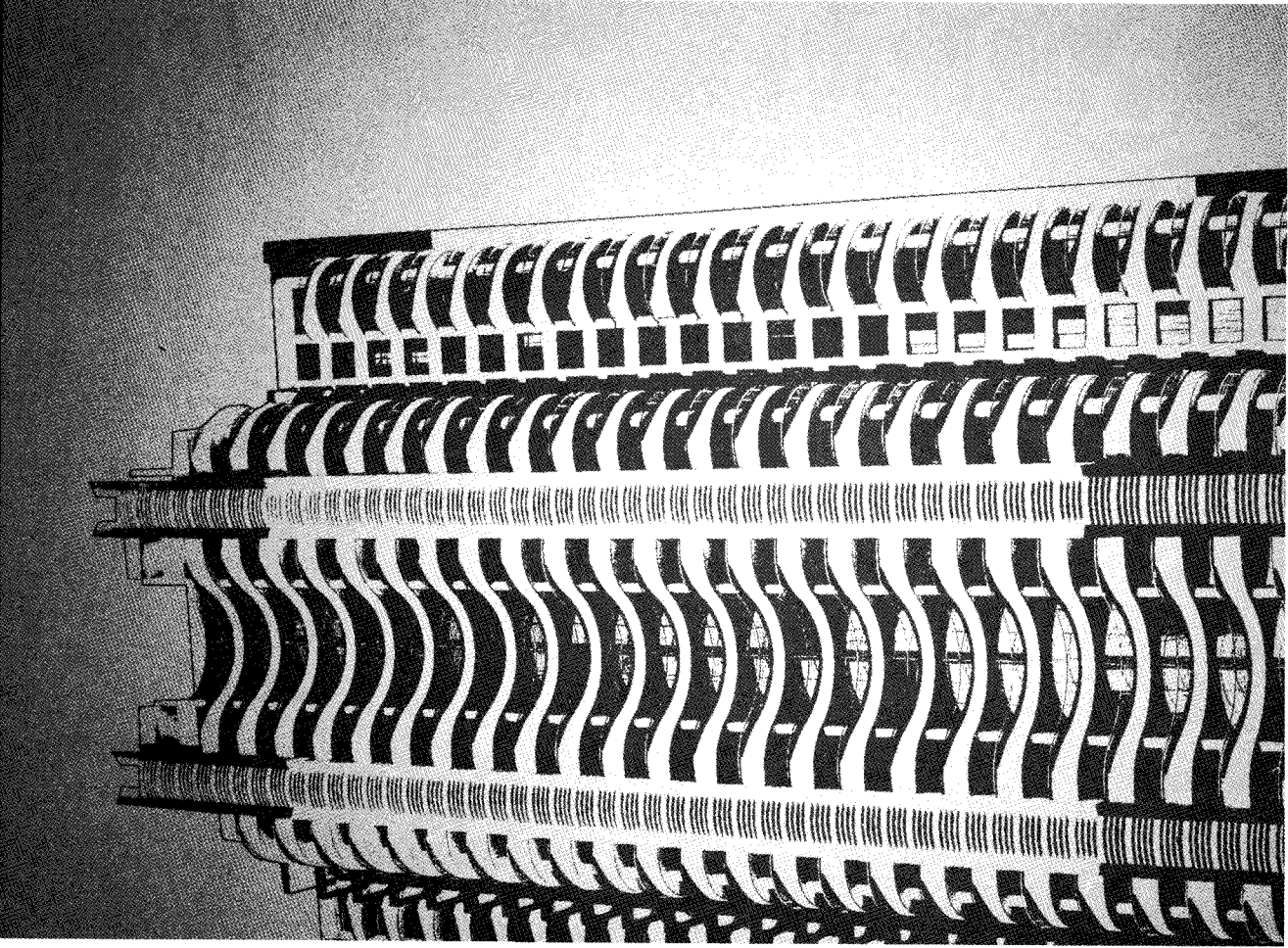
The construction and real estate industry is not an exception either.

To keep up with these changing times one needs a strong foundation and a clear vision.

At Marathon, we believe in redefining the present and the future.

Thanks to our glorious past, we can foresee a prosperous future ahead.

Because we strongly believe only if your past is clear, can your future be secure.



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Dear Shareholder,

It gives me immense joy to place before you an account of what has been one of the most challenging years that the industry in general and your Company in particular has faced during the period under review.

Global Scenario: The unprecedented recession worldwide brought growth to a virtual standstill. The economy of the developed world went through a turmoil un-paralleled in living memory. The financial sector bore the brunt of the economic fallout forcing many high profile global financial institutions onto the brink of bankruptcy and in most cases their respective governments had to directly intervene to bail them out.

Indian Scenario: The economic boom had resulted in a general buoyancy in India over the past five years. Everyone felt that the Indian growth was decoupled from the rest

world because of this economic activity putting higher purchasing power in the hands of millions of Indians having higher household income and aspiring to upgrade their lifestyles. This is true to a certain extent. However, the global scenario was so bleak that the decoupling of the Indian economy from the rest of the world could not last long.

Real Estate in India: There were many fallouts on account of this global crisis particularly affecting the realty sector in India.

Liquidity: As the realization that the liquidity world wide is under tremendous pressure gained momentum, banks and financial institutions became very cautious in lending new money and being very conservative in disbursing the already sanctioned amounts. Various structured and innovative routes of raising global capital and increased equity participation in realty development almost closed down. The year witnessed a tightening in the liquidity in the system which was particularly severe during the last two quarters of the financial year under review.

Investments: The projected GDP rate plummeted and the fall was more accelerated than the growth over the past years. Curtailing of the spending of the Government on infrastructural development directly had a bearing on the realty sector. Private sector, too, worried over prospects of liquidity, put on hold expansion plans.

Sales: A positive outcome was that consumers became more vigilant in transactions and more thorough about both the market situation and their own needs. They began to learn how to investigate and research before spending their lifelong savings. This led to reduced speculation in the realty, be it housing or commercial. Reduced housing loan disbursements and sales of housing stock had an effect on each other.

Immediate and long term effects: These developments have brought about a paradigm shift in the perspective of the developer and a beneficial effect on the real estate industry.

While on the face of it, they may seem to be the biggest losers with the fund flow nearly stopping and sales drying up, recession has been a blessing in disguise as it has forced them to innovate to cut costs, improve sales, and raise funds. Recession has seen developers changing their product and strategies.

The shift in strategy is in terms of market focus, product size, pricing, and promotion. In the residential sector they have started focusing more on affordable and mass housing.

Change in strategy: Your Company has taken due cognizance of the moving trends and is constantly aligning its strategy with the new market realities. The Company remains largely unaffected in the residential sector as its tremendous brand image has been the driving force in retaining its pricing structure. In the commercial sector the Company's alignment with the market needs of small and medium sized business units has borne fruits.

Annual Results: Considering all these factors, the results for the year has been commendable. The Company has been able to retain the top level growth but on account of margin pressures the profits have dipped. 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 Company has therefore decided to retain the dividend that it had paid in the previous year.

Future Prospects: Looking forward, the Company is of the opinion that prices have bottomed out and with the economy showing positive signs of recovery the realty sector is poised for stronger growth. The Company has also realized that in order to grow it must consolidate its position in the market and in the process there could be doses of restructuring which may include merger, acquisitions, limited liability partnerships etc. The Company would in the near future begin work on the development of a large property in South Mumbai which is a part of the Company's investment in a joint venture. Apart from residential and commercial segments, the Company would look at the hospitality sector that would include serviced apartments for which there is tremendous demand in the market.

I take this opportunity to place on record my sincere appreciation to my colleagues on the board, the shareholders and the excellent work put in by the managers and staff at all levels in the Company.

Yours truly,

CHETAN R. SHAH

Chairman & Managing Director.



Dear Shareholder,

It gives me great pride to state that while most of the real estate companies in India are trying to model and re-model their businesses, Marathon NextGen Realty Limited, is growing continuously banking on its proven business model of low cost land and high performance.

Along with the low cost land model, the group has also shown a solid performance when it comes to execution of projects with the help of latest technology in construction. When industry peers are finding it difficult to continue their construction activities of the ongoing projects, Marathon NextGen not only constructed the projects but also delivered the same on time. This has helped in enhancing the trust of all stakeholders including customers and bestowing tall stature for the Company within the

industry. We credit this to our talented team of professionals across the cross section of the organisation and especially the engineering team who are instrumental in carrying out the execution of its projects. Coupled with this, the Company is also credited to use of latest technologies like Mivan in its construction to reduce the construction time and make the structure amazingly accurate and aesthetic. Marketing efforts and the Management foresight have as usual been a hallmark of Marathon.

We have been able to establish Marathon NextGen as a powerful brand with attributes like strategic location at Lower Parel with a hi-rise state of the art residential tower called "Marathon Era", a modern commercial complex named "Marathon Innova" and a stand alone office building named "Marathon Emperor" making every structure a sought after property in the target domain.

Responding to the changed scenario, we came up with an innovative concept of 'Smaller Business Spaces' in the commercial zone at Lower Parel. Thus the void in the construction of new smaller offices which had stopped being constructed for more than 20 years in South Mumbai has been filled by creating such spaces at Marathon NextGen Innova because of the design flexibility in the floor plates. With this, we are fulfilling the dream of several smaller business space aspirants, individuals and industries as we are offering well furnished units with modern facilities at par with business centre. We are sure that our concept would turn out a role model, since *there is a great demand for smaller offices with gen-next facilities.*

With a strong SME segment, the need for smaller offices is on the rise especially in the premium business centers like Lower Parel and the Company is keen to offer the facility of smaller but well-equipped and business-oriented office spaces.

Marathon Group is the only developer offering this kind of unique project in the centre of Lower Parel business district, offering customized commercial spaces.

Marathon Innova which is seeing a continuous demand from corporate for quality office spaces would continue to generate further growth for the Company in next few quarters to come. Marathon NextGen Realty Limited, banking on its unique business model and continuous sales at its Marathon Era and Marathon Innova properties posted a stellar performance.

Past laurels are our testimonials of the rich industry experience and real estate expertise we have but we believe in creating many such laurels in the future as well. In this direction, the Company has invested in a Joint Venture Special Purpose Vehicle to develop 13 acres of prime property in South Mumbai. This would bear fruit in the foreseeable future.

I would like to draw on the opportunity to thank you all for making the bond of trust between us grow profound and stronger.

Sincerely,

MAYUR R. SHAH

Vice Chairman.



VALUES BRIDGE THE PAST WITH THE FUTURE

At Marathon, we keep redefining our processes to strive for excellence.

Our values have given us a strong foundation.

Our timeless values have bridged our past with the future and have inspired us to pursue our aspirations over four decades.



A VISION FOR A BETTER WORLD

We view the future as a continuum to the past. We will continue on the path we have been on since we started. It has been a path of constant innovation, of setting new benchmarks in the Indian real estate industry, of offering our customers - individuals, businesses, institutions, infrastructure, new amenities, new technologies, and new benefits not 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 focus. We aim to enhance lives through our innovations.

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

At Marathon, the customer is our dharma.

MARATHON RUN FROM 1969 ONWARDS



1972
POONAM



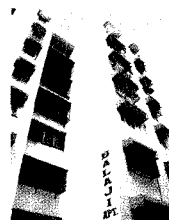
1975
KUMUDINI



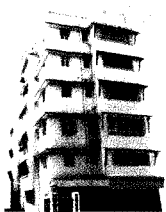
1977 MAHAVIR
DHAM



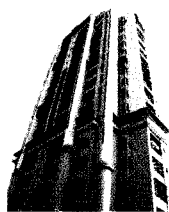
1979 RITA
APARTMENTS



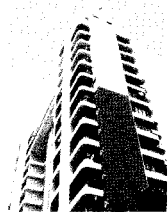
1982 TIRUPATI
& BALAJI



1985 JUPITER-
VENUS



1990
ANTARIKSH



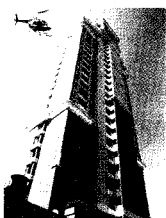
1996 MARATHON
GALAXY



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



2005 MARATHON
OMEGA

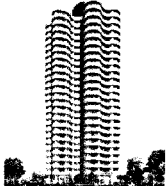


2004 MARATHON
NEXTGEN ERA

CURRENT PROJECTS HIGH-RISE RESIDENCES



MARATHON ONYX
Mulund (W)



MARATHON
MONTE VISTA
Mulund (W)

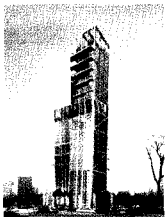


MARATHON
MONTE CARLO
Mulund (W)

COMMERCIAL PROJECTS

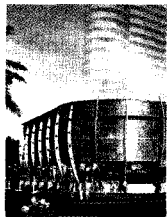


MARATHON
NEXTGEN INNOVA
Lower Parel



MARATHON
ICON
Lower Parel

RETAIL



MARATHON
MONTE PLAZA
Mulund (W)

A SHORT HISTORY OF INNOVATION

Marathon Group was formally launched in 1969 by Shri Ramniklal Shah, an educationist with the ideal of serving society in every way. But the seeds were sown by his father, Zaverbhai Ramji Shah the Patriarch, in 1922 when he envisioned and planned Mulund, a 550-acre suburb in Mumbai.

Marathon continued to contribute to Mulund through the 70s and the 80s with over 30 landmark projects in this suburb alone, carrying forward the Patriarch's vision, conviction, and dedication.

In the 90s, Marathon expanded to cover the rest of Mumbai and beyond under the aegis of the next generation, Ramnikbhai's sons, Chetan Shah and Mayur Shah who are qualified civil and structural engineers from USA. The two brothers have consistently set new benchmarks for the Group, re-inventing the Group's goals and adopting new-age methodologies. Marathon Nextgen is a result of their efforts.

Today, with the ideals instilled by earlier generations and the vision of redefining the real estate industry, the Group is venturing into newer areas: Special Economic Zones, townships, infrastructure development, entertainment and leisure, education, hospitality and capital markets. Marathon NextGen is driving the Group's initiatives into these areas.



MOTIVATED BY BRILLIANCE

Marathon is led by two visionary technocrats - Mr.Chetan R. Shah and Mr.Mayur R. Shah. Equipped with academics in civil engineering from reputed universities in USA, they bring unique skill sets to blend Indian insights with global excellence.

The two head honchos are supported by a collaborative team of realty industry experts.



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, Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013.

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

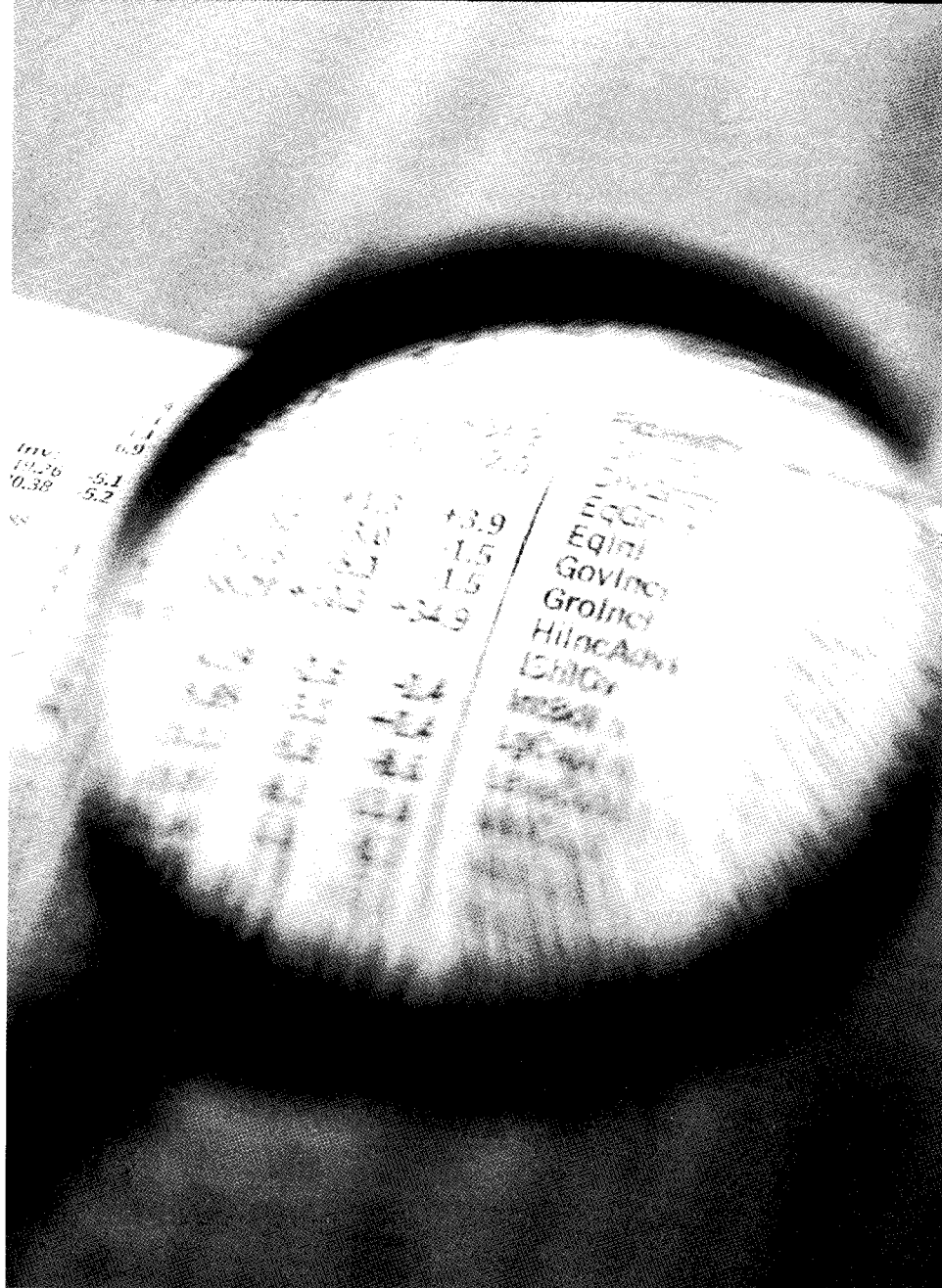
Adroit Corporate Services Pvt. Ltd.
19/20, Jafferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka, Andheri (East),
Mumbai - 400 059.

Annual General Meeting

Thursday, 24th September, 2009
3.30 p.m.

Venue

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



A PEEK INTO THE FUTURE

With a glorious past guiding our way forward and our eyes firmly set on the future, we keep rediscovering ourselves and beating our past performance. We are motivated to see tomorrow in a new light. The future is ours.

NOTICE is hereby given that the Thirty Second Annual General Meeting of the members of **MARATHON NEXTGEN REALTY LIMITED** will be held at **Nehru Planetarium, Nehru Centre, Basement, Hall of Quest, Worli, Mumbai 400 018** on Thursday, the 24th September, 2009 at 3.30 p.m. to transact the following business :

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet for the year ended 31st March, 2009 and the Profit and Loss Account as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To declare Dividend on Preference Shares.
4. To appoint a Director in place of Mr.V.Nagarajan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s.Haribhakti & Co., Chartered Accountants, retiring Auditors, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

B. SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Padmanabha Shetty, who was appointed as an Additional Director on 20th May, 2009 and who holds such office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to Section 163(1) of the Companies Act 1956, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members together with indices, returns, copies of certificates, and other secretarial documents, instead of being kept at the Registered Office of the Company at Marathon Nextgen, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013, be kept at the Company’s Corporate Office at 101, Marathon House, Devidayal Road, Mulund (West), Mumbai-400 080 where the necessary registers, indices, returns as mentioned above shall remain open from 16th September 2009 for inspection during business hours of the Company from 9.30 a.m. to 4.30 p.m. except Saturdays.”

Registered Office:

Marathon Nextgen
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013.
Date: 30th June, 2009

By Order of the Board

K.S.Raghavan
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. M/s Adroit Corporate Services Pvt Ltd, 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai-400 059 is the Registrar and Share Transfer Agent, for the physical shares of the Company. “Adroit” is also the Depository interface of the Company with both NSDL and CDSL.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.

4. The Register of Members and the Share Transfer Register of the Company will remain closed from Wednesday, 16th September, 2009 to Thursday, 24th September, 2009 (both days inclusive).
5. The dividend on Preference shares as recommended by the Directors for the year ended 31st March, 2009 will be payable after 24th September, 2009.
6. 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.

ANNEXURE TO THE NOTICE:**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956****Item No.6: Appointment of Mr.Padmanabha Shetty.**

The Board of Directors at its meeting held on the 20th May, 2009 has appointed Mr.Padmanabha Shetty as an Additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956, he holds office up to the date of the forthcoming Annual General Meeting. Notice along with the necessary deposit of Rs.500/- has been received from a member under Section 257 of the Companies Act, 1956 proposing the appointment of Mr.Padmanabha Shetty as Director of the Company.

Mr.Padmanabha Shetty aged about 62 years is a Post Graduate in Economics and LL.B from Bombay University and a Certified Associate of Indian Institute of Bankers. He has over two decades of experience in Commercial and Investment Banking. He had worked with State Bank of India and HSBC. Presently, he is on his own and involved in offering Corporate Financial Services including Project Financing, Debt Restructuring, Syndication of Term Loans, Private Placement of Securities etc.

Mr. Padmanabha Shetty is a Member of Audit Committee of the Board of Directors of the Company.

The Board recommends passing of the resolution.

Except Mr.Padmanabha Shetty none of the Directors is concerned or interested in the said resolution.

Item No.7: Change of place of keeping Register of Members and other secretarial documents other than the Registered Office of the Company.

Section 163 (1) of the Companies Act, 1956, provides, inter alia, that certain secretarial registers, documents etc., which are normally required to be kept at the Registered Office of the Company, may be kept at any other place within the city, town or village in which the registered office is situate if such other place has been approved by shareholders by passing a special resolution at a General Meeting.

The Marathon Group's Secretarial functions and the offices of the promoter directors are situated at the Marathon Group Corporate office at 101, Marathon House, Devidayal Road, Mulund (West), Mumbai 400 080. In view of the substantial increase in secretarial and other allied functions over the years and in order to effectively interact with the directors and the group establishments at frequent intervals it has become imperative to shift the current secretarial records to the Corporate Office, which is within the city in which the Registered Office is situate.

Consent of shareholders in terms of Section 163(1) of the Companies Act, 1956 is sought for shifting the secretarial records, as mentioned above, to the said Corporate Office.

The Board recommends passing of the resolution.

None of the Directors is concerned or interested in the resolution.

NOTICE

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

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

Name of the Director	Mr.V.Nagarajan
Date of Birth	01.03.1935
Date of Appointment	02.09.2006
Qualification	B.Com., LL.B, ACIS (Lon), ACS
Expertise in specific functional areas	Experience in Secretarial, legal and other allied disciplines.
Other companies in which Directorship held	Abhaya Information Technology Private Limited.
Other public companies in which membership of Committees of Directors held	Nil
No. of shares held as on 31 st March, 2009	Nil

Registered Office:

Marathon Nextgen
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013.
Date: 30th June, 2009

By Order of the Board

K.S.Raghavan
Company Secretary

The Directors have pleasure in submitting their Thirty Second Annual Report together with the audited accounts of your Company for the year ended 31st March, 2009.

Before we dwell on the working results it would be appropriate for the shareholders to look back on the year gone by. 2008-09 was by far a year that is best forgotten. There was a world wide recession that saw countries and industries reeling under acute depression resulting in large scale cost cutting resulting in deferring development thereby rendering millions of job losses . It also spelt the death knell to iconic institutions which had an adverse impact World wide.

The realty sector in which your Company predominantly operates was the worst hit with severe restrictions by regulators in lending money to the sector. This liquidity crunch led to large players abandoning ambitious projects. This resulted in a severe correction in prices and strained margins.

Viewed against this gloomy backdrop the working results of your Company are commendable.

WORKING RESULTS:

(Rs. In lakhs)

	Year ended 31 st March, 2009 (Rs.)	Year ended 31 st March, 2008 (Rs.)
Profit / (Loss) before Depreciation, Interest and Taxation	6,973	9,680
Less: Depreciation	11	91
	6,962	9,589
Less: Interest	1,621	895
Profit before Taxation	5,341	8,694
Less: Provision for Taxation	1,125	2,465
Less: Prior period adjustment	39	12
Profit / (Loss) after tax after adjustment	4,177	6,217
Add: Balance brought from previous year	4,882	3,903
Less: Dividend on Preference Shares including Arrears thereon	1	1
Dividend on equity shares	202	202
Tax on distributed profits	35	35
Less: Transfer to General Reserve	4,000	5,000
Balance carried to Balance Sheet	4,821	4,882
Earnings per share - basic and diluted	33.03	49.18

YEAR IN RETROSPECT

During the year the Company had completed its residential project ERA. The project has been completely sold out and even at this point in time there are enquiries relating to ERA.

As has been mentioned earlier there is a marginal increase in the top line though for obvious reasons on account the profits have declined.

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. Despite the need to conserve funds to augment the long-term resources of the Company. it has decided to maintain a dividend of 16% on the Rs.10/- paid up equity share i.e. Rs.1.60/- per share which is the same as paid in the previous financial year.

The directors declare a dividend of 6% on the Non-Convertible Redeemable Cumulative Preference Shares of the Company.

These dividends would be free of tax in the hands of the shareholders.

FUTURE PROSPECTS

The Commercial Complex Innova has been designated a Private Software Technology Park. This would mean that the Company would be able to avail of the extra Floor Space Index (FSI).

Shareholders would recollect that in the last report that the Company has entered into a strategic alliance to develop a Software Technology Park within its premises at Lower Parel.

The additional FSI generated from Innova admeasuring 14,000 sq. mtrs. have been sold to this project in which your Company has a 1/7th share.

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

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.

On a macro level it is heartening to know that there will be a stable political climate over a period of at least five years. With reforms being the top of the agenda for economic growth it is hoped that archaic rules and laws give way to clarity which augur economic growth. Already there is a level of buoyancy created and enquiries which hitherto were kept on the back burner are being revived. Your Company has witnessed a surge in the committed responses in the quarter April-June 2009. This bodes well for the industry and the Company as the realty sector is the forerunner in any economic activity.

DIRECTORS'

The Board of Directors at its meeting held on the 20th May, 2009 has appointed Mr.Padmanabha Shetty as on Additional Director of the Company. Pursuant to Section 260 of the Companies Act 1956, he holds office up to the date of the forthcoming Annual General Meeting. Notice along with the necessary deposit of Rs.500/- has been received from a member under Section 257 of the Companies Act, 1956 proposing the appointment of Mr.Padmanabha Shetty as Director of the Company.

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

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

SHIFTING OF SECRETARIAL RECORDS TO CORPORATE OFFICE

The Marathon Group's Secretarial functions and the offices of the promoter directors are situated at the Marathon Group Corporate office at 101, Marathon House, Devidayal Road, Mulund (West), Mumbai 400 080 . In view of the substantial increase in secretarial and other allied functions over the years and in order to effectively interact with the directors and the group establishments at frequent intervals it has become imperative to shift the current secretarial records to the Corporate Office which is within the city in which the Registered Office is situate. This is in pursuance of Section 163(1) of the Companies Act, 1956.

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 been followed along with proper explanation relating to material departures.
- (ii) The Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

(iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) The Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES

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 conservation 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 2008-09.

DEMATERIALISATION OF SHARES

The members are aware that the Company's equity shares are under compulsory trading in dematerialised 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 32nd 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.

ACKNOWLEDGMENTS

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

The Board 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: 30th June, 2009

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 31st March, 2009.

Although, Indian economy as a whole has largely been insulated against the global economic slowdown, the Indian real estate sector has severely been affected keeping in sync with the fortunes of the global real estate sector. Demand dynamics of one large industry decide 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.

The election of a stable government at the Centre could bring a bottom to the real estate market and may help in turning it around, as improved economic sentiment and rallying stock markets bring back confidence into this battered sector. The real estate sector has seen a steep fall in prices in the past year, with the country's financial capital Mumbai, for example, seeing an average correction of around 40% this quarter compared to the corresponding quarter last year. Many other cities and towns across India share a similar fate.

I. Industry structure and development

Notwithstanding a temporary lull in the realty sector there is a desperate shortage of quality housing in the urban as well as the rural sectors and there is dearth of commercial space in the Metropolitan cities for the last few years. The temporary lull is only a waiting game as there is a general perception that a correction in the prices was long overdue. There is paradigm shift in customer's behavioural pattern. While there is a perceptible drop in commercial and high end luxury apartments a new avenue has opened in the form of low cost housing and banks and institutions prefer to fund such projects.

Viewed against this gloomy backdrop the working results of your Company are commendable.

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 ably supported by a dedicated team of professionals that include Chartered Accountants, Company Secretaries, Management Graduates, Engineers, Architects, Designers, Lawyers etc.

The group has carried out introspection on its activities and has taken in its stride the current downturn and has geared itself to meet new challenges.

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 generate wealth to its shareholders and at the same time constructs state of the art facilities.

With economic liberalization and growth of manufacturing and service sector activities in and around the urban centers, the trend of urbanization is inevitable. The migration from rural areas is however steeper towards metropolitan centers and larger cities which offer greater economic opportunities. This brings tremendous pressure on the cities to augment infrastructure, provide shelters and livelihood to the incoming population.

However the spiraling Land pricing 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.

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 three joint ventures which include the development of a Software Technology Park within the existing premises, a housing project in Bangalore and development of properties in South Mumbai and the Western Suburbs.

IV. Outlook

With the proposed projects the Company looks to the future with cautious 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 audit covers all activities of the Company. The internal control system is designed to ensure that every aspect of the Company's activity is properly monitored.

VII. Discussion on financial performance with respect to operational performance

	Year ended 31.03.2009 (Rs in lakhs)
Income	13,123.21
EBIDT	6,149.28
Interest	1,621.19
Depreciation	11.36
Profit/ (Loss) before tax	5,341.38
Profit/ (Loss) after tax	4,216.15

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.

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 developments, information or events.

This report focuses compliance status of the Company on Corporate Governance as embodied in the Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd.

A. Mandatory requirements:

1. Company's philosophy on Code of Corporate Governance:

Marathon Nextgen Realty Limited is committed to maintain the highest standards of fair, integrity, accountability, equity as also to ensure maximizing long term shareholder value through transparency and fairness in all its dealings with stakeholders.

Good and effective Corporate Governance always creates a long term relationship of trust and harmony between the Company and the shareholders. The Company believes that good Corporate Governance is based on the principles of equity, ensuring the following:

- 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 regulation

In compliance with the requirements of Clause 49 of the Listing Agreement as amended, the details of compliance are "set out hereunder".

2. Board composition and particulars of Directors:

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

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

* Appointed as Additional Director on 20th May, 2009.

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 a correct 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 and the dates on which held :

Four Board Meetings were held during the Financial Year ended 31st March, 2009 on the following dates: 3rd June, 2008, 31st July, 2008, 24th October 2008 and 30th January, 2009.

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 Meeting 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		4	Yes	35	Nil	Nil
Mr. Mayur R. Shah Vice-Chairman & Director	135504	Promoter-Executive		3	Yes	36	Nil	Nil
Mr. S. Ramamurthi Wholetime Director	135602	Executive-WTD		4	Yes	2	Nil	Nil
Mr. V. Nagarajan	135714	Non-Executive	Independent	3	Yes	1	Nil	Nil
Mr. V. Ranganathan	269682	Non-Executive	Independent	4	Yes	1	Nil	Nil
Mr. Padmanabha Shetty	433761	Non-Executive	Independent	-	-	-	-	-
Mr. Nilesh Dand*	199185	Non-Executive	Independent	2	Yes	3	Nil	Nil

* upto 18/8/2008

NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH 2009:

NAME OF THE DIRECTORS	NO. OF SHARES HELD
Mr. V. Ranganathan	Nil
Mr. V. Nagarajan	Nil

4. Audit Committee:

During the Year ended March 31, 2009 four Audit Committee Meetings were held on the following dates:

3rd June 2008, 31st July 2008, 24th October 2008 and 29th January, 2009

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.Nilesh Dand	Member	Independent	2
Mr.Chetan R Shah	Member	Executive- CMD	4

*upto 18/8/2008

The Audit Committee during the year ended 31st March, 2009 reviewed:

- The Company's financial reporting process
- Disclosure of financial information
- The periodical and annual financial statements
- Related party transactions
- Risk assessment
- Adequacy of internal control
- 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 and Mr.V.Nagarajan are the members of the Committee.

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

The meeting of the Remuneration Committee was held on the 14th May, 2008 during the period under review

- a) for the reappointment of Whole-time Director who would not be paid any remuneration for the services rendered by him except the reimbursement of vehicle and entertainment and/or other expenses incurred by him at actual on behalf of the Company.
- b) 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, 2009 are given below:

Name of Director	Salary Rs.	Perquisites Rs.	Others Rs.	Sitting fees Rs.	Total Rs.
Mr. Chetan R. Shah	2,400,000	1,200,000	3,900,000	Nil	7,500,000
Mr. Mayur R. Shah	Nil	Nil	Nil	25,000	25,000
Mr. V. Nagarajan	Nil	Nil	Nil	44,250	44,250
Mr. V Ranganathan	Nil	Nil	Nil	40,250	40,250
Mr. Nilesh Dand	Nil	Nil	Nil	14,500	14,500

6. Shareholders / Investors Grievance Committee

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

Mr.V Nagarajan, Chairman

Mr.V.Ranganathan, 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 investor's grievances
- *All other matters related to shares/debentures.

During the Financial Year ended 31st March, 2009, 21 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
2005-06	Nehru Planetarium, Nehru Centre, Basement Hall, Worli, Mumbai 400 018.	02.09.2006	11.30 a.m.	3 (three)	N.A
2006-07	-do-	12.09.2007	11.30 a.m.	2 (two)	Two special Resolutions passed through postal ballot on 18.10.2006
2007-08	M.C.Ghia Hall, Second Floor, Bhogilal Hargovindas Bldg., 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

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, 2009 which are prejudicial to the interest of the Company and its shareholders.

Transaction with related parties are discussed in Note No.16 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 Exchange as well as the regulations and guidelines of SEBI.

There were no strictures or penalties imposed by either SEBI or the Stock Exchange 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 Exchange 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 : 24th September, 2009 at 3.30 p.m
 - Venue : Nehru Planetarium, Nehru Centre, Basement, Hall of Quest, Worli, Mumbai - 400 018.
- Financial Year : 1st April, 2008 to 31st March, 2009
- Date of Book Closure : Wednesday, 16th September, 2009 to Thursday, 24th September, 2009 (both days inclusive)
- 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 2008- 2009)	HIGH (Rs.)	LOW (Rs.)	SENSEX High	SENSEX	
				Low	Close
April	455.00	367.90	17,480.74	15,297.96	17,287.31
May	460.00	380.05	17,735.70	16,196.02	16,415.57
June	420.00	306.10	16,632.72	13,405.54	13,461.60
July	365.00	276.10	15,130.09	12,514.02	14,355.75
August	358.90	272.00	15,579.78	14,002.43	14,564.53
September	317.00	160.00	15,107.01	12,153.55	12,860.43
October	179.90	77.00	13,203.86	7,697.39	9,788.06
November	113.60	77.60	10,945.41	8,316.39	9,092.72
December	130.60	75.20	10,188.54	8,467.43	9,647.31
January	123.80	84.50	10,469.72	8,631.60	9,424.24
February	113.05	80.50	9,724.87	8,619.22	8,891.61
March	141.45	81.20	10,127.09	8,047.17	9,708.50

- **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, 2009 :

Category (Shares)	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 - 500	4,222	94.64	264,405	2.09
501 - 1000	97	2.17	73,333	0.58
1001 - 2000	46	1.03	63,900	0.51
2001 - 3000	32	0.72	86,426	0.68
3001 - 4000	10	0.22	36,420	0.29
4001 - 5000	9	0.20	39,890	0.32
5001 -10000	20	0.45	144,567	1.13
Above 10000	25	0.56	11,929,879	94.40
Total	4,461	100.00	12,638,820	100.00

Dematerialisation of Shares and Liquidity:

The status of Dematerialised/ Physical shares of the Company as on 31st March, 2009 is as under:

Category	Physical	D'mat	Total	% in Physical	% in D'mat
Resident Individual	132,731	1,040,421	1,173,152	11.31	88.69
Non-Resident Individual	Nil	68,449	68,449	-	100.00
Corporate Bodies	43,810	85,208	129,018	33.95	100.00
Mutual Funds/UTI	336	-	336	100	Nii
FI/Banks	990	-	990	100	-
Promoters including Directors and relatives	-	11,266,875	11,266,875	-	100
Total	177,867	12,460,953	12,638,820	1.41	98.59

Categories of Shareholders as on 31st March, 2009:

Category	No. of Shareholders	No. of Shares	Voting Strength (%)
Promoters	7	11,266,875	89.14
Mutual Funds/ UTI	5	336	0.00
Financial Institutions/ Banks	1	990	0.01
Corporate Bodies, Clg. Members, Brokers, Trusts	114	129,018	1.02
NRI/ OCB/ FII S	8	68,449	0.54
General Public	4,326	1,173,152	9.28
Total	4,461	12,638,820	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.

Marathon Nextgen Realty Limited

Marathon Nextgen, Ganpatrao Kadam Marg,

Lower Parel, Mumbai 400 013.

Tel.: 022 2492 5869 / 2496 3547

Fax: 022 2496 3560

Website: www.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, 2008	23 rd July, 2008
30 th September, 2008	14 th October, 2008
31 st December, 2008	23 rd January, 2009
31 st March, 2009	13 th April, 2009

List of Promoters:

List of Promoters of the Company "Group" pursuant to Regulation 3(e)(i) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997

Sr.No	Names
1.	Ithaca Informatics Private Limited & Subsidiaries
2.	Marathon Realty Private Limited & Subsidiaries
3.	Mr.Chetan Ramniklal Shah.
4.	Mr.Mayur Ramniklal Shah.
5.	Any Company / entity promoted or controlled by any of the above.

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 31,2009.

Mumbai
Date : 30th June, 2009

Chetan R. Shah
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 pursued to Clause 49 of the Listing agreement and the same is annexed.

For and on behalf of the Board of Directors

Mumbai
Date: 30th June, 2009

Chetan R. Shah
Chairman & Managing Director

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, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. Krishnamurthy & Company
Company Secretaries
Prop. S. KRISHNAMURTHY
ACS 7233 / CP 2120

Place : Pune
Date : 30th June, 2009

TO THE MEMBERS OF MARATHON NEXTGEN REALTY LIMITED

We have audited the attached Balance Sheet of **MARATHON NEXTGEN REALTY LIMITED (the Company)**, as at 31st March, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto.

Respective responsibility of the Management and the Auditor

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.

Basis of Opinion

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 misstatements. 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.

Opinion:

We report as under

- I. 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 Section 227(4A) of the Companies Act, 1956 (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 explanation given to us by the management, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
 - e) On the basis of written representations received from the Directors of the Company as on 31st March, 2009, and taken on record by the Board of Directors of the Company, we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.

f) In our opinion and to the best of information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Act in the manner so required and, give a true and fair view in conformity with the accounting policies generally in India:

- i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- ii) in case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- iii) in case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For Haribhakti & Co.,
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai.
Date : 30th June, 2009.

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE
TO THE MEMBERS OF MARATHON NEXTGEN REALTY LIMITED

Fixed Assets

1. The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
2. The Company has a regular programme of physical verification of its fixed assets, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
3. During the year, the Company has not disposed off major part of its fixed assets.

Inventories

4. As explained to us, the management has physically verified the inventory. In our opinion, the frequency of verification is reasonable.
5. According to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate according to the size of the Company and the nature of its business.
6. 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.

Loans & Advances with parties stated u/s 301 of the Act

7. According to the information and explanations given to us, the Company has granted unsecured loans to three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount of loan outstanding during the period was Rs. 2,527,013,314. And the year end balance of loans granted to such parties is of Rs. 2,525,834,372.
8. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which unsecured loans have been granted by the Company from the parties listed in the register maintained under section 301 of the Act are, prima facie not prejudicial to the interest of the Company.
9. The receipt of interest and principal amount is required to be made regular.
10. According to the information and explanations given to us, as on the balance sheet date the overdue amount is not more than rupees one lakh.
11. According to the information and explanations given to us, the Company has taken interest free unsecured loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is of Rs.26,551,775 and the year end balance of such loan is of Rs.26,551,775.
12. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which unsecured loan have been taken by the Company from the party listed in the register maintained under section 301 of the Act are, prima facie not prejudicial to the interest of the Company.
13. According to the information and explanations given to us, the payment of principal amount and interest are regular.

Contracts/Arrangements with parties stated u/s 301 of the Act

14. On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested as contemplated under Section 297 and sub section (6) of section 299 of the Act, and which were required to be entered in the register maintained under section 301 of the said act, have been so entered.
15. In our opinion and according to the information and explanations given to us, each of these transactions exceeding the value of rupees five lakhs in respect of any party during the year, are made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

Internal Controls

16. 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.

Internal Audit

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

Deposits

18. According to the information and explanations provided to us, the Company has not accepted any deposits from the 'public' to which the directives issued by Reserve Bank of India and provisions of section 58A and section 58AA of the Act or other provisions of the act, and the rules framed there under apply.

Accumulated / Cash losses

19. The Company does not have any accumulated losses at the year end, and has not incurred any cash losses during the financial year and in the immediately preceding financial year.

Statutory Dues

20. According to the information and explanations given to us, the Company has been generally regular in depositing the undisputed dues including provident fund, investor education fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. We are informed that the Company is in the process of getting registration for employees' state insurance and hence the E.S.I.C. has not been deducted and deposited with the required authorities. Dues which are stated as under were outstanding, as at the last day of the financial year for a period of more than six months from the date they become payable.

Name of the Statute	Nature of the dues	Period to which it relates	Amount (Rs.)
Income Tax Act, 1961	Interest u/s 234 B	2007-2008	233,419,821

21. 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 the dues	Period to which it relates	Amount (Rs.)	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	1990-91 through 1995-96, 1998-99	13,055,847	CESTAT
		1990-91, 1991-92, 1992-93, 1994-95	6,342,042	Commissioner
		1977-78, 1983-84, 1990-91, through 1992-93, 1994-95 through 1997-98 52,99,705	5,299,705	Deputy Commissioner

Default in repayment of dues

22. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.

Loans and Advances granted on the basis of securities

23. 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.

Investment Company

24. 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 records of the transactions and contracts have been maintained and timely entries made. The shares, securities, debentures and other investments have been held by the Company, in its own name.

Guarantees Given

25. According to the information and explanations given to us, the Company has issued counter guarantees amounting to Rs. 95 crores for loans granted by financial institutions to its group companies. Whether the effect of the same is prejudicial to the Company or not is not ascertainable.

Term Loan

26. In our opinion and according to the information and explanations given to us, *out of the term loan obtained by the Company, a sum of Rs. 44 crores has been applied for the purpose for which it has been obtained.*

Sources and Application of Funds

27. Based on our examination of the balance sheet of the Company as at March 31, 2009 on an overall basis and as per the information and explanation given to us, we find that no funds raised on short-term basis were utilized for long term purpose.

Preferential Allotment

28. 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.

Security or Charge created in respect of Debentures

29. As the Company did not have any debentures outstanding during the period under report (except to the extent of amounts remaining uncollected) the question of creating security, in respect of debentures, does not arise.

Fraud

30. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Miscellaneous

31. The clauses (viii), (xiii) and (xx) of the paragraph 4 & 5 of the Order are not applicable to the Company and hence not reported upon.

For Haribhakti & Co.,
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai.
Date : 30th June, 2009.



WE HAVE REDEFINED PERFORMANCE, YET AGAIN

We have been redefining excellence since decades. At Marathon, we believe in setting benchmarks and exceeding them consistently. It's all about creating value at every stage for everyone. That's what we mean by results.

BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees)

	Schedule	March 31,2009	March 31,2008
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	A	128,888,200	128,888,200
(b) Reserves and Surplus	B	1,548,309,404	1,161,127,748
		1,677,197,604	1,290,015,948
2. Loan funds			
(a) Secured Loans	C	1,492,770,215	959,649,286
(b) Unsecured Loans	D	137,607,341	117,437,503
		1,630,377,556	1,077,086,789
3. Deferred Tax Liability		-	54,201
TOTAL		3,307,575,160	2,367,156,938
APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	E	128,743,447	59,518,065
(b) Less: Depreciation		41,392,491	40,254,299
(c) Net Block		87,350,956	19,263,766
2. Investments			
	F	136,602,615	124,217,522
3. Deferred Tax Assets			
		3,307,350	-
4. Current assets, loans and advances			
(a) Inventories	G	439,265,125	532,562,567
(b) Sundry Debtors		436,393,258	115,693,782
(c) Cash and Bank Balances		45,258,411	233,567,545
(d) Loans and Advances		2,873,072,136	2,157,783,789
		3,793,988,930	3,039,607,683
Less: Current Liabilities and Provisions			
(a) Current Liabilities	H	362,386,908	455,377,113
(b) Provisions		351,287,784	360,554,920
		713,674,692	815,932,033
Net current assets		3,080,314,239	2,223,67,650
TOTAL		3,307,575,160	2,367,156,938

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants

Chetan Desai
Partner

Place: Mumbai
Date : 30th June, 2009

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

(Rupees)

	Schedule	2008-2009		2007-2008	
INCOME					
Income From Operations [Ref Note No.8 of Sch M			1,050,429,533		1,008,703,685
Other Income	I		268,126,851		157,903,280
			1,318,556,384		1,166,606,965
Increase / (Decrease) in Inventories	J		(6,235,737)		199,379,621
			1,312,320,647		1,365,986,586
EXPENDITURE					
Property Development and Other Expenses	K		614,928,293		397,968,930
Depreciation			1,135,892		9,060,935
Interest			1,62,118,936		89,496,375
			778,183,121		496,526,240
Profit / (Loss) for the year before tax			534,137,526		869,460,346
Less : Provision for Taxation					
Income Tax - Current Year		74,200,000		243,000,000	
Previous Year		32,231,817		-	
Interest on Income Tax		9,300,000		-	
Wealth Tax		17,458		2,730	
Deferred Tax		(3,361,551)		3,320,698	
Fringe Benefit Tax		134,339		173,735	
			112,522,063		246,497,163
Net Profit After Tax			421,615,463		622,963,183
Less:- Prior Period Adjustments			(3,942,837)		(1,247,947)
Net Profit After Adjustment			417,672,626		621,715,236
Balance brought forward from previous year			488,230,710		390,349,827
Balance available for appropriation			905,903,336		1,012,065,063
Appropriations					
Transfer to General Reserve			400,000,000		500,000,000
Proposed Dividend					
Preference shares		150,000		150,000	
Equity shares		20,222,112	20,372,112	20,222,112	20,372,112
Dividend Distribution Tax			3,462,241		3,462,241
Balance carried to the Balance Sheet			482,068,983		488,230,710
Earnings per share (F.V.of Rs.10 each) - basic and diluted			33.03		49.18

Significant Accounting Policies

L

Notes to accounts

M

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

Date : 30th June, 2009**K.S. RAGHAVAN**

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED
ON 31ST MARCH, 2009**

	2008-2009		2007-2008	
[A] CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extra-ordinary items		534,137,526		869,460,346
ADJUSTMENTS FOR :				
Depreciation	1,135,892		9,060,935	
Interest Expenses	162,118,936		89,496,375	
Prior Period Expenses	(39,42,837)		-	
Interest Income	(242,627,636)		(134,258,706.00)	
Misc Balances Written back	(17,031,554)		(8,401,874)	
Income From Dividend	(13,392)		(15,348.00)	
Profit on Sale of Mutual Funds	(7,737,795)		(5,299,823.11)	
Loss on Disposal of Assets	0		4,141,058.00	
		(108,098,386)		(45,277,383)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		426,039,141		824,182,963
ADJUSTMENTS FOR:				
Trade & Other Receivables	(926,042,033)		(1,257,185,034)	
Inventories	(93,297,442)		(199,379,621)	
Trade Payables	(130,556,500)		319,878,011	
		(11,49,895,975)		(1,136,686,643)
(312,503,680)		(723,856,834)		
CASH GENERATED FROM OPERATIONS				
Direct Taxes Paid		(80,645,398)		(291,161,326)
NET CASH FLOW FROM OPERATING ACTIVITIES		(804,502,232)		(603,665,006)
[B] CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1,523,202)		175,095	
Purchase of Investments	0		(40,810)	
Sale of Investments	0		25,000,360	
Purchase of UTI Mutual Fund	(690,000,000)		(725,000,000)	
Sale of UTI Mutual Fund	697,737,795		730,299,823	
Interest Received	242,627,636		134,258,706	
Income From Dividend	13,392		15,348	
NET CASH FLOW FROM INVESTING ACTIVITIES		248,855,621		164,708,52

**CASH FLOW STATEMENT FOR THE YEAR ENDED
ON 31ST MARCH, 2009**

[C] CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From Long Term Borrowings	553,290,767		673,147,357
Interest on Term Loans	(162,118,936)		(89,496,375)
Dividend Paid	20,372,112		(112,500)
Dividend Distribution Tax	(3,462,241)		(15,778)
NET CASH FLOW FROM FINANCING ACTIVITIES		367,337,478	583,522,704
Net increase in cash and cash equivalents		(188,309,133)	144,561,820
Cash and cash equivalents as at 31.03.08		233,567,545	89,005,725
Cash and cash equivalents as at 31.03.09		45,258,411	233,567,545

Note: Cash & Cash Equivalents comprises of Rs. 100,000 (P.Y. 37,157) and balance at bank of Rs. 45,258,411 (P.Y. 233,567,545)

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

CHETAN DESAI
Partner

For and on behalf of the Board of Directors

CHETAN R. SHAH
Chairman & Managing Director

MAYUR R. SHAH
Vice Chairman

S.RAMAMURTHI
Whole time Director

V.NAGARAJAN
Director

Place: Mumbai
Date : 30th June, 2009

K.S.RAGHAVAN
Company Secretary

Schedules annexed to and forming part of the financial statements for the year ended March 31, 2009

	March 31,2009 (Rs.)	March 31,2008 (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 of the above:	126,388,200	126,388,200
i) 9,501,630 (previous year 9,501,630) shares are held by Ithaca Informatics Pvt.Ltd., the holding Company.		
ii) 11,796,232 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	6,698,617	6,700,917
Less: Net off with replacement cost and retained at Original Cost	(6,654,318)	-
Less: Transferred to the Profit and Loss Account	(2,300)	(2,300)
	41,999	6,698,617
Revaluation Reserve II (for inventories / investment)		
As per last balance sheet	-	299,777,422
Less: Transferred to Inventory upon sale of ERA Property [as per contra of Sch.J]	-	(68,268,332)
Less: Transferred to Inventory upon sale of Innova Property [as per contra of Sch.J]	-	(25,380,496)
Less: Revaluation Reserve relating to property held as investments	-	-
Less: Transferred from Revaluation reserve for converting Inventory into Fixed Assets [as per contra of Schedule J]	-	(192,478,999)
Less: Transferred to Stock in Trade	-	(13,649,595)
	-	-
Securities Premium Account		
As per last balance sheet	-	802,480
Less: Utilized for issue of bonus shares	-	(802,480)
	-	-
General Reserve		
As per last balance sheet	666,198,421	250,000,000
Less: Transitional Provision for Gratuity & Leave Encashment [Net of Taxes]	-	(345,259)
Less: Utilized for issue of bonus shares	-	(83,456,320)
Add: Transfer From Profit & Loss Account	400,000,000	500,000,000
	1,066,198,421	666,198,421
Surplus in the Profit and Loss Account	482,068,983	488,230,710
TOTAL	1,548,309,404	1,161,127,748

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009

	March 31,2009 (Rs.)	March 31,2008 (Rs.)
SCHEDULE C		
SECURED LOANS (Long Term)		
From banks		
Lease Rent discounting	498,249,203	549,323,475
Car Loan (Hypothicated to ICICI Bank against Car Loan taken)	698,383	-
	498,947,586	549,323,475
From Others		
Construction Finance	900,394,521	311,800,000
Lease Rent Discounting	93,428,108	98,525,811
	993,822,629	410,325,811
TOTAL	1,492,770,215	959,649,286
Notes: of the above		
i) Construction Finance is secured by creating Equitable mortgage on earmarked properties in Lower Parel and on receivables from Project.		
ii) 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		
SCHEDULE D		
UNSECURED LOANS (Long Term)		
Inter-corporate Deposits from others	137,607,341	117,437,503
TOTAL	137,607,341	117,437,503

Schedule Annexed to and forming part of the financial statements for the year ended March 31, 2009

SCHEDULE E
FIXED ASSETS

(Rupees)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2008	Additions during the year	Sales/ Transfer during the year	As on 31.3.2009	As on 01.4.2008	Deletion	For the Year	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
Freehold Land [Ref Note 4 to sch M]	7,150,505	210,000,000	(216,892,857)	257,648	-	-	-	-	257,648	7,150,505
Buildings	7,875,167	68,347,759	-	76,222,926	6,297,412	-	156,794	6,454,206	69,768,720	1,577,755
Plant and Machinery	37,499,887	78,863	-	37,578,750	30,840,063	-	288,754	31,128,817	6,449,933	6,659,824
Furniture and Fixtures	2,871,040	1,448,776	-	4,319,816	2,136,807	-	78,233	2,215,040	2,104,776	734,233
Air Conditioners and Office Equipments	552,013	4,838,778	-	5,390,791	151,771	-	115,750	267,521	512,3270	400,242
Motor Vehicles	2,944,792	1,372,064	-	4,316,856	625267	-	394,388	1,019,655	3,297,201	2,319,525
Computers	624,660	32,000	-	656,660	202,979	-	104,273	307,252	349,408	421,681
TOTAL	59,518,065	286,118,240	(216,892,857)	128,743,447	40,254,299	-	1,138,192	41,392,491	87,350,956	19,263,766
Previous Year	63,317,901	341,221	(4,141,058)	59,518,065	28,577,518	-	11,676,781	40,254,299	19,263,766	-

During the year no Depreciation is allocated to Marathon Realty Pvt. Ltd. group Company since the cost of assets which are jointly held has been entirely depreciated in last year. Previous year out of Depreciation Rs.11,676,781/- allocated to Marathon Realty Pvt. Ltd. group Company is Rs.2,615,845/-.

Schedule annexed to and forming part of the financial statements for the year ended March 31, 2009

SCHEDULE F INVESTMENTS

	March 31, 2009			March 31, 2008		
	No's	Face Value (Rs.)	Cost (Rs.)	No's	Face Value (Rs.)	Cost (Rs.)
LONG TERM INVESTMENTS (Trade)						
(a) 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	3,515	10	119,119	3,515	10	119,119
Unquoted						
Electric Control Gear (India) Ltd.	210,000	10.00	2,100	210,000	10	5,978,949
Posil Rolling Mills Ltd.	-	-	-	105	10	1,050
Columbia Chrome (I) Pvt. Ltd.	5,208	100	520,800	5,208	100	520,800
Swayam Realtors & Traders Ltd.	424,081	10	4,240,810	424,081	10	4,240,810
			4,941,207			10,919,106
Less provision for diminution in value			82,624			5,978,949
			4,858,583			4,940,157
(b) In Immovable Properties						
In self-constructed building						
Construction cost of building (Inclusive of Land)			119,249,365			142,518,860
Add : Cost of Leased Car Parking transferred from stock in trade			12,466,667			-
Less: Sale of Investments			-			(23,269,495)
			131,716,032			119,249,365
LONG TERM INVESTMENTS (Non-Trade)						
(C) Government Securities (Unquoted)						
6 Years National Savings Certificates [Lodged as security with government authorities]	9	28,000	28,000	9	28,000	28,000
			28,000			28,000
TOTAL			136,602,615			124,217,522

Notes:

- (i) Aggregate cost of quoted investments: Rs. 1.77 lakhs (Previous year Rs.1.77) Market Value Rs. 3.99 lakhs (previous year Rs. 15.96 lakhs)
- (ii) Aggregate cost of unquoted investments: Rs. 47.62 lakhs (previous year Rs. 47.63 lakhs)

Investments purchased and sold during the year:

Purchased 5,06,600 Units of UTI Liquid Cash Plan Institutional (Growth Option) Rs 69,00,00,000/-

Sold 5,06,600 Units of UTI Liquid Cash Plan Institutional (Growth Option) Rs 69,77,37,795/-

	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
SCHEDULE G		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) INVENTORIES		
Finished Stock-Era	104,959,028	-
Work-in-Progress :		
Land (including development rights purchased)	-	56,762,403
Construction work-in-progress	-	475,800,164
Construction work-in-progress (Innova Phase II)	334,197,445	-
Stock in Trade (Innova Phase II)	108,652	-
	439,265,125	532,562,567
(b) SUNDRY DEBTORS (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	4,740,200	35,994,450
Others	431,653,058	79,699,332
	436,393,258	115,693,782
(c) CASH AND BANK BALANCES		
Cash in hand	100,000	37,157
Balances with scheduled banks:		
- In Fixed Deposit accounts	18,407,575	25,044,290
- In Current Accounts	18,827,841	200,799,771
- In Unpaid Dividend Accounts	156,140	94,263
- In Current Account - balance belongs to society under formation	7,766,855	7,592,064
	45,258,411	233,567,545
(d) LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	55,642,457	68,586,495
Advances to Suppliers	6,548,508	16,909,146
Loans to group concerns	2,525,834,372	1,734,875,278
	2,588,025,337	1,820,370,919
Taxes paid in advance and TDS	284,742,086	337,128,334
Advance FBT	282,948	262,771
Balances with central excise	21,765	21,765
	2,873,072,136	2,157,783,789
TOTAL	3,793,988,930	3,039,607,683

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009

	March 31,2009 (Rs.)	March 31,2008 (Rs.)
SCHEDULE H		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors	93,839,848	104,217,473
Advances from customers	10,830,801	218,261,067
Bank Overdraft	1,549,894	-
Other Liabilities	254,228,531	130,905,865
Unpaid Dividend	156,068	206,691
* Unclaimed Debentures [To be deposited in Investor Education and Protection Fund Dues when due]	741,535	745,785
* 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]		
	362,386,908	455,377,113
PROVISIONS		
Provision For Fringe Benefit Tax	312,235	320,383
Provision For Taxation	327,141,196	336,400,184
Proposed Dividend	20,372,112	20,372,112
Dividend Distribution Tax	3,462,241	3,462,241
	351,287,784	360,554,920
TOTAL	713,674,692	815,932,033

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009

Schedules annexed to and forming part of the financial statements for the year ended March 31, 2009

	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
SCHEDULE I		
OTHER INCOME		
Interest received (TDS Rs.5,46,98,801/- P.Y. Rs.3,03,37,404)	242,627,636	134,258,706
Miscellaneous income	3,347,243	9,690,100
Dividend	13,392	15,348
Rent Received	548,122	237,429
Balances Written back (Refer Note No.12 of schedule M)	13,684,311	8,401,874
Profit on Sale of Investments	7,737,795	5,299,823
Club House Income	168,352	
TOTAL	268,126,851	157,903,280
SCHEDULE J		
INCREASE/(DECREASE) IN INVENTORIES		
Closing 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
Less: Opening Stock		
Construction Work in Progress (including land)	532,562,567	614,033,852
Increase/(Decrease) in Inventories	(93,297,442)	(81,471,285)
Add: (a) Transfer from Revaluation Reserve II upon sale of property Era [as per contra in Schedule B]		68,268,332
(b) Transfer from Revaluation Reserve II upon sale of property Innova [as per contra in Schedule B]		25,380,496
Add: Transferred From stock in trade to Fixed Assets [as per contra in Schedule E]		166,126
Add: Transfer from Investment Innova for Diminution In value of Investment		4,918,903
Add: Transfer from Revaluation Reserve II upon Transfer of Inventory to fixed assets [as per contra in Schedule B]		192,478,999
Less: Construction cost of Innova Investments transfer from Innova Investments [as per contra in Schedule F]		(23,269,495)
Less: Transferred to Land including Land FSI for stamp duty capitalised		(742,050)
Add: Transfer from Revaluation Reserve II upon Netting off Inventory with stock in Trade [as per contra in Schedule B]		13,649,595
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	
TOTAL	(6,235,737)	199,379,621

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM

Investor's Option to Receive Payments Through Credit Clearing Mechanism

1. Investor's Name
2. Folio No. / D.P. ID
3. Particulars of bank Account
 - A. Bank Name:
 - B. Branch Name:
 - C. 9-Digital Code Number of the Bank and branch appearing on the MICR cheque issued by the Bank :
 - (Please attach a "cancelled" cheque or a photocopy thereof)
 - D. Account Type (S.B. Account/Current Account Or cash Credit) with code 10/11/13:
 - E. Account Number (as appearing on the Cheque book) :
3. Date of effect

I, hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information. I would not hold the user institution responsible.

(_____)
Signature of shareholder

In case, the shareholder is not in a position to give blank "cancelled" cheque or a photocopy thereof a certificate as under may be furnished.

Certificate of the shareholder's bank@

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp;

(_____)

Date:

Signature of the Authorised/Official from the Bank

@To be produced only if bank "cancelled" cheque or a photocopy thereof is not furnished.

Note:

1. In respect of the Shares held in Physical Form, the duly filled in Mandate Form may be forwarded to the Registrar within a period of 15 days hereof.
2. In respect of the Shares held under Demat, change in Bank Details shall be routed through the DP and a copy of the said Mandate Form shall also be forwarded to the Registrar within a period of 15 days hereof.

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 32nd Annual General Meeting of the Company to be held on Thursday, 24th September, 2009 at 3.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2009

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 32nd Annual General Meeting of the Company held on Thursday, 24th September, 2009 at 3.30 p.m at Nehru Planetarium, Nehru Centre, Basement, Hall of Quest, Worli, Mumbai- 400 018.

Signature of the Share holder/Proxy. _____

Schedule annexed to and forming part of the financial statements for the year ended March 31,2009

(Rupees)

	2008-2009		2007-2008	
SCHEDULE K				
PROPERTY DEVELOPMENT AND OTHER EXPENSES				
A) Property Development Expenses				
- Materials Consumed				
Steel	21,949,850		19,469,660	
Cement	4,935,686		10,243,771	
Marble	5,977,794		58,166,714	
Pump- Ready Mix Concrete	17,501,293		1,203,315	
Other Materials	40,012,686		59,068,450	
- Direct Expenses		90,377,309		148,151,910
Labour charges	138,987,632		110,498,877	
Transport Charges	3,893,974		7,747,680	
Service Tax	12,808,820		10,043,548	
VAT	5,193,680		10,020,493	
Staircase Premium	18,313,275		-	
Other Direct Expenses	52,877,919		16,087,838	
		232,075,300		154,398,436
- Purchase of Lease Hold Rights		210,000,000		
- Power and fuel	2,440,590		7,106,045	
		2,440,590		7,106,045
B) Personnel cost				
- Salaries, wages, bonus	24,871,667		18,187,059	
- Contribution to PF and gratuity	911,821		1,053,954	
- Staff welfare expenses	690,970		787,492	
		26,474,458		20,028,505
C) Administrative expenses				
- Repairs and maintenance - Buildings	1,307,314		936,081	
- Repairs and maintenance - Others	31,738		3,190,682	
- Rent	242,335		140,003	
- Rates and Taxes	91,630		1,068,876	
- Insurance	65,863		264,867	
- Security Expenses	533,456		3,166,573	
- Professional Fees	1,475,867		2,603,765	
- Directors Sitting Fees	124,000		92,000	

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009

- Auditors Remuneration			
Tax Audit Fees	140,000		100,000
Statutory Audit Fees	500,000		400,000
Certification Fees	-		10,000
Out of Pocket Expenses	13,635		-
- Brokerage	1,628,416		10,079,790
- Advertisement	12,936,866		10,689,883
- Service Tax	3,004,367		6,206,935
- Loss on Disposed Fixed Assets/ Goodwill w/off	-		4,141,058
- Other expenses	31,465,150		25,193,520
		53,560,636	68,284,034
TOTAL		614,928,293	397,968,930

Note: Service Tax Expenses under Direct and indirect Expenses for the previous year have been allocated on pro-rata basis of gross amount of expenses.

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 (except for certain fixed assets that are revalued) 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.

(ii) Use of estimates

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

(iii) Revenue

Revenue in respect of realty development activities is recognized upon the transfer of significant risks and rewards to the buyer in terms of the underlying sale agreement, provided it is not unreasonable to expect ultimate collection.

Dividend income is recognized when the right to receive the same is established.

(iv) Inventories

Inventory comprises of finished stock and construction work-in-progress, including stock of materials, is valued at cost or Net Realisable Value whichever is lower (Construction work in progress hitherto included land at original cost). Cost includes materials, direct expenses. Cost is arrived at on first-in-first-out basis.

(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.

The incremental cost of revalued assets is amortized over the balance specified period of life determined with reference to the historical cost of these assets.

(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

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

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

(vii) Employee Benefit

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) 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.

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

1. Contingent liabilities:

Disputed excise duty claims Rs. 169.31(Previous year Rs.190.28 lakhs) in respect of which the Company has made payments under protest, of Rs. nil (Previous Year Rs.14.90 lakhs)

The Company has issued Counter Guarantees up to a maximum amount of Rs.9,500 lakhs [Previous Year Rs.9,500 lakhs] for Loans granted by Financial Institutions to its Associate 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. The Govt. of Maharashtra, Directorate of Industries has issued a communication to the effect that an area of 19,201 Sq. mts of area 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. The Company has made an application to the Central Board of Direct Taxes seeking exemption of taxes payable from profits generated from this Private Information Technology Park in accordance with the provisions of Section 80 1(A)(4)(iii) of the Income Tax Act, 1961.
4. During the year the Company had entered into a composite development cum surrender of lease agreement with Marathon IT Infrastructure Pvt. Ltd. a group Company for the development of IT Park. In terms of this agreement :
 - (a) During the year the Company had procured from Marathon IT Infrastructure Pvt. Ltd. an area of 1,695 sq. Mtrs. within the larger precincts of its property at Lower Parel thereby canceling a leasehold right created by it earlier. The value of consideration determined as per prevalent ready reckoner rate and has been added to the cost of the land.
 - (b) Out of the developable area the Company has sold rights admeasuring 14,000 sq. mtrs. of FSI to Marathon IT Infrastructure Pvt. Ltd. of Rs. 63.56 crores. In lieu of such value of transfer, Marathon IT Infrastructure Pvt. Ltd. would construct and transfer to the Company a built up area of 2,000 sq. mtrs.
5. The ERA residential project has been completed during the year. Unsold flats in ERA are shown as Finished Stock. Common infrastructural facilities aggregating Rs.10,30,97,761/- pertaining to ERA has been charged to the Profit and Loss Account during the year. A Club House constructed within the premises of ERA has been capitalized and income earned from services rendered at the Club House have been shown as other income.
6. During the year the Company has transferred at cost 13,160 sq. mtrs. of land (FSI) from Fixed Assets to stock in trade aggregating to Rs.1,08,652/-. The market value at the date of transfer of constructed saleable area out of such FSI, would be in the range of Rs. 216 crores.
7. On the basis of the revised returns filed in response to notices received under Section 153 A of the Income Tax Act, 1961 pertaining to proceedings under Section 132 of the Income-tax Act, 1961 for the previous six years commencing from AY 1998-1999, assessments up to AY 2007- 08 have been completed and there is no additional liability on the Company. The Company is however in appeal with the ITAT for the A.Y. 2005-06. The Company does not envisage any additional tax liability.
8. Income from operations include:
 - (a) Sale of property Rs. 30,72,81,369/-(Previous year Rs.45,58,18,937),
 - (b) Lease rental Rs.10,75,48,164/- (Previous year Rs. 9,54,76,248),
 - (c) Sale of long term investment of Rs. Nil (Previous year Rs.45,74,08,500),
 - (d) Sale of Development Rights Rs.63,56,00,000/- (Previous year NIL).
9. Property development expenses is net of expenses transferred towards transaction with associate Company of Rs. 65,77,160/-[P.Y. Rs.4,66,44,239] towards Material & Rs.1,51,87,969/- [P.Y. Rs.5,24,16,877] towards Direct Expenses.

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

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

Particular		2008-09 Rs. in Lakhs		2007-08 Rs. in Lakhs
Profit Before Tax		5341.38		8694.60
Add:				
Managerial Remuneration	75.00		56.25	
Depreciation as per Books	11.36		116.77	
Loss on scrapped Fixed Assets	-		41.41	
		5427.74		214.43
Less:				
Depreciation u/s 350 of Companies Act	11.36		116.77	
Provision No longer Required	136.84		84.02	
		148.20		200.79
		5279.54		8708.24

Commission payable to the Chairman and Managing Director at 1% of the Profits -Rs.53 Lakhs [P.Y. Rs.87 Lakhs].

The Commission payable to the Chairman and the Managing Director restricted to Rs. 36 Lakhs [P.Y. Rs.27 Lakhs] as per recommendation of the Remuneration Committee.

11. Remuneration to Director

Salary to CMD	2008-2009 (Amount in Rs.)	2007-2008 (Amount in Rs.)
Salary to Chairman & Managing Directors		
Salary	3,600,000	29,25,000
Bonus	3,00,000	-
Commission	36,00,000	27,00,000
Total	75,00,000	56,25,000
Sitting Fees paid to Non Executive directors	1,24,000	92,000
Total	76,24,000	57,17,000

12. Miscellaneous balances written back of Rs.13,684,311/- [P.Y. Rs.8,401,874] is net of balances written off Rs. 1,132,701/- [P.Y. Rs.941,325].

13. Prior Period Adjustment:	2008-09 (Rs.)	2007-08 (Rs.)
Short Provision of Taxes earlier years	-	-53,34,479
Diminution on Investment		+40,86,532
Prior Period Expenses:	-	-
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	-
	-----	-----
	+ 39,42,837	-12,47,947
	-----	-----

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

Particulars	2008-09		2007-08	
	GRATUITY UNFUNDED	LEAVE ENCASHMENT UNFUNDED	GRATUITY UNFUNDED	LEAVE ENCASHMENT UNFUNDED
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Defined benefit obligation at the beginning of the year	4,63,595	26,313	3,98,780	1,21,659
Current Service Cost	2,44,619	4,64,651	1,19,567	1,15,541
Interest Cost	32,452	1,842	31,684	9,733
Actuarial gain (loss)	(1,03,664)	2,05,779	3,53,162	16,64,853
Benefits paid/accrued	-	-11,296	-4,39,598	-18,85,473
Defined benefit at year end	8,44,330	2,75,731	4,63,595	26,313
Expenses recognized during the year				
Current Service Cost	2,44,619	4,64,651	1,19,567	1,15,541
Interest Cost	32,452	1,842	31,684	9,733
Actuarial gain (loss)	(1,03,664)	3,53,162	16,64,853	
CHARGED TO PROFIT AND LOSS ACCOUNT	3,80,735	2,60,714	5,04,413	17,90,127

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%	8%	8%
Rate of increase in compensation level per annum	4%	4%	5%	5%

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

	Year ended 31st March, 2009 Amounts (Rs.)	Year ended 31st March, 2008 Amounts (Rs.)
(i) Contribution to Provident Fund	7,95,636/-	5,49,541/-
(ii) Gratuity charged to Profit and Loss Account	3,80,735/-	5,04,413/-
(iii) Leave encashment charged to Profit and Loss Account	2,60,714/-	17,90,127/-

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

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

15. Segment Reporting

(Rs. in lakhs)

	Property Development		Lease Rental		Others		Consolidated Total	
	Current	Previous	Current	Previous	Current	Previous	Current	Previous
REVENUE								
External Revenue	9,428.81	10,049.70	1,080.96	955.37	249.51	661.00	10,759.28	11,666.07
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	9,428.81	10,049.70	1,080.96	955.37	249.51	661.00	10,759.28	11,666.07
SEGMENT RESULT	3,240.48	8,011.22	1,044.33	917.38	251.48	661.00	4,536.30	9,589.60
Unallocated Corporate Expenses	-	-	-	-	-	-	-	894.97
Operating Profit	-	-	-	-	-	-	4,536.30	8,306.67
Interest Expenses	-	-	-	-	-	-	1,621.19	31.80
Interest Income	-	-	-	-	-	-	2,426.27	419.73
Income Taxes	-	-	-	-	-	-	1,125.22	2,464.97
Net Profit	-	-	-	-	-	-	4,216.16	6,229.63
OTHER INFORMATION								
Segment Assets	34,864.21	22,123.92	1,377.63	1,192.50	743.93	8,344.18	36,985.77	31,660.60
Unallocated Corporate Assets	-	-	-	-	-	-	3,025.13	242.72
Total Assets	34,864.21	22,123.92	1,377.63	1,192.50	743.93	8,344.18	40,010.90	31,903.32
Segment Liabilities	18,491.14	10,944.94	1,053.31	-	122.51	7,597.21	19,666.96	18,542.15
Unallocated Corporate Liabilities	-	-	-	-	-	-	3,571.96	461.01
Total Liabilities	18,491.14	10,944.94	1,053.31	-	122.51	7,597.21	23,238.92	19,003.16
Capital Expenditure	2,115.23	1.66	124.66	-	745.95	1.75	2,985.84	3.41
Depreciation	9.36	112.02	-	-	2.02	-	11.38	112.02
Non-Cash Expenditure Bad Debt W/off	11.33	9.41	-	-	-	-	11.33	9.41

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

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 Pvt. Ltd.
Fibre Box (Bombay) Pvt. Ltd.	Svarnim Enterprises Pvt. Ltd.
Sanvo Resorts Pvt. Ltd.	Parmeka Pvt. Ltd.
Nextgen City Water Mgt. Pvt. Ltd.	Nextgen City Utilities Pvt. Ltd.
Nextgen City Energy Pvt. Ltd.	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 Water Management Pvt. Ltd.	Matrix Enclaves Projects Developments Pvt. Ltd.
Marathon Energy Pvt. Ltd.	Marathon IT Infrastructure Pvt. Ltd.
Marathon Fiscal Pvt. Ltd.	Marathon Housing Pvt. Ltd.
Marathon Nextgen Townships Pvt. Ltd.	Marathon Nexzone Infrastructures Pvt. Ltd.
Marathon Nexzone Land Pvt. Ltd.	Matrix Fiscal Pvt. Ltd.
Nextgen Buildcon Pvt. Ltd.	Nextgen Green Housing & Commercial Enclaves Pvt. Ltd.
Nextgen Land Pvt. Ltd.	Nexzone Fiscal Services Pvt. Ltd.
Nexzone Land Pvt. Ltd.	Marathon Ventures Pvt. Ltd.
Kanchi Rehab Pvt. Ltd.	Lark Consultancy Pvt. Ltd.
Vector Modular Systems (I) Pvt. Ltd.	Infrastructure Ventures India Pvt. Ltd.
Marathon Securities & Properties Pvt. Ltd.	Chhaganlal Khimji & Co. Pvt. Ltd.

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

(f) Details of Transactions:

(Amount in Rs.)

	Holding Company	Associates	Enterprises Included in (e) above	Key Management Person / Relative
Expenses reimbursed by MNRL	-	-	6,999,334	-
	-	-	(1,984,545)	-
Deposit in Lieu of Performance	-	-	12,079,500	-
Guarantee Recovered	-	-	(6,039,750)	-
Purchase of Leasehold Rights	-	-	210,000,000	-
	-	-	-	-
Sale of Development Rights	-	-	635,600,000	-
	-	-	-	-
Materials Transferred (Net)	-	-	-	-
	-	-	(215,717)	-
Expense Reimbursed to MNRL	-	-	62,456,892	-
	-	-	(1,697,172)	-
Project Expenses Transferred	-	-	21,765,129	-
	-	-	(99,061,116)	-
Assignment of Liabilities by the Co.	144,702	-	-	-
	(2,859,267)	-	-	-
Loans & Advances	-	*34,900,000	*659,355,000	-
	-	(538,800,000)	(397,354,918)	-
Advance against Supplies	-	-	-	-
	-	-	(300,000)	-
Interest Received	-	104,045,460	135,277,393	-
	-	(91,742,758)	(41,972,648)	-
Interest Paid	916,750	-	-	-
	-	-	-	-
Dividend Paid Equity	15,202,608	-	-	2,824,392
	(15,202,608)	-	-	(2,27,252)
Preference	1,50,000	-	-	-
	(1,50,000)	-	-	-

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

	-	-	-	-
Share of Joint Venture Profit	-	-	1,18,750,431	-
	-	-	(1,20,099,293)	-
Remuneration	-	-	-	3,925,000
	-	-	-	(2,925,000)
Debit Balances Outstanding	-	10,16,004,158	19,08,950,378	-
	-	(9,00,635,400)	(8,39,239,877)	-
Credit Balances Outstanding	6,354,341	-	-	-
	(17,704,803)	-	-	-

Notes:

- (1) Guarantees given by key management person / relatives for loan availed by the Company from financial institution (Refer Note 2 to Schedule C).
- (2) Figures in bracket (-) indicate previous year's figures.
- (3) *Loans & Advances Net shown above comprises of Loan given to Associates Rs.34,900,000/- and Loan given to Enterprises included in (e) above Rs.11,18,155,000 & Received Rs.4,58,800,000/- during the year.

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	2008 - 2009	2007 - 2008
Expenses reimbursed by MNRL		
Vinotak Investment Pvt. Ltd.	3,516	2,130
Marathon Realty Pvt. Ltd.	3,827,216	1,979,718
Marathon IT Infrastructure Pvt. Ltd.	58,626,160	-
Cornell Housing & Infrastructure Pvt. Ltd.	-	2,697
Deposit in Lieu of Performance Guarantee		
Marathon Realty Pvt. Ltd.	12,079,500	6,039,750
Purchase of Leasehold Rights		
Marathon IT Infrastructure Pvt. Ltd.	2,10,000,000	-
Sale of Development Rights		
Marathon IT Infrastructure Pvt. Ltd.	6,35,600,000	-
Materials Transferred (Net)		
Marathon Realty Pvt. Ltd.	-	217,766
Vinotak Investment Pvt. Ltd.	-	(2,048)
Expense Reimbursed to MNRL		
Marathon Realty Pvt. Ltd.	6,997,607	1,191,126
Vinotak Investment Pvt. Ltd.	1,727	599
Marathon Infotech Pvt. Ltd.	-	15,447
Sonasha Enterprises	-	490,000
Project Expenses Transferred		
Marathon Realty Pvt. Ltd.	21,765,129	99,061,116
Assignment of Liabilities by the Company		
Ithaca Informatics Pvt. Ltd.	144,702	2,859,267
Loans & Advances		
Columbia Chrome (I) Pvt. Ltd.	4,600,000	19,900,000
Swayam Realtors & Traders Ltd.	30,300,000	5,08,900,000
Marathon Realty Pvt. Ltd.	6,59,355,000	3,97,354,918
Interest Paid		
Ithaca Informatics Pvt. Ltd.	916,750	-
Interest Received		
Columbia Chrome (I) Pvt. Ltd.	39,705,735	36,607,579
Swayam Realtors & Traders Pvt. Ltd.	64,339,725	55,135,179
Marathon Realty Pvt. Ltd.	1,35,277,393	41,972,648
Dividend Paid		
Ithaca Informatics Pvt. Ltd.		
Equity	15,202,608	18,401,257
Preference	1,50,000	1,50,000
Remuneration		
Chetan R. Shah	3,900,000	2,925,000

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

Share of Joint Venture Profit		
Marathon Realty Pvt. Ltd.	1,18,750,431	1,20,099,293
Debit Balances Outstanding		
Marathon Realty Pvt. Ltd.	15,09,830,214	8,34,239,877
Columbia Chrome (I) Pvt. Ltd.	3,84,402,268	3,49,093,853
Swayam Realtors & Traders Ltd.	6,31,601,890	5,51,541,547
Marathon IT Infrastructure Pvt. Ltd.	4,25,600,000	5,000,000
Vinotak Investment Pvt. Ltd.	71,935	-
Credit Balances Outstanding		
Ithaca Informatics Pvt. Ltd.	6,354,341	17,704,803
Marathon IT infrastructure Pvt. Ltd.	26,551,775	-

17. 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:-

- 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. 1,31,716,032/- (P.Y. Rs. 99,252,507/-).
- V. Lease rent Received during the year Rs.1,07,548,164/-.
- VI. Lease rent Receivable within one Year Rs. 1,13,099,944/- (P.Y. Rs.1,06,324,164/-).
- VII. Later than one year & not Later than Five years 2,01,412,366/- (P.Y.Rs. 3,25,208,706/-).
- VIII. Later than five years Nil (P.Y. NIL).

SCHEDULE 'M' - NOTES TO THE ACCOUNTS

18. Earnings per Share

(Amount in Rs.)

Sr.No.	Particulars	2008-09	2007-08
(i)	Profit after tax for the year as per Profit and Loss Account (Rs.)	417,672,626	621,715,235
(ii)	Less: Dividend for the year on Cumulative Preference Shares (Rs.)	(150,000)	(150,000)
(iii)	Less: Dividend Distribution Tax	(25,493)	(25,493)
(iv)	Net profit for the year attributable to Equity shareholders (Rs.)	417,497,134	621,539,742
(v)	Weighted average number of Equity Shares outstanding during the year	12,638,820	12,638,820
(vi)	Basic Earnings Per Share (Rs.)	33.03	49.18
(viii)	Nominal value per Equity Share (Rs.)	10.00	10.00

19. 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 creditors letters of confirmation requesting them to confirm their balance directly to the auditors and their confirmations are still awaited

20. Certain balances of debtors, creditors, and unsecured loans are subject to confirmation and consequential adjustments, if any.

21. 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, 2009 Rs. In lakhs	March 31, 2008 Rs. In lakhs
1.	Deferred tax assets in respect of:		
A.	Differences in book & tax WDV of fixed assets	26.97	-
B.	Leave salary and Gratuity provision	6.10	8.84
2.	Deferred tax liability:		
A.	Differences in fiscal allowances of fixed assets between accounting profit and taxable income	-	9.38
3.	Net deferred tax Assets / (Liability)	33.07	(0.54)

22. Previous period 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: 30th June, 2009

BALANCE SHEET ABSTRACT

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.	: 20,080
State Code	: 11
Balance Sheet Date	: 31.03.2009
(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)	: 4,021,250
Total Assets (Excludes Current Liability)	: 4,021,250
Sources of Funds	
Paid up capital change	: 128,888
Reserves & Surplus	: 1,548,309
Secured Loans	: 1,492,770
Unsecured Loans	: 137,607
Deferred Tax Liability	: -
Application of Funds	
Net Fixed Assets	: 87,351
Investments	: 136,603
Deferred Tax Assets	: 3,307
Current Assets Misc. Expenditure	: -
Accumulated Losses	: -
(4) Performance of Company (Amount in Rs.'000s)	
Turnover *	: 1,312,321
Total Expenditure	: 778,183
Profit/(Loss) before tax	: 534,138
Profit/(Loss) after tax	: 421,615
Prior Period Item	: (3,943)
Earning Per Share (in Rs.)	: 33.03
Dividend Rate (in %)	: 16%
* 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	Construction

www.marathonnextgen.com

Marathon Nextgen Realty Ltd. Marathon Nextgen,
Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013.