

ANNUAL REPORT

2010 - 2011



Charting the path to sustainable urbanisation.
We call it Rise.

RISE MANIFESTO

Today is another perfect day, to defy the world's naysayers.

Today, we will think bigger than our size.

Today, we will refuse to accept limitations.

Today, we will not be held back by the past.

Today, we will focus on the future – and never, ever blink.

Today, we will break down another barrier...

Scoff at another convention...

And use alternative thinking...

To solve another previously unsolvable problem.

Today, we will accomplish something astounding...

And in the process, change someone's life for the better.

Today, Mahindra will set an example for the world.

With boldness.

With confidence.

With relentless optimism.

Good morning.

Today is another perfect day...

To RISE.



In January 2011, the Mahindra Group launched a new brand positioning spanning across all industries, companies, and geographies. The new brand positioning, expressed by the word “Rise”, is amplified by a simple group core purpose: “We will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives’ of our stakeholders and communities across the world to enable them to Rise.”

Rise captures a sense of optimism about the future and a determination to shape one’s own destiny. It means that the Group’s products and services empower its customers to achieve their aspirations. From providing farmers in rural India with equipment and agri-services that help them raise farm productivity to building reliable pick-ups for businessmen, from creating IT solutions for some of the world’s leading companies to pioneering green real estate in India, the Mahindra Group enables its customers to achieve a better future.

Building a strong, universally relevant brand is a key driver of business success. Rise is expected to play a major role in the plans to build a strong global presence and market leadership for the Mahindra Group to become a truly global multinational. Rise unifies the varied perceptions of brand Mahindra across its existing companies, from automotive to retail. It also provides a clear guiding principle for all Group companies to follow.

The idea of “Rise” arose from 18 months of in-depth conversations with employees and customers. It is an articulation of values the Group has always held. The idea of Rise rests on three brand pillars:

- Accepting no limits,
- Alternative thinking, and
- Driving positive change

Mahindra Lifespaces has not only imbibed the idea and core philosophy of “Rise” in its functioning but also in its approach and strategy for the future. For the Company: **Accepting no limits** means striving for greater scale and presence by leveraging the opportunities presented by a rapidly growing economy and increasing urbanisation. We will broaden the reach and relevance of our Mahindra World City business by adapting to new opportunities and market needs. We shall also participate in the development of new and upcoming segments in our housing business, which have large social implications, by building new capabilities required to succeed and grow these new initiatives; **Alternative thinking** is helping us constantly to evaluate and apply newer technology and processes for ensuring timely delivery and higher quality of our products & use of innovative materials to reduce the consumption of precious natural resources; **Driving positive change** in our context is our commitment to develop environment friendly residential and integrated business city developments which will ease the pressure on mother nature and reduce our carbon footprint. Our other endeavour is inclusive development at all our project locations to help the communities that live around these projects prosper in all walks of life.

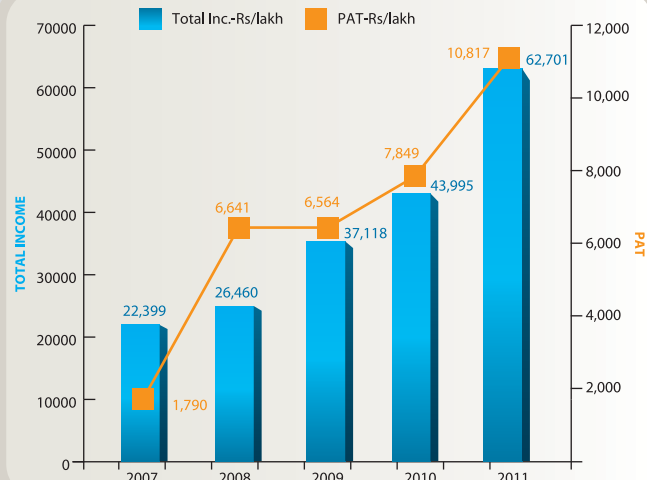
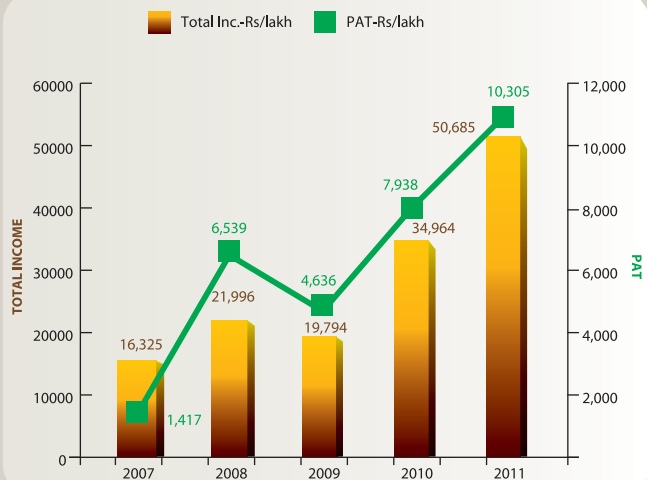
In addition to guiding product and service development, Rise has important implications internally. It is currently driving internal business transformation of the Mahindra Group to help its employees to live the core purpose and achieve the goal of becoming a leading global player. The Group is re-evaluating processes from HR policies to brand and digital architecture to drive positive change in its employees’ work experience, business success, and relationships with all its stakeholders.

In the coming years, the Mahindra Group expects ‘Rise’ to yield strong business results by creating strong relationships with customers and all stakeholders, providing a clear guide for business decisions across the Group, and catalyzing ambitious and innovative growth.

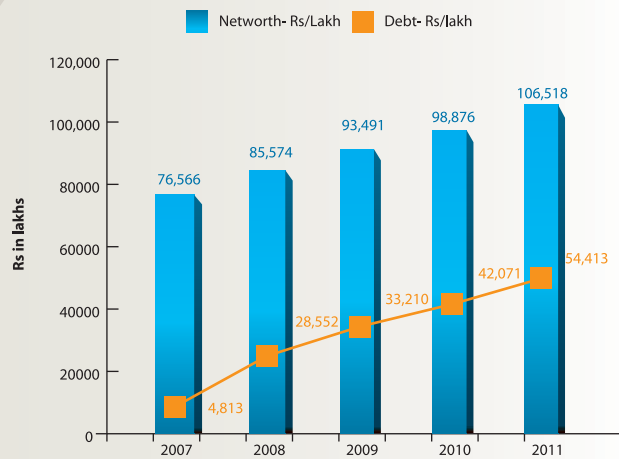
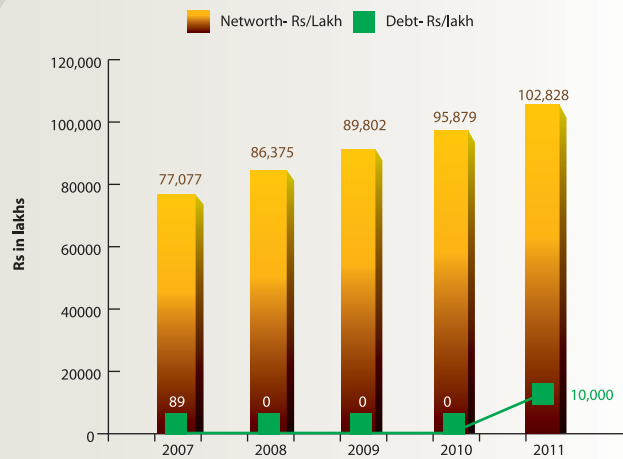
STANDALONE

Total Income & PAT

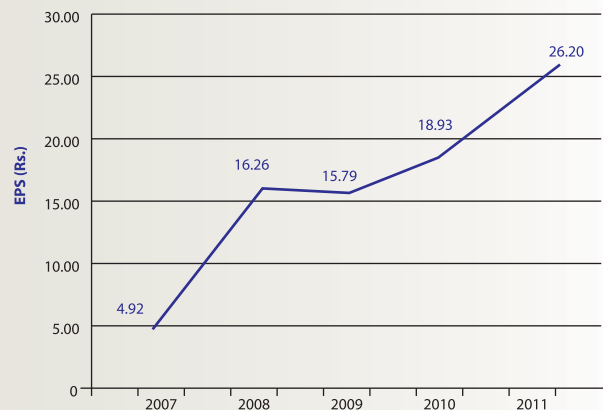
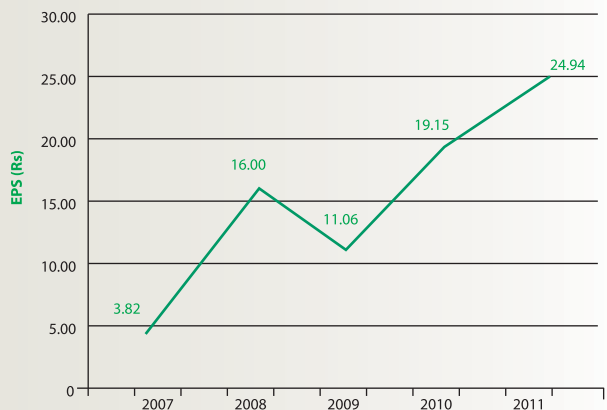
CONSOLIDATED



Debt & Network



EPS



FINANCIAL HIGHLIGHTS - STANDALONE

Rs. in lakh

	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007	F - 2006	F - 2005	F - 2004	F - 2003	F - 2002
Net Worth	102,828	95,879	89,802	86,375	77,077	19,279	19,474	21,249	20,612	20,382
Borrowings	10,000	-	-	-	89	12,729	5,303	6,959	13,398	15,041
Net Fixed Assets	3,192	3,237	3,482	2,688	3,282	3,427	3,758	4,259	9,394	9,937
Investments	36,214	40,955	36,153	50,291	32,578	9,577	9,364	8,399	1,010	1,010
Net Current Assets	73,509	51,870	50,194	33,565	41,328	19,004	11,026	14,478	22,101	22,533
Book Value Per Equity Share (Rs.)	252	232	218	209	190	41	42	45	43	42
Operating Income	47,656	32,065	16,540	17,212	15,552	12,113	9,146	7,139	5,928	16,997
Other Income	3,029	2,899	3,254	4,784	773	300	349	2,928	3,033	2,117
Operating Expenses	31,367	21,267	12,433	11,181	11,981	8,660	6,212	6,199	2,833	12,585
Other Expenses	4,381	2,947	1,585	2,437	2,239	2,005	1,949	3,099	5,748	6,025
Profit Before Tax	14,937	10,750	5,777	8,378	2,105	1,748	1,334	769	549	504
Profit After Tax	10,305	7,938	4,636	6,539	1,417	1,099	786	636	230	257
Basic Earning per Share (Rs.)	24.94	19.15	11.06	16.00	3.82	0.51	2.53	1.78	0.47	(2.09)
Diluted Earning per Share (Rs.)	24.94	19.15	11.06	16.00	3.81	0.51	-	-	-	-
Equity Dividend per Share (Rs.)	5.00	3.50	2.50	2.50	1.50	1.00	-	-	-	1.00



Contents

Notice	2
Directors' Report	6
Management Discussion & Analysis	13
Corporate Governance Report	24
Auditors' Report	37
Accounts	40
Statement Pursuant to Section 212	67
Consolidated Audit Report & Accounts	68



Board of Directors

Mr. Arun Nanda
Mr. Uday Y. Phadke
Mr. Sanjiv Kapoor
Mr. Shailesh Haribhakti
Mr. Anil Harish
Dr. Prakash Hebalkar
Ms. Anita Arjundas

Chairman

Managing Director & Chief Executive Officer

Leadership Team

Ms. Anita Arjundas
Ms. Sangeeta Prasad
Mr. B. K. Subbaiah
Mr. Rajan Narayan
Mr. Suhas Kulkarni
Mr. Rajendra Joshi
Mr. Vishnu Banka
Mr. K.S. Gnanaseelan
Mr. Manoj Kulkarni
Mr. Ramesh Ranganathan
Mr. Sanjay Sinha
Mr. Amit Pal
Mr. Siddharth Bafna

Managing Director & Chief Executive Officer, MLDL and CEO, Real Estate Sector
COO, Mahindra World City, Chennai & Regional Head (South)
COO, Mahindra World City, Jaipur
Advisor – Strategic Sourcing
Vice President – Legal & Company Secretary
Vice President – Sales, Marketing & CRM
Vice President – Finance & Accounts
Vice President - Projects (South)
Vice President – Projects (West)
Head – Business Development
Head - Infrastructure Development, Mahindra World City, Jaipur
General Manager – QA & Innovation
General Manager - Strategy

Company Secretary

Mr. Suhas Kulkarni

Auditors

M/s. B. K. Khare & Co.

Chartered Accountants

Bankers

Central Bank of India
Citibank N.A.

Legal Advisors

Khaitan & Co.
Little & Co.
AZB & Partners

Registrar and Share Transfer Agents

Sharepro Services (India) Private Limited
13 AB Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri - Kurla Road, Sakinaka,
Andheri (E), Mumbai-400 072
Tel : 022-67720300, 67720400
Fax : 022-28591568, 28508927
E-mail: sharepro@shareproservices.com
Website : www.shareproservices.com

Registered Office

Mahindra Towers, 5th Floor,
Worli, Mumbai 400 018

Branch / Regional Offices

Regional Office – North

Mahindra Towers, 2A,
Bhikaiji Cama Place,
New Delhi 110 066

Regional Office – South

The Canopy, II Floor, Unit No. II,
Mahindra World City, Special Economic Zone,
Natham Sub P.O., Near Paranur Railway Station,
Chengelpet 603 002, Tamilnadu

Branch Office – Hyderabad

Lorven Arcade, 1st Floor,
Indraredy Allwyn Colony,
Miyapur – Hi-tech City Road
Miyapur, Hyderabad 500 049

Regional Office – West

Chemtex House, Ground Floor,
Main Street Road, Hiranandani Gardens,
Powai, Mumbai 400 076

Branch Office – Pune

City Point, 2nd Floor,
Office No. 215-A, B & C,
Boat Club Road,
Pune 411 001. Maharashtra

NOTICE

The Twelfth Annual General Meeting of MAHINDRA LIFESPACE DEVELOPERS LIMITED will be held at Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021, on Thursday, 21st day of July, 2011 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To confirm the interim dividend paid on Preference Shares as final dividend and to declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Arun Nanda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shailesh Haribhakti, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Prakash Hebalkar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956, M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number- 105102W), the retiring Auditors of the Company, be re-appointed as 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 at a remuneration to be determined by the Board in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

SPECIAL BUSINESS:

7. Increase in borrowing limits

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

“RESOLVED THAT in supersession of Resolution No.8 passed at the 3rd Annual General Meeting of the Company held on 25th September, 2002, the consent of the Company be accorded pursuant to the provisions of Section 293(1)

(d) and other applicable provisions of the Companies Act, 1956 to the Board of Directors of the Company (which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time, any sum or sums of money for the business of the Company upon such terms and conditions and with or without security as the Board of Directors may in its absolute discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from Banks in the ordinary course of business) together with the sums already borrowed which may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed Rs.15,00,00,00,000 (Rupees One Thousand Five Hundred Crore only).”

8. Commission to Non-Executive Directors

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

“RESOLVED THAT in supersession of Resolution No. 7 passed at the 9th Annual General Meeting of the Company held on 28th July, 2008, the Directors who are neither in the whole-time employment of the Company nor the Managing Director, Executive Directors and such of the remainder as may not desire to participate, shall for a period of five years with effect from 1st April, 2010, be paid remuneration by way of commission upto one per cent of the net profits of the Company, computed in the manner referred to in Section 198, 309 and all other applicable provisions of the Companies Act, 1956, and such commission to be distributed amongst and paid to the aforesaid Directors concerned in such proportions as they may from time to time decide between themselves.

RESOLVED FURTHER THAT the Board/Committee of Directors be and is hereby authorised to do all such acts, deeds and things as desirable to give effect to this resolution.”

NOTES:

- A. As of 31st March, 2011:

Mr. Arun Nanda, Non-Executive Chairman holds 60,114 equity shares, Mr. Shailesh Haribhakti, Non-Executive Independent Director holds 5,100 equity shares. Dr. Prakash

Hebalkar Non-Executive Independent Director is not holding either on his own or for any other person on a beneficial basis, any shares in the Company. Brief resumes of Directors seeking re-appointment are given in Corporate Governance Report.

None of the Directors of the Company are inter-se related to each other.

- B. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
- C. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.**
- D. The instrument appointing proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- E. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 14th July, 2011 to Thursday, 21st July, 2011 (both days inclusive).
- F. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
- G. Pursuant to Section 205C (2) of the Companies Act, 1956, unpaid/unclaimed dividends for the financial year ended on 31st March, 2000, 2001 and 2002 have been transferred to the Investor Education & Protection Fund (IE & PF) on 19th September, 2007, 24th October, 2008 and 20th November, 2009 respectively. Given below is the table of dates by which shareholders can claim the respective unclaimed dividend from the Company / Registrars and the date by which such unclaimed amount will be transferred to the Investor Education & Protection Fund.

Equity Dividend for FY	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed transfer of unclaimed Equity Dividend to IE & PF between
2005-2006	21st July, 2006	24th August, 2013	25th August, 2013 to 23rd September, 2013
2006-2007	17th September, 2007	17th October, 2014	18th October, 2014 to 15th November, 2014
2007-2008	28th July, 2008	27th August, 2015	28th August, 2015 to 26th September, 2015
2008-2009	24th July, 2009	26th August, 2016	27th August, 2016 to 25th September, 2016
2009-2010	21st July, 2010	19th August, 2017	20th August, 2017 to 18th September, 2017

Shareholders who have not encashed the dividend warrants so far are requested to make their claim to the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, 13AB Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.

- H. Members can avail of the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to Sharepro Services (I) Pvt. Limited.
- I. Members are requested to :
- intimate to the Company's Registrar & Share Transfer Agents, Sharepro Services (I) Pvt. Limited, changes, if any, in their registered addresses at an early date.
 - quote their folio numbers / client ID / DP ID in all correspondence.
- J. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
- K. Dividend, if declared, will be credited / dispatched between 22nd July, 2011 to 30th July, 2011 to those members whose names will appear on the Register of Members of the Company and, in respect of those members who hold shares in the electronic form, as per the list of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) or to their mandate as of the close of business hours on Wednesday, 13th July, 2011.
- L. As per RBI notification, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform. NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solution (CBS) for centralized processing of inward instruction and efficiency in handling Bulk transactions.

In this regard if you are holding shares in electronic form, please furnish new Bank Account Number allotted to you by your Bank after implementation of CBS, alongwith a photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP) at your earliest convenience. However, if you are holding the shares in physical form you are requested to furnish the new account number alongwith photocopy of the cheque to the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, 13AB Samhita Warehousing

Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.

- M. Ministry of Corporate Affairs (MCA), Government of India, has taken a Green initiative in the Corporate Governance by allowing paperless compliances by the Companies after considering provisions of the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through Electronic Mode. Vide Circular No.17/2011 dated 21st April, 2011, MCA has provided that the Company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode provided the company has obtained email addresses of its members for sending the notice / documents through e-mail by giving an advance opportunity to every shareholder to register his/her email address and changes therein from time to time with the company. In cases where any members has not registered his/her e-mail address with the company, the service of documents etc. will be effected by other modes of service as provided in Section 53 of the Companies Act, 1956.

Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, as the case may be.

In case you desire to receive the notice / documents in physical form, you are requested to send an e-mail to e-communication@mahindralifespaces.com or visit the website, www.shareproservices.com and register for physical copies.

For and on behalf of the Board
For **Mahindra Lifespace Developers Limited**

Suhas Kulkarni
Company Secretary

Registered Office

Mahindra Towers, 5th Floor,
Worli, Mumbai 400 018

Date: 23rd April, 2011

ANNEXURE TO NOTICE

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

Item No. 7

The resolutions at item No. 7 is to enable the Board to borrow upto Rs.1,500 crore with or without security. The Company is in the business of development of residential properties, integrated townships and business parks. In its quest for expanding its business operations and maximizing the returns for its shareholders, the Company is examining various options and alternatives to fulfill its ambitious growth plans. The Company may have to leverage its resources and assets to obtain maximum benefits and raise funds to meet its long term strategic plans. The Company might have to consider raising funds, presently estimated at not more than Rs.1,500 crore, at competitive rates of interest, either as non encumbered loans and / or by creating mortgage or hypothecation or pledge or charge over its assets / property or any part thereof. As the proposed borrowings may exceed the limits earlier approved by the shareholders under Section 293 (1)(d) of the Companies Act, 1956 at the 3rd Annual General Meeting of the Company, the approval of the shareholders would be required for the resolution at item No. 7 of the Notice for proposed borrowings under Section 293(1)(d) of the Companies Act, 1956.

The Directors recommend passing of Resolutions at item No. 7 of the Notice as an Ordinary Resolution.

None of the Director is deemed to be interested or concerned in this item of business.

Item No. 8

In the 9th Annual General Meeting held on 28th July, 2008, the Members had passed a Special Resolution for payment of commission upto one per cent per annum of the net profits of the Company to the Directors of the Company other than the Directors who were in the whole time employment of the Company, the Managing Director, Executive Director and such other Directors who did not desire to participate.

The Special Resolution had authorised the Directors to distribute the commission in such proportions as they may decide between themselves from time to time subject to a limit of one quarter per cent of the net profits for any one Director. The Directors propose that the limit of one quarter per cent of net profits imposed by the said Special Resolution be removed and instead the quantum of commission to be paid to any Director be left to the