

EVOLVING BEFORE THE  
**TIMES**



**ORBIT**  
VISION BEYOND

In realty, reality matters the most.



# Premium locations. Iconic architecture. Landmark developments.

For us, the quest for only the best begins with the location - Nothing but the most premium will do.



## THE BEST PLACE IN TOWN

Every structure we build adds value and further premium to the location because we take the utmost care to match the nature of development, architecture style, construction materials, amenities and services to suit it. Thanks to this uncompromising approach every Orbit property you live or work in is a landmark in its own right.

## STRUCTURES WITH INNER STRENGTH

We use proprietary materials like stainless steel bars that don't corrode or cause the concrete to crack or expand thus ensuring longer life for our structures. Superior technology, quality processes and eco-friendly practices help us give you Orbit Assurance: a promise of aesthetics, quality of materials, construction and relevance in design. We offer the best safety features and safeguards against natural calamities and are the first company in India to build Vaastu-conformed and Aura-enriched spaces.



*We choose the most premium locations. And add value to them with landmark structures.*

## BEYOND EXPECTATIONS

We, at Orbit, believe our business is about you, who live in and enjoy our creations. After all, it is you who have the last word. Always.

CALL +91 22 3044 7000 or visit us at

[www.orbitcorp.com](http://www.orbitcorp.com)

## ORBIT ASSURANCE™

20 years' warranty on waterproofing arising due to construction defects • Soundproof multi-glazed window system • Proprietary materials used • Stainless Steel 304 grade water supply pipes • Fail-safe fire protection & security systems • Vaastu, vedic & aura conformed spaces • Green building compliant



**ORBIT**  
VISION BEYOND

# Creations, ahead of their time.

**Orbit Corporation** is known for its visionary thoughtfulness right from the day they started their operations in 1973. It is their philosophy, corporate culture and the blueprint of every project. The best materials at the hands of the best craftsmen results in creations that are way ahead of their time. Unique design, hand-picked locations and innovative use of technology make every Orbit project a masterpiece.

Mr. Pujit Aggarwal exults, **“My raw material may be the redevelopment space, but I make premium housing”.**

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# Shivam – the beginning of everything

Even today, when you walk on the lanes of Babulnath, you will be awestruck with beauty of Shivam. Shivam not only gave a new lifestyle to its tenants but it also opened up new horizons for Orbit Corporation. This is perhaps why we call Shivam as the beginning of everything.

Shivam or Lord Shiva is called as the creator of this universe and is the important aspect of life. Said to be the purest, Lord Shiva is also one of the three important forms of Gods. This almighty creator is thus worshipped across various religions. To witness this, one should visit the famous Babulnath temple of Mumbai.

Paved with well-planned road network and other infrastructure, Babulnath was one amongst the most sought after addresses of South Mumbai and hence, all the early Mumbaikars located themselves here.

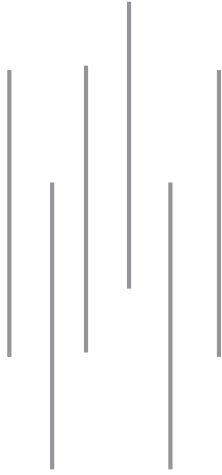
Built in 1780, this temple is situated at nearly 1000 feet above sea level, overlooking the Arabian Sea. Apart from being an important spiritual landmark, Babulnath has also become a heritage location. One is often surprised by the peace and tranquility experienced here, in the heart of the hub. Unfortunately, this part of Mumbai always faced a space crunch and thus lacked the availability of open plots for construction.

***There were several old, dilapidated buildings standing in the swanky South Mumbai. Where other real estate developers complained about the lack of open plots in South Mumbai, Mr. Aggarwal spotted this opportunity and begun his first redevelopment project in Mumbai's most sought after location – Babulnath. He named this project Shivam, inspired by the Lord of the temple. Although a redevelopment project, he wanted to create a unique landmark that would last forever. The designs were conceived, the blue prints were ready, the best architects, the best designers were called. And a premium landmark was created. It was the first time that glass, marble and steel was used together in a residential construction.***



# An Orb of Art Déco



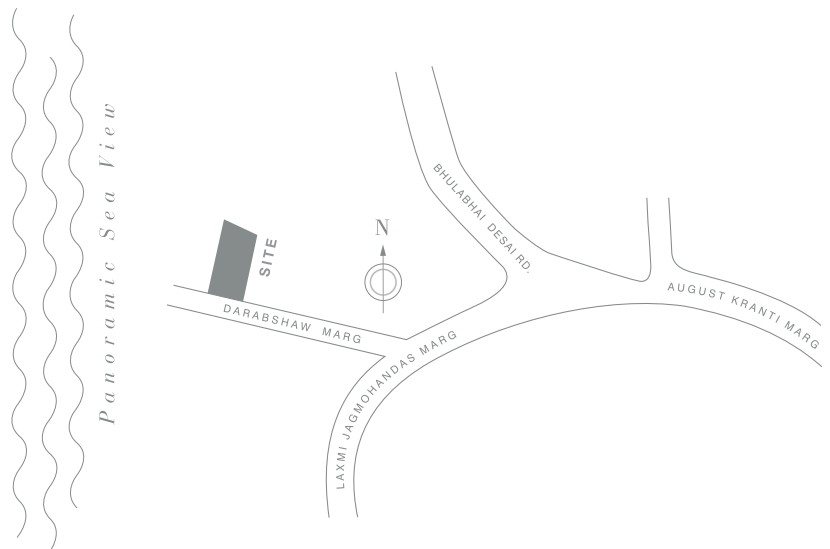


***Orbit Corporation, with its superbly talented designers and architects has created a contemporary Art Déco tale in the form of Villa Orb. Situated on coveted Napeansea Road, Villa Orb is a contemporization of the charming Art Déco style. Contemporization, because creating an art piece like this against the background of a blue sea was a tough challenge. Fine attention was given to the quality of raw materials. Corrosion proof raw materials that would not rust due to the sea moisture and will thus last longer were used. This is the first time that instead of iron, stainless steel reinforcement bars are used for construction, thus making a decorative design driven style more durable and sustainable.***

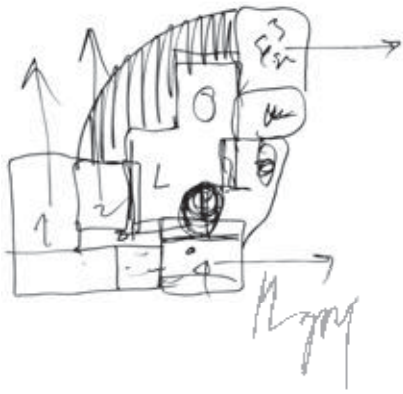
Art Déco or Déco, is an eclectic, artistic design style that began in Paris in the 1920s and flourished internationally throughout the 1930s and into the World War II era. The style influenced all areas of design, including architecture and interior design, industrial design, etc. At its best, Art Déco represented elegance, glamour, functionality and modernity. Many design movements have political or philosophical beginnings but Art Déco on the other hand was purely inspired by the decorative design elements. It was a product of prosperity and happiness.

It was in the 30's that Art Déco arrived in India. Its influence on the Indian architecture can be traced even today. Bombay, as it was called then, has the second largest number of Art Déco buildings after Miami.

The palatial bungalows and Art Déco buildings of South Mumbai, today stands as the legends of Mumbai's Art Déco heritage. They narrate the stories of the bygone, rich Art Déco era.



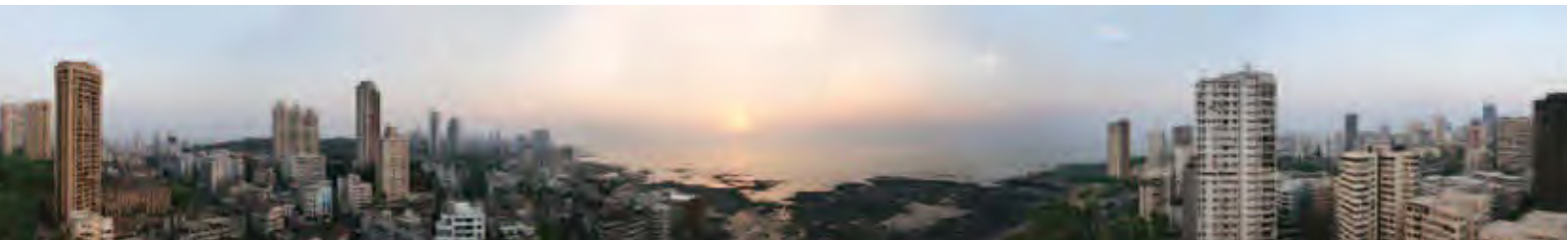
By creating a masterpiece like this, Orbit has not only maintained the Art Déco heritage but has also taken it a step further with its innovative thinking. Art Déco architecture, beautiful views of the sea on all three sides and blessed with several luxurious amenities, Villa Orb is a masterpiece in every sense.



A home to some of the most expensive apartments, like the Maheshwari House, Napeansea Road is an upmarket neighbourhood near Malabar Hill in South Mumbai. It takes its name from the British administrator, Sir. Napean and from the beautiful sea alongside.

An unhindered view of Back Bay, with the Girgaum Chowpatty beach in the foreground, and the Nariman Point skyline in the background is one of the reasons for the sky-high real estate prices in this area. What further makes this elitist area a coveted address for many is its well developed infrastructure. They say if you live at Napeansea Road, you study in the best schools, go to the best colleges, live in the most luxurious homes and enjoy the most lavish lifestyle.

# On the coveted Napeansea Road



**Well connected to the Priyadarshini Park, Warden Road, Kemps Corner, Peddar Road, Altamont Road and to other upmarket areas of South Mumbai, this area is home to the who's who of the society.**

Hence, it is necessary to maintain the decorum of this place. And this, of course, is a challenge for many redevelopers here.

While many redevelopers freely overlook this, Orbit chose to adapt itself to the etiquettes of this place.

***Constructed on a redevelopment land at Napeansea Road, Orbit Arya is an exquisite tower of sky villas, with only one apartment per floor. The designs of Orbit Arya are created to match the status and heritage of its location. The management has taken care that the privacy of neighbours was not invaded while implementing these design ideas. Hence, the organization chose to complete the construction only during the day. When asked more about Orbit Arya, Mr. Pujit Aggarwal said, "Through Orbit Arya, Orbit has dreamt the impossible and delivered the never possible."***





# Inside the land of legends

*Constructed as a redevelopment project, Orbit Heights has surpassed all boundaries of innovation. Creating a unique structure like this in a restricted redevelopment space was not an easy task. Getting all the raw materials on the site, on time, without disturbing the surrounding small houses was a challenge. This is where the experienced minds took charge and with the intelligent use of modern technology the solution was discovered. The JCBs were lifted with the help of a crane and were placed on the construction site. And soon, Orbit Heights was ready to bestow the best lifestyle to its tenants and residents.*



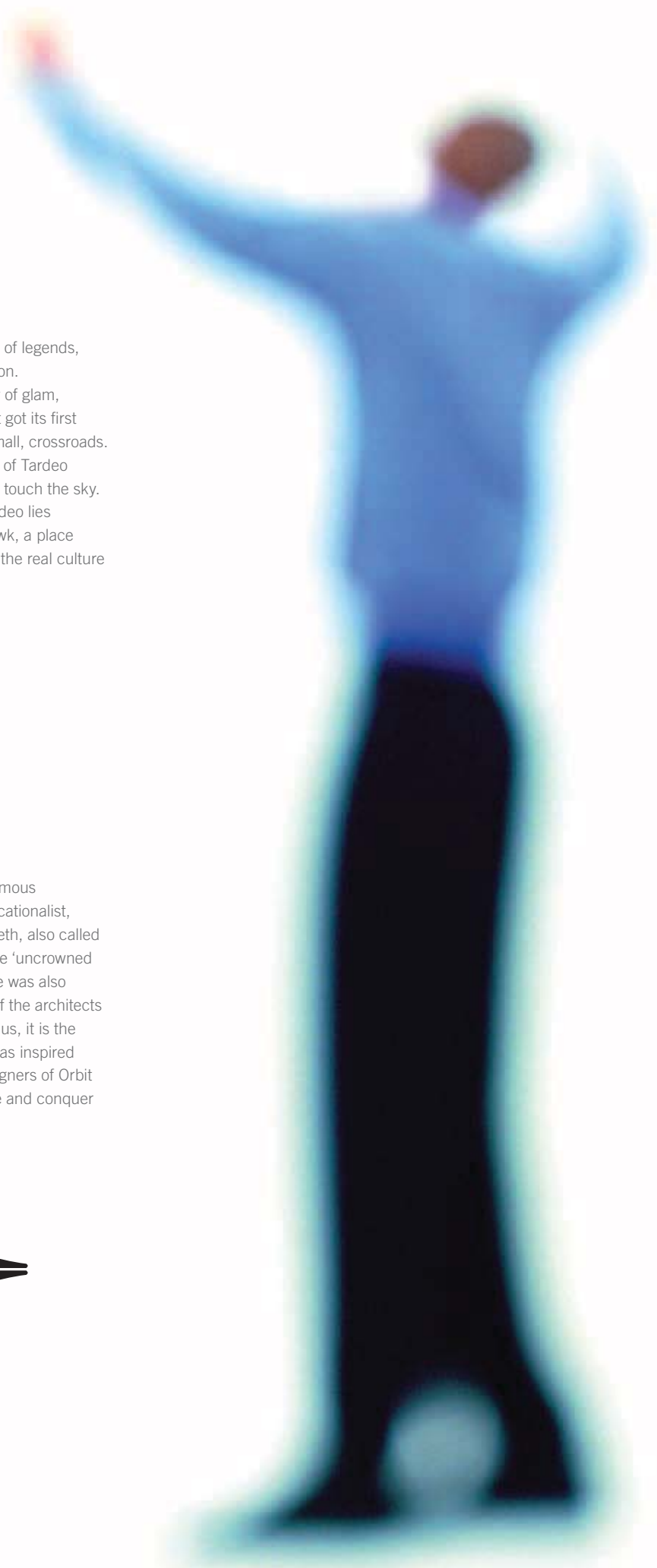


Tardeo – the crossroad of legends, innovation and revolution. Here, Mumbai, the city of glam, glitz and entertainment got its first full-fledged shopping mall, crossroads. It was the sky scrapers of Tardeo that inspired the city to touch the sky. To the other end of Tardeo lies the bustling Nana Chowk, a place that has truly inherited the real culture of Mumbai.

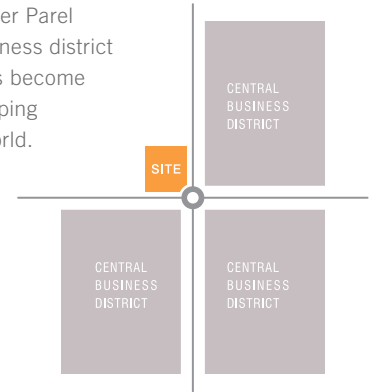
**Nana chowk is the nodal point where roads from Tardeo, Marine Drive, Girgaum Chowpatty, Opera House and Grant Road converge. It is here that the old world charm of Malabar Hill blends with the native flavours of Girgaum, thus making this the perfect address for the ones who want to experience the real colours of city life.**

It is named after the famous philanthropist and educationalist, Jagannath Shankar Sheth, also called as Nana. Said to be the 'uncrowned emperor of Mumbai' he was also considered to be one of the architects of modern Mumbai. Thus, it is the spirit of this land that has inspired the architects and designers of Orbit Corporation to innovate and conquer new *heights*.

Orbit Heights is a residential masterpiece located amidst the old-world charm of Nana Chowk. What makes it more charming is the quaint two hundred year old Shiva Temple, built by none other than the legendary Nana Shankar Sheth.



Lower Parel that was once known for its cotton mills has now become the new Central Business District of Mumbai. With an influx of huge enterprises in the compounds of erstwhile cotton mills, these lands are now used for building corporate high rises and premium housing. Today, with the commercial realty edging northward to Lower Parel from its established business district Nariman Point, Parel has become one of the fastest developing neighbourhood in the world.



# The eternal choice of the young Mumbai

Like the other premium projects of Orbit, this too is constructed on a redevelopment land. But like always, redevelopment is never an easy task. Ask Mr. Pujit Aggarwal, MD and CEO of Orbit Corporation Ltd., about the challenges of redevelopment and he says, "In redevelopment we had to constantly fight people's distrust of builders".

Today, after several years, Orbit has successfully built a reputation of creating high quality redevelopment of dilapidated buildings in south Mumbai.

***Mr. Aggarwal recalls his experience of redeveloping Orbit Eternia. It was a tough challenge to gain the trust of the tenants. The organization had to assure the tenants of meeting all their requirements on time. Not just that but they also had to take care of their relocation. Orbit understood that relocation was not only about offering alternative space but was also about being sensitive to the tenants' day-to-day lives.***

It is perhaps this attitude and sensitivity towards every tenant that has made Orbit the most trustworthy brand in redevelopment.

Its easy accessibility from both western and central railway has made Lower Parel the most desired address for many young Mumbaikars. It has become the choice of the coming generation that wants to enjoy the pleasure of walking to work and lead a stress free life. Located in this new Central Business District, right opposite to the charming old architecture of the famous Deepak Talkies is Orbit Eternia. Homes here are designed by keeping in mind the needs and requirements of the young Mumbaikars working in this business hub.



The queen of the suburbs, Bandra, now houses the headquarters of the famous JSW group at Mumbai's prime business district - BKC. The Bandra Kurla Complex is a planned commercial development created by MMRDA to arrest the further concentration of offices and commercial activities in South Mumbai. Spread across a huge area, the BKC has already equipped itself with some well-known restaurants and hotels, best exhibition locations, hospitals, hassle-free means of transportation and well developed civil infrastructure.

# A gem in the queen's crown

What today stands as the JSW-HQ was earlier supposed to be a commercial complex, planned and developed by Orbit. But, when the JSW Group heard about this, they approached Orbit to convert this into an exclusive head quarters for the Group.



Located close to the railway station, it is well-connected to Domestic and International Airports as well as the Western and Eastern Highways and is thus an ideal office address for all corporate businesses.

*Orbit's big idea, behind the designs of this project was to create a structure that would match upto the reputation of the JSW Group and would stand as their signature identity. Hence, the architects and designers of international repute were called and fine attention was given to the quality of materials used. Designed by the American Architect – Burt Hill, this glass and steel marvel was the first Leed platinum certified structure in Mumbai. Not to mention the three and half thousand tonnes of JSW steel used to build this unique structure.*

*Every single aspect of this structure, right from its location to the grandeur of its unique designs, makes this structure the perfect symbol of what JSW stands for.*



*Built by the Orbit Corporation Limited, this commercial structure was created to cater the needs and requirements of the diamond merchants.*

*Orbit has addressed their needs and requirements with a completely unique approach. Innovation and aesthetics was clubbed together to arrive at an architectural design that is functional and beautiful at the same time. The primary purpose of the design was to let in ample natural light by insulating heat. Hence, the double glazed glass curtain wall units, facilitating natural light were used. The post tensioned slabs and beams were used innovatively to create uninterrupted office spaces. After sculpting the functional space, the Orbit designers have also implemented environmentally friendly systems like rain water harvesting.*





Called as the *queen of the suburbs*, Bandra is soon becoming the most desired location in the commercial real estate. Especially, the Eastern part of Bandra. The connectivity of this place has spurred the interest of many commercial real estate developers to take note of this area.

As compared to any other location of Mumbai, the connectivity of Bandra East is hard to match. Easily accessible via the Western Express Highway and well connected to both International and Domestic Airport, this part of Bandra houses the prime business district of Mumbai – BKC. What has added to the convenience is the new Bandra-Worli sea link that has helped in reducing the commuting time. As per the expert opinion, the proposed metro rail project will act as a catalyst in the further development of this area.

# A well sculpted business space in the ‘queen of the suburbs’

Located in this coveted commercial location is Orbit Plaza – a custom-built, hi-tech commercial complex for the diamond merchants of Mumbai.

# Orbit introduces Infinity Gardens.™



*Apartments with Infinity Gardens™  
and uninterrupted window to ocean view*

Duplex & penthouse with  
panoramic ocean & city views

7-star health club with swimming pool,  
gym and relaxation centre

7-star lounge

Children's play centre

2 state-of-the-art car parking elevators

International property managers,  
concierge & valet service

Designed by master architect  
Hafeez Contractor

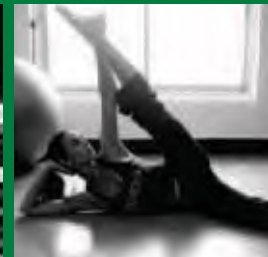


Conditions apply

## ORBIT HAVEN

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ROAD

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reservations@orbitcorp.com  
www.orbitcorp.com



## ORBIT ASSURANCE™

20 years' warranty on waterproofing arising due to construction defects • Soundproof multi-glazed Italian window system • Proprietary materials used • Stainless Steel reinforcement bars • Stainless Steel 304 grade water supply pipes • Fail-safe fire protection and security systems • Vaastu, vedic & aura conformed spaces • Green building compliant



**ORBIT**  
VISION BEYOND

By For

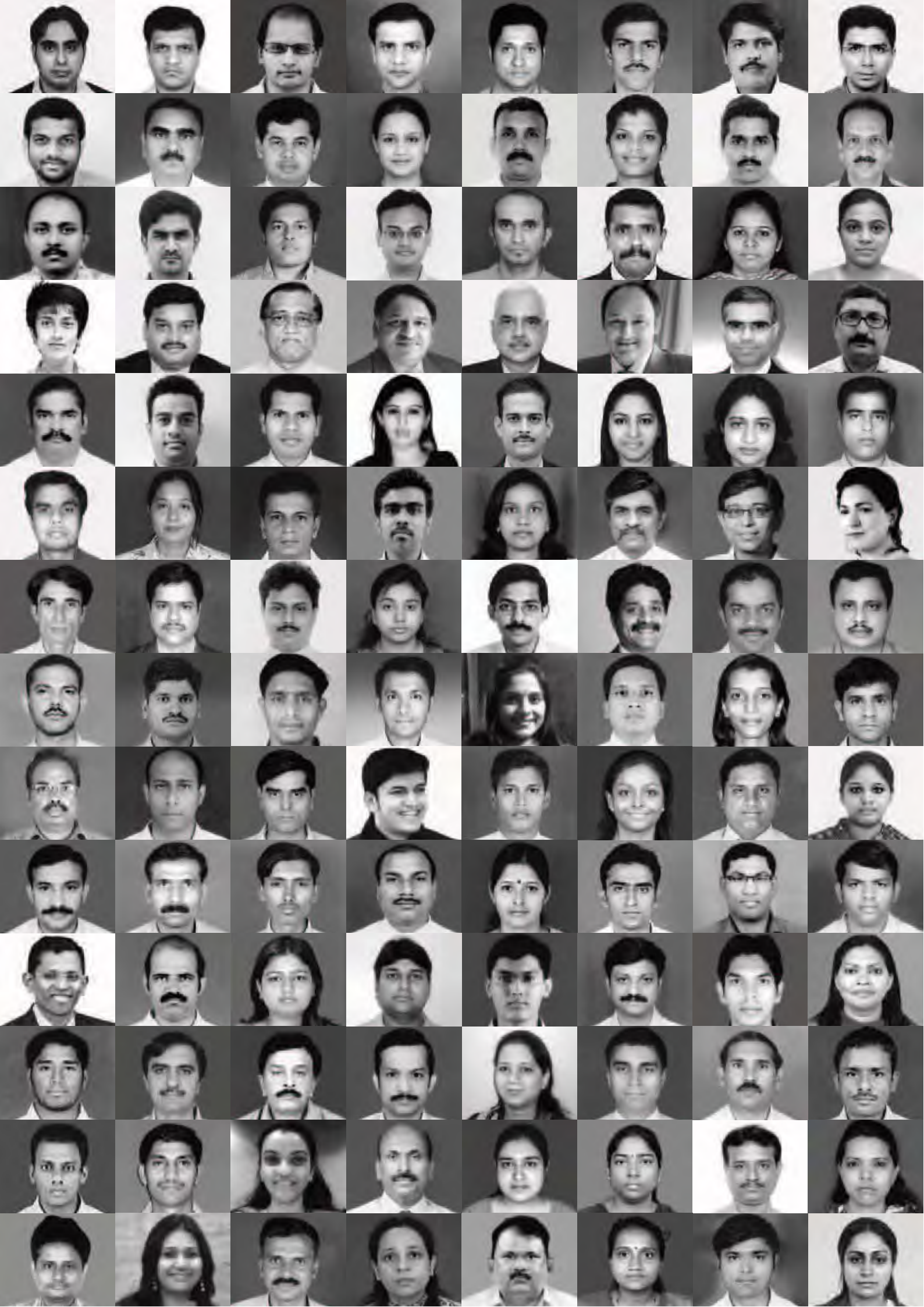
# The People



**A good organisation  
works on  
strong fundamentals.**

In our case,  
the fundamentals  
are our people.

At Orbit Corporation we are proud to have the best minds working with us. What makes us more proud is that they have always been with us, needless to say, through thick and thin.



# Customers

The reason why we are. The loop begins and closes with customers. Achieving the ultimate customer satisfaction is for us a scientific process. From the planning stage we consider each action from our customer's point of view. It's not just about the homes we build, it starts much before that.

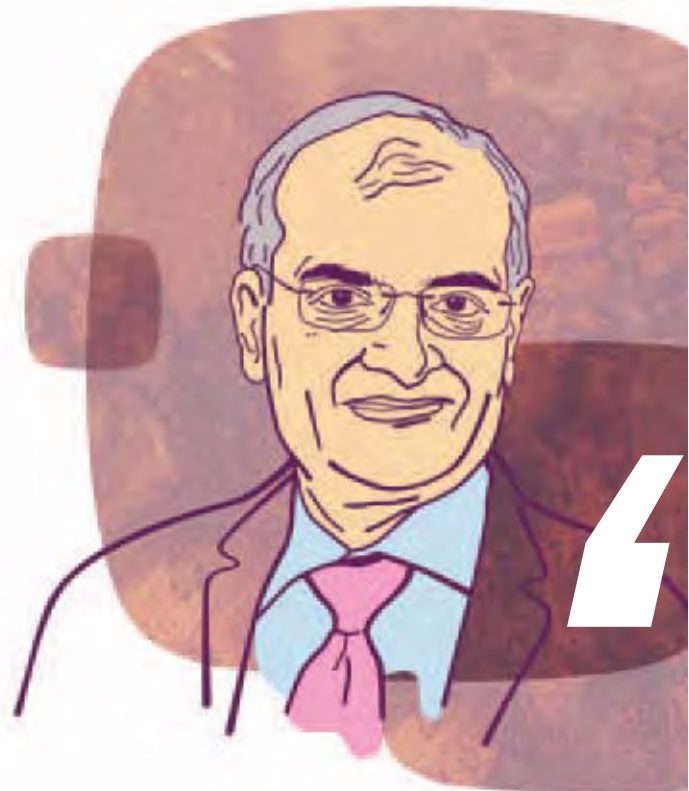


***I am one of many customers of Orbit. But they make me feel like I am the only one."***

*Mr. Sajjan Jindal  
Chairman & MD, JSW Steel*

# People

People is Orbit's greatest strength and also the differentiator. At Orbit, everything begins and evolves with people. The feeling of positivity that our homes have is very much embedded in the way we function as an organisation. Because we believe, happy people make happy homes.



Since our beginning, we have been very much clear about why we are in this business. We want to make a real difference to people's lives, which they can feel and cherish every day. Yes, it's our business model and yes, we have to be a successful company, but not at the cost of our values and beliefs. Because otherwise, we won't be Orbit.

# Values

“

***Take any project of Orbit and you will find a promise of unprecedented lifestyle.”***

*Mr. Nishith Desai*  
Founder & Managing Partner,  
Nishith Desai Associates



“

***Orbit is a good partner to work with, because it has great people working for it.”***

*Mr. Rashesh Shah*  
Chairman & CEO, Edelweiss Group

# Behaviour

As a company, we firmly believe we are a family more than anything else. Our organisation goals start with the goals of each individual. Our open thinking approach empowers people to think out of the box, innovate and achieve these goals together. We encourage our people to go beyond conventional thinking and have the courage and ability to implement their ideas.



***An entrepreneurial work culture is what attracts talent to Orbit, making our partnership a win-win”***

*Mr. Keyur Thakore  
President and Founder Director,  
KTA Associates*



# The Organisation

Qualities that separate Orbit from peers are responsiveness to the market, willingness to explore new grounds and staying strong on fundamentals. The company has evolved with every project. Orbit is headed by visionaries who believe in working with challenges on ground with people than issuing instructions. Their ability to spot great locations, understanding the buyer and devising a great solution are at the core of Orbit's organisational structure.

“

***Orbit understands the power of taking calculated risks. In other words, it's called vision.”***

*Mr. Nilesh Shah  
Axis Direct*



### **Board Of Directors**

**Mr. Ravi Kiran Aggarwal**  
Executive Chairman

**Mr. Pujit Aggarwal**  
Managing Director & CEO

**Mr. Prithvi Raj Jindal**  
Independent Director

**Mr. Kuldip Bhargava**  
Independent Director

**Mr. Shailesh S. Vaidya**  
Non-Independent Director

**Mr. Hafeez Contractor**  
Non-Independent Director  
(resigned w.e.f. 9<sup>th</sup> November, 2011)

**Mr. Raman Maroo**  
Independent Director

**Mr. Shahzaad Dalal**  
Independent Director

**Mr. Satish Chandra Gupta**  
Independent Director

### **Bankers**

**State Bank of India,**  
Shivsagar Estate Branch,  
Worli, Mumbai – 400018

**Canara Bank,**  
Colaba Branch,  
Near Colaba Police Station,  
Mumbai – 400039

**Union Bank of India**  
Mumbai Samachar Marg Branch,  
66/80, Mumbai Samachar Marg,  
Fort, Mumbai – 400023

**HDFC Bank Ltd,**  
Kamala Mills Compound,  
Lower Parel, Mumbai – 400013

**Axis Bank Ltd,**  
Ground Floor,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli,  
Mumbai – 400025

### **Statutory Auditors**

**M/s Sharp & Tannan**  
Ravindra Annexe, 194,  
Churchgate Reclamation,  
Dinshaw Vachha Road,  
Mumbai – 400020

### **Solicitors and Legal advisors**

**Nishith Desai Associates**  
93 - B, Mittal Court, Nariman Point,  
Mumbai – 400021

### **Registrar and Transfer agents**

**Link Intime India Private limited**  
C –13, Pannalal Silk Mills Compound,  
LBS Road, Bhandup (West),  
Mumbai – 400078

### **Audit Committee**

**Mr. Shahzaad Dalal**

**Mr. Ravi Kiran Aggarwal**

**Mr. Kuldip Bhargava**

**Mr. Raman Maroo**

**Mr. Satish Chandra Gupta**  
(w.e.f. 28<sup>th</sup> February, 2012)

### **Management Team**

**Mr. Pujit Aggarwal**  
Managing Director & CEO

**Mr. Ramashrya Yadav**  
Head- Finance and Strategies

**Mr. Raajhesh Shah**  
Chief Operating Officer

**Mr. Hari Kumar Kurup**  
Chief Acquisition Officer

**Commodore Vasu Iyer VSM (retd.)**  
President Projects

**Mr. Sanjay Bhutani**  
Head- Sales

**Mr. Jitendra Gupte**  
Senior Vice President & Head Human Resources

### **Company Secretary**

**Ms. Puja Mehta**

### **Registered Office**

**The View, 165, Dr. Annie Besant Road,  
Worli, Mumbai – 400 018, Maharashtra, India**

## Vision

To be the most sought after organisation of the 21<sup>st</sup> century.

## Mission

Imbuing all our operations with the motto of fair business practices, family values and high growth-high profitability.

To be sought after by,

- Customers for trust and deliverance
- Our team for creditworthiness
- Authorities for transparency
- Environment for conscientiousness
- Society for socio-economic transformation
- Stakeholders for value enrichment

## The Orbit Family

Orbit shares its success and achievements with some of the finest people from reputed institutes and organisations. They are our partners with specialised skills in Engineering & Design, Strategy, Marketing, Finance, HR, Law and Economics & Industrial Psychology.

- Indian architects
  - Hafeez Contractor, Talati & Panthaky, Atul Desai & Associates
- International architects
  - Wong Chiu Man of WOW Architects (Singapore), Burt Hill Inc. (US)
- Co-ordinating architects
  - Nilesh Kadakia, Gajjar & Associates
- Consultants
  - Pravin Electricals
- Structural Design
  - Mahimtura & Mahimtura
- HVAC Consultants
  - MEP Consulting Engineers & Spectral
- Vaastu Consultant
  - Mr. DD Sharma (Mumbai), Raam Subramaniam (Chennai)
- Vedic, Auric & Cosmic insights
  - Shri. Daivajna K.N. Somayaji (Bangalore)
- Quality Auditors
  - CQRA



## ***Chairman's Message***

We are sailing through a storm, with a lot of fog around which we thought would soon blow over. But our robust optimism was misplaced. Infact, it deteriorated into a prolonged season of inclement conditions.

Owing to global recession, regulatory authorities & the Government, the resolutions, clarification and permissions have been chronically dilatory. This has to a considerable extent exacerbated the multiple problems realty sector has been stoically contending with. The graph of the Company has not fluctuated unscathed owing to the vagaries of the weather, season and climate.

Our biggest challenge is the unremitting effort to educate and enlighten the controlling institutions and their leaders about the primacy of this sector in so far as the overall growth of the economy is concerned. There is a tremendous possibility of Realty resurfacing from the fog to occupy its deserved rank in the vanguard of economic progress.

We need to tackle this primary hurdle with all the resources and tenacity at our disposal because this major cause has spawned to other causes of secondary and tertiary nature i.e. the secondary problem is of indefinite delay in delivery and consequent damage to the trust reposed by the clientele in the patrons; the tertiary problem spawned by the main cause is the escalation of costs on both sides and the bruised affordability of the scattered clientele.

As if these issues were themselves not counter-productive enough, the attitude and the importunate demands of the bankers and financial institutions virtually drives realty sector into a corner.

Inspite of this encircling gloom, realty sector has never lost confidence in its pristine vitality and indispensability. Orbit has aligned itself with the Captains of the industry who have persistently sought to engage the Government, the regulators and policy makers to impress upon them the urgency with which it needs encouragement and empowerment.

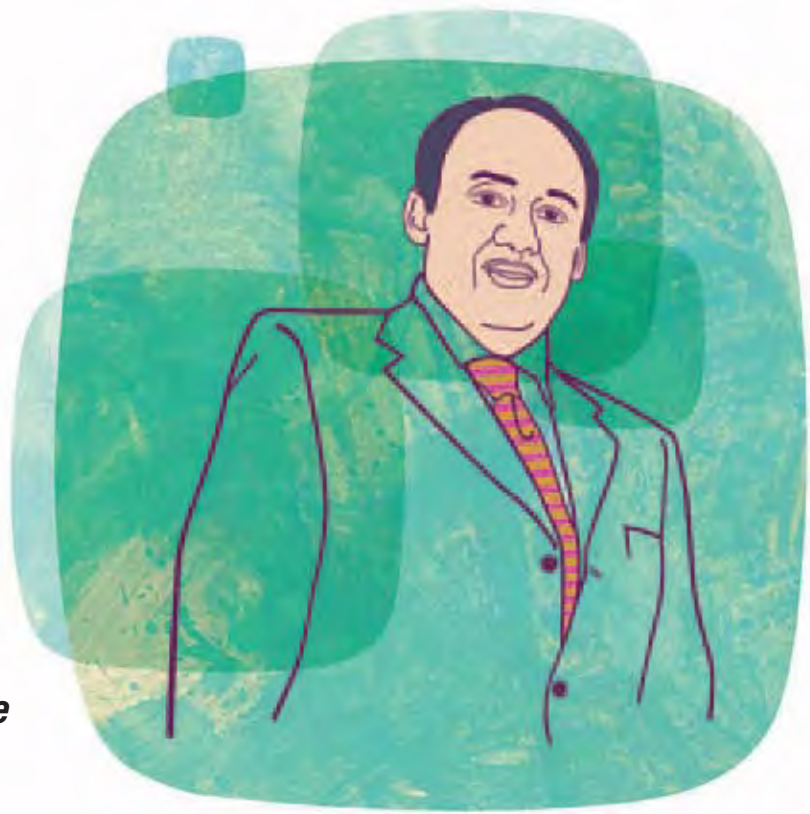
It has not been an easy ride for your Company under the circumstances. Thanks to the strategic brinkmanship of the leaders of the Orbit family we have constantly sought to outstare the spectre of downturn staring at us. With your unwavering faith and unstinted support we are confident of leveling out whatever rough spots have scarred our outer surface.

Trials and tribulations are an integral part of our journey towards a bright future, since we have never shied away from the litmus test. We have always been rewarded with greater resilience and vitality.

For the continuous support and unwavering confidence bestowed on us, we are immensely grateful to all our shareholders, our clients, our financing partners and every single member of Orbit family.

**Mr. Ravi Kiran Aggarwal**

Executive Chairman



## ***MD & CEO's Message***

Evolution of Global unity and solidarity to tackle the ongoing financial crisis was probably one of the most positive outcomes of the last year. Although at a rather slower pace, the reformatory actions seem to be shaping up, both in the global and domestic economy.

Indian economy as a whole faced the turbulence and the advance estimate pegs growth at 6.9% for 2011-12 as against GDP growth of 8.5% in 2010-11. The rising crude prices coupled with falling rupee proved to be the double whammy for the economy which was already under immense pressure. Reforms and growth in infrastructure sector including aviation, mining and telecom came to a halt for want of policy measures. To add to the pains of the industry, which was reeling under the pressure of tight liquidity and margin pressures, the international investors' confidence got shaken up due to uncertainty of reforms and provisions of GAAR.

Regulatory environment in Mumbai Real Estate market remained a major constraint to the delivery of existing projects as well as new launches for over a period of one year. Owing to the longer cycle of delivery and maturity of projects coupled with regulatory deadlock the industry is currently dealing with slow realization from the existing sales, lack of new supply and drying up future inventory given the monetary environment of tight liquidity.

Demand in the areas of our operations remains strong, however, given the macroeconomic conditions the buyers have taken fence and await better environment such as reforms, easing of liquidity and lower interest rates. This led to lower sales during the financial year 2011-12.

DCR change during last quarter of the fiscal came as a much awaited breather for the industry. These are expected to provide an impetus for level playing field by removing ambiguity in the permission and regulatory process. The amended norms, although at a cost, will boost pending redevelopment projects and facilitate further development as they provide for speedy execution.

Your Company has stayed its course in focusing on execution and conservation of resources in a manner that we can capitalize on our existing strengths to its best in better macroeconomic conditions. We are ready for three launches during the year in our niche south Mumbai market in addition to our readiness to launch Mandwa project, which awaits certain regulatory approvals.

We look forward to collectively work towards attaining new heights and continue to build Orbit as a Brand to reckon with Quality and Innovation.

**Mr. Pujit Aggarwal**

Managing Director & CEO

## ***CFO's Message***

Fiscal 2012 was a year to relate with execution wherein 3 of the projects, Orbit Eternia (Lower Parel), Orbit Arya (Napeansea Road) and Orbit WTC (Bandra Kurla Complex) neared their closure and got promoted to different stages of handover. Orbit Residency Park and Orbit Terraces continue to advance as per the execution schedule.

During the year under review, Company registered a consolidated revenue of ₹ 3,909 Mn, which was a decline of 3.3% over previous year. EBITDA Margins reduced to 29.5% as compared to 36.9% on account of increase in input costs. Profit After Tax attributable to the Company for fiscal 2012 stood at ₹ 117 Mn as against ₹ 783 Mn for fiscal 2011, with resultant PAT margins at 3% as compared to 19% over previous year.

The focus on execution over the last year also resulted in overall inventory reducing by more than 6% to ₹ 7,370 Mn as compared to previous year. At the same time, Company continued to build on its future pipeline by further investing in projects, resulting in advances towards property rising by more than 15%. Majority of these investments are in the South Mumbai where Company holds strong presence.

The intensity of global financial stress prevalent since 2008 appears to be marginally reduced as compared to previous years on account of focused liquidity infusions by Central Banks. However, last year also experienced creeping up of new challenges in the form of falling credit ratings, drastic deceleration in movement of goods & services, making businesses worldover more susceptible to growth risk and asset quality risk.

Sticky regulatory scenario in Mumbai real estate market and tight monetary measures made liquidity a big challenge during fiscal 2012. While on one hand, new sales were deeply impacted due to overtly cautious stance of customers, realization also slowed down due to inadequate contractual milestones. This led to an increase in receivables by 20% to ₹ 5,930 Mn.

With the continued focus on debt rationalization, through various measures, Company was able to reduce the outstanding debt by more than 8% to ₹ 9,490 Mn and maintain debt to equity at a comfortable level of 0.9x (0.8x excluding CCDs of ₹ 900 Mn). Our investment partners have been a great source of support to us over the last year as they continue to bestow their trust on the Company and the Management. With this kind of support and trust from our stakeholders, we are confident to come out much stronger and with much more focus out of these challenging times.

### **Mr. Ramashrya Yadav**

Head-Finance & Strategies



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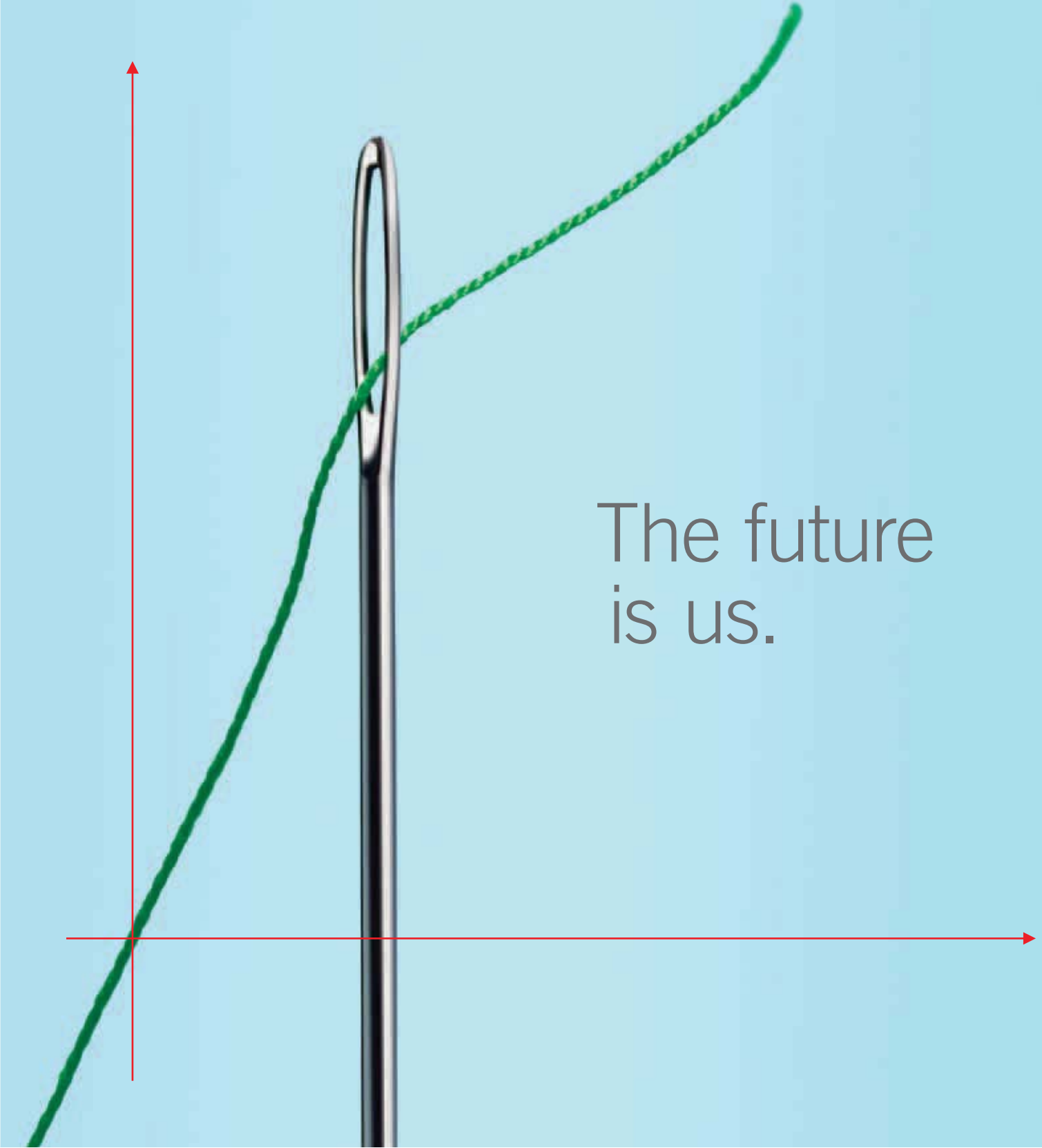
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# Management Discussion & Analysis

## Business Environment

Fiscal 2012 remained a challenging year for the global economy with on-going stress in Europe, high & volatile oil & commodity prices, and volatile capital flows posing significant challenges on policy level. Although, India's GDP growth estimate of 6.9% for fiscal 2012 is lower as compared to previous year, it is still relatively better than global growth (3.5%) and growth of emerging & developing economies (5.7%).

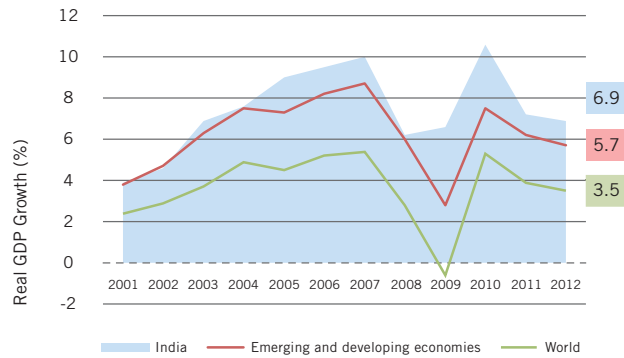
Along with the global challenges, Indian economy faced specific challenges in the form of depreciating rupee, high & volatile inflation, slow reform efforts and slow pace of fiscal consolidation making the need for structural reforms much more imperative for sustenance rather than monetary and fiscal stimulus.

On the inflation front, although it is not yet clear whether underlying inflation is weakening, there has been some deceleration since the end of last year against the 10% inflation figure that had been hovering over the last few years. Headline inflation, which is based on the wholesale prices, slowed to 6.89% in March 2012, lowest level in more than two years. Further moderation in the inflation would only assist the Central Bank (Reserve Bank of India) and policy makers in easing monetary and fiscal policies that is much needed for a fiscal boost to revive growth.

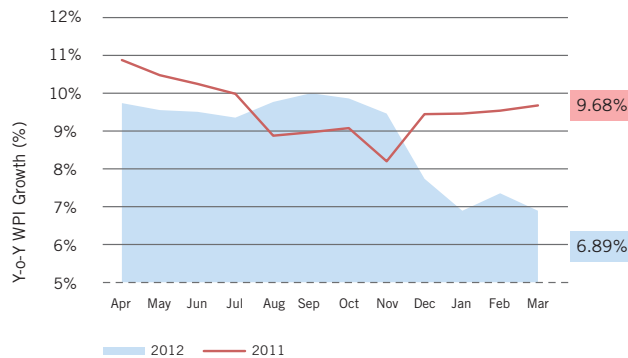
## Real Estate Performance in Mumbai

The pricing trend which looked robust since last few years, moderated during fiscal 2012. The moderation was visible across the locations where the company has presence. However, as per Residential Housing Price Index (NHB Residex), the recovery seems to be back on track with index registering higher positive growth across the segments in the last quarter of fiscal 2012.

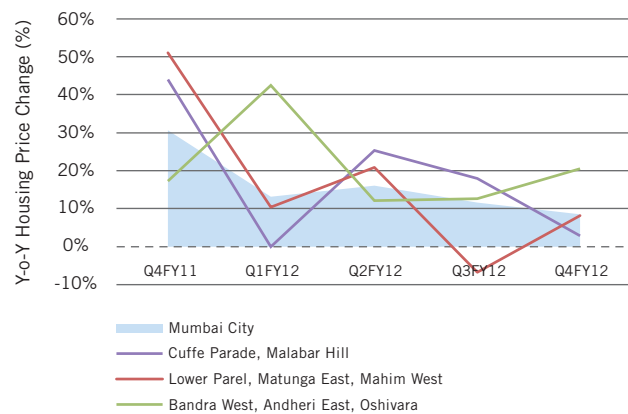
Amendments to the DCR norms during last quarter of fiscal 2012 was another major facilitator for the real estate sector during the previous year. New project launches and speed of execution, which were at a decline for last few quarters due to lack of approvals and clarity on government policy, started to pick up as developers got better clarity on amended development regulations allowing them to align the projects based on amended norms. The increased pace of approvals is also expected to convert the inherent market demand into actual sales over the coming quarters.



Source: International Monetary Fund



Source: Office of Economic Adviser



Source: NHB Residex - Residential Housing Price Index

## Future Outlook

### Economy

On macroeconomic front, the sign in US's growth numbers and Euro Zone's liquidity measures look positive for the global economy. While on domestic front, Inflation still remains the main driver for monetary and fiscal policy measures. With the high volatility and sticky nature of inflation, policy level reforms facilitating growth remains a challenge for the policy makers.

The tight liquidity conditions which was prevalent during most part of fiscal 2012 now looks easing with various monetary measures being taken in the form of policy rate cuts at appropriate intervals. Policy level developments in the areas of infrastructure and energy would be yet another key driver for growth in domestic economy for fiscal 2013.

### Real Estate Sector

The regulatory level clarity on account of overhauled development regulations is expected to expedite the pace of activity in the sector which had been subdued over last few quarters. Although the sector may experience certain margin pressure on account of increased cost, it may get compensated to some extent through enhanced level of approvals and better inventory absorption.

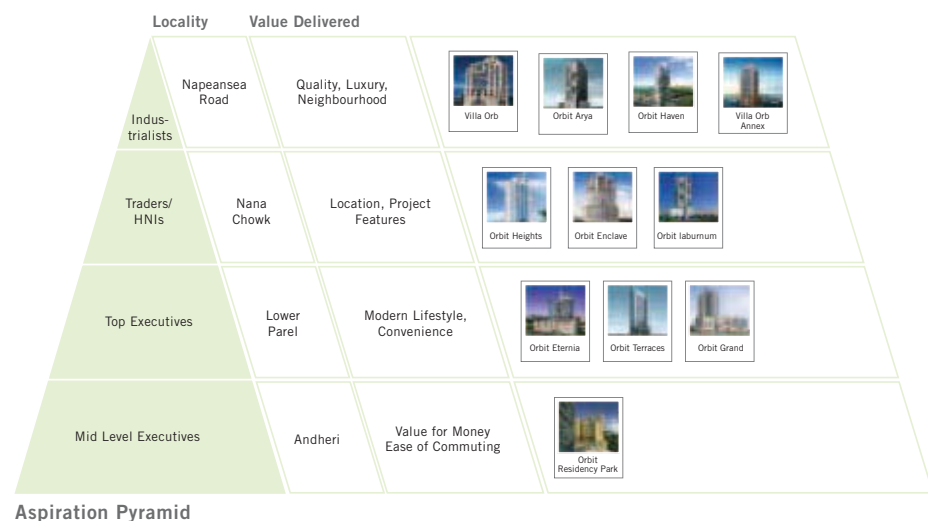
The softening of interest rate on home loan, speedier execution and new launches coupled with moderated real estate prices is expected to trigger the inherent demand in the market.

## Orbit's Business Overview

### "ORBIT" Brand

We are a real estate development company in Mumbai Metropolitan Region (MMR), with significant operations in the Island City of Mumbai. We aim to be providers of premium realty solutions in Mumbai by leveraging the strength of our brand, our project execution skills and maintaining our competitive advantage through location and quality of our projects.

Our customers primarily comprise high net worth individuals and eminent personalities from corporate houses. We will continue exploring alternate delivery models and logical extensions of our customer base as we observe families moving up the aspiration pyramid.



We constantly strive to deliver value to our customers by providing them with innovative and premium housing solutions thereby helping us differentiate our product offerings. Our business model is primarily driven by redevelopment of cessed and dilapidated buildings in island city of Mumbai.

**Key Projects**

Orbit's portfolio, consists of luxury residential apartments being developed in South Mumbai, South Central Mumbai and sub-urban areas

**Projects in South Mumbai**

Orbit commands the highest market share in terms of area under development in premium locations such as Napeansea Road in South Mumbai. Apart from delivery of two award winning projects in this locality, namely Villa Orb and Orbit Arya, Orbit has also executed projects like Shivam and Orbit Heights in this part of the City.

Orbit Haven, another property in the same locality, is in advanced stage of construction. Whereas Orbit Laburnum and Orbit Enclave, which were launched in FY11, are at an initial stage of development. As a part of separate transaction, all the rights in Orbit Ocean Parque were sold off in its entirety without further development of the project.

We have a strong future pipeline of projects in South Mumbai and we will continue evaluating various proposals for redevelopments in these localities and identify opportunities for value creation for our shareholders while delivering exquisite residential solutions to our customers.

**Projects in South Central Mumbai**

We have 3 projects in South Central Mumbai: Orbit Eternia, Orbit Terraces and Orbit Grand. Of these, Orbit Eternia was completed in fiscal 2012.

Orbit Terraces is in advanced stage of construction, whereas work is gradually picking up at Orbit Grand. Launch of Lalbaug development, which was held back last year due to market conditions, is planned to be launched in various phases starting from fiscal 2013.

**Projects in Mumbai Suburbs**

As part of extension of the company's strategy to leverage its brand value in the premium mid-segment residential market, the company initiated projects in the Mumbai suburban areas like Andheri and Santacruz. The development work at Orbit Residency Park in Sakinaka (Andheri), which was launched in FY10 and being executed by our subsidiary Ahinsa Buildtech Pvt. Ltd., is progressing well as planned.

We have also executed two commercial properties, Orbit Plaza and Orbit WTC, as built-to-suit office spaces in the vicinity of Bandra Kurla Complex (BKC).

**Projects in Rest of Mumbai Metropolitan Region**

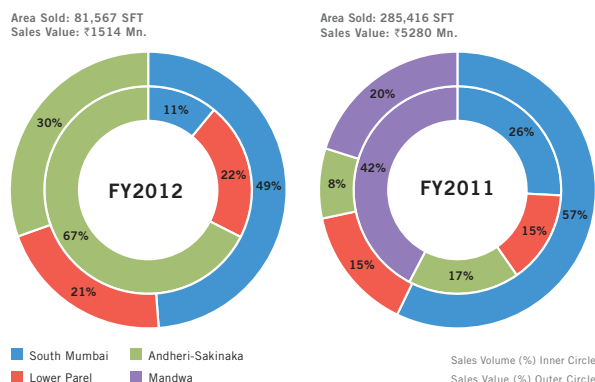
We are also Planning to develop a gated township with high-end amenities and features at Mandwa, Alibaug. The project named Orbit Mandwah, is being executed by our subsidiary Orbit Highcity Pvt. Ltd. The project is an extension of our premium offerings providing luxurious villas to our high-end customers at just 16 minutes away (by sea route) from the Gateway of India.

**Operating Performance**

**Sales (Volume & Value)**

The Company was not unscathed by the slack market conditions experienced during the year. Overall sales registered for FY12 stood at 81,567 sft with sales value of ₹ 1,514 Mn, which was 71% lower both in value as well as volume terms as compared to previous year.

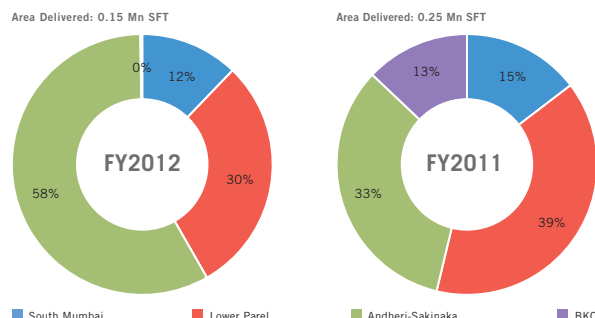
South Mumbai continued to be the biggest contributor (49%) of sales in terms of value, while sales activity picked up substantially in Andheri-Sakinaka contributing more than two-third of total sales volume.



### Execution (Area Delivered)

Almost 0.15 Mn sft of area was delivered during FY12, as against 0.25 Mn sft delivered during FY11, a decline of almost 41%.

The execution pace picked up in Andheri-Sakinaka which constituted around 58% of total area delivered, while it remained almost constant in Lower Parel and South Mumbai.



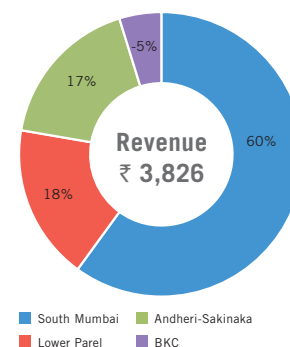
### Financial Highlights

Particulars	UoM	FY12	FY11
Total Income	₹ Mn	3,909	4,045
EBIDTA	₹ Mn	1,152	1,495
EBIDTA Margin	%	29%	37%
Profit Before Tax	₹ Mn	330	1,120
PAT (attributable to OCL)	₹ Mn	117	783
PAT Margin	%	3%	19%

FY12 revenue of ₹ 3,909 Mn remained almost at FY11 level. However, on account of higher input costs and relatively lower sales prices, EBIDTA margin came under pressure and was registered at 29% as against 37% in FY11. PAT margins also reduced substantially to 3% primarily on account of higher finance cost and previous year tax charge of ₹ 97 Mn.

### Project wise break up of Revenue

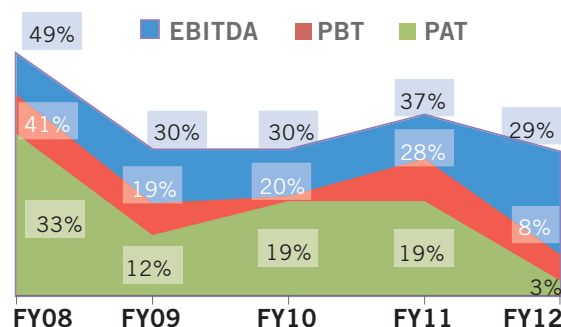
Projects	FY12 (₹ Mn.)
Orbit Ocean Parque	1,150
Orbit Residency Park	741
Villa Orb Annex	681
Orbit Terraces	564
Orbit Haven	480
Orbit Grand	179
Orbit Arya	119
Orbit Enclave	108
Orbit Eternia	6
Orbit WTC	-201
<b>Total</b>	<b>3,826</b>



The Operating Income of ₹ 3,826 Mn. comprised of revenue from ten projects spread across four micro-markets within Mumbai. The above figure is net of ₹ 201 Mn written off on account of modification in contractual terms of Orbit WTC.

### Profitability

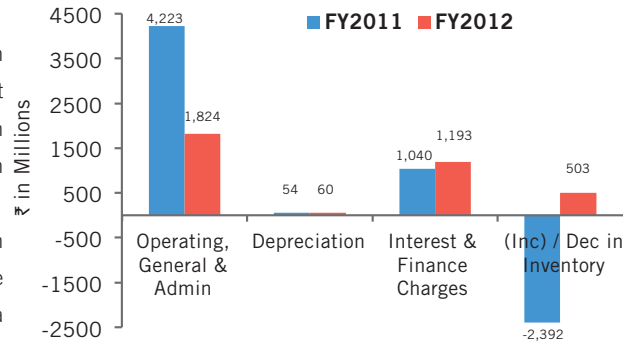
Margin pressures were experienced from all the avenues during FY12 on account of relatively lower sales price, higher input cost, increased financing cost. This was coupled with abnormal events in the form of revenue write offs and previous year tax charges. These were visible in substantially lower EBIDTA margins (29% vis-à-vis 37%) and PAT margins (3% vis-à-vis 19%).



**Expenditure Break Up**

Operating, General & Admin Expenditure was brought down to almost 47% of total income in FY12 which formed almost 104% of total income in FY11. This was made possible through various austerity measures and process efficiencies which were brought into the system.

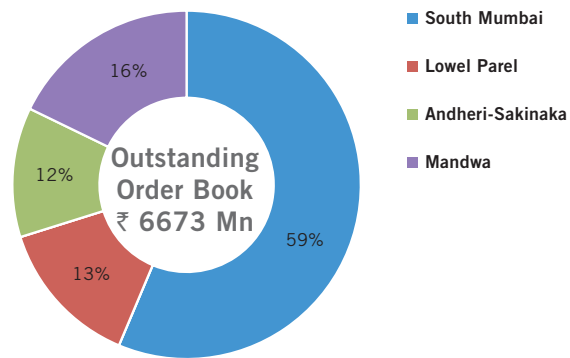
However, Interest & Finance Charges continued to be at high levels. FY12 was also one of the years where relatively more area was executed & delivered as compared to area sold. As a result, year also saw reduction in inventory through charge to profit & loss.



**Outstanding Order Book**

As on 31<sup>st</sup> March 2012, Order book stood at ₹ 6,673 Mn constituting of eight projects.

Future sales from projects like Orbit Enclave, Orbit Terraces, Orbit Residency Park, Orbit Grand are expected to keep the order book healthy. Orbit Mandwah is also expected to be one of the major contributors in coming years.

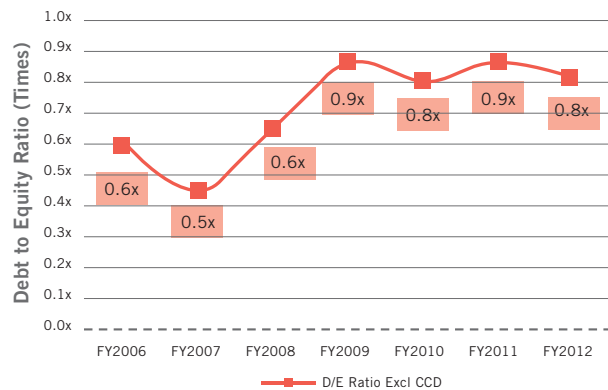


**Sources of Fund**

As of 31<sup>st</sup> March 2012, we had ₹ 6,772 Mn of principal amount of long term secured credit outstanding, consisting of term loans from Banks and Financial Institutions of ₹ 5,272 Mn. Additionally, 1500 MIBOR linked secured non-convertible debentures of ₹ 1 Mn each aggregating to ₹ 1,500 Mn have been subscribed by insurance company.

₹ in Millions

Particulars	Current	Non-Current	Total
Total Borrowings	7,063	2,438	9,501
Long Term Borrowings	5,513	2,438	7,951
Secured	5,490	1,282	6,772
Unsecured	23	1,156	1,179
Short Term Borrowings	1,550	-	1,550



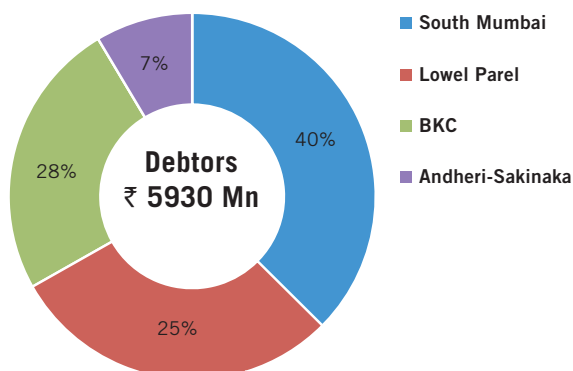
These term loans and overdraft facilities are secured by registered mortgages of certain freehold lands / properties of the Company / Subsidiary Companies and / or against future receivables of the Company / Subsidiary Companies and / or Promoters' personal shares / guarantees.

Debt to Equity ratio stands 0.82x (excluding CCDs worth ₹ 900 Mn) as at 31<sup>st</sup> March 2012.

## Debtors

Total debtors outstanding as on 31<sup>st</sup> March 2012 is ₹ 5,930 Mn. The outstanding is current in nature and is expected to be realized over the next one year.

Some portion of debtors which got delayed for its realization over last year on account of lack of approval would also mature for recovery in FY13. Similarly, certain trigger based recoveries are also expected to be realized, resulting in overall moderation in the amount of outstanding debtors



## Business Strategy

Our business strategy has withstood the financial crisis and we continue to believe that our strategy remains relevant and potent for the growth of the Company. The key components of our strategy are as follows:

### Strategically conceived and positioned projects

Unlike the conventional land-bank approach and fitting a development story around it, we follow a strategy of identifying visible demand-supply gaps and a relevant customer segment. We then conceive our product around the segment's requirements and identify an appropriate land-bank that meets all demands of the conceived product.

As a result of this strategy, we will not be left with a stagnant land bank and we are able to maintain our profitability (a threshold of ~30% operating margins).

### Focus on Financial Strength and Liquidity

We strive to ensure a healthy balance of funding options to ensure optimum leverage of our balance sheet and remain solvent to meet our debt obligations as well as provide value to our investors. Our sound business approach and vision for the company has been the driving force behind the support we have received from lenders as well as equity investors.

### Building Customer Loyalty and hence a strong Brand Image

With our strategic approach, we have been successful in understanding the psyche of our target customer classes and have accordingly developed products at appropriate locations with right demand attributes. We have been able to fulfil all real estate needs of our customers and thereby have widened our scale.

## Risks & Concerns

### Missing out on Mass housing & mid-size housing opportunity

With the economy back on track, mass housing or the mid-size housing requirement is expected to witness good growth over the next two years. The growth in these segments is attributed mainly to lower interest rate on housing loans, increase in disposable income with salaried class, increase in urban middle class population, shift in preference from rented house to owned house, tax incentives, etc.

Most of our projects are targeted at high end or up market buyers and this segment may not witness growth in revenues and profits in line with mass housing market. Further, since we have a focus on select group of buyers, we would lose out on the opportunity presented by the mass housing or the mid size-housing market.

### Execution risks

Our redevelopment business requires, among others, getting consent from at least 70% of the tenants, consensus between various groups of tenants, providing accommodation to the tenants during the interim period of demolition and construction, obtaining consents and rehabilitation.

Delay in any of the aforesaid activities consequently can have adverse financial implications. Any delay in the construction or prolonged construction period will lead to increased cost and the same will affect our profitability.

### Competition

The entry of new and established players with local and national presence can affect our acquisition of potential targets in the existing and new markets.

### Other risks

#### Debtor Recoverable

With growing number of projects under execution and the nature of collection agreements with clients that are of discreet nature, the outstanding amount gives an illusion of high receivables in the form of Debtors.

#### Geographical Concentration

Our strategy of being focused in Mumbai exposes us to concentration risks and significant exposure in case of any adverse changes in demand in the Mumbai region, adverse changes in local development control regulations or local political situation, adverse weather conditions, etc.

#### Regulatory & Policy Changes

Changes in the policies of Government of India, Government of Maharashtra, Municipal Corporations and MMRDA related to environment, FSI and implementation of infrastructure projects and other matters can adversely impact the real estate scenario and hence our business and prospects.

#### Creditworthiness

Sudden deterioration in the creditworthiness of our clients / debtors can adversely affect our collections and impact financial performance. Our profitability may be impaired if credit terms with our vendors change adversely

Depending on the type of risk, the Company is combating each risk by various means like strategic tie-ups in construction, qualitative market research, quicker decision making and strategizing the sales and prices with timelines.

Moreover, the Company has strengthened its processes related to legal due diligence further during the year, so as to reduce the risks of getting into projects with longer gestation period mainly due to legal intricacies.

### Organization

We, at Orbit Corporation Limited aim at making it a better place to work by providing an atmosphere of trusteeship, competition and challenge, thereby providing opportunities for personal and professional growth, through training and ample career enhancement opportunities. We believe in harnessing and honing the individual core competencies thereby aligning them to our business goals. Along with work, we also ensure the work life balance by taking various initiatives in recognising and celebrating various festivals and events bringing out the humane side to the strong professional culture.

We strongly practice the policy of empowering and nurturing the best of the talents. With this philosophy and aim in mind, we have carried forward our training initiatives by increasing our efforts in terms of man-hours as well as training budget.

The details of the same are as given below:-

Training Type	Man-Hour	Cost (₹)
Behavioural / Soft Skill	664	139,500
General Management	128	774,304
Functional / Domain	1,257	154,720
Fitness & Well Being	480	-
<b>Total</b>	<b>2,529</b>	<b>1,068,524</b>



## Awards & Recognitions

The year started with our project Orbit Arya, situated at the Napeansea Road, winning the 'Luxury Project of the Year' (West) award at the Realty Plus Excellence Awards - 2011 organized by Realty Plus. The award is conferred in recognition of contribution made by real estate firms in Western India in terms of quality, product innovation and customer satisfaction.

During the year, Orbit Corporation Ltd. won four awards at the Public Relation Council of India (PRCI) Awards 2011-12 for the outstanding Corporate Communication in the respective categories.

- Golden Award for Single Advertisement
- Golden Award for Annual Report
- Bronze Award for Table Calendar
- Appreciation for Corporate Advertisement - Single



Further, Mr. Pujit Aggarwal, Managing Director & CEO of Orbit Corporation Limited, was conferred with the "Dynamic Vanguard" Award by Star Realty Awards 2012. This prestigious award, which covered parameters such as the brand equity of the companies, rewarded contributions of developers in commercial and residential marvels.

## Segment Reporting

The Company's business activities fall within single segment, viz. real estate and redevelopment and the company predominantly operates in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 Segment Reporting, is not applicable.

## Forward Looking Statements

Certain statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied as these statements may be based on certain assumptions of future events over which the Company exercises no control.

Such risks and uncertainties include, but are not limited to our ability to manage growth, competition, attracting and retaining skilled professionals, time and cost overruns, regulatory approvals, market risks, domestic and international economic conditions, changes in laws governing the company including the tax regimes and exchange control regulations.

Important operations include material availability and prices, cyclical demands and pricing in the Company's principal markets, change in Government regulations, tax regime, economic developments within India as well as across the globe and other incidental factors.

Our revenues and expenses are difficult to predict and can vary significantly from period to period and the share prices can be affected by these variations.

Our projects are subject to risks from natural disasters like earthquakes and floods.

When used in this report, the words 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will' and other similar expressions as they relate to the Company and/or its businesses are intended to identify such forward looking statements.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

## Notice

NOTICE is hereby given that the 12<sup>th</sup> Annual General Meeting of the Members of **ORBIT CORPORATION LIMITED** will be held at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Fort, Mumbai- 400001 on 24<sup>th</sup> September, 2012 at 4.00 p.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date together with Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Raman Maroo who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shahzaad Dalal who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### Special Business:

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

"RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311, 314 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and modifications thereof, Mr. Ravi Kiran Aggarwal be and is hereby re-appointed as Executive Chairman of the Company for a period of three years with effect from 1<sup>st</sup> April, 2012 at a remuneration as under:

1. Remuneration: Monthly remuneration of ₹ 562,500/- (Rupees Five Lacs Sixty Two Thousand Five Hundred Only).
2. Commission: In addition to the above remuneration commission at such rate as deemed fit by the Board, not exceeding 4% of Net Profits of the Company, computed in accordance with section 349 of the Companies Act, 1956 may be paid, to Mr. Ravi Kiran Aggarwal.
3. Perquisites in addition to Salary payable:-
  - a. Mr. Ravi Kiran Aggarwal shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowances in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilizes such as gas, electricity, water, furnishing and repairs, use of car and Telephone at residence, Provident Fund and Superannuation Fund and Gratuity, Medical Allowance, Medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and the concerned Director, such perquisites and allowances to be restricted to an overall limit of 50% of the annual salary payable to him.
  - b. For the purpose of the calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisites shall be calculated at the actual cost to the Company and shall not include the reimbursement of expenses incurred by the company for and on account of official purposes i.e. to enable Mr. Ravi Kiran Aggarwal to discharge his official duties.

However, the overall amount payable to Mr. Ravi Kiran Aggarwal as Managerial Remuneration shall not exceed the maximum permissible, under section 198 and 309, read with schedule XIII of the Act.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the remuneration payable to Mr. Ravi Kiran Aggarwal shall be governed by Part II of Section II of Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactments thereof for the time being in force, as may be approved by the Board from time to time.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company, be and is hereby authorized to sign such documents and papers and file necessary forms with the Ministry of Corporate Affairs, and such other authorities as required to give effect to the above.”

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

“RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311, 314 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and modifications thereof, Mr. Pujit Aggarwal be and is hereby re-appointed as Managing Director & CEO of the Company for a period of three years with effect from 1<sup>st</sup> April, 2012, at a remuneration as under.

1. Remuneration: Monthly remuneration of ₹ 562,500/- (Rupees Five Lacs Sixty Two Thousand Five Hundred Only).
2. Commission: In addition to the above remuneration commission at such rate as deemed fit by the Board, not exceeding 4% of Net Profits of the Company, computed in accordance with section 349 of the Companies Act, 1956 may be paid, to Mr. Pujit Aggarwal.
3. Perquisites in addition to Salary payable:
  - a. Mr. Pujit Aggarwal shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowances in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilizes such as gas, electricity, water, furnishing and repairs, use of car and Telephone at residence, Provident Fund and Superannuation Fund and Gratuity, Medical Allowance, Medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and the concerned Director, such perquisites and allowances to be restricted to an overall limit of 50% of the annual salary payable to him.
  - b. For the purpose of the calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisites shall be calculated at the actual cost to the Company and shall not include the reimbursement of expenses incurred by the company for and on account of official purposes i.e. to enable Mr. Pujit Aggarwal to discharge his official duties.

However, the overall amount payable to Mr. Pujit Aggarwal as Managerial Remuneration shall not exceed the maximum permissible, under section 198 and 309, read with schedule XIII of the Act.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the remuneration payable to Mr. Pujit Aggarwal shall be governed by Part II of Section II of Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactments thereof for the time being in force, as may be approved by the Board from time to time.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company, be and is hereby authorized to sign such documents and papers and file necessary forms with the Ministry of Corporate Affairs, and such other authorities as required to give effect to the above.”

7. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 (“the Act”) and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board

of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Compensation Committee of the Board has constituted to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue, grant or allot up to 1,200,000 (Twelve lakhs) Equity Stock options to the eligible present and future employees and Directors of the Company in one or more tranches through Orbit Employee Stock Option Scheme 2012 (Orbit ESOS 2012), which entitles the option holders to subscribe to 1 (one) equity share of the Company of face value of ₹ 10/- (Rupees Ten) per option granted at grant price on such terms and conditions as may be fixed or determined by the Board.”

“RESOLVED FURTHER THAT the said equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee(s) to enable the employee(s) to acquire, purchase or subscribe to the equity shares of the Company.”

“RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the ESOS and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

8. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 (“the Act”) and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Compensation Committee of the Board has constituted to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of Orbit Employee Stock Option Scheme 2012 (Orbit ESOS 2012) proposed in the Resolution number 7 in this Notice, to employees/Directors of subsidiary Companies, whether Indian or Foreign Subsidiaries, existing and as and when formed, under prevailing laws, rules and regulations and /or amendments thereto from time to time on such terms and conditions as may be fixed or determined by the Board on the basis of Salient Features of ESOS mentioned in aforesaid resolution and its annexure.

“RESOLVED FURTHER THAT the said Equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee(s) to enable the employee(s) to acquire purchase or subscribe to the equity shares of the Company.”

“RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or

revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

For and on behalf of the Board of Directors

Place: Mumbai  
Dated: 24.05.2012

**Puja Mehta**  
Company Secretary

**Registered Office:**  
“The View”, 165,  
Dr. Annie Besant Road,  
Worli, Mumbai – 400 018

## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Registered Office of the Company in writing at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. The Register of Members and Share Transfer Books will remain closed on 14<sup>th</sup> September, 2012 to 24<sup>th</sup> September, 2012 (both days inclusive)
5. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Link Intime (India) Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (West), Mumbai – 400 078 in respect of their physical share folios.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item No. 5**

Mr. Ravi Kiran Aggarwal has been Executive Chairman of the Company since 10<sup>th</sup> April, 2006. The term of office of Mr. Ravi Kiran Aggarwal, as Executive Chairman of the Company has expired on 31<sup>st</sup> March, 2012. The Board of Directors at its meeting held on 24<sup>th</sup> May, 2012 has re-appointed Mr. Ravi Kiran Aggarwal as Executive Chairman of the Company, subject to the approval of members at the ensuing Annual General Meeting, with effect from 1<sup>st</sup> April, 2012 for further period of 3 years.

The present proposal is to seek the members approval for re-appointment of Mr. Ravi Kiran Aggarwal as Executive Chairman of the Company, on the terms and conditions as follows:

1. Remuneration: Monthly remuneration of ₹ 562,500/- (Rupees Five Lacs Sixty Two Thousand Five Hundred Only).
2. Commission: In addition to the above remuneration commission at such rate as deemed fit by the Board, not exceeding 4% of Net Profits of the Company, computed in accordance with Section 349 of the Companies Act, 1956 may be paid, to Mr. Ravi Kiran Aggarwal.
3. Perquisites in addition to Salary payable:
  - a) Mr. Ravi Kiran Aggarwal shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowances in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilizes such as gas, electricity, water, furnishing and repairs, use of car and Telephone at residence, Provident Fund and Superannuation Fund and Gratuity, Medical Allowance, Medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and the concerned Director, such perquisites and allowances to be restricted to an overall limit of 50% of the annual salary payable to him.
  - b) For the purpose of the calculating the above ceiling, perquisites shall be evaluated as per the Income tax Rules wherever applicable. In the absence of any such rule, perquisites shall be calculated at the actual cost of the Company and shall not include the reimbursement of expenses incurred by the company for and on account of official purposes i.e. to enable Mr. Ravi Kiran Aggarwal to discharge his official duties.

However, the overall amount payable to Mr. Ravi Kiran Aggarwal as Managerial Remuneration shall not exceed the maximum permissible, under section 198 and 309, read with schedule XIII of the Act.

In the event of absence or inadequacy of profits in any financial year the remuneration payable to Mr. Ravi Kiran Aggarwal shall be governed by Part II of Section II of Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactments thereof for the time being in force, as may be approved by the Board from time to time.

Mr. Ravi Kiran Aggarwal upon re-appointment, shall continue to hold office of the Executive Chairman of the Company.

A brief Profile of Mr. Ravi Kiran Aggarwal, detailing, nature of his expertise in specific functional areas, name of the companies in which he holds directorship and membership/chairmanship of Board Committees and Shareholding in Orbit Corporation Limited is given under the Notes.

The above statement may be regarded as an abstract of variations in terms of remuneration and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company, except Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal, are in any way concerned or interested in the said resolution.

Your Directors recommend the Special resolution for your approval.

#### **Item No. 6**

Mr. Pujit Aggarwal has been Managing Director & CEO of the Company since 10<sup>th</sup> April, 2006. The term of office of Mr. Pujit Aggarwal, as Managing Director & CEO of the Company has expired on 31<sup>st</sup> March, 2012. The Board of Directors at its meeting held on 24<sup>th</sup> May, 2012 has re-appointed Mr. Pujit Aggarwal as Managing Director & CEO of the Company, subject to the approval of members at the General Meeting, with effect from 1<sup>st</sup> April, 2012 for further period of 3 years.

The present proposal is to seek the members approval for re-appointment of Mr. Pujit Aggarwal as Managing Director & CEO on the terms and conditions as follows:

1. Remuneration: Monthly remuneration of ₹ 562,500/- (Rupees Five Lacs Sixty Two Thousand Five Hundred Only).
2. Commission: In addition to the above remuneration commission at such rate as deemed fit by the Board, not exceeding 4% of Net Profits of the Company, computed in accordance with Section 349 of the Companies Act, 1956 may be paid, to Mr. Pujit Aggarwal.
3. Perquisites in addition to Salary payable:
  - a. Mr. Pujit Aggarwal shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowances in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilizes such as gas, electricity, water, furnishing and repairs, use of car and Telephone at residence, Provident Fund and Superannuation Fund and Gratuity, Medical Allowance, Medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and the concerned Director, such perquisites and allowances to be restricted to an overall limit of 50% of the annual salary payable to him.
  - b. For the purpose of the calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisites shall be calculated at the actual cost of the Company and shall not include the reimbursement of expenses incurred by the company for and on account of official purposes i.e. to enable Mr. Pujit Aggarwal to discharge his official duties.

However, the overall amount payable to Mr. Pujit Aggarwal as Managerial Remuneration shall not exceed the maximum permissible, under section 198 and 309, read with schedule XIII of the Act.

In the event of absence or inadequacy of profits in any financial year the remuneration payable to Mr. Pujit Aggarwal shall be governed by Part II of Section II of Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactments thereof for the time being in force, as may be approved by the Board from time to time.

Mr. Pujit Aggarwal upon re-appointment, shall continue to hold office of the Managing Director & CEO of the Company.

A brief Profile of Mr. Pujit Aggarwal, detailing, nature of his expertise in specific functional areas, name of the companies in which he holds directorship and membership/chairmanship of Board Committees and Shareholding in Orbit Corporation Limited is given under the Notes.

The above statement may be regarded as an abstract of variations in terms of remuneration and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company, except Mr. Pujit Aggarwal and Mr. Ravi Kiran Aggarwal, are in any way concerned or interested in the said resolution.

Your Directors recommend the Special resolution for your approval.

#### Item No. 7

The Board has identified the need to reward Permanent employees/ Directors of the Company. Dedication and Committed contribution of such employees in pursuing growth and financial success is very important. To enhance awareness of creating value for shareholders, attract and retain talent for mutual prosperity, it is proposed to introduce, Orbit Employee Stock Option Scheme 2012 (Orbit ESOS 2012). Company has already implemented ESOS 2009 and has granted 323,000 options till date. Further options will not be granted under Orbit ESOS 2009 after implementation of Orbit ESOS 2012.

The information required as per Clause 6.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI ESOS Guidelines") is given below:-

1. The total number of Options to be granted	Options granted under the scheme shall not exceed 1,200,000 (Twelve lakhs). One option is convertible into one equity share of face value of ₹ 10 each. Suitable adjustment in quantity to be done in case of corporate action like Split, Bonus, Rights, Sale of division, Merger, Demerger etc.
2. Identification of classes of employees entitled to participate in Orbit ESOS 2012	All present & future employees of the Company upto certain level, including Directors (including whole time Directors) of the Company, its subsidiary companies and as may be decided by the Compensation Committee constituted for the purpose.
3. Requirements of vesting, period of vesting and maximum period within which Options shall be vested.	The vesting period shall commence after expiry of One year from the date of grant of Options, and extend up to Five years from date of each grant or such further or other period as the Board / Committee may determine, from time to time. The Options would vest subject to continued employment with the Company. In addition to this, the Board / Committee may specify performance criteria / conditions to be met subject to which Options would vest in the employee. The Options may vest in tranches subject to the terms and conditions stipulated by the Compensation Committee.
4. Exercise price and pricing formula	The exercise price shall be at such discount, if any, to the Market Price at the time of each Grant as may be decided by Compensation Committee. However, the grant price shall not be less than the face value of the share.
5. Exercise period and process of exercise	Subject to the provisions of Orbit ESOS 2012, the Exercise period shall commence from the date of vesting and will, subject to certain circumstances such as termination of employment, death, disability, etc., expire on completion of not less than Three years from the date of vesting as may be specified in each Grant. The Option Holder shall make a written application for the exercise of such Options through an Exercise application. Payment of the aggregate Exercise price for Options vested may be made by cheque or draft at the time of exercise of the Options.



6. The appraisal process for determining the eligibility of employees to Orbit ESOS 2012.	The eligibility of such employees to receive performance-linked grants will be determined in terms of the Orbit ESOS 2012 formulated as aforesaid. In determining the eligibility of such employees, factors like duration of service, overall performance of the employee and positions held by the employee, shall be given due importance.
7. Maximum number of Options to be issued per employee and in aggregate.	The maximum number of options that may be granted under the Orbit ESOS 2012 to an individual Eligible Participant shall not exceed 300,000 options. The limit on the maximum number of options shall also be applicable to Directors, including independent Directors. The number of Options to be issued per employee will be determined by the Compensation Committee.
8. The method the Company shall use to value its options: fair value or Intrinsic value	The Company may use the Intrinsic Value method to value its Options. In this respect, Intrinsic Value means the excess of the Market price of the share under ESOS over the exercise price of the option (including up-front payment, if any).
9. Taxes and duties	In the event of any tax liability of any kind arising on account of the Grant of the Options, Vesting of Options, Exercise of Options, sale of shares or any other event, the liability for such Tax shall be that of the Eligible Participant alone. In the event that any Taxes (including fringe benefits tax, if any, imposed by the Government of India) are required to be paid by the Company, the same shall be recovered from Eligible Participant.

The Company shall confirm to the accounting policies specified in the SEBI ESOP Guidelines.

In case the company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The Board / Committee shall have the absolute authority to vary or modify the terms of ESOS in accordance with the regulations and guidelines prescribed by SEBI or regulations that may be issued by any appropriate authority from time to time, unless such variation, modification or alteration is detrimental to the interest of the Employees.

In the terms of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the shareholders' consent is sought to authorize the Board to issue equity shares in the manner set out in the resolution aforesaid.

The Board recommends the resolution for approval by the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolution except to the extent the Options which may be granted to them.

#### **Item No. 8**

The Company has Four subsidiary Companies as on date. It is also likely that Company may have more subsidiaries in future. As stipulated by SEBI guidelines, a separate resolution is required to be passed if the benefits of ESOS are to be extended to employees/ Directors of subsidiaries.

Thus, a separate resolution has been proposed. The features of scheme mentioned in explanatory notes are same for employees/ Directors of subsidiary Companies.

The Board recommends the resolution for approval by the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolution except to the extent of options which may be granted to them.

BRIEF PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (As required under Clause 49IV(G) of the Listing Agreement entered into with the Stock Exchanges):

Particulars	Mr. Ravi Kiran Aggarwal	Mr. Pujit Aggarwal	Mr. Raman Maroo	Mr. Shahzaad Dalal
Age	64	40	61	54
Date of Appointment	07.03.2000	07.03.2000	21.05.2007	27.01.2010
Qualifications	Graduation from BITS Pilani, Post Graduation from Delhi University	B.Com, OPM (Owner President Program from Harvard Business School USA, AMDP (Advanced Management & Design Program) from The Graduate School of Design- Har Harvard University	Bachelor of Science	Bachelor of Commerce and Masters Degree in Business Administration
Expertise in specific functional areas	Mr. Ravi Kiran Aggarwal is an engineer from BITS Pilani. Subsequently he did his MBA from Delhi University. He promoted a company named Tasty Bite Eatables Ltd. which was subsequently sold to Hindustan Lever Ltd.. He has an extensive experience in construction business and has undertaken development of various properties in Mumbai which includes office complexes as well as residential premises. He oversees the design and project execution functions in India. His extensive experience and expertise coupled with superior management skills has spearheaded Orbit Corporation to heights of success.	Mr. Pujit Aggarwal is the Managing Director & CEO of Orbit Corporation Ltd. He currently manages the day-to day operations of the Company. Armed with an international management education from Harvard Business School, he has about 23 years of experience that has given him an incomparable edge. He has actively represented the forum at various levels viz, before the state government and the World Bank. Through his progressive ideas and strategies, he has contributed to the development of Mumbai into a world class city.	Mr. Raman Maroo is the Managing Director of Shemaroo Entertainment Ltd.. He has been associated with the Shemaroo Group since 1974. He has approximately 38 years of business experience, out of which, he has been associated with the industry for more than 30 years. He has been instrumental in Shemaroo's Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led Shemaroo's growth for many years. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others. He has received the 'Girnar Award' from Bruhad Mumbai Gujarati Samaj for outstanding contribution in the field of Entertainment in November 2000.	Mr. Shahzaad Dalal holds a Bachelors Degree in Commerce (Bombay University) and a Masters Degree in Business Administration from Northeast Louisiana University (U.S.). He has over 25 years of experience in fields of financial markets and investments and is currently the Chairman & Chief Executive of IL&FS Investment Advisors LLC, Mauritius which is a fully owned subsidiary of IL&FS Investment Managers (IIML), one of India's leading private equity fund managers with US \$ 2.5 billion under management. Prior to joining IIML, He served as Chief Executive Officer of Asset Management Business of IL&FS.

Particulars	Mr. Ravi Kiran Aggarwal	Mr. Pujit Aggarwal	Mr. Raman Maroo	Mr. Shahzaad Dalal
* Directorship of other Companies	1. Orbit Raking Solutions Ltd.	1. Shalimar Paints Ltd. 2. Orbit Raking Solutions Ltd.	1. Shemaroo Entertainment Ltd. 2. Talwalkars Better Value Fitness Ltd.	1. IL&FS Investment Managers Ltd. 2. IL&FS Financial Services Ltd. 3. Shoppers Stop Ltd. 4. Datamatics Global Services Ltd. (formerly known as Datamatics Technologies Ltd.) 5. Ibn18 Broadcast Ltd. (formerly known as Global Broadcast News Ltd.) 6. ABG Shipyard Ltd. 7. Indian Green Grid Group Ltd. (formerly known as ETL Infrastructure Services Limited) 8. IL&FS Asian Infrastructure Managers Ltd. 9. Ramky Enviro Engineers Ltd. 10. Sterling Holiday Resorts (India) Ltd.

Particulars	Mr. Ravi Kiran Aggarwal	Mr. Pujit Aggarwal	Mr. Raman Maroo	Mr. Shahzaad Dalal
* Chair- man/ Member of the Com- mittees of the board of the Companies on which he/ she is a Director	-	1. Shalimar Paints Ltd.	-	1. Shoppers' Stop Ltd. 2. Datamatics Global Services Ltd. 3. ABG Shipyard Ltd. 4. Grid Group Ltd. 5. DEN Networks Ltd. 6. IL&FS Financial Services Ltd.
Sharehold- ing in Orbit Corporation Ltd.	22,213,904 shares	23,984,676 shares	2,000 shares	NIL

\*Does not include Alternate directorships, Directorships in Private Ltd. Companies, Foreign Companies and Companies registered under Sec.25 of the Companies Act,1956.

For and on behalf of the Board of Directors

Place: Mumbai

Dated: 24.05.2012

**Puja Mehta**

Company Secretary

**REGISTERED OFFICE:**

"The View", 165,

Dr. Annie Besant Road,

Worli, Mumbai - 400 018.

## Directors' report

Dear Shareholders,

We are privileged to place before you the 12<sup>th</sup> Annual Report of your Company together with the 'Corporate Governance Report', 'Management Discussion and Analysis' and 'Audited Financial Accounts' for the Financial Year (FY) ended 31<sup>st</sup> March, 2012

### 1. Review of operations:-

Your Company's performance during the year as compared with that during the previous year is summarized below.

(₹ in Millions.)

Particulars	Standalone		Consolidated	
	FY 2012	FY 2011	FY 2012	FY 2011
Revenue	3,123	3,613	3,909	4,045
Expenditure	2,974	2,551	3,580	2,925
Profit before tax	149	1,062	329	1,120
Provision for taxation	130	307	192	331
Profit after tax	19	755	137	789
Minority Interest	-	-	20	6
Profit after minority	19	755	117	783
	FY 2012	FY 2011	FY 2012	FY 2011
Share Capital	1,140	1,141	1,140	1,141
Reserves	8,305	8,286	9,350	8,272
Networth	9,444	9,427	10,490	9,413
Share application money pending allotment	-	-	-	235
Minority Interest	-	-	1,309	18
Non-current liabilities	2,266	4,886	3,302	5,421
Current liabilities	9,732	5,272	10,347	8,252
Total Liabilities	11,997	10,158	13,650	13,673
Other Non-current assets	7,923	7,064	8,758	8,191
Current Assets	13,519	12,521	16,691	15,148
Total Assets	21,442	19,585	25,449	23,339

### 2. Business Review:-

During the FY 2011-12, total revenue of the Company amounted to ₹ 3,123 Mn as against previous year's revenue of ₹ 3,613 Mn on a standalone basis. Your Company has registered a Profit before tax of ₹ 149 Mn as against ₹ 1,062 Mn during the previous year on a standalone basis.

### 3. Awards and Recognitions:-

Your Company being featured in India's Realty Estate Bible "Lords of the Land".at Star Realty Awards, 2012. This award is recognition towards contribution in the brand equity of the Companies in terms of brand awareness, recall, preferences, reliability, perceived quality.

Shri Pujit Aggarwal, Managing Director & CEO was conferred with the “Dynamic Vanguard” Award by Star Realty.

With the accumulation to the above recognition, your company won another four awards at the Public Relation Council of India Awards 2011-2012 for outstanding Corporate Communication in the below listed categories :-

- A. Golden Award for Single Advertisement
- B. Golden Award for Annual Report
- C. Bronze Award for Table Calendar
- D. Appreciation for Corporate Advertisement - Single

These awards are recognition of our work on the global platform.

#### 4. Report on Corporate Governance

The Corporate Governance Report is attached herewith as Annexure I and forms part of this report.

The Certificate from Practicing Company Secretaries on Compliance with Corporate Governance requirements by the Company is attached to the report on Corporate Governance.

#### 5. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of this report.

#### 6. Particulars of Employees

The statement of employees in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is as follows:

Name	Qualification	Age	Date of Joining	Experience	Gross Remuneration p.a. (in ₹)	Previous Employment/ and Designation
1. Mr. Ravi Kiran Aggarwal	Graduation from BITS Pilani, Post Graduation from Delhi University	64	07.03.2000 (Since Incorporation)	45 years	6,750,000	Director of the Company
2. Mr. Pujit Aggarwal	B.Com, OPM (Owner President Program from Harvard Business School USA, AMDP (Advanced Management & Design Program) from The Graduate School of Design- Harvard University	40	07.03.2000 (Since Incorporation)	23 years	6,750,000	Director of the Company

## 7. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The relevant data pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is attached as hereunder:

Your Company consumes power to the extent required in its construction processes besides the utilization of power in administrative functions. Your Company is committed to the cause of energy conservation.

### Conservation of Energy:

Energy conservation measures taken	N.A.
Additional investment and proposals, if any, being implemented for reduction of consumption	N.A.
Impact of the measure at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods	N.A.
Total energy consumption and energy consumption per unit of production are as under:	N.A.

		Year Ended 31.03.2012	Year Ended 31.03.2011
<b>A. Power and Fuel Consumption</b>			
1. Electricity			
a) Purchase			
Unit		1,605,399	1,356,034
Total Amount	(₹)	19,303,559	16,218,213
Rate/ Unit	(₹)	12	12
b) Own generation (Through D.G. Set)			
Unit			
Diesel Oil Consumed	(Ltr.)		
Total Amount	(₹)	N.A.	N.A.
Avg. Per Ltr.	(₹)		
2. Furnace Oil			
Quantity	(Ltr.)		
Total Amount	(₹)	N.A.	N.A.
Avg. Per Ltr.	(₹)		
<b>B. Consumption Per Mtr. of Production</b>			
Production	(Mtrs.)	N.A.	N.A.
Electricity	(₹)		
Diesel Oil	(₹)		
Furnace Oil	(₹)		

### Technology Absorption:

The Company does not need any technology for its existing business. The Company has not undertaken any Research & Development Activity during the financial year under review.

### Foreign Exchange Earnings and Outgo:

Foreign Exchange Outgo: ₹ 3.77 Mn

Foreign Exchange Earned: Nil

## 8. Directors

Mr. Raman Maroo, Director retires by rotation and being eligible; seeks re-appointment at the ensuing Annual General Meeting. In view of the interest of the Company, your Board recommends his appointment.

Mr. Shahzaad Dalal, Director retires by rotation and being eligible; seeks re-appointment at the ensuing Annual General Meeting. In view of the interest of the Company, your Board recommends his appointment.

Brief resumes of Mr. Raman Maroo and Mr. Shahzaad Dalal are furnished in the notes below the notice of ensuing Annual General Meeting of the Company.

## 9. Directors' Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have 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 as at 31<sup>st</sup> March, 2012 and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts for the year ended 31<sup>st</sup> March, 2012 have been prepared on a going concern basis.

## 10. Statutory Auditors

M/s. Sharp & Tannan, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint the Statutory Auditors for the current year and to authorize the Board to fix their remuneration.

## 11. Internal Auditors' Report :-

Internal Audit report was issued by M/s. Aneja & Associates for the financial year 2011-2012.

## 12. Appointment of Cost Audit:-

M/s. S.K. Agarwal & Associates, Cost Accountants were appointed as Cost Auditor of the Company on 9<sup>th</sup> February, 2012. He certified Cost Audit Compliance report for the financial year ended 31<sup>st</sup> March, 2012.

## 13. Reconstitution of Committees

### A. Audit Committee

The Audit Committee was reconstituted in the Board Meeting held on 28<sup>th</sup> February, 2012 and its membership as on 31<sup>st</sup> March, 2012 stands as Mr. Raman Maroo, Mr. Ravi Kiran Aggarwal, Mr. Kuldip Bhargava, Mr. Shahzaad Dalal and Mr. Satish Chandra Gupta.



## B. Remuneration Committee

The Remuneration Committee was reconstituted in the Board Meeting held on 28<sup>th</sup> February, 2012 and its membership as on 31<sup>st</sup> March, 2012 stands as Mr. Kuldip Bhargava, Mr. Prithvi Raj Jindal, Mr. Shahzaad Dalal and Mr. Satish Chandra Gupta.

## 14. Managements Reply as to Auditors' Qualification

The Company has made an appeal under Section 246 of "The Income Tax Act, 1961" to the CIT-Appeals.

## 15. Deposits

Your Company has not accepted any deposits in terms of the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 as amended, during the year under review.

## 16. Employees Stock Option Scheme (ESOS) - 2009

During the year, options were re-priced at ₹ 46.71/- as per resolution passed in the previous AGM. Fresh options were not granted during the year and no options were exercised during the year.

Details as required to be disclosed by Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are as hereunder:

Options granted on 27 <sup>th</sup> Jan 2010, 161,500 and on 30 <sup>th</sup> June 2010, 161,500 as bonus	323,000
Pricing Formula- For options vested on 27 <sup>th</sup> Jan 2011	30% discount to average price of Equity shares calculated as weekly high and low of the closing prices during 2 weeks prior to the date of vesting
For options vested on 27 <sup>th</sup> Jan 2012 and thereafter	₹ 46.71
Options vested net of lapse	202,550 (90,330 + 111,350)
Options exercised	0
Total number of shares arising as a result of exercise of options	0
Options lapsed (as at 31 <sup>st</sup> March, 2012)	22,190 (available for reissue)
Variation of terms during the year ended 31 <sup>st</sup> March 2012	Pricing modified on 9 <sup>th</sup> August, 2011 to ₹46.71 per option
Money realized by exercise of options	0
Total number of options in force (as at 31 <sup>st</sup> March 2012)	300,810
Employee wise details of options granted during the year	Nil
Employees to whom more than 5% options granted during the year	Nil
Employees to whom options more than 1% of issued capital granted during the year	Nil
Diluted EPS pursuant to issue of shares on exercise of options	₹ 0.17
Method of calculation of employee compensation cost	Calculation is based on intrinsic value method- Intrinsic value per share is ₹20.54 per share for Options vested
Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by ₹15,71,584/- had the Company used fair value method for accounting the options issued under ESOS
Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by ₹ 1,571,584/- and EPS would have been lower by ₹0.01, had the Company used fair value method of accounting the Options issued under ESOS
Weighted average exercise price	₹ 46.71
Weighted average fair value of options based on Black Scholes methodology	For Vest 1- ₹27.57, Vest 2- ₹10.42, Vest 3 - ₹ 13.81

Significant assumptions used to estimate fair value of options including weighted Average	
Risk free interest rate	For Vest 1- 7% and for Vest 2 and 3, 8%
Expected life	Average life taken as 1 year from date of Grant (Vest)
Expected volatility	57%
Expected dividends	Not separately included, factored in volatility working
Closing market price of share on a date prior to date of Grant (Vest)	For Vest 1, ₹ 67.25 and for Vest 2 and 3, ₹ 36.60

90,330 options have vested on 27<sup>th</sup> Jan 2012 and balance 111,350 options will vest on 27<sup>th</sup> Jan 2013.

The pricing of options granted is based on 30% discount of average price of equity shares computed as the average of weekly high and low of the closing prices of the shares for 2 weeks ending on the date of vest. Bonus options do not have any exercise price.

#### **Re-pricing of ESOPs' on AGM**

The AGM held on 9<sup>th</sup> August, 2011 approved the re-pricing of the Options in such a way that the reference of Vesting Date is not required. The revised price is a fixed price of ₹46.71 per option/share for all the Options granted but not vested as on 9<sup>th</sup> August, 2011.

The vesting schedule after 9<sup>th</sup> August, 2011 is 90330 options on 27<sup>th</sup> January 2012 and 111,350 options on 27<sup>th</sup> January 2013.

The closing market price on 8<sup>th</sup> August, 2011 (being previous date to the re-pricing) was ₹ 36.60 per share on NSE (volume of trade 814,885 shares) and ₹ 37.05 per share on BSE (volume of trade 391,656 shares). The NSE closing price has been taken as a base for working out intrinsic value

## 17. Consolidated Accounts

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8<sup>th</sup> February, 2011 and 21<sup>st</sup> February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated therein. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

In accordance with the requirements of Accounting Standard (AS) 21 prescribed by the Institute of Chartered Accountants of India and new Schedule VI of the Companies Act, 1956; the Consolidated Accounts of the Company is annexed to the Annual Report.

## 18. Subsidiary Companies

A statement pursuant to Section 212 of the Companies Act, 1956, setting out the particulars of subsidiary companies namely, Orbit Highcity Private Limited, Orbit Residency Private Limited, Ahinsa Buildtech Private Limited and Orbit Habitat Private Limited is attached herewith and forms part of this report.

#### **Orbit Highcity Private Limited (OHCPL)**

Orbit Highcity Private Limited, a subsidiary of your Company was incorporated on 19<sup>th</sup> December, 2007 with the objective of developing large sized projects like gated townships in the Mumbai Metropolitan region. OHCPL is in the process of developing a project called "Orbit Mandwah" situated at Mandwa, Alibaug, which is planned as a proposed gated township with high end amenities and features. The Company has entered into Investment Agreement on 27<sup>th</sup> January, 2010 with IL&FS Trust Company Limited, IIRF India Realty X Limited, Moltana Holdings Limited, Rodere Holdings Limited and Orbit Corporation Limited to raise funds for the development of project on the property situated at Mandwa, District Alibaug, Maharashtra. As on 31<sup>st</sup> March, 2012 your Company holds 52.57% in OHCPL.

**Orbit Residency Private Limited (ORPL)**

Orbit Residency Private Limited, a wholly owned subsidiary of your Company, was incorporated with the prime objective to acquire and develop projects of up to 1000 sq. mts. or yielding a saleable area of less than 35000 sq. ft.

**Ahinsa Buildtech Private Limited (ABPL)**

Ahinsa Buildtech Private Limited, subsidiary of your Company, has acquired the property called Orkay Mills situated at Kurla Andheri Road, Saki Naka, Andheri East and is developing a residential project called "Orbit Residency Park".

**Orbit Habitat Private Limited (OHPL)**

Orbit Habitat Private Limited is a wholly owned subsidiary of Orbit Corporation Limited. This subsidiary will undertake development of a residential project in Napeansea Road to begin with.

## 19.Acknowledgements

Your Directors take this opportunity to thank Maharashtra Industrial Development Corporation, State & Central Government for their support and guidance. Your Directors also thank Ministry of Corporate Affairs, Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Reserve Bank of India, the Securities and Exchange Board of India, Financial Institutions & Banks, Stakeholders, Suppliers, Contractors, Vendors, business associates and other Government Agencies for their continuous support and look forward to their support. Also, your Directors convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution to the growth of the Company.

For and on behalf of the Board of Directors

Place: Mumbai

Dated: 24<sup>th</sup> May, 2012

**Ravi Kiran Aggarwal**

Chairman & Executive Director

**Pujit Aggarwal**

Managing Director & CEO

# ANNEXURE - I

## Corporate Governance Report

### 1. Corporate Governance Philosophy at Orbit Corporation Limited:

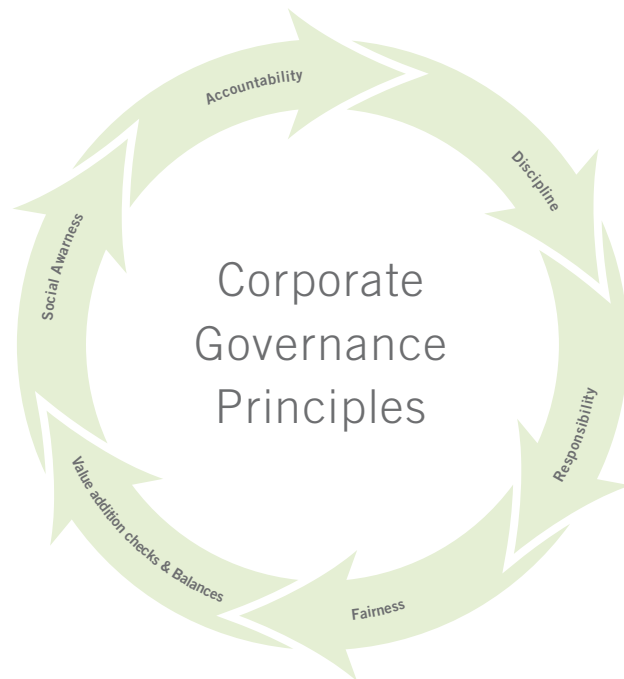
**Transparency, accountability and highest standards of Code of Conduct are the basic tenets of Corporate Governance**

Corporate Governance is the system by which business organisations are directed and controlled. The Corporate Governance structure specifies the distribution of rights and responsibilities among different participants in the organisations, such as the Board, managers, shareholders and other stakeholders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the Company objectives are set, and the means of attaining those objectives and monitoring performance.

Companies that take a strategic approach to the challenge of complying with tough new corporate governance requirements can create opportunities to strengthen their internal process and enhance their business.

“The Push today is towards putting into place a combination of internal controls, explicit business processes, and systems for Corporate Governance that can also build business value”

Your Company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure of all material matters, including financial position, performance, ownership, and governance. Your Company’s policies and practices relating to Corporate Governance are discussed in the following sections:



**Generative Transparency and Openness in Information sharing**

Orbit Corporation Limited believes that all relevant information on the Company’s policies and actions generate an ambience which helps all the stakeholders to take informed decisions about the Company. This reflects maximum appropriate disclosures without jeopardising the Company’s strategic interests and also internally in the Company’s relationship with its employees and its business conduct.

The Company announces its financial results each quarter, usually within a month of the end of the quarter. Apart from disclosing these in a timely manner to the Stock Exchanges, the Company also hosts the results on its website together with detailed information update and media release discussing the results. The financial results are published in leading newspapers. Orbit Corporation Limited participates in analyst and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get frequent access to the company’s senior management. Presentations made by the Company at investor conferences are also uploaded on the websites of the Stock Exchanges on which the Company is listed. Through these the Company shares its broad strategy and business outlook. The Company also follows a practice of making public information on significant developments through immediate disclosure to the Bombay Stock Exchange Limited and National Stock Exchange of India Ltd.

### **Constructive Separation of Ownership and Management:**

Orbit Corporation Limited believes that constructive separation of the Management of the Company from its owners results in maximising the effectiveness of both, by sharpening their respective accountability. The Committees of the Board are chaired by Independent Directors.

No related party transactions exist except for those with subsidiaries, group companies and for remuneration to Chairman & Executive Director and Managing Director & CEO. These can be referred in the Notes to Accounts annexed to the financial statements for the year ended March 31, 2012. As and when required, senior management personnel are present at Board / Committee meetings so that the Board/ Committees can seek and get explanations as required from them.

### **Code of Conduct**

All Directors and employees are required to comply with Orbit Corporation Limited's Insider Trading Policy for trading in Company's securities in consonance with applicable SEBI regulations.

No Relationship with Company's Statutory and Internal Auditors

## 2. Board of Directors:

### **Board Structure**

#### **(i) Board Members**

The members of the Board of Directors of your Company possess the required expertise, skill, and experience to effectively manage and direct the Company in order to attain its organisational goals. The Directors are visionaries, leaders and persons with strategic bent of mind, proven competence and integrity.



The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction, performance of the Company and has been vested with the requisite powers, authorities and duties.

The Director of the Company are appointed by shareholders at the General Meetings. All the Non-Executive Directors except for the Chairman & Executive Director and Managing Director & CEO are subject to retirement by rotation in accordance with the Article of Association. The Executive Directors serve in accordance with the terms of their contracts of services entered into with the Company.

### **Board Business**

The business of the Board includes:

- Strategies for shaping of portfolio and direction of the Company and corporate resource allocation;
- Corporate Annual Plan and operating framework;
- Quarterly Business Performance Reports;
- Board remuneration policy and individual remuneration packages of Directors; Agenda for shareholders meet;
- Declaration / recommendation of dividend;
- Review of functioning of the Board, its Committees and Subsidiary Companies;

- Annual review of accounts for adoption by shareholders;
- Quarterly and Annual results announcements;
- Strategic decisions like merger, acquisition, joint venture or disposals, if any;
- Risk evaluation and control;
- Compliance with all relevant legislations and regulations.

**(ii) Composition, Meeting & Attendance of the Board:-**

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors. The Board has 8 Directors out of which 5 are Independent Directors. The Chairman of the Board of Directors of your Company is an Executive Director.

During the year 2011-12, the Board of Directors of your Company met 5 times on 24<sup>th</sup> May, 2011, 9<sup>th</sup> August, 2011, 7<sup>th</sup> November, 2011, 9<sup>th</sup> February, 2012 and 28<sup>th</sup> February, 2012. The Last Annual General Meeting was held on 9<sup>th</sup> August, 2011.

Name of the Director	Category	@No. of Directorships in other companies	No. of membership/ Chairman & Executive Directorship in Committee of other Companies #		No. of Board Meetings attended	Whether Attended last AGM
			Member-ship	Chairman/ & Executive Directorship		
Mr. Ravi Kiran Aggarwal	Chairman & Executive Director	-	-	-	5	Yes
Mr. Pujit Aggarwal	Managing Director & CEO	1	-	-	5	Yes
*Mr. Prithvi Raj Jindal	Independent Director	14	-	2	-	No
Mr. Kuldeep Bhargava	Independent Director	2	-	2	2	No
Mr. Shailesh S. Vaidya	Non-Independent Director	10	-	-	5	Yes
**Mr. Hafeez Contractor	Non-Independent Director	-	-	-	-	No
Mr. Raman Maroo	Independent Director	3	-	-	5	Yes
Mr. Shahzaad Dalal	Independent Director	11	4	1	4	Yes
Mr. S. C. Gupta	Independent Director	10	-	-	1	No

Note:

1. There is no inter-se relationship among the Directors of your Company except Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal.
2. \*Leave of Absence granted.
3. \*\*Mr. Hafeez Contractor resigned from the post of Directorship w.e.f. 7<sup>th</sup> November, 2011.
4. @Does not include Alternate Directorships, Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.
5. #Memberships of Audit Committee and Shareholders' & Investors' Grievances Committee have been considered.

**(iii) Procedure of Board Meeting**

The Board Meetings of the Company as well as of its subsidiaries are scheduled in advance and the notice of each such Board Meeting is given in writing to all the Directors. Detailed agenda together with the relevant annexures is also sent to the Directors in advance.

The Head- Finance & Strategies gives the key information on business operations & performance to the Directors at the Board Meeting. However, in special and exceptional circumstances, additional or supplementary items on the agenda are allowed to

be considered with the permission of Chair. All the departments in the Company communicate with the Company Secretary in advance with regard to the matters requiring the approval of the Board to enable inclusion of the same in the agenda for the Board Meetings. The Members of the Board are also free to recommend inclusion of any matters in the agenda for discussion. All material information is incorporated in the agenda to facilitate meaningful and focused discussions at the meetings. The Board has unfettered and complete access to the information from the employees of the Company. The Management lays before the Board the Follow-up Action Report incorporating the suggestions made by the Directors & Statutory Auditors.

#### **Resolution passed by Circulation :-**

Circular resolution regarding modification of Indenture of mortgage passed on 14<sup>th</sup> July, 2011 was noted in the Board Meeting held on 9<sup>th</sup> August, 2011.

#### **(iv) Membership Term and Retirement Policy:-**

According to the Articles of Association of your Company, no qualification shares are required to be obtained for Directorship eligibility. Also one-third of such no. of Directors are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office at every Annual General Meeting.

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Director on the same day those who are to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-appointment.

### **3. Board committees**

In Compliance with both the mandatory and non-mandatory requirements under Listing Agreement, and the applicable laws, the Board of Directors of your Company constitute the following Committees:-

#### **A. Audit Committee:**

The Audit Committee of the Board is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

##### **I) Composition, Meeting & Attendance**

During the year, 4 (Four) Audit Committee Meetings were held on the following dates: 24<sup>th</sup> May, 2011; 9<sup>th</sup> August, 2011; 7<sup>th</sup> November, 2011 and 9<sup>th</sup> February, 2012.

Name of the Director	Status	Category	No of Meetings	
			Held	Attended
Mr. Raman Maroo	Chairman	Independent	4	4
Mr. Ravi Kiran Aggarwal	Member	Executive	4	4
Mr. Kuldip Bhargava	Member	Independent	4	2
Mr. Shahzaad Dalal	Member	Independent	4	4

Reconstitution of Audit Committee:- Board of Directors in its meeting held on 28<sup>th</sup> February, 2012 reconstituted the Audit Committee to provide better corporate governance and transparency by inducting Mr. Satish Chandra Gupta as a member. In additions to the members of the Audit Committee, Head-Finance & Strategies, the representatives of the Statutory Auditors and Company Secretary attends the meeting of the Audit Committee for providing inputs to the Audit Committee members.

##### **(II) Brief description of the terms of reference:**

The terms of reference of the Audit Committee are in conformity with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges; which inter alia include the following:-

**The Audit Committee inter alia, shall have following powers:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee, as and when required.
3. To obtain outside legal or other professional advice as and when required.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**The role of the Audit Committee inter alia includes the following:-**

1. To oversee the company's financial reporting process and the disclosure of its financial information so as to ensure that the financial statements are correct, sufficient and credible.
2. To make recommendations to the Board for appointment, re-appointment, replacement or removal of the Statutory Auditors if required and fixation of the audit fees.
3. To approve payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. To review with the management, the annual financial statements before submission to the Board for approval, with particular references to -
  - a. Matters to be included in the Board's report as a part of the Director's Responsibility Statement, which are in line with clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices stating reasons for the same.
  - c. Major accounting entries involving estimates based on the judgment of the management, if required.
  - d. Significant adjustments made in the financial statements arising out of audit findings, if any.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report
5. To review with the management, the quarterly financial statements before submission to the Board for approval.
6. To review with the management, performance of Statutory and Internal auditors and adequacy of the internal control systems.
7. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
8. To discuss with the Internal Auditors, any significant findings and follow-up thereon.
9. To review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. To discuss with the Statutory Auditors, the nature and scope of audit followed by a post-audit discussion so as to ascertain any area of concern
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.
12. To review the functioning of the Whistle Blower mechanism
13. To carry out any other function as is mentioned in the terms of reference of the Audit Committee

**Audit Committee shall mandatory review the following:**

- Financial statements and draft Audit report including quarterly/ half-yearly financial information.
- Management Discussion and Analysis of financial condition and results of operation.
- Statement of significant related party transactions (as defined by Audit Committee)
- Management Letters/ letters of internal control and weaknesses, if any, issued by Statutory Auditors.
- Internal Audit Reports relating to Internal Control Weaknesses, if any.
- Appointment, Removal and Terms of Remuneration of Chief Internal Auditor, if any, issued subject to review by Audit Committee.
- Reports relating to compliance with laws and risk management.

**B. Shareholders'/ Investors' Grievances Committee:**

**I) Composition, Meeting & Attendance**

During the year, four Meetings were held on the following dates: 24<sup>th</sup> May, 2011, 9<sup>th</sup> August, 2011, 7<sup>th</sup> November, 2011 and 9<sup>th</sup> February, 2012.



Name of the Director	Status	Category	No of Meetings	
			Held	Attended
Mr. Raman Maroo	Chairman	Independent	4	4
Mr. Ravi Kiran Aggarwal	Member	Executive	4	4
Mr. Pujit Aggarwal	Member	Executive	4	4
Mr Shahzaad Dalal	Member	Independent	4	4

**II) Brief description of Terms of reference:**

- To look into redressal of issues related to transfer and transmission of shares, split, consolidation of shares as requested by the members.
- To address redressal of all investor complaints related to Annual Reports, Dividend, Conversion of Warrants into Shares, Issue of Bonus Shares.
- To oversee the performance of Registrars & Transfer Agents, implementation of Company's stated Code of Conduct and SEBI (Substantial Acquisition of Shares and Takeovers), 1996.
- To look into requests for the dematerialization and re-materialization of shares.
- To issue Duplicate Share Certificates in lieu of the Original Share Certificates.

**The details of investor grievances received from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012 are as follows:**

The Shareholders'/ Investors' Grievances are periodically reviewed by the Company. There were no pending shareholders complaints as on 31<sup>st</sup> March, 2012. The details of investor grievances received from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012 are as follows:-

Balance as on April 1, 2011	Received during the year	Resolved during the year	Balance as on March 31, 2012	Avg. No of days in which resolved
NIL	28	28	NIL	10 to 15 days

**C. Remuneration Committee**

**I) Composition, Meeting & Attendance**

During the year, one Remuneration Committee meeting was held on 24<sup>th</sup> May, 2011. The composition of the Remuneration Committee is given below:

Name of the Director	Status	Category	No of Meetings	
			Held	Attended
Mr. Shahzaad Dalal	Chairman	Independent	1	1
Mr. Kuldip Bhargava	Member	Independent	1	1
Mr.Prithvi Raj Jindal	Member	Independent	1	0

Board of Directors in its meeting held on 28<sup>th</sup> February, 2012 reconstituted the Remuneration Committee to provide better corporate governance and transparency by inducting Mr. Satish Chandra Gupta as a member.

**II) Brief description of the Terms of reference:**

The broad terms of reference of the Remuneration Committee include the following:

- To determine on behalf of the Board, the Company's Policy on remuneration package for Executive Directors based on their performance & defined assessment criteria
- To decide any other related matters.

**III) Management Staff:**

Particulars	OCL	OCL + Subsidiaries + Outsourced
Opening Headcount as on 1 <sup>st</sup> April, 2011	154	360
New Recruits in FY'12	6	48
Employee Relieved in FY'12	41	95
Closing Headcount as on 31 <sup>st</sup> March, 2012	119	313

The remuneration of employees largely consists of basic remuneration and perquisites. The components of total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employees, responsibilities handled by him/ her and their individual performance, etc.

During the financial year ended 31<sup>st</sup> March, 2012; the Company distributed Employee Stock Options (ESOP's) as a part of perquisite to the employees at all levels of the organisation for better retention & ownership effect.

**IV) Details of Remuneration / Sitting fees paid to all the Directors of the Company during the financial year ended 31<sup>st</sup> March 2012 is given below:-**

Name	Salary (₹)	Comm- ission (₹)	Sitting Fees (₹)	Total (₹)	Service Contract / Notice Period / Severance Fees	Shares	ESOPs
Mr. Ravi Kiran Aggarwal	6,750,000	Nil	Nil	6,750,000	3 years contract Notice period of 6 months	22,213,904	Nil
Mr. Pujit Aggarwal	6,750,000	Nil	Nil	6,750,000	3 years contract Notice period of 6 months	23,984,676	Nil
Mr. Prithvi Raj Jindal	Nil	Nil	Nil	Nil	Retirement by rotation	Nil	Nil
Mr. Kuldip Bhargava	Nil	Nil	120,000	120,000	Retirement by rotation	20,000	Nil
Mr. Shailesh Vaidya	Nil	Nil	100,000	100,000	Retirement by rotation	20,000	Nil
*Mr. Hafeez Contractor	Nil	Nil	Nil	Nil	Retirement by rotation	20,000	Nil
Mr. Raman Maroo	Nil	Nil	280,000	280,000	Retirement by rotation	2,000	Nil
Mr. Shahzaad Dalal	Nil	Nil	280,000	280,000	Retirement by rotation	Nil	Nil
Mr. Satish Chandra Gupta	Nil	Nil	20,000	20,000	Retirement by rotation	Nil	Nil

\*Mr. Hafeez Contractor resigned from the post of Directorship w.e.f. 7<sup>th</sup> November, 2011.

Gross Remuneration paid to the Chairman & Executive Director, Mr. Ravi Kiran Aggarwal and the Managing Director & CEO, Mr. Pujit Aggarwal as shown above includes contribution to Provident Fund, Superannuation Scheme and Company's contribution to Gratuity fund. For this Financial Year, the Chairman & Executive Director and Managing Director & CEO have foregone the commission payable to them in lieu of adverse scenario and profitability of the Company.

For this Financial Year, the Chairman and Managing Director & C.E.O. have foregone their salary amounting to ₹ 11,250,000/- & ₹ 8,250,000/- respectively and commission ₹ 13,024,371/- (₹ 6,512,185 each).

No commission has been paid to any Non-Executive Director for the year ended 31<sup>st</sup> March, 2012

#### Non-Executive Directors:

The Company pays sitting fees to all the Non-Executive Directors of the Company. The sitting fees paid is within the limits prescribed under the Companies Act, 1956. The Company is availing professional expertise of Independent Directors, their industry knowledge and enriched experience which they bring through their contributions made in the Board Meetings.

There were no material pecuniary relationships with the Non-Executive Directors during the year ended 31<sup>st</sup> March, 2012 except where the Company has paid professional fees to Mr. Hafeez Contractor, an Architect and Mr. Shailesh Vaidya, Solicitor for the professional services and advice rendered to the Company.

#### (v) Shares Held By Non-Executive Directors

Name	Shares Held
Mr. Prithvi Raj Jindal	Nil
Mr. Kuldip Bhargava	20,000
Mr. Shailesh Vaidya	20,000
*Mr. Hafeez Contractor	20,000
Mr. Raman Maroo	2,000
Mr. Shahzaad Dalal	NIL
Mr. Satish Chandra Gupta	NIL

\*Mr. Hafeez Contractor resigned from the post of Directorship w.e.f. 7<sup>th</sup> November, 2011.

#### D. Compensation Committee :

##### (I) Composition, Meeting & Attendance

During the year, one Compensation Committee Meeting was held on 24<sup>th</sup> May, 2011.

Name of the Director	Status	Category	No of Meetings	
			Held	Attended
Mr Shahzaad Dalal	Chairman	Independent	1	1
Mr Kudip Bhargava	Member	Independent	1	1
Mr Raman Maroo	Member	Independent	1	1

##### (II) Brief description of the terms of reference:

Implementation, administration and superintendence of the "Orbit Employees Stock Option Scheme- 2009" on behalf of the Board and to decide all matters relating to Employees Stock Option Scheme and any other matters as directed by the Board of Directors from time to time.

During the year options were re-priced at ₹46.71 as per resolution passed in the previous AGM. Fresh options were not granted during the year and no options were exercised during the year. Details as required by SEBI guidelines are annexed to this report.

90,330 options have vested on 27<sup>th</sup> Jan 2012 and balance 111,350 options will vest on 27<sup>th</sup> Jan 2013.

The pricing of options granted is based on 30% discount of average price of equity shares computed as the average of weekly high and low of the closing prices of the shares for 2 weeks ending on the date of vest. Bonus options do not have any exercise price but are exercisable along with original options.

##### Repricing of ESOP on AGM

The AGM held on 9<sup>th</sup> August 2011 approved the re-pricing of the Options in such a way that the reference of Vesting Date is not required. The revised price is a fixed price of ₹ 46.71 per option/share for all the Options granted but not vested as on 9<sup>th</sup> August 2011.

The vesting schedule for the repriced ESOP's 90,330 options on 27<sup>th</sup> January 2012 and 111,350 options on 27<sup>th</sup> January 2013.

The closing market price on 8<sup>th</sup> August, 2011 (being previous date to the re-pricing) was ₹ 36.60 per share on NSE (volume of trade 814,885 shares) and ₹ 37.05 per share on BSE (volume of trade 391,656 shares). The NSE closing price has been taken as a base for working out intrinsic value.

- E.** During the year, Board of Directors of the Company formulated a committee to evaluate the acquisition of Mazda Construction Company Private Limited (owner of a property at Kemps Corner) and make recommendations to the Board. The committee comprised of majority of independent directors including Mr. Raman Maroo, Mr. Shahzaad Dalal and Mr. Shailesh Vaidya.

#### 4. General Body Meetings:

(I) Location and time of last three Annual General Meetings of the Company held are given below:-

Financial Year	Date & Time of Meeting	Location of the Meeting	Special Resolutions Passed
2010-2011	9 <sup>th</sup> August, 2011 at 4.00 p.m.	M.C. Ghia Hall, 2 <sup>nd</sup> Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kala Ghoda, Mumbai – 400 001	(A) Appointment of Additional Director, Mr. Satish Chandra Gupta as a Director of the Company. (B) Alteration of Articles of Association by substituting Article 192 (1) of Articles of Association. (C) Re-pricing of the options already granted but not exercised under Orbit – ESOS – 2009 to the Directors & Employees of the Company. (D) ) Re-pricing of the options already granted but not exercised under Orbit - ESOS – 2009 to the Directors & Employees of the subsidiary companies of the Company. (E) Revision in Managerial Remuneration of Mr. Ravi Kiran Aggarwal, Chairman & Executive Director of the Company. (F) Revision in Managerial Remuneration of Mr. Pujit Aggarwal, Managing Director & CEO of the Company.
2009-2010	18 <sup>th</sup> June, 2010 at 11.00 a.m.	M.C. Ghia Hall, 2 <sup>nd</sup> Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kala Ghoda, Mumbai – 400 001	(A) Appointment of Additional Director, Mr. Shahzaad Dalal as a Director of the Company. (B) Increasing Authorised Capital from ₹ 10 Bn to ₹ 20 Bn. (C) Issuance of Bonus Shares in the ratio 1:1

2008-2009	14 <sup>th</sup> September, 2009 at 3.30 p.m.	M.C. Ghia Hall, 2 <sup>nd</sup> Floor, Bhogilal Hargovindas Building, 1 8/20 K. Dubash Marg, Kala Ghoda, Mumbai – 400 001	(A) Reappointment of Mr. Ravi Kiran Aggarwal as Chairman & Executive Director w.e.f. 1 <sup>st</sup> April, 2009 for further period of 3 years. (B) Reappointment of Mr. Pujit Aggarwal as Managing Director & CEO w.e.f. 1 <sup>st</sup> April, 2009 for further period of 3 years. (C) Issuance of 2,000,000 warrants each on a preferential basis to Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal, the Promoters of the Company aggregating to 4,000,000 warrants.
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(II) Postal Ballot:

During the financial year 2011-12, no resolution was passed through postal ballot process.

## 5. Disclosures:

### Mandatory

- **Related Party Transactions**

The Company has not entered into any transaction of material nature with its promoters, directors, management and their relatives. The disclosure with respect to the related party transactions is set out in the Notes to Accounts. None of these transactions are likely to have a potential conflict with the interest of the Company and are being carried out at an arm's length basis at fair market value. The details of all significant transactions with related parties are periodically placed before the Audit Committee.

- **Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India as applicable.

- **Insider Trading**

The Company gives timely disclosures as required under SEBI (Insider Trading Guidelines) Promoters acquired 6,00,000 equity shares through open market purchase in Q2 FY11-12.

- **Disclosures regarding re-appointment / appointment of Directors**

Disclosure regarding brief profile of Directors seeking re-appointment as required under Clause 49 IV(G) of the Listing Agreement entered into with the Stock Exchanges is given under the Notice of the Annual General Meeting.

- **Disclosures on Risk Management**

The Company has laid down procedures for risk assessment, management and its minimisation.

- **Reconciliation of Share Capital Audit**

For enhanced corporate governance, Secretarial Audit Report given by M/s. Mehta & Mehta, Practising Company Secretaries for the financial year ended 2011-12 also forms part of this Report.

- **Penalty or strictures**

No penalty or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other regulatory authority, on any matter related to the capital markets, since the date of listing of equity shares.

- **Certificate under Clause 47(c) of the Listing Agreement**

As per the provisions of Clause 47(c) of the Listing Agreement entered into with the Stock Exchanges, the Company has obtained Secretarial Compliance Certificate on half yearly basis from a Company Secretary in Practice to the effect that all transfer of shares are effected within stipulated time. This is also filed with the National Stock Exchange Limited and Bombay Stock Exchange Limited within prescribed time limit.

#### Non Mandatory Requirements

- **Prevention of Insider Trading**

The Company has adopted a manual on Insider Trading applicable to all Directors, Promoters, Key Management Personnel and Employees. Any person acquiring/ selling shares of the Company shall give a prior intimation to the Company Secretary as per SEBI (Prohibition of Insider Trading) Regulations, 1992 & SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011

The Company Secretary gives intimation of Closure of trading window 7 days in advance to the employees defined as Insider as per the Company Policy. An Insider Trading Software is also installed by the Company in consultation with Registrars & Transfers Agents who maintains & tracks the share dealings of these insiders via this software and submits weekly Insider Trading & Deviation Report to the Company Secretary.

- Uploading of Financial Results and their Analysis thereof, Press Release, Post Result Conference Call Transcript on the Website of the Company on quarterly and annual basis.
- A Remuneration Committee has been formed by the Company to deal with the Remuneration of Directors.
- Compensation Committee has been formed to discuss the matter relating to administration of ESOS- Scheme.
- The Company has adopted the Green Initiative of the Ministry of Corporate Affairs. This Initiative shall allow sending of Annual Reports/ Notices/ Documents through electronic mode for the investors who have registered their Email Addresses with the Company and to those who have not yet registered their email addresses, shall be sent a physical copy. The same shall also be available at the AGM & on the Website of the Company.

#### VOLUNTARY GUIDELINESS ON CGR FOLLOWED BY COMPANIES - 'A COMPARATIVE ANALYSIS'

Recommendation	MCA	CII	ICSI	Listing Agreement
1. Remuneration Committee	Company complies with the provisions of Majority of the Committee members comprising of Non-Executive Directors.	Company complies with the provisions of Constituting Remuneration committee	Complies by Constituting remuneration committee which is mandatory.	Company has remuneration committee consisting of all Independent Directors.
2. Audit Committee	Company has complied with the provisions of constitution of atleast three member in the Audit Committee out of which chairman should be Independent Director.	Company has complied with the provision of constitution of atleast three member in the Audit Committee out of which Chairman should be Independent Director.	No such provisions.	Company has complied by having 2/3 <sup>rd</sup> of the members as Independent Director.

3. Separation of offices of Chairman & CEO	Company complies with the provisions of clear demarcation of the roles and responsibilities of Chairman of the Board and Managing Director / CEO.	Company complies with the provisions of clear demarcation of the roles and responsibilities of Chairman of the Board and Managing Director / CEO.	Company Complies with the provisions of clear demarcation of the roles and responsibilities of chairman of the Board and Managing Director / CEO.	No Such Provisions.
4. Related Party Transactions	The Audit Committee should also monitor and place before the Board.	All arms length basis transactions are pre-approved in Audit Committee.	No Such Provisions.	The Company placed before the Audit Committee a statement in summary of related party transactions.

## 6. Management Discussions and Analysis

As required by Clause 49 of the Listing Agreement, the Management Discussion and Analysis has a detailed Chapter in this Annual Report and forms part of the Directors Report for the financial year ended 31<sup>st</sup> March, 2012.

## 7. Achievements:-

Your Company being featured with India's Realty Estate Bible "Lords of the Land" at Star Realty Awards, 2012. This award is recognition towards contribution in the brand equity of the Companies in terms of brand awareness, recall, preferences, reliability, perceived quality.

Shri Pujit Aggarwal, Managing Director & CEO was conferred with the "Dynamic Vanguard" Award by Star Realty.

With the accumulation to the above recognition, your company won another four awards at the Public Relation Council of India Awards 2011-2012 for outstanding Corporate Communication in the below listed categories :-

- Golden Award for Single Advertisement
- Golden Award for Annual Report
- Bronze Award for Table Calendar
- Appreciation for Corporate Advertisement – Single

These awards are recognition of our work on the global platform.

## 8. Means of Communication

### I) Annual Report:-

Shareholders information as to day, date, time & venue of Annual General Meeting, Distribution of Shareholding, Top 10 Shareholders, High, Low and Average of price and such other information as required under Listing Agreement

### ii) The Company has adopted the filing of the following information as hereunder :

Half-yearly results sent to each household of shareholders	No
Quarterly results are normally published in	Economic Times, Maharashtra Times and Times of India
Website where displayed	www.orbitcorp.com
Official news releases and presentations made to Institutional Investors/Analysts	Official news releases are displayed on the websites of BSE and NSE and the Company:- www.bseindia.com www.nseindia.com www.orbitcorp.com
Address of Correspondence:	The View, 165, Dr Annie Besant Road, Worli, Mumbai-400018 Tel : 022-30446910, Fax: 022-24911028
Registrars & Transfers Agent:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai – 400 078. Tel : 022-25963838

## 9. Risk Management

The Board is fully aware of the risks the business is facing. Thus, effective risk assessment and minimisation procedures are implemented by the Company.

## 10. General Shareholder's information

### i) Annual General Meetings:

The Annual General Meeting of the Company is scheduled to be held on Monday, 24<sup>th</sup> September 2012 at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Fort, Mumbai - 400 001 at 4.00 pm.

### ii) Financial Calendar:

a) Financial year	- 1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013
b) Un-audited Results for the Quarter ended 30 <sup>th</sup> June, 2012	- By 14 <sup>th</sup> of August, 2012
c) Un-audited Results for the Half Year ended 30 <sup>th</sup> September, 2012	- By 14 <sup>th</sup> of November, 2012
d) Un-audited Results for the Quarter ended 31 <sup>st</sup> December, 2012	- By 14 <sup>th</sup> of February, 2013
e) Audited Results for the Year ended 31 <sup>st</sup> March, 2013	- By 30 <sup>th</sup> of May, 2013

### iii) Dates of Annual Book Closure: 14<sup>th</sup> September, 2012 to 24<sup>th</sup> September, 2012

iv) Listing on Stock Exchanges: The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing fees have been paid to above Stock Exchanges for the financial year 2012-2013.



**v) Stock Code:**

Name of the Stock Exchange	Code No. for Equity Shares
Bombay Stock Exchange Limited	532837
National Stock Exchange of India Limited	ORBITCORP

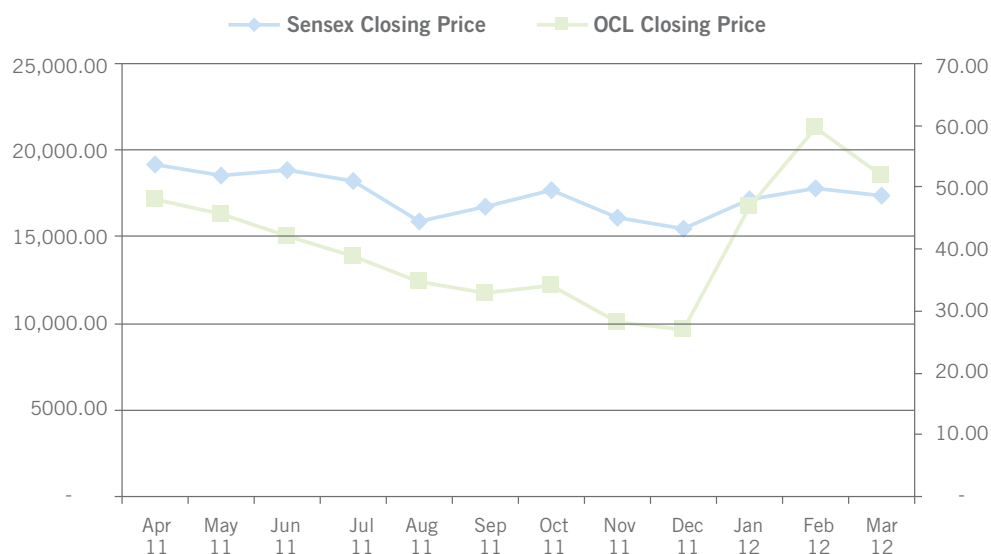
Demat ISIN : INE628H01015

**vi) Market Price Data**

 During the financial year ended 31<sup>st</sup> March 2012, the highest and lowest price recorded for each month on BSE and NSE is as under:

(Amount in ₹)

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
Apr-11	61.70	47.10	61.80	47.05
May-11	50.30	40.85	50.30	40.05
Jun-11	46.35	37.30	49.85	37.20
Jul-11	46.50	36.75	46.80	36.50
Aug-11	39.85	33.75	40.30	33.25
Sep-11	39.00	32.20	38.80	32.00
Oct-11	35.55	31.15	35.50	30.20
Nov-11	36.60	26.00	36.75	25.95
Dec-11	33.40	25.00	33.50	24.85
Jan-12	52.70	26.75	53.00	26.70
Feb-12	68.90	44.60	68.90	44.60
Mar-12	63.55	41.85	64.40	44.30

**vii) Stock Performance: (based on closing Share Price of the Company and closing sensx of the respective months)**


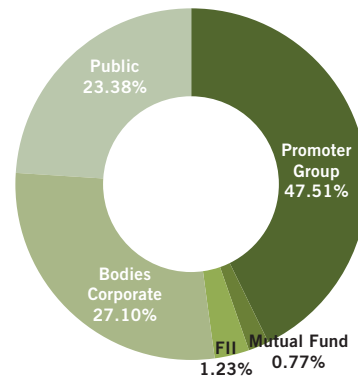
**viii) Distribution of Shareholding as on 31<sup>st</sup> March, 2012**

Range (Nominal Value of Shares in ₹)	Shareholders		No of Shares	
	No. of Shareholders	% age of Total Shareholders	No. of Shares	% of total No. of shares
1-5000	39,691	86.57	5,127,130	4.50
5001-10000	3,127	6.82	2,521,812	2.21
10001-20000	1,472	3.21	2,316,235	2.03
20001-30000	427	0.93	1,106,458	0.97
30001-40000	246	0.54	894,794	0.79
40001-50000	176	0.38	834,018	0.73
50001-100000	309	0.67	2,273,997	2.00
100001 & above	399	0.88	98,887,446	86.77
<b>Total</b>	<b>45,847</b>	<b>100</b>	<b>113,961,890</b>	<b>100</b>

**ix) Category wise Shareholding as on 31<sup>st</sup> March, 2012**

Sr. No.	Category	No. of shares held	Percentage of Holdings
1.	Promoter group	54,146,486	47.51
2.	Mutual Funds/ Financial Institutions	880,269	0.77
3.	Overseas Corporate Bodies /FII's/ NRIs	1,406,913	1.23
4.	Bodies Corporate	30,886,261	27.10
5.	Other Public	26,641,961	23.38
	<b>Total</b>	<b>113,961,890</b>	<b>100.00</b>

	FY10	FY11	FY12
Number of Shareholders	22,748	48,600	45,847

**x) Registrar & Share Transfer Agents :**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
LBS Road, Bhandup (West), Mumbai – 400 078.  
Tel : 022-25963838

**xi) Share Transfer System:** The application for transfer of shares held in physical form is received at the office of the Registrar and Share Transfer Agents of the Company. The Company approves valid transfer of shares and share certificates are dispatched within a period of 15 days from the date of receipt, provided the same are in order in every respect. No physical transfer received during the year.

**xii) Shares held in dematerialized form** are electronically traded in the Depository. The Registrar and Share Transfer Agent of the Company periodically receive from the Depository the beneficiary shareholdings so as to enable them to update their records and to send all corporate communication, dividend warrants, etc.

**(xiii) Plant Location:** As the Company does not have any manufacturing activities and the same is not applicable to your Company, Since the business activities of the Company comprises of real estate development, no plant is installed thereof.

## 11. Corporate Social Responsibility (CSR)

Social Welfare and Community Development is at the core of Orbit's CSR Policy and continues to be a priority for the Company.

Orbit Socio Foundation is a charitable organisation promoted by Orbit Corporation Limited, which has received ₹ 6,50,000/- as donation. Major areas of focus include Civic Grooming and Environment Management, Education for the underprivileged and Healthcare.

Orbit Socio Foundation took on the initiative to support the education of underprivileged girls and street children. The Foundation will continue sponsoring their education till these children can graduate and stand on their feet with dignity. Additionally, the Foundation also supported cancer detection camps for underprivileged women so that early detection of the disease can save their lives and prevent them from the highly expensive treatments.

The Foundation has also supported development of a one of its kind butterfly garden at Rotary Garden, Chembur to protect and promote the growth of valuable flora and fauna in the city.

Orbit perennially focused on its Eco-Conscious Perspective, that promotes eco-friendly operational practices such as Sewage treatment & waste management, Conservation of water & energy and Vermi-composting.

### **Code of Business Conduct and Ethics for Directors and Senior Management**

The Board has adopted the Code of Business Conduct and Ethics for Directors and Senior Management ("the Code"). This Code is a comprehensive Code applicable to all Directors, Executives as well as Non-Executives and Senior Management. The Code while laying down, in detail, the standards of Business conduct, ethics and governance, centers around the following philosophy:- "The Company's Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this code and for upgrading these standards as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of the local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This code should be adhered to in letter and in spirit."

The Code has also been circulated to all the members of the Board and Senior Management and the Compliance of the same has been affirmed by them. A declaration signed by the Chairman & Executive Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for the financial year 2011-12.

For and on behalf of the Board of Directors]

Place: Mumbai  
Date: 24<sup>th</sup> May, 2012

**Ravi Kiran Aggarwal**  
Chairman & Executive Director

## CEO / CFO Certification

To  
The Board of Directors / Audit Committee of  
**Orbit Corporation Limited**

We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2012 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

There are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2012 which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting.

We hereby state that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and to the Audit Committee, deficiency in the design or operation of the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Statutory Auditors and the Audit Committee

1. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies, if any, during the year and that the same have been disclosed in the financial statements; and

Place: Mumbai  
Dated: 24<sup>th</sup> May, 2012

**Pujit Aggarwal**  
Managing Director & CEO

**Ramashrya Yadav**  
Head - Finance & Strategies

## Certificate on Corporate Governance

To  
The Members of  
**Orbit Corporation Limited**

We have examined all relevant records of Orbit Corporation Limited (the Company) for the purposes of certifying compliances of the conditions of Corporate Governance under the revised Clause 49 of the Listing Agreement entered into with National Stock Exchange of India Limited and BSE Limited (Stock exchanges) for the Financial Year ended March 31, 2012.

The compliances of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliances of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreements.

**For Mehta & Mehta**  
Company Secretaries

**Dipti Mehta**  
Partner  
Membership No.3667  
Certificate of Practice no. 3202

Place: Mumbai  
Date: 24<sup>th</sup> May, 2012

# Secretarial Audit Report

CIN: L72900MH2000PLC124729

Date of Incorporation: March 7, 2000

The Board of Directors

**ORBIT CORPORATION LIMITED**

The "View", 165, Dr. Annie Besant Road,  
Worli, Mumbai - 400018

We have examined the registers, records, forms and returns as prescribed under Companies Act, 1956 ("the Act") of Orbit Corporation Limited ("the Company") for the financial year ended on March 31, 2012. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to us by the Company, we report that the Company has, complied with the provisions of the Act and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of the Register of Members;
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 11th Annual General Meeting held on August 9, 2011;
- (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors;
- (k) appointment and remuneration of Auditors;
- (l) borrowings and registration, modification and satisfaction of charges wherever applicable;
- (m) investment of the Company's funds including inter corporate loans and investments and loans to others;
- (n) giving guarantees in connection with loans taken by subsidiaries and associate companies;
- (o) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- (p) Directors' report;
- (q) contracts, common seal, registered office and
- (r) publication of name of the Company; and
- (s) generally, other applicable provisions of the Act and the Rules made under the Act.

We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 1956.
- (b) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
- (c) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;

**For Mehta & Mehta**

Company Secretaries

**Dipti Mehta**

Partner

Membership No.3667

Certificate of Practice no. 3202

Place: Mumbai

Date: 24<sup>th</sup> May, 2012

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STANDALONE FINANCIAL STATEMENTS - 2011-2012



ORBIT CORPORATION LIMITED

# Independent auditors' report

## Report on the Financial Statements

We have audited the accompanying financial statements of **Orbit Corporation Limited** (the 'Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

No provision has been made in these accounts for additional income tax payable and interest thereon as per assessment orders received for the assessment years 2004-05 to 2010-11 amounting to ₹ 1573.24 millions, resulting in the overstatement of the profit for the current year, understatement of short term provisions and overstatement of the reserves and surplus by a like amount. [Refer note No.27 (2a)].

In our opinion, and to the best of our information and according to the explanations given to us, subject to the matter referred to above, and read with note 32 (a), the said financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Statement of Cash Flows, of the Cash Flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 and 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, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Companies Act, 1956 we report that:
  - (a) we have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - (c) the Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account; and
  - (d) in our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
  - (e) on the basis of the written representations received from Directors of the Company as at 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.

**SHARP & TANNAN**

Chartered Accountants  
Registration No.109982W  
by the hand of

**MILIND P. PHADKE**

Partner  
Membership No. 033013

Place: Mumbai

Date: 24<sup>th</sup> May, 2012

## Annexure to the independent auditors' report

(Referred to in Paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.
  - (b) As explained to us, these fixed assets have been physically verified by the Company, in accordance with a phased programme of verification over three years, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
  - (c) The Company has not disposed off any substantial part of its fixed assets during the year, so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories have been physically verified by technically qualified independent agencies during the year. In our opinion, the frequency of such verification is reasonable.
  - (b) As per the information given to us, the procedures of physical verification of inventory followed by the management of the Company are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on such verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) According to the information and explanations given to us, the Company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (c) Accordingly, reporting under paragraph 4(iii)(c) and (d) of the Order is not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, no transactions have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- (vi) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Company has prima facie maintained the records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956. We have however, not made a detailed inspection of these records to ascertain their completeness or accuracy.
- (ix) (a) According to the information and explanations given to us, Income-Tax deducted at source amounting to ₹ 21.13 million and Tax on Dividend amounting to ₹ 18.49 million were in arrears as at 31<sup>st</sup> March, 2012, for a period of more than six months from the date they become payable.
  - (b) According to the information and explanations given to us, there are no dues in respect of, Income Tax, VAT, Wealth Tax, Service Tax, Custom Duty and Cess as at 31<sup>st</sup> March 2012, which have not been deposited on account of any dispute

- (x) The Company has no accumulated losses as at 31<sup>st</sup> March 2012 and has not incurred a cash loss in the current financial year. The Company had not incurred a cash loss in the immediately preceding financial year.
- (xi) The Company has defaulted in the redemption of non convertible debentures and repayment of term loans to financial institutions and banks and payment of interest thereon. Details are as under.

(₹ in millions)

Particulars	Principal Amount	Interest	Period of Default
Non-Convertible Debentures - 4 installments	1,500.00		1 Day to 9 Months
		100.17	1 Day to 3 Months
Term Loans from Banks	948.71		1Day to 6 Months
		22.70	1 Day
Term Loans from Financial Institutions	98.68		1 Month to 4 Months

- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, reporting on paragraph 4 (xii) of the Order is not applicable.
- (xiii) The provisions of any special statute applicable to chit fund/ nidhi /mutual benefit fund/societies are not applicable to the Company. Accordingly, reporting under paragraph 4 (xiii) of the Order is not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in securities. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us proper records have been maintained thereof. The investments in mutual funds have been held by the Company in its own name.
- (xv) In our opinion and according to the information and explanation given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that there are no funds raised on short-term basis, which are used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not made any public issue of shares during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to information and explanations given to us, we have neither come across any fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by management.

**SHARP & TANNAN**

Chartered Accountants  
 Registration No.109982W  
 by the hand of

**MILIND P. PHADKE**

Partner  
 Membership No. 033013

Place: Mumbai  
 Date: 24<sup>th</sup> May, 2012

Balance Sheet as at 31<sup>st</sup> March, 2012

(₹ in millions)

	Particulars	Note No	As at 31.03.2012	As at 31.03.2011
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	1,139.62	1,141.22
	(b) Reserves and surplus	3	8,304.69	8,285.51
	(c) Money received against share warrants		-	-
			9,444.31	9,426.73
<b>2</b>	<b>Share application money pending allotment</b>		-	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	1,420.21	4,064.30
	(b) Deferred tax liabilities (Net)	5	467.15	574.41
	(c) Other Long term liabilities	6	364.46	235.32
	(d) Long-term provisions	7	13.90	12.24
			2,265.72	4,886.27
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	958.12	331.09
	(b) Trade payables	9	524.50	287.95
	(c) Other current liabilities	10	7,287.61	3,601.94
	(d) Short-term provisions	11	961.36	1,050.72
			9,731.59	5,271.70
	<b>TOTAL</b>		<b>21,441.62</b>	<b>19,584.69</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	12		
	(i) Tangible assets		220.08	233.52
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	13	500.87	500.87
	(c) Long-term loans and advances	14	7,201.81	6,329.64
	(d) Other non-current assets		-	-
			7,922.76	7,064.03
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	13	26.08	57.54
	(b) Inventories	15	5,615.71	5,799.82
	(c) Trade receivables	16	5,521.07	4,765.34
	(d) Cash and Bank Balances	17	41.72	272.67
	(e) Short-term loans and advances	14	2,313.25	1,624.07
	(f) Other current assets	18	1.02	1.22
			13,518.86	12,520.67
	<b>TOTAL</b>		<b>21,441.62</b>	<b>19,584.69</b>

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statements

As per our report attached

For and on behalf of the Board Of Directors

**Sharp and Tannan**

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

**Milind P. Phadke**

Partner

Membership No. 33013

Place : Mumbai.

Date: 24<sup>th</sup> May 2012**Ravi Kiran Aggarwal**

Chairman and Executive Director

**Ramashrya Yadav**

Head - Finance &amp; Strategies

Place : Mumbai.

Date: 24<sup>th</sup> May 2012**Pujit Aggarwal**

Managing Director &amp; CEO

**Puja Mehta**

Company Secretary

## Statement of Profit and Loss account for the year ended 31<sup>st</sup> March, 2012

(₹ in millions)

Particulars	Note No	Year Ended 31.03.2012	Year Ended 31.03.2011
I. Revenue from operations	19	3,084.80	3,568.08
II. Other Income	20	37.72	44.67
III. Total Revenue (I+II)		<b>3,122.52</b>	<b>3,612.75</b>
IV. Expenses:			
Cost of Real Estate Purchase, Materials and Consumption Expenses	21	1,127.74	3,412.55
Changes in inventories of finished goods and Work in progress	22	184.11	(2,168.45)
Employee benefits expense	23	136.62	152.67
Finance costs	24	1,093.36	630.15
Depreciation and amortization expense	12	52.84	47.04
Other expenses	25	378.45	476.42
Total expenses		<b>2,973.12</b>	<b>2,550.38</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		<b>149.40</b>	<b>1,062.38</b>
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		149.40	1,062.38
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		<b>149.40</b>	<b>1,062.38</b>
X. Tax expense:			
(1) Current tax		140.28	280.94
Less : Mat credit entitlement		97.15	-
(2) Deferred tax		(107.27)	26.53
XI. Profit(Loss) from the period from continuing operations (IX-X)		<b>19.23</b>	<b>754.91</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>19.23</b>	<b>754.91</b>
XVI. Earning per equity share:	26		
(1) Basic EPS		0.17	6.78
(2) Diluted EPS		0.17	6.78

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statements

As per our report attached

For and on behalf of the Board Of Directors

**Sharp and Tannan**

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

**Milind P. Phadke**

Partner

Membership No. 33013

Place : Mumbai.

Date: 24<sup>th</sup> May 2012

**Ravi Kiran Aggarwal**

Chairman and Executive Director

**Ramashrya Yadav**

Head - Finance & Strategies

Place : Mumbai.

Date: 24<sup>th</sup> May 2012

**Pujit Aggarwal**

Managing Director & CEO

**Puja Mehta**

Company Secretary

## Cash Flow Statement for the year ended 31 March 2012

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
<b>A. Cash Flow from operating activities</b>		
<b>Net profit before tax</b>	<b>149.40</b>	<b>1,062.38</b>
Adjustments For:		
Depreciation	52.84	47.04
Interest expense	1,093.36	630.15
Employee stock option	(0.05)	2.45
Wealth Tax	0.30	0.36
( Profit)/ Loss on sale of Assets	(0.09)	0.19
( Profit)/ Loss on sale of Subsidiary	-	(1.14)
Income from investment and Bank Deposits	(7.78)	(4.42)
<b>Operating profit before working capital changes</b>	<b>1,287.97</b>	<b>1,737.01</b>
Adjustments for:		
(Increase)/decrease in inventories	184.11	(2,168.45)
(Increase) / decrease in trade receivables	(755.73)	(135.44)
(Increase) / decrease in loans and advances	(1,664.14)	696.41
(Increase) / decrease in other current assets	1.22	(0.65)
Increase/(decrease) in trade and other payables	236.56	71.98
Increase / (decrease) in Advances received	675.02	(52.39)
Increase / (decrease) in other liabilities	82.40	0.55
Increase / (decrease) in Provisions	(3.89)	(74.95)
(Increase)/decrease in miscellaneous expenditure not written off	-	-
<b>Cash generated from operations</b>	<b>43.52</b>	<b>74.08</b>
Direct taxes paid	(131.75)	(194.88)
Wealth tax paid	(0.36)	
(Increase)/decrease in miscellaneous expenditure not written off	-	-
<b>Net cash from operating activities</b>	<b>(88.59)</b>	<b>(120.80)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(13.51)	(77.60)
Proceeds from sale of Fixed Assets	0.71	3.33
Purchase of shares of Subsidiary	-	(450.20)
Sale of shares of Subsidiary	-	1.24
Purchase of investments	(130.00)	-
Sale of investments	165.00	20.00
Income from investments and Bank Deposits	3.22	0.39
Adjustment on account of Amalgamation of Subsidiaries	-	-
<b>Net cash (used in)/from investing activities</b>	<b>25.42</b>	<b>(502.84)</b>



## Cash Flow Statement for the year ended 31 March 2012

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
<b>C. Cash flow from financing activities</b>		
Issue of share capital	-	20.00
Securities premium (net of issue expenses)	-	264.63
Proceeds Long Term Borrowings	1,807.33	1,577.96
Proceeds short Term Borrowings	157.50	-
Repayment Long Term Borrowings	(1,106.40)	(655.06)
Repayment Short Term Borrowings	-	-
Redemption of Preference share	(1.60)	-
Interest paid	(911.46)	(602.79)
Final Dividend of FY 10-11	(113.15)	-
Final Dividend of FY 07-08	(0.00)	(0.01)
Final Dividend of FY 09-10	(0.00)	(82.27)
Interim Dividend of FY 09-10	(0.00)	(0.02)
Interim Dividend of FY 07-08	(0.00)	-
<b>Net cash (used in)/from financing activities</b>	<b>(167.78)</b>	<b>522.45</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(230.95)</b>	<b>(101.19)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>272.67</b>	<b>373.86</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>41.72</b>	<b>272.67</b>

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statements" prescribed under the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents represent cash and bank balances.

As per our report attached

**Sharp and Tannan**

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

**Milind P. Phadke**

Partner

Membership No. 33013

For and on behalf of the Board Of Directors

**Ravi Kiran Aggarwal**

Chairman and Executive Director

**Ramashrya Yadav**

Head - Finance & Strategies

**Pujit Aggarwal**

Managing Director & CEO

**Puja Mehta**

Company Secretary

Place : Mumbai.

Date: 24<sup>th</sup> May 2012

# Notes to Financial Statements for year ended 31 March 2012

## 1. Significant Accounting Policies

### 1.1 Basis of Accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ('GAAP') and in compliance with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and other requirements of the Companies Act, 1956. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods. Wherever changes in presentation are made, comparative figures of the previous year are regrouped accordingly.

### 1.2 Revenue Recognition

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company. Revenue from construction and project related activity is recognised by applying Percentage Completion Method (PCM) to sale of tenements. Percentage of completion is determined as a proportion of cost incurred to date (excluding property acquisition cost) to the total estimated project cost (excluding property acquisition cost). Project becomes eligible for revenue recognition when the percentage of completion of project exceeds 25%.

### 1.3 Fixed Asset

Fixed assets are capitalised at acquisition cost, including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to working condition for use.

Expenditure relating to existing fixed assets is added to the cost of the assets, where it increases the performance / life of the asset as assessed earlier.

Fixed assets are eliminated from financial statements either on disposal or when retired from active use.

### 1.4 Intangible assets and Amortisation

Intangible assets are recognised as per the criteria specified in Accounting Standard (AS) 26 'Intangible Assets'.

### 1.5 Investments

Investments are classified into long term and current investments. Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than of a temporary nature. Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

### 1.6 Inventories

Inventory of finished tenements are valued at lower of the cost or net realizable value. Inventories of work in progress includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the Company and are valued at cost.

## Notes to Financial Statements for year ended 31 March 2012

### 1.7 Depreciation

Depreciation on fixed assets has been provided on written down value, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

### 1.8 Employee Stock Option Scheme

Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share-based payments' issued by ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value, if any, of the stock options as on the date of vesting over the exercise price of the options is recognised as deferred employee compensation and is charged to the profit and loss account on vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation, if any, is reduced from Employee Stock Option Outstanding.

### 1.9 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale.

All other borrowing costs are recognised as expense in the period in which they are incurred.

### 1.10 Retirement Benefits

Retirement benefits to the employees comprise of payments under defined contribution plans like Provident Fund and Family Pension. The liability in respect of defined benefit scheme like Gratuity is provided on the basis of actuarial valuation as at the year end. Provisions for / contributions for leave encashment benefits are made on actual basis.

### 1.11 Taxes on income

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessments / appeals.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

### 1.12 Provisions, Contingent liabilities and Contingent assets

- a. Provision are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
  - i. the Company has a present obligation as a result of past event,
  - ii. a probable outflow of resources is expected to settle the obligation; and
  - iii. the amount of the obligation can be reliably estimated.
- b. Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtual certain that reimbursement will be received if obligation is settled.

## Notes to Financial Statements for year ended 31 March 2012

- c. Contingent liability is disclosed in the case of
  - i. a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
  - ii. a possible obligation, unless the probability of outflow of resources is remote.
- d. Contingent assets neither disclosed nor recognised.
- e. Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### **1.13 Events occurring after the date of balance sheet**

Where material, events occurring after the date of the Balance Sheet are considered upto the date of approval of accounts by the Board of Directors.

### **1.14 Foreign Currency Transactions**

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates the relevant transactions take place.

Monetary Assets and Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

### **1.15 Earnings Per Share**

The amount considered in ascertaining the Company's earnings per share constitutes the net Profit after tax.

The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Diluted EPS is calculated on the number of equity shares outstanding as on the balance sheet date and also the dilutive component of employee stock options. Dilutive nature have been calculated as difference between fair value i.e. Average six months daily closing price as on 31<sup>st</sup> March 2012 and actual conversion price for such warrants.

## Notes to Financial Statements for year ended 31 March 2012

### 2. Share capital

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Number	Amounts	Number	Amounts
<b>Authorised Equity Capital</b>				
Equity Shares of ₹ 10 each	19,975,000	1,997.50	19,975,000	1,997.50
Redeemable Non cumulative Preference share of ₹ 10 each	250,000	2.50	250,000	2.50
	<b>200,000,000</b>	<b>2,000.00</b>	<b>200,000,000</b>	<b>2,000.00</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each	113,961,890	1,139.62	113,961,890	1,139.62
Redeemable Non cumulative Preference share of ₹ 10 each	-	-	160,000	1.60
	<b>113,961,890</b>	<b>1,139.62</b>	<b>114,121,890</b>	<b>1,141.22</b>
<b>a. Reconciliation of shares outstanding at beginning and at end of reporting period</b>				
<b>Equity Capital</b>				
Balance at the beginning of the year	113,961,890	1,139.62	54,980,945	549.81
Add: Issued during the year	-	-	58,980,945	589.81
Less: Bought back during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>113,961,890</b>	<b>1,139.62</b>	<b>113,961,890</b>	<b>1,139.62</b>
<b>10% Redeemable Non Cumulative Preference share</b>				
Balance at the beginning of the year	160,000	1.60	160,000	1.60
Add: Issued during the Year: Nil	-	-	-	-
Less: Redeemed During the year	160,000	1.60	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>160,000</b>	<b>1.60</b>

#### b. Terms/ Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets, if any of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Terms/ Rights attached to Preference Shares

If at any time, the share capital by reason of issue of Preference shares or otherwise is divided into different classes of shares, then all or any of the rights and privileges attached to any class, then the rights and restrictions attaching to the Redeemable Preference Shares shall differ from those attaching to Equity Shares as follows:

The Redeemable Preference Shares carry rights to receive dividends.

The holders of Redeemable Preference Shares have no rights to receive notices of, attend or vote at general meetings except in certain limited circumstances affecting their interests & rights.

## Notes to Financial Statements for year ended 31 March 2012

Subject to the provisions of the Companies Act 1956, the Company shall have the right to redeem the Redeemable Preference Shares at any time on giving not less than seven days' written notice.

On a distribution of assets of the Company, on a winding-up or other return of capital (subject to certain exceptions), the holders of Redeemable Preference Shares have priority over the holders of Ordinary Shares to receive the capital paid-up on those shares.

### c. Shareholding more than 5 percent

Name of the shareholder	As on 31 March 2012		As on 31 March 2011	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Mr .Ravi Kiran Aggarwal	22,213,904	19.49%	22,213,904	19.49%
Mr .Pujit Aggarwal	23,984,676	21.05%	23,384,676	20.52%
Emgee Foils Private Ltd	7,016,800	6.16%	7,016,800	6.16%

### d. Shares reserved for issue under options

The Company had at Extra Ordinary General Meeting held on 9<sup>th</sup> July 2009 approved the resolution to grant, upto 3,00,000 Options to its and subsidiaries employees.

Company issued bonus shares to the shareholders in the ratio of 1 for every share held as on 30<sup>th</sup> June 2010. Accordingly, option holders have been granted bonus options in the same ratio.

(Refer Note 34 for details)

### e. Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares

Equity Shares				
Year Ended	Face Value	Bonus issue	Buy back of shares	Without payment received in cash
31 March 2012	-	-	-	-
31 March 2011	10	56,980,945	-	-
31 March 2010	-	-	-	-
31 March 2009	-	-	-	-
31 March 2008	-	-	-	-
31 March 2007	-	-	-	-
<b>Total</b>		<b>56,980,945</b>	<b>-</b>	<b>-</b>
Preference share				
Year Ended	Face Value	Bonus issue	Redemption of shares	Without payment received in cash
31 March 2012	10	-	160,000	-
31 March 2011	-	-	-	-
31 March 2010	-	-	-	-
31 March 2009	-	-	-	-
31 March 2008	-	-	-	-
31 March 2007	-	-	-	-
<b>Total</b>		<b>-</b>	<b>160,000</b>	<b>-</b>

## Notes to Financial Statements for year ended 31 March 2012

### 3. Reserves and retained earnings

(₹ in millions)

	As at 31 March 2012	As at 31 March 2011
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	0.29	0.29
Add: Transfer from Profit /Loss account	1.60	-
Balance at the end of the year	<b>1.89</b>	<b>0.29</b>
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	3,736.55	3,946.86
Add: Received during the year		359.50
Less :Bonus Shares issued		569.81
Less :Security issue expenses written off	-	-
in terms of Section 78 of Companies Act, 1956		
Balance at the end of the year	<b>3,736.55</b>	<b>3,736.55</b>
<b>Debenture Redemption Reserve</b>		
Balance at the beginning of the year	1,500.00	750.00
Add: Additions during the year	-	750.00
Less: Deletion during the year	-	-
Balance at the end of the year	<b>1,500.00</b>	<b>1,500.00</b>
<b>Employees Stock Options outstanding</b>		
Balance at the beginning of the year	2.45	-
Add: Additions during the year	-	2.45
Less:Deletion during the year	0.05	-
Balance at the end of the year	<b>2.40</b>	<b>2.45</b>
<b>General Reserve</b>	281.48	262.60
Add: Additions during the year	-	18.87
Less:Deletion during the year	-	-
Balance at the end of the year	<b>281.48</b>	<b>281.48</b>
<b>Surplus /(deficit) in the statement of profit and loss</b>		
Balance as per Last Financial Statement	2,764.74	2,911.78
Profit / (Loss) for the year	19.23	754.91
Less: Transfer to General Reserve	-	18.87
Less: Transfer to Capital Redemption Reserve	1.60	-
Less :Transfer to Debenture Redemption Reserve	-	750.00
Less :Proposed Dividend	-	113.96
Less :Dividend on Preference Share	-	0.16
Less: Tax on Dividend	-	18.95
Profit / (Loss)	<b>2,782.37</b>	<b>2,764.74</b>
<b>Total Reserves &amp; Surplus</b>	<b>8,304.69</b>	<b>8,285.51</b>

## Notes to Financial Statements for year ended 31 March 2012

## 4. Borrowings

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
<b>a. Secured Loans</b>				
<b>Debentures</b>				
1,500 (Previous year 1500) Secured Non-Convertible Debentures of ₹ 1,000,000 each.	-	1,500.00	-	1,500.00
Vehicle loans from banks	44.12	16.01	53.32	14.95
Loans from Banks	-	1,710.21	1,710.21	147.50
Loans from Institutions	1,235.19	2,260.94	2,154.46	955.46
	<b>1,279.31</b>	<b>5,487.16</b>	<b>3,918.00</b>	<b>2,617.92</b>
<b>b. Unsecured Loans</b>				
<b>Loans and advances from related parties</b>				
From Directors (interest free)	140.90	-	125.31	16.90
<b>Others</b>				
From Other Bodies corporate	-	23.15	20.98	-
	<b>140.90</b>	<b>23.15</b>	<b>146.30</b>	<b>16.90</b>
<b>Total Borrowings</b>	<b>1,420.21</b>	<b>5,510.31</b>	<b>4,064.30</b>	<b>2,634.82</b>

## Other Details

## c. Details of borrowings guaranteed by the directors

<b>Long Term</b>	
Non Convertible Debentures	1,500.00
Vehicle Loans	46.62
Loans from banks	1,710.21
Loans from Institutions	3,496.13
<b>Short Term</b>	
Other Unsecured	150.00
<b>Total</b>	<b>6,902.96</b>



## Notes to Financial Statements for year ended 31 March 2012

d During the year the Company has defaulted in repayment of loans and interest in respect of the following:

(₹ in millions)

Particulars	Period (upto balance sheet date)				
	One day	One month to Three Months	Four Months to Six months	Upto Nine months	Total
<b>Principal</b>					
Non Convertible Debentures	375.00	375.00	375.00	375.00	1,500.00
Loans from banks	250.00	448.71	250.00	-	948.71
Loans from Institutes	-	50.00	48.68	-	98.68
<b>Total</b>	<b>625.00</b>	<b>873.71</b>	<b>673.68</b>	<b>375.00</b>	<b>2,547.39</b>
<b>Interest</b>					
Non Convertible Debentures	49.81	50.36	-	-	100.17
Loans from banks-short Term	22.70	-	-	-	22.70
Loans from Institutes	34.94	23.63	-	-	58.57
<b>Total</b>	<b>107.46</b>	<b>73.99</b>	<b>-</b>	<b>-</b>	<b>181.44</b>

e Security Details

Name of Lender	Facility & Loan Documentation	Amount Outstanding (₹ in Mn.)	Interest Rate p.a	Repayment Schedule (₹ in Mn.)
<b>Details of security offered for Loan from Banks</b>				
<b>Term loans and overdraft facilities which are secured by registered mortgages of certain freehold lands / properties of the Company / Subsidiary Companies and / or against future receivables of the Company / Subsidiary Companies and / or directors' personal guarantee</b>				
1. State Bank of India	Term loan	448.71	15.75%	Sep 2011-250 mn
				Dec 2011-198.71 mn
2. Union Bank of India	Term loan	546.00	16.50%	Dec 2011 - 250mn
				Mar 2012- 250mn
				June 2012- 46 mn
3. Axis Bank	Cash Credit Facility	714.86	14%	Quarterly installments in FY 2012-13 of 250 Mn each starting from July 2012
4. Canara Bank	Working Capital Loan	800.62	11.35%	On Demand

## Notes to Financial Statements for year ended 31 March 2012

<b>Construction Equipment and Vehicle Loan against hypothecation of respective equipments/vehicles and Directors' personal guarantee</b>				
1. HDFC Bank Ltd.	Construction Equipment Loan	0.65	various rates ranging @ average of 12.75%	Various installments upto July 2012
2. HDFC Bank Ltd, ICICI Bank and Canara Bank	Vehicle Loan	60.14	various rates ranging @ average of 11.39%	Various installments upto December 2016
<b>Details of security offered for Loan from Institutions</b>				
<b>Term loans and overdraft facilities which are secured by registered mortgages of certain freehold and leasehold lands / properties of the Company / Subsidiary Companies and / or against future receivables of the Company / Subsidiary Companies and / or directors' personal guarantee</b>				
1. LIC - Non Convertible Debenture (NCDs)	Working Capital Loan	1500	13.32%	30th June 2011 - 37.50 mn
				30th Sept 2011 - 37.50 mn
				31st Dec 2011 - 37.50 mn
				31st Mar 2012 - 37.50 mn
2. LIC Housing Finance Ltd.	Term loan	889.93	15.90%	Loan Repayment scheduled Vide letter dated Sep 10, 2011 . Monthly installments of 80 mn starting from Sep 2012 to June 2013 and 89.93 mn in July 2013
3. IFCI Ltd	Corporate Loan	864.64	16.75%	Nov 2011- 48.7 mn
				Feb 2012 -50mn
				May 2012 -200mn
				Aug 2012 -200mn
				Nov 2012 -200mn
Feb 2013 - 165.9 mn				
4. Money Matters Financial Services Ltd	General Corporate Purposes	400.00	16%	18 monthly installments starting from April 12 of 22.22 Mn each.
5. Deewan Housing Finance Corporation Ltd	Mortgage Loan	241.66	21%	84 Months EMI of 5.2 mn commenced from Oct 11
6. ECL Finance Limited	General Corporate Purposes	1100	18%	Sep 2012 - 275 mn
				Dec 2012 -275 mn
				June 2013 -275 mn
				Sep 2013 - 275 mn
<b>Details of security offered for Loan from Corporate</b>				
<b>Secured by properties of the Company and Directors' personal guarantee</b>				
1. JBF Industries Limited	General Corporate Purposes	150	24%	May 2012- 150 mn

## Notes to Financial Statements for year ended 31 March 2012

### 5. Deferred taxes

(₹ in millions)

	As at 31 March 2012	As at 31 March 2011
<b>Deferred tax liabilities</b>		
Deferment of Tax Liability on Account of uncertainty related to final sale agreement.	477.22	580.19
<b>Total</b>	<b>477.22</b>	<b>580.19</b>
<b>Deferred tax assets</b>		
Difference between Book & Tax Depreciation	5.56	1.71
Provision for employee benefits	4.51	4.07
<b>Total</b>	<b>10.07</b>	<b>5.78</b>
<b>Net deferred tax liability /(asset )</b>	<b>467.15</b>	<b>574.41</b>

### 6. Other Long term liabilities

	As at 31 March 2012	As at 31 March 2011
Advances from customers	364.21	235.08
Application money for I.P.O. to be refunded	0.01	0.01
Deposits	0.24	0.22
	<b>364.46</b>	<b>235.32</b>

### 7. Long Term Provision

	As at 31 March 2012	As at 31 March 2011
Provision for Leave Encashment	7.12	6.40
Provision for Gratuity	6.78	5.84
	<b>13.90</b>	<b>12.24</b>

### 8. Short-term borrowings

	As at 31 March 2012	As at 31 March 2011
<b>Secured</b>		
From Bank	800.62	331.09
From Others	150.00	-
<b>Unsecured</b>		
From Other Bodies corporate	7.50	-
(Refer note for 4 for other details)	<b>958.12</b>	<b>331.09</b>

### 9. Trade Payables

	As at 31 March 2012	As at 31 March 2011
- Dues to Micro, small and medium enterprises	-	-
- Others		
Goods supplied	244.62	177.07
Expenses	69.88	70.88
Others	210.00	40.00
	<b>524.50</b>	<b>287.95</b>

## Notes to Financial Statements for year ended 31 March 2012

## 10. Other Current Liabilities

(₹ in millions)

	As at 31 March 2012	As at 31 March 2011
Current maturities of long term borrowings (Refer note 4)	5,510.31	2,634.82
Interest accrued and due on borrowings	180.66	-
Interest accrued but not due on borrowings	1.24	-
Unpaid Dividend	1.72	1.07
Others Statutory Liabilities	95.39	13.65
Advances from customers	1,498.29	952.40
	<b>7,287.61</b>	<b>3,601.94</b>

## 11. Short Term Provision

	As at 31 March 2012	As at 31 March 2011
Provision for Expenses	14.37	-
Proposed Dividend	-	114.12
Tax on Dividend	-	18.95
Provision for Income Tax	936.16	906.76
Provision for Fringe Benefit Tax	9.90	9.90
Provision for Wealth Tax	0.93	0.98
	<b>961.36</b>	<b>1,050.72</b>

12. Tangible assets (₹ in millions)

Gross block	Land Freehold	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computers	Business communication System	Yacht	Total
<b>Balance as at 01 April 2010</b>	<b>0.51</b>	<b>76.77</b>	<b>77.36</b>	<b>48.92</b>	<b>12.17</b>	<b>18.81</b>	<b>10.32</b>	<b>4.16</b>	<b>60.31</b>	<b>309.33</b>
Additions		21.82	6.02	44.69	0.30		3.59	1.73		78.14
Disposals				10.34						10.34
<b>Balance as at 31 March 2011</b>	<b>0.51</b>	<b>98.60</b>	<b>83.37</b>	<b>83.27</b>	<b>12.46</b>	<b>18.81</b>	<b>13.90</b>	<b>5.88</b>	<b>60.31</b>	<b>377.13</b>
Additions		0.61	0.65	36.41	0.69		0.61	0.62	0.42	40.01
Disposals				3.02						3.02
<b>Balance as at 31 March 2012</b>	<b>0.51</b>	<b>99.21</b>	<b>84.03</b>	<b>116.65</b>	<b>13.15</b>	<b>18.81</b>	<b>14.51</b>	<b>6.50</b>	<b>60.73</b>	<b>414.12</b>
Accumulated depreciation and amortisation										-
<b>Balance as at 01 April 2010</b>		<b>13.26</b>	<b>21.85</b>	<b>22.64</b>	<b>4.48</b>	<b>10.09</b>	<b>5.81</b>	<b>1.32</b>	<b>23.94</b>	<b>103.39</b>
Depreciation charge		11.56	10.98	11.72	1.07	1.58	2.33	0.53	7.27	47.04
Reversal on disposal of assets				6.82						6.82
<b>Balance as at 31 March 2011</b>	<b>-</b>	<b>24.81</b>	<b>32.82</b>	<b>27.54</b>	<b>5.55</b>	<b>11.67</b>	<b>8.14</b>	<b>1.85</b>	<b>31.21</b>	<b>143.61</b>
Depreciation charge		10.27	9.23	22.00	1.02	1.29	2.49	0.62	5.91	52.84
Reversal on disposal of assets				2.41						2.41
<b>Balance as at 31 March 2012</b>	<b>-</b>	<b>35.08</b>	<b>42.06</b>	<b>47.14</b>	<b>6.57</b>	<b>12.96</b>	<b>10.63</b>	<b>2.48</b>	<b>37.12</b>	<b>194.04</b>
Net block										
<b>Balance as at 31 March 2011</b>	<b>0.51</b>	<b>73.79</b>	<b>50.55</b>	<b>55.73</b>	<b>6.91</b>	<b>7.14</b>	<b>5.76</b>	<b>4.03</b>	<b>29.10</b>	<b>233.52</b>
<b>Balance as at 31 March 2012</b>	<b>0.51</b>	<b>64.13</b>	<b>41.97</b>	<b>69.52</b>	<b>6.58</b>	<b>5.85</b>	<b>3.88</b>	<b>4.03</b>	<b>23.60</b>	<b>220.08</b>

## Notes to Financial Statements for year ended 31 March 2012

## 13. Investments (Valued at Cost)

(₹ in millions)

Unquoted	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
<b>Investments in Equity Instruments</b>				
In fully paid equity shares in subsidiary companies:				
Orbit Highcity Private Limited	500.00	-	500.00	-
8,903,226 (Previous year 8,903,226 )Equity shares of ₹ 10 each				
Orbit Residency Pvt Ltd	0.10	-	0.10	-
10,000 (Previous year 10,000) Equity shares of ₹ 10 each				
Ahinsa Buildtech Pvt Ltd	0.09	-	0.09	-
8,500 (Previous year 8,500) Equity shares of ₹ 10 each				
Orbit Habitat Private Limited	0.10	-	0.10	-
10,000 (Previous year 10,000) Equity shares of ₹ 10 each				
<b>Others</b>				
Property Redevelopers Association	0.06	-	0.06	-
6,250 (Previous year 6,250) shares of ₹ 10 each, fully paid up				
The Pen Co-operative Urban Bank Limited	0.50	-	0.50	-
2,000 (Previous year 2,000 ) shares of ₹ 250 each, fully paid up.				
The Sarwaswat Co-Op.Bank Ltd.	0.03	-	0.03	-
2,500 (Previous year 2,500 ) shares of ₹ 10 each, fully paid up.				
	<b>500.87</b>	<b>-</b>	<b>500.87</b>	<b>-</b>
<b>Quoted</b>				
<b>Investments in Mutual Funds</b>				
Birla Sunlife Savings Fund - Institutional Daily Dividend		26.08		57.54
	<b>-</b>	<b>26.08</b>	<b>-</b>	<b>57.54</b>
<b>Other Details:</b>				
Market Value of quoted investments - ₹ 26.08 millions				
During the year 8,494,223.927 units of Birla Sunlife Savings Fund were purchased for ₹ 130 millions and 7,045,209.251 units were redeemed for ₹ 165 million				
The company has received a dividend income of ₹ 3.54 millions on the same.				

## Notes to Financial Statements for year ended 31 March 2012

### 14. Loans and Advances

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
<b>- Unsecured considered good</b>				
<b>a Capital Advances</b>				
Advance for Fixed Assets	-	-	26.50	-
Advances paid for acquisition of properties	2,471.49	265.19	1,798.50	155.61
<b>b Security Deposits</b>				
Deposits - Director	278.76	-	278.76	-
Other Deposits	45.51	-	28.88	-
<b>c Advances to Related Parties</b>				
Advances paid for acquisition of properties to Related parties	2,611.84	172.86	2,503.17	-
Other Advances	-	4.38	2.83	-
Advances to subsidiary company	1,651.55	-	1,315.55	-
Advance against Equity to subsidiary	142.65	-	142.65	-
<b>d For goods</b>				
Others	-	1.44	-	-
Advance for Expenses	-	11.97	-	135.22
Advances to suppliers	-	163.23	-	83.05
Advances recoverable in cash or in kind or for value to be received	-	576.72	232.79	56.43
Advance payment of taxes	-	1,076.28	-	944.59
MAT Credit Entitlement	-	41.20	-	249.18
	<b>7,201.81</b>	<b>2,313.25</b>	<b>6,329.64</b>	<b>1,624.07</b>

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
Loans and advances include amounts due from:				
Director	278.76	-	278.76	-
Private companies in which any director is a director or member	2,451.69	174.44	2,499.41	-
Officer of the Company	-	1.24	-	1.00
	<b>2,730.45</b>	<b>175.67</b>	<b>2,778.17</b>	<b>1.00</b>

### 15. Inventories

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
Closing Work-in-Progress	-	5,615.71	-	5,799.82
	-	<b>5,615.71</b>	-	<b>5,799.82</b>

## Notes to Financial Statements for year ended 31 March 2012

## 16. Trade receivables

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
Unsecured, considered good				
Outstanding for a period exceeding six months from the date they are due for payment		1,097.41		3,249.61
Others	-	4,423.66	-	1,515.73
	-	<b>5,521.07</b>	-	<b>4,765.34</b>

## 17. Cash and cash equivalents

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
Cash and Bank Balances				
Cash on hand		10.89		61.38
Balances with banks:				
on current accounts		3.53		122.16
on dividend accounts		(64.76)		0.90
Deposits with original maturity of less than 3 months		92.06		88.24
	-	<b>41.72</b>	-	<b>272.67</b>

## 18. Other current assets

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
Interest Accrued on Fixed Deposits	-	1.02	-	1.22
	-	<b>1.02</b>	-	<b>1.22</b>

## 19. Revenue from operations

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Revenue generated from completed projects	(76.79)	104.70
Revenue recognised for projects under progress	2,011.58	3,328.38
(Details Refer note 37)		
Sale of Property Rights	1,150.00	-
Others	-	135.01
	<b>3,084.80</b>	<b>3,568.08</b>



## Notes to Financial Statements for year ended 31 March 2012

### 20. Other Income

(₹ in millions)

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
<b>Interest Income</b>		
-Bank Deposits	4.23	3.34
-Other Advances	27.46	34.00
<b>Dividend</b>		
-Mutual Funds	3.54	4.41
-Shares	0.01	0.01
Others		
Gain on sale of subsidiary	-	1.14
Profit/loss on Sale of Asset	0.09	
Miscellaneous Income	2.38	1.79
	<b>37.72</b>	<b>44.67</b>

### 21. Real Estate Purchase and Consumption Expenses

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
<b>a. Property Acquisition Cost</b>	122.21	1,744.27
(Including Tenants Buyback and Accomodation cost)		
<b>b. Total Material Cost</b>	301.60	680.75
<b>c. Other Direct Project Expenses</b>		
Labour Charges and Works Contract charges	510.96	680.78
Legal and Professional fees	19.31	110.81
Insurance	3.46	3.47
Rates and Taxes	60.93	78.65
Advertisement and Publicity	0.68	3.55
Compensation Expenses	87.73	20.50
Travelling Expenses	0.02	0.22
Other Direct expenses related to Projects	20.83	89.55
Total Direct Project Expenses	703.93	987.53
<b>Total Cost of Real Estate Purchase , Materials and Consumption Expenses</b>	<b>1,127.74</b>	<b>3,412.55</b>

### 22. Change in Inventories

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
<b>Closing Work-in-Progress</b>		
Finished goods	-	-
Work in progress	(5,615.71)	(5,799.82)
<b>Opening Work-in-Progress</b>		
Finished goods	-	17.12
Work in progress	5,799.82	3,614.26
	<b>184.11</b>	<b>(2,168.45)</b>

## Notes to Financial Statements for year ended 31 March 2012

## 23. Employee Related Costs

(₹ in millions)

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Salaries ,Wages ,bonus and Benefits	116.13	124.90
Contribution to Provident Fund	7.01	8.42
Employee Stock Option Scheme	(0.05)	2.45
Staff Welfare Expenses	13.53	16.90
	<b>136.62</b>	<b>152.67</b>

## 24. Finance costs

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Interest on Non Convertible Debentures	200.26	177.86
Interest on Other Loan	847.27	398.29
Interest on Income tax	1.08	17.11
Other Interest and Finance Charges	44.75	36.90
(Also refer note 30)		
	<b>1,093.36</b>	<b>630.15</b>

## 25. General and Administrative Expenses

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Legal and Professional fees	121.56	158.87
Labour charges	22.98	1.44
Insurance	4.85	2.87
Rent	41.69	41.03
Rates and Taxes	3.87	4.12
Repairs and Maintenance		
- Buildings	-	-
- Plant and Machinery	-	-
- Others	2.16	4.26
Business Promotion	31.97	38.23
Auditors Remuneration (Details Below)	2.28	1.85
Compensation Expenses	12.93	-
Advertisement and Publicity	34.41	64.86

## Notes to Financial Statements for year ended 31 March 2012

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Travelling Expenses	7.71	15.08
Wealth Tax	0.30	0.36
Other general and administration Expenses		
	<b>378.45</b>	<b>476.42</b>
<b>Payment to Auditors</b>		
Audit Fees	1.38	0.88
Limited Review	0.55	0.55
Taxation Matters	0.22	0.22
Other Services	0.11	0.17
Reimbursement of Expenses	0.02	0.03
	<b>2.28</b>	<b>1.85</b>

### 26. Earnings Per Share

(₹ in millions)

Particulars	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Net Profit attributable to Equity Share Holder	19.23	754.72
Number of shares outstanding at the end of the year	11,39,61,890	11,39,61,890
Weighted Average number of shares	11,39,61,890	11,13,64,630
Weighted average number of potential equity shares on account of employee stock options	-	49,972
Number of shares for computation of Diluted EPS	11,39,61,890	11,14,14,602
Basic EPS (In ₹)	0.17	6.78
Diluted EPS (In ₹)	0.17	6.78
Face Value per Equity Share ₹	10.00	10.00

### 27. Contingent Liabilities:

#### 1. Corporate Guarantee

The Company had provided corporate guarantee on behalf of Bhagyodaya Infrastructure Development Limited, the principal contractor for few projects undertaken by the Company, for availing credit facility to the extent of ₹ 175.00 million from State Bank of India. Loan Outstanding as on 31<sup>st</sup> March 2012 is ₹ 94.10 millions.

#### 2. Other money for which the company is contingently liable

a. In continuation of Note 33(b), the Company has received Assessment orders for Assessment year 2004-05 to 2010-11 passed by Dy. Commissioner Income Tax, Centre Circle, Mumbai U/s 153A r.w.s. 143(3) of the Income Tax Act, 1961 and also received demand notice U/s 156 of the Income Tax Act, 1961. As per the said demand notice, the Income Tax department has raised demand for Income Tax and interest thereon for an amount of ₹ 1,573.24 millions. However, the company has contested the said order and the demand raised thereon by filing appeal before Commissioner of Income Tax (Appeals). The Company is confident that it will succeed in the appeal filed based on the available documents & evidence and the liability will not get materialized.

## Notes to Financial Statements for year ended 31 March 2012

b. As a reason of differences and disputes relating to certain issues, between Orbit Corporation Limited and Rosy Blue (India) Private Limited, arbitration was invoked under the Arbitration and Conciliation Act, 1996, whereby an Arbitrator was appointed. The claim made by Rosy Blue is unlikely to be awarded as since 2009, Orbit has been calling upon Rosy Blue (India) Private Limited to take possession of the property "Orbit Plaza", which Rosy Blue (India) Private Limited, has been avoiding. In the event, Award is granted in favour of Rosy Blue, Orbit may suffer potential monetary to the extent of outstanding amount receivable.

### 28. Segment Reporting

The Company's business activities fall within a single segment, viz. real estate and redevelopment and predominantly operates in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 'Segment Reporting', is not applicable.

29. Trade Receivables, Trade payable and loans and advances are subject to confirmation and reconciliation, if any

### 30. Borrowing cost

Borrowing cost specific to Project is capitalised as project cost and are charged to revenue based on percentage completion. Other Borrowing costs are charged to revenue.

Borrowing costs amounting to ₹ 1092.28 millions (excluding interest on income tax) incurred towards real estate development activities have been accumulated as part of inventory balances. Out of accumulated interest, an amount of ₹ 680.97 millions has been charged to revenue during the year.

### 31. Other Details

(₹ in millions)

	For the year Ended 31.03.2012	For the year Ended 31.03.2011
<b>Value of imports (on CIF basis) Accrual Basis</b>		
Capital Goods	-	89.34
Other Materials	2.88	-
	<b>2.88</b>	<b>89.34</b>
<b>Expenditure in foreign currency (Accrual Basis)</b>		
Professional fees	0.89	18.49
Other matters - Conference,	-	4.33
	<b>0.89</b>	<b>22.82</b>

## Notes to Financial Statements for year ended 31 March 2012

### 32. Related Parties

1 List of related parties	
<b>A. Subsidiary company</b>	
1. Orbit Highcity Private Limited	52.57 % Subsidiary company
2. Ahinsa Buildtech Private Limited	85 % Subsidiary company
3. Orbit Habitat Private Limited	100 % Subsidiary company
4. Orbit Residency Private Limited	100 % Subsidiary company
<b>B. Key Management Personnel</b>	
1. Mr. Ravi Kiran Aggarwal	Chairman & Executive Director
2. Mr. Pujit Aggarwal	Managing Director & CEO
<b>C. Others</b>	
<b>Enterprises over which Key Managerial Personnel are able to exercise Significant influence</b>	
1. Apex Hotel Enterprises Private Limited	
2. Emgee Foils Private Limited	
3. Orbit Compel Infra-Build Private Limited	
4. Orbit Entertainment Private Limited	
5. Orbit Equisities Housing Private Limited	
6. Orbit Infraserve Private Limited	
7. Orbit Socio Foundation	
8. Revati Academic & Infrastructure Private Limited	
9. Ambuj Infrastructure Private Limited	
10. Brio Academic Infrastructure and Resource Management Private Limited	
11. Charm Mercantile Private Limited	
12. Mazda Construction Company Private Limited	
13. Nitika Multitrading Private Limited	
14. Orbit Abode Private Limited	
15. Orbit Dwelling Private Limited	
16. Orbit Eduworld Private Limited	
17. Orbit Evolve Developpers Private Limited	
18. Orbit Lifestyle City Developers Private Limited	
19. Orbit Parkcity Private Limited	
20. Orbit Parkland Developers Private Limited	
21. Orbit Power & Transmission Private Limited	
22. Orbit Raking Solutions Limited	
23. Orbit Retail Chain Private Limited	
24. Orbit Translink & Logistics Private Limited	
25. Pheonix Appliances Private Limited	
26. Property Redevelopers Association	
27. Orbit Eduserve Pvt. Ltd	
28. Orbit Evolve Infra Pvt. Ltd.	

## Notes to Financial Statements for year ended 31 March 2012

2. Names of the related parties with whom transactions were carried out during the year and description of relationship	
<b>A. Subsidiary company</b>	
1. Orbit Highcity Private Limited	52.57 % Subsidiary company
2. Ahinsa Buildtech Private Limited	85 % Subsidiary company
3. Orbit Habitat Private Limited	100 % Subsidiary company
4. Orbit Residency Private Limited	100 % Subsidiary company
<b>B. Key Management Personnel</b>	
1. Mr. Ravi Kiran Aggarwal	Chairman & Executive Director
2. Mr. Pujit Aggarwal	Managing Director & CEO
<b>C. Others</b>	
<b>Enterprises over which Key Managerial Personnel are able to exercise Significant influence</b>	
1. Mazda Construction Company Private Limited	
2. Orbit Abode Private Limited	
3. Property Redevelopers Association	
4. Pheonix Appliances Private Limited	
5. Orbit Dwelling Private Limited	
6. Orbit Lifestyle City Developers Private Limited	
7. Emgee Foils Pvt Ltd	
8. Orbit Eduworld Private Limited	

(₹ in millions)

3A. Disclosure of related party transactions for Subsidiary and KMPS				
Particulars	Subsidiary		KMPS	
	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2012	For the year ended 31 March 2011
1. Loan granted	646.36	807.72		
Loan recovered	310.36	743.18		
Closing Balance	1,651.55	1,315.55		
2. Loan Taken	-	-	220.88	120.28
Loan Repaid	-	-	222.20	65.88
Closing Balance	-	-	140.90	142.21
3. Rent Paid	-	-	26.47	26.47
4. Managerial Remuneration & Salaries	-	-	13.50	13.50
5. Investment made in Shares during the year	-	450.10	-	-
6. Interest received on Loan	-	21.94	-	-
7. Shares issued out of Promoters Warrant Money		-	-	379.50
8. Advance for Share application money in Subsidiary Company		-		
During the year	-	142.65	-	-
Closing Balance	142.65	142.65		
9. Deposits				
During the year	-	-	-	-
Closing Balance	-	-	278.76	278.76

## Notes to Financial Statements for year ended 31 March 2012

3B. Disclosure of related party transactions for Others		
Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Property Advances</b>		
Advance Granted	296.98	698.58
Advance Recovered	15.45	33.23
Closing Balance	2,784.70	2,503.17
<b>Other Advances</b>		
Advance Granted	1.56	6.94
Advance Recovered	0.01	4.11
Closing Balance	4.38	2.83
Supplier Advance	1.44	-
Interest received	107.37	206.70
Purchase of Material	0.02	0.09
Donation Given	0.65	0.90

### 33. Note on Taxes

**A.** The Company considering inter alia, the legislative intent of the provisions of the Section 80-IB (10) of the Income Tax Act, 1961, particularly with respect to the deduction of the profits derived from redevelopment of buildings/properties, is of the considered opinion that it shall be entitled to a 100% deduction of its profits derived from such property redevelopment activities undertaken in accordance with Development Control Regulations (DCR) in force in the state of Maharashtra, notwithstanding approvals etc. in terms of provisions of the said Section 80-IB (10). Accordingly the taxable profit computed in accordance with the provisions of Income Tax Act, 1961 have been reduced to the extent of claim u/s. 80-IB (10).

The company has applied for admission at settlement commission for various issues inter alia under section 80-IB(10) claim made by the Company, to which Income Tax department had contested upon.

The company has been granted interim relief in form of stay order against abatement of all cases. In view of the matter being subject of scrutiny by Settlement Commission and further verification of facts, the same is subjudice for deduction u/s 80 - IB(10). Submission of facts & justification of the said claim is in process through various hearing from time to time at the Hon'ble Income Tax Settlement Commission

In addition to the amount of ₹ 141.36 millions provided during the year for tax, ₹ 12.67 millions may be an additional amount for the same in case the deduction u/s 80-IB (10) is not available for the year.

In addition to the amount of ₹ 905.15 millions provided cumulative for previous years for tax, ₹ 776.79 millions may be an additional amount for the same in case the deduction U/s 80 IB (10) is not available for such previous years.

**B.** The Company inter alia had received notice U/s 153A of the Income Tax Act, 1961 in respect of search carried out by the relevant authority in February 2010. The Company has filed return for the same and also for the cases pending with Hon'ble Income Tax Settlement Commission. The Income Tax department has passed orders assessment yearwise in response to the said returns filed by the Company. However the company has contested the said orders and the demand raised thereon by filing appeal before Commissioner of Income Tax (Appeals).

## Notes to Financial Statements for year ended 31 March 2012

### 34. Employee Stock Options

#### A. ESOP Scheme 2009

1. At an Extra Ordinary Meeting held on 9<sup>th</sup> July, 2009 resolution to grant upto 300,000 options to employees was approved. The Compensation Committee of the Board granted 161,500 options on 27<sup>th</sup> January, 2010 to selected 107 employees of the Company under Orbit ESOS 2009.
2. At the time of allotment of bonus shares in July 2010, in the ratio of 1 share for every 1 share held, further 161,500 bonus options were granted to these employees
3. 90,330 options have vested on 27<sup>th</sup> Jan 2012 and balance 111,350 options will vest on 27<sup>th</sup> Jan 2013.
4. The pricing of options granted is based on 30% discount of average price of equity shares computed as the average of weekly high and low of the closing prices of the shares for 2 weeks ending on the date of vest. Bonus options do not have any exercise price but are exercisable along with original options

#### B. Repricing of ESOP on AGM

1. The AGM held on 9<sup>th</sup> August 2011 approved the re-pricing of the Options in such a way that the reference of Vesting Date is not required. The revised price is a fixed price of ₹ 46.71 per option/share for all the Options granted but not vested as on 9<sup>th</sup> August 2011.
2. The vesting schedule after 9<sup>th</sup> August 2011: 90,330 options on 27<sup>th</sup> January 2012 and 111,350 options on 27<sup>th</sup> January 2013.
3. The closing market price on 8<sup>th</sup> August, 2011 (being previous date to the re-pricing) was ₹ 36.60 per share on NSE (volume of trade 814885 shares) and ₹ 37.05 per share on BSE (volume of trade 391656 shares). The NSE closing price has been taken as a base for working out intrinsic value

#### C. Rational for re-pricing

Existing pricing formula has uncertainty about pricing and is linked to market price to the date of vesting. This is likely to render the Options unattractive due to volatile market conditions.

#### D. Accounting

1. As the market price is less than the re-priced option, there would be no charge towards employee compensation cost in respect of 2<sup>nd</sup> and 3<sup>rd</sup> vesting.
2. The employee compensation cost in respect of 1<sup>st</sup> Vesting for 119,250 options, applicable at ₹ 20.54 per share (i.e. ₹ 67.25 less ₹ 46.71 per share) has already been charged to Profit and loss account in the previous year
3. The charge of ₹ 49,501 has been reversed in the current year in respect of 2,410 options (out of 1<sup>st</sup> Vesting) which lapsed in the year.
4. During the year ended 2011-12, 15 employees holding options resigned. As a result of separations so far, 9,100 vested options and 13,090 unvested options have lapsed and are available for reissue



## Notes to Financial Statements for year ended 31 March 2012

### E. Others

1. There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.

### F. Summary of Options Granted

Vesting date	No.of Options	Options surrendered / lapsed	Exercise Period	Exercise Price	Market Value	Intrinsic Value
27.01.11	121,320	4,480	Upto 25.01.14	46.71	67.25	20.54
27.01.12	90,330	4,620	Upto 25.01.15	46.71	37.05	-
27.01.13	111,350	13,090	Upto 25.01.16	46.71	37.05	-
	323,000	22,190				

### G. The movement of stock options during the year ended March 31, 2012 are summarized below:

	Number of options
Outstanding at the beginning of the year	318,300
Exercisable at the beginning of the year	119,250
Granted during the year	-
Vested during the year	90,330
Vested Options Forfeited during the year	7,030
Granted Options Forfeited during the year	17,490
Exercised during the year	-
Expired during the year	-
Money realized by exercise of options	-
Outstanding at the end of the year	300,810
Exercisable at the end of the year	202,550

## Notes to Financial Statements for year ended 31 March 2012

### H. For purposes of the proforma disclosures, the fair value of each option grant using the Black Scholes Option Valuation model with the following assumptions:

	First Vesting	Second Vesting	Third Vesting
Risk free interest rate	7%	8%	8%
Expected volatility	57%	57%	57%
Years to Maturity	1	2	3
Stock Price at the time of Option grant	67.25	36.6	36.6
Expected Dividends	Not separately included, factored in volatility working		
<b>Calculations</b>			
Options granted	121,320	90,330	111,350
Options Lapsed	4,480	4,620	13,090
Net options granted	116,840	85,710	98,260
Exercise Price	46.71	46.71	46.71
Market Price on grant date (in ₹)	67.25	36.60	36.60
Intrinsic Value (in ₹)	20.54	-	-
Fair Value based on Black Scholes Method (in ₹)	27.57	10.42	13.81
Charged to employee cost based on Intrinsic Value (Before Group allocation) (₹ in millions)	2.40	-	-
Chargeable to employee cost based on Fair Value (₹ in millions)	3.22	0.89	0.68
Additional charged if Fair Value taken (₹ in millions)	0.82	0.89	0.68

Note: The difference in basic and diluted EPS is insignificant under both the methods.

### 35. Staff benefits cost in accordance with Accounting Standard 15 (Revised 2005)

**1. Retirement Benefits:** Payments under defined contribution plans like Provident Fund and Family Pension have been charged to Profit & Loss Account as and when made.

**2. Disclosure for defined benefit plan - Gratuity (non funded):**

“The Company provides for gratuity benefit under a defined benefit retirement scheme (the “Gratuity Scheme”) as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. The Gratuity Scheme provides for a lump sum payment to employees who have completed at least five years of service with the Company, based on salary and tenure of employment. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary. The Gratuity Scheme is a non-funded scheme and the Company intends to discharge this liability through its internal resources.”

## Notes to Financial Statements for year ended 31 March 2012

### 3. The following table sets out the status of the Gratuity Scheme in respect of employees of the Company

(₹ in millions)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Change in the present value of defined benefits obligation		
Present value of Defined Benefits Obligation at the beginning of the year	5.84	2.57
Service cost	1.47	1.76
Interest cost	0.48	0.21
Actuarial loss/ (gain)	(0.91)	1.37
Benefits paid	(0.11)	(0.08)
<b>Present Value of Defined Benefits Obligation at the end of the year (A)</b>	<b>6.78</b>	<b>5.84</b>

### 4. Net gratuity cost comprise the following components:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Service cost	1.47	1.76
Interest cost	0.48	0.21
Expected return on assets		-
Actuarial loss/(gain)	(0.91)	1.37
<b>Net gratuity cost</b>	<b>1.05</b>	<b>3.34</b>

### 5. The actuarial assumptions used in accounting for the Gratuity Plan were as follows:

Rate of interest	8.75% per annum	8.25% per annum
Rate of increase in compensation levels	7% per annum	7% per annum
Withdrawal rate	1%	1%
Mortality Rate	LIC (1994-96) ultimate Mortality rate	LIC (1994-96) ultimate Mortality rate
Retirement age	58 years	58 years

36. The total value of sales for project mentioned in note 37 for which revenue recognition is applicable is ₹ 20,723 millions. Out of which ₹ 15,102 millions was recognised in previous year and ₹ 1,935 millions is recognised revenue for the year as per percentage completion method. The remaining amount i.e. outstanding book size is ₹ 3,687 millions.

## Notes to Financial Statements for year ended 31 March 2012

37. The following is the summary of the projects.

(₹ in millions)

Location wise	Sale Consideration as on 31st Mar 2012	Revenue Recognised till 31st Mar 2011	Revenue Recognised for FY 11-12	Outstanding Book Size
1. Completed Projects				
Napean Sea Road	3,238	3,119	119	-
Lower Parel	482	477	6	-
BKC	7,449	7,651	(202)	-
(A)	11,170	11,246	(77)	-
2. On going Projects				
Napean Sea Road	5,268	1,609	1,161	2,499
Lower Parel	3,857	2,246	743	868
Prarthna Samaj	428	-	108	320
(B)	9,553	3,855	2,012	3,687
Total (A+B)	20,723	15,102	1,935	3,687
3. Sale of Property				
Napean Sea Road	1,150	-	1,150	-

## 38. Previous Year Figures

The previous year's figures have been recast / regrouped / rearranged wherever considered necessary in accordance with Revised Schedule VI forming part of companies Act, 1956 and effective for the financial year commencing on or after 01<sup>st</sup> April 2011.

As per our report attached

**Sharp and Tannan**

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

**Milind P. Phadke**

Partner

Membership No. 33013

For and on behalf of the Board Of Directors

**Ravi Kiran Aggarwal**

Chairman and Executive Director

**Ramashrya Yadav**

Head - Finance & Strategies

**Pujit Aggarwal**

Managing Director & CEO

**Puja Mehta**

Company Secretary

Place : Mumbai.

Date: 24<sup>th</sup> May 2012

## Statement under section 212 of the Companies Act, 1956

A. Subsidiary Company	Orbit Highcity Private Limited	Ahinsa Buildtech Private Limited	Orbit Residency Private Limited	Orbit Habitat Private Limited
B. Holding Company's Interest				
a. No. of Equity Shares	16,935,484	10,000	10,000	10,000
b. Extent of Holding	52.57%	85%	100%	100%
C. Financial Year of the Company	2011-12	2011-12	2011-12	2011-12
D. Net Aggregate amount of subsidiary company's Profit/(Loss) so far as it concerns the members of the Holding Company and is not dealt with in Accounts of the Holding Company.				
a. For the subsidiary company's Financial year ended 31st March 2012.	3.30	97.52	(2.63)	(0.4)
b. For the subsidiary company's previous Financial years, since it became the Holding Company's subsidiary.	(19.75)	30.49	(3.85)	(1.43)
E. Net Aggregate amount of subsidiary Company's Profit/(Loss) dealt with in Holding Company's accounts	Nil	Nil	Nil	Nil

For and on behalf of the Board Of Directors

Place : Mumbai.  
 Date: 24<sup>th</sup> May 2012

**Ravi Kiran Aggarwal**  
 Chairman and Executive Director

the 1990s, and the 1990s have seen a rapid increase in the number of people who have been diagnosed with the disease. The disease is now a leading cause of death in many countries, and it is expected that the number of people who die from the disease will continue to rise in the coming years. The disease is caused by a virus, and it is spread from person to person through contact with their blood or other body fluids. The disease is most commonly spread through sharing of needles, but it can also be spread through sexual contact and from mother to child during childbirth.

The disease is most commonly found in people who are intravenous drug users, but it is also found in people who are sexually active and who do not use protection. The disease is most commonly found in people who are in their 20s and 30s, but it can also be found in people who are older. The disease is most commonly found in people who are in their 20s and 30s, but it can also be found in people who are older. The disease is most commonly found in people who are in their 20s and 30s, but it can also be found in people who are older.

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CONSOLIDATED FINANCIAL STATEMENTS - 2011-2012

(Kept Intentionally Blank)



# Independent auditors' report

## Report to the Board of Directors on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Orbit Corporation Limited and its subsidiaries (the 'Group') which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2012, the Consolidated Statement of Profit and Loss and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of ₹ 5913.15 million, total revenues of ₹ 786.50 millions and cash inflows of ₹ 568.73 millions. These financial statements have been audited by other auditors whose reports have been furnished to us, and, in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

### Management's Responsibility for the Financial Statements

The management of the group is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

No provision has been made in these accounts for additional income tax payable and interest thereon as per assessment orders received for the assessment years 2004-05 to 2010-11 amounting to ₹ 1573.24 millions, resulting in the overstatement of the profit for the current year, understatement of short term provisions and overstatement of the reserves and surplus by a like amount. [Refer note No 27 (2a)].

In our opinion, and to the best of our information and according to the explanations given to us, subject to the matter referred to above, and read with Note No. 33 (a), the said financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31<sup>st</sup> March, 2012;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Statement of Cash Flows, of the Cash Flows for the year ended on that date.

### SHARP & TANNAN

Chartered Accountants  
Registration No.109982W  
by the hand of

### MILIND P. PHADKE

Partner  
Membership No. 033013

Place: Mumbai  
Date: 24<sup>th</sup> May, 2012

## Consolidated Balance Sheet as at 31st March, 2012

(₹ in millions)

Particulars	Note No	As at 31.03.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	1,139.62	1,141.22
(b) Reserves and surplus	3	9,350.49	8,271.60
(c) Money received against share warrants		-	-
		10,490.11	9,412.82
<b>Share application money pending allotment</b>		-	<b>235.00</b>
<b>Minority Interest</b>		<b>1,309.20</b>	<b>17.92</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	2,438.35	4,584.93
(b) Deferred tax liabilities (net)	33	467.15	574.41
(c) Other Long term liabilities	5	382.76	249.51
(d) Long-term provisions	6	14.22	12.36
		3,302.47	5,421.22
<b>Current liabilities</b>			
(a) Short-term borrowings	7	958.12	331.09
(b) Trade payables	8	547.20	300.38
(c) Other current liabilities	9	7,770.56	6,523.86
(d) Short-term provisions	10	1,071.26	1,096.57
		10,347.14	8,251.90
<b>TOTAL</b>		<b>25,448.93</b>	<b>23,338.86</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		293.87	300.41
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	0.59	0.59
(c) Deferred tax assets (net)	33	39.06	38.84
(d) Long-term loans and advances	13	8,424.79	7,850.80
(e) Other non-current assets		-	-
		8,758.31	8,190.64
<b>Current assets</b>			
(a) Current investments	12	26.08	57.54
(b) Inventories	14	7,373.06	7,875.84
(c) Trade receivables	15	5,930.41	4,931.69
(d) Cash and Bank Balances	16	966.01	628.09
(e) Short-term loans and advances	13	2,389.60	1,646.87
(f) Other current assets	17	5.47	8.19
		16,690.62	15,148.22
<b>TOTAL</b>		<b>25,448.93</b>	<b>23,338.86</b>

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statements

As per our report attached

For and on behalf of the Board Of Directors

**Sharp and Tannan**

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

**Milind P. Phadke**

Partner

Membership No. 33013

Place : Mumbai.

Date: 24<sup>th</sup> May 2012**Ravi Kiran Aggarwal**

Chairman and Executive Director

**Ramashrya Yadav**

Head - Finance &amp; Strategies

**Pujit Aggarwal**

Managing Director &amp; CEO

**Puja Mehta**

Company Secretary

## Consolidated Statement of Profit and Loss for the year ended 31 March 2012

(₹ in millions)

Particulars	Note No	Year ended 31.03.2012	Year ended 31.03.2011
I. Revenue from operations	18	3,825.65	3,991.49
II. Other Income	19	83.37	53.17
III. Total Revenue (I +II)		<b>3,909.01</b>	<b>4,044.66</b>
IV. Expenses:			
Cost of Real Estate Purchase , Materials and Consumption Expenses	20	1,292.08	3,579.81
Changes in inventories of finished goods and Work in progress	21	502.78	(2,391.64)
Employee benefits expense	22	145.17	156.91
Finance costs	23	1,192.83	1,039.81
Depreciation and amortization expense	11	60.08	53.69
Other expenses	24	387.10	486.24
Total expenses		<b>3,580.06</b>	<b>2,924.82</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		328.96	<b>1,119.84</b>
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		328.96	1,119.84
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		<b>328.96</b>	<b>1,119.84</b>
X. Tax expense:			
(1) Current tax		199.61	307.11
Less : Mat credit entitlement		95.02	-
(2) Deferred tax		(107.49)	23.95
(3) Short provision of tax in respect of earlier years		4.61	-
XI. Profit(Loss) from the period from continuing operations (IX-X)		<b>137.22</b>	<b>788.78</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Minority Interest		20.19	6.12
XV. Profit/(Loss) for the year (XI + XIV)		<b>117.03</b>	<b>782.66</b>
XVI. Earning per equity share:	25		
(1) Basic EPS		1.03	7.03
(2) Diluted EPS		1.03	7.02

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statements

As per our report attached

For and on behalf of the Board Of Directors

**Sharp and Tannan**

Chartered Accountants

Firm's Registration Number 109982W

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**Milind P.Phadke**

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**Ravi Kiran Aggarwal**

Chairman and Executive Director

**Ramashrya Yadav**

Head - Finance & Strategies

**Pujit Aggarwal**

Managing Director & CEO

**Puja Mehta**

Company Secretary

Place : Mumbai.

Date: 24<sup>th</sup> May 2012

## Consolidated Cash Flow Statement for the year ended 31 March 2012

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
<b>A. Cash Flow from operating activities</b>		
<b>Net profit before tax</b>	<b>328.96</b>	<b>1,119.84</b>
Adjustments For:		
Depreciation	60.08	53.69
Interest expense	1,192.83	1,039.81
Employee stock option	(0.05)	2.45
Wealth Tax	0.43	0.36
( Profit)/ Loss on sale of Assets	0.09	0.19
( Profit)/ Loss on sale of Subsidiary	-	(1.14)
Income from investment and Bank Deposits	(53.39)	(12.92)
<b>Operating profit before working capital changes</b>	<b>1,528.95</b>	<b>2,202.29</b>
Adjustments for:		
(Increase)/decrease in inventories	502.78	(2,391.64)
(Increase) / decrease in trade receivables	(998.72)	(301.79)
(Increase) / decrease in loans and advances	(1,393.15)	260.36
(Increase) / decrease in other current assets	8.19	(7.61)
Increase/(decrease) in trade and other payables	246.82	18.01
Increase / (decrease) in Advances received	643.71	(81.49)
Increase / (decrease) in other liabilities	78.55	1.79
Increase / (decrease) in Provisions	(3.74)	(8.25)
(Increase)/decrease in miscellaneous expenditure not written off	-	-
<b>Cash generated from operations</b>	<b>613.40</b>	<b>(308.35)</b>
Direct taxes paid	(168.82)	(195.74)
Wealth tax paid	(0.36)	
(Increase)/decrease in miscellaneous expenditure not written off	-	-
<b>Net cash from operating activities</b>	<b>444.22</b>	<b>(504.09)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(14.99)	(93.88)
Proceeds from sale of Fixed Assets	0.71	3.33
Purchase of shares of Subsidiary	-	(0.20)
Sale of shares of Subsidiary	-	1.24
Cash Balance of newly acquired Subsidiary	-	0.02
Purchase of investments	(130.00)	-
Sale of investments	165.00	26.97
Income from investments and Bank Deposits	44.38	1.93
Adjustment on account of Amalgamation of Subsidiaries	-	-
<b>Net cash (used in)/from investing activities</b>	<b>65.10</b>	<b>(60.59)</b>

## Consolidated Cash Flow Statement for the year ended 31 March 2012

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
<b>C. Cash flow from financing activities</b>		
Issue of share capital	-	20.00
Securities premium (net of issue expenses)	-	264.63
Expenses written off against share premium in subsidiary	(2.00)	-
Share application money received in Subsidiary	-	235.00
Proceeds Long Term Borrowings	1,807.33	1,705.21
Proceeds short Term Borrowings	157.50	-
Proceeds from Debentures	500.00	488.26
Repayment Long Term Borrowings	(1,108.58)	(784.16)
Repayment Short Term Borrowings	-	-
Repayment Debentures	-	(323.26)
Repayment of unsecured loan Others	(485.00)	-
Redemption of Preference share	(1.60)	-
Interest paid	(925.95)	(815.39)
Final Dividend of FY 10-11	(113.11)	-
Final Dividend of FY 07-08	(0.0004)	(0.01)
Final Dividend of FY 09-10	(0.001)	(82.27)
Interim Dividend of FY 09-10	(0.0001)	(0.02)
Interim Dividend of FY 07-08	(0.00001)	-
<b>Net cash (used in)/from financing activities</b>	<b>(171.41)</b>	<b>707.99</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>337.91</b>	<b>143.30</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>628.09</b>	<b>484.79</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>966.01</b>	<b>628.09</b>

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statements" prescribed under the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents represent cash and bank balances.

As per our report attached

For and on behalf of the Board Of Directors

**Sharp and Tannan**

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

**Milind P.Phadke**

Partner

Membership No. 33013

Place : Mumbai.

Date: 24<sup>th</sup> May 2012

**Ravi Kiran Aggarwal**

Chairman and Executive Director

**Ramashrya Yadav**

Head - Finance & Strategies

**Pujit Aggarwal**

Managing Director & CEO

**Puja Mehta**

Company Secretary

# Notes to the Consolidated Financial Statements for year ended 31 March 2012

## 1. Significant Accounting Policies

### 1.1 Basis of Accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ('GAAP') and in compliance with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and other requirements of the Companies Act, 1956. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods. Wherever changes in presentation are made, comparative figures of the previous year are regrouped accordingly.

### 1.2 Revenue Recognition

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company. Revenue from construction and project related activity is recognised by applying Percentage Completion Method (PCM) to sale of tenements. Percentage of completion is determined as a proportion of cost incurred to date (excluding property acquisition cost) to the total estimated project cost (excluding property acquisition cost). Project becomes eligible for revenue recognition when the percentage of completion of project exceeds 25%.

### 1.3 Fixed Asset

Fixed assets are capitalised at acquisition cost, including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to working condition for use.

Expenditure relating to existing fixed assets is added to the cost of the assets, where it increases the performance / life of the asset as assessed earlier.

Fixed assets are eliminated from financial statements either on disposal or when retired from active use.

### 1.4 Intangible assets and Amortisation

Intangible assets are recognised as per the criteria specified in Accounting Standard (AS) 26 'Intangible Assets'.

### 1.5 Investments

Investments are classified into long term and current investments. Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than of a temporary nature. Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

# Notes to the Consolidated Financial Statements for year ended 31 March 2012

## 1.6 Inventories

Inventory of finished tenements are valued at lower of the cost or net realizable value. Inventories of work in progress includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the Company and are valued at cost.

## 1.7 Depreciation

Depreciation on fixed assets has been provided on written down value, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

## 1.8 Employee Stock Option Scheme

Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share-based payments' issued by ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value, if any, of the stock options as on the date of vesting over the exercise price of the options is recognised as deferred employee compensation and is charged to the profit and loss account on vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation, if any, is reduced from Employee Stock Option Outstanding.

## 1.9 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale.

All other borrowing costs are recognised as expense in the period in which they are incurred.

## 1.10 Retirement Benefits

Retirement benefits to the employees comprise of payments under defined contribution plans like Provident Fund and Family Pension. The liability in respect of defined benefit scheme like Gratuity is provided on the basis of actuarial valuation as at the year end. Provisions for / contributions for leave encashment benefits are made on actual basis.

## 1.11 Taxes on income

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessments / appeals.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### **1.12 Provisions, Contingent liabilities and Contingent assets**

- a. Provision are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
  - i. the Company has a present obligation as a result of past event,
  - ii. a probable outflow of resources is expected to settle the obligation; and
  - iii. the amount of the obligation can be reliably estimated.
- b. Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtual certain that reimbursement will be received if obligation is settled.
- c. Contingent liability is disclosed in the case of
  - i. a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
  - ii. a possible obligation, unless the probability of outflow of resources is remote.
- d. Contingent assets neither disclosed nor recognised.
- e. Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### **1.13 Events occurring after the date of balance sheet**

Where material, events occurring after the date of the Balance Sheet are considered upto the date of approval of accounts by the Board of Directors.

### **1.14 Foreign Currency Transactions**

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates the relevant transactions take place.

Monetary Assets and Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

### **1.15 Earnings Per Share**

The amount considered in ascertaining the Company's earnings per share constitutes the net Profit after tax.

The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Diluted EPS is calculated on the number of equity shares outstanding as on the balance sheet date and also the dilutive component of employee stock options. Dilutive nature have been calculated as difference between fair value i.e. Average six months daily closing price as on 31<sup>st</sup> March 2012 and actual conversion price for such warrants.



# Notes to the Consolidated Financial Statements for year ended 31 March 2012

## 2. Share capital

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Number	Amounts	Number	Amounts
<b>Authorised Equity Capital</b>				
Equity Shares of ₹ 10 each	199,750,000	1,997.50	199,750,000	1,997.50
Redeemable Non cumulative Preference share of ₹ 10 each	250,000	2.50	250,000	2.50
	<b>200,000,000</b>	<b>2,000.00</b>	<b>200,000,000</b>	<b>2,000.00</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each	113,961,890	1,139.62	113,961,890	1,139.62
Redeemable Non cumulative Preference share of ₹ 10 each	-	-	160,000	1.60
	<b>113,961,890</b>	<b>1,139.62</b>	<b>114,121,890</b>	<b>1,141.22</b>
<b>a. Reconciliation of shares outstanding at beginning and at end of reporting period</b>				
<b>Equity Capital</b>	<b>Number</b>	<b>Amounts</b>	<b>Number</b>	<b>Amounts</b>
Balance at the beginning of the year	113,961,890	1,139.62	54,980,945	549.81
Add: Issued during the year	-	-	58,980,945	589.81
Less: Bought back during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>113,961,890</b>	<b>1,139.62</b>	<b>113,961,890</b>	<b>1,139.62</b>
<b>10% Redeemable Non Cumulative Preference share</b>				
Balance at the beginning of the year	160,000	1.60	160,000	1.60
Add: Issued during the Year: Nil	-	-	-	-
Less: Redeemed During the year	160,000	1.60	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>160,000</b>	<b>1.60</b>

### b. Terms/ Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets, if any of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Terms/ Rights attached to Preference Shares

If at any time, the share capital by reason of issue of Preference shares or otherwise is divided into different classes of shares, then all or any of the rights and privileges attached to any class, then the rights and restrictions attaching to the Redeemable Preference Shares shall differ from those attaching to Equity Shares as follows:

The Redeemable Preference Shares carry rights to receive dividends.

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

The holders of Redeemable Preference Shares have no rights to receive notices of, attend or vote at general meetings except in certain limited circumstances affecting their interests & rights.

Subject to the provisions of the Companies Act 1956, the Company shall have the right to redeem the Redeemable Preference Shares at any time on giving not less than seven days' written notice.

On a distribution of assets of the Company, on a winding-up or other return of capital (subject to certain exceptions), the holders of Redeemable Preference Shares have priority over the holders of Ordinary Shares to receive the capital paid-up on those shares.

### c. Shareholding more than 5 percent

Name of the shareholder	As on 31st March 2012		As on 31st March 2011	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Mr .Ravi Kiran Aggarwal	22,213,904	19.49%	22,213,904	19.49%
Mr .Pujit Aggarwal	23,984,676	21.05%	23,384,676	20.52%
Emgee Foils Private Ltd	7,016,800	6.16%	7,016,800	6.16%

### d. Shares reserved for issue under options

The Company had at Extra Ordinary General Meeting held on 9<sup>th</sup> July 2009 approved the resolution to grant, upto 300,000 Options to its and subsidiaries employees.

Company issued bonus shares to the shareholders in the ratio of 1 for every share held as on 30<sup>th</sup> June 2010.

Accordingly, option holders have been granted bonus options in the same ratio.

(Refer Note 34 for details)

### e. Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares

Equity Shares				
Year Ended	Face Value	Bonus issue	Buy back of shares	Without payment received in cash
31 March 2012	-	-	-	-
31 March 2011	10	56,980,945	-	-
31 March 2010	-	-	-	-
31 March 2009	-	-	-	-
31 March 2008	-	-	-	-
31 March 2007	-	-	-	-
<b>Total</b>		<b>56,980,945</b>	-	-
Preference share				
Year Ended	Face Value	Bonus issue	Redemption of shares	Without payment received in cash
31 March 2012	10	-	160,000	-
31 March 2011	-	-	-	-
31 March 2010	-	-	-	-
31 March 2009	-	-	-	-
31 March 2008	-	-	-	-
31 March 2007	-	-	-	-
<b>Total</b>		-	<b>160,000</b>	-

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 3. Reserves and retained earnings

(₹ in millions)

	As at 31 March 2012	As at 31 March 2011
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	0.29	0.29
Add: Transfer from Profit /Loss account	1.60	-
Balance at the end of the year	<b>1.89</b>	<b>0.29</b>
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	3,736.55	3,946.86
Add: Received during the year		359.50
Less: Bonus Shares issued		569.81
Less: Security issue expenses written off in terms of Section 78 of Companies Act, 1956	-	-
Balance at the end of the year	<b>3,736.55</b>	<b>3,736.55</b>
<b>Share of Securities Premium in Subsidiaries</b>	945.09	-
<b>Debenture Redemption Reserve</b>		
Balance at the beginning of the year	1,500.00	750.00
Add: Additions during the year	-	750.00
Less: Deletion during the year	-	-
Balance at the end of the year	<b>1,500.00</b>	<b>1,500.00</b>
<b>Employees Stock Options outstanding</b>		
Balance at the beginning of the year	2.45	-
Add: Additions during the year	-	2.45
Less: Deletion during the year	0.05	-
Balance at the end of the year	<b>2.40</b>	<b>2.45</b>
<b>General Reserve</b>		
Balance at the beginning of the year	281.48	262.60
Add: Additions during the year	-	18.87
Less: Deletion during the year	-	-
Balance at the end of the year	<b>281.48</b>	<b>281.48</b>
<b>Surplus /(deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	2,750.83	2,875.23
Profit / (Loss) for the year	117.03	782.66
Less: Minority Interest in Prior Period Losses	(16.82)	2.56
Less: Profit written off on consolidation	-	2.55
Less: Transfer to General Reserve	-	18.87
Less: Transfer to Capital Redemption Reserve	1.60	-
Less: Transfer to Debenture Redemption Reserve	-	750.00
Less: Proposed Dividend	-	113.96
Less: Dividend on Preference Share	-	0.16
Less: Tax on Dividend	-	18.95
Balance at the end of the year	<b>2,883.08</b>	<b>2,750.83</b>
<b>Total Reserves &amp; Surplus</b>	<b>9,350.49</b>	<b>8,271.60</b>

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 4. Borrowings

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
<b>a. Secured Loans</b>				
<b>Debentures</b>				
1,500 (Previous year 1500) Secured Non-Convertible Debentures of ₹ 1,000,000 each.	-	1,500.00	-	1,500.00
Vehicle loans from banks	46.73	18.51	58.43	17.14
Loans from Banks	-	1,710.21	1,710.21	147.50
Loans from Institutions	1,235.19	2,260.94	2,154.46	955.46
	<b>1,281.92</b>	<b>5,489.66</b>	<b>3,923.11</b>	<b>2,620.10</b>
<b>b. Unsecured Loans</b>				
<b>Debentures</b>				
Nil (Previous year 20,000) 15% Compulsorily Convertible Debentures of ₹ 100,000 each	-	-	-	2,000.00
9,000 (Previous year 2,350) 14.75% Compulsorily Convertible Debentures of ₹ 100,000 each	900.00	-	235.00	-
<b>Loans and advances from related parties</b>				
From Directors (interest free)	141.43	-	125.84	16.90
<b>Others</b>				
Debenture application money			165.00	-
Application Money received - Optionally Convertible Debentures	-	-	-	200.00
From Other Bodies corporate	100.00	23.15	120.98	285.00
From others	15.00		15.00	-
	<b>1,156.43</b>	<b>23.15</b>	<b>661.83</b>	<b>2,501.90</b>
<b>Total Borrowings</b>	<b>2,438.35</b>	<b>5,512.80</b>	<b>4,584.93</b>	<b>5,122.00</b>

#### Other Details

##### c. Details of borrowings guaranteed by the directors

<b>Long Term</b>	
Non Convertible Debentures	1,500.00
Vehicle Loans	50.01
Loans from banks	1,710.21
Loans from Institutions	3,496.13
<b>Short Term</b>	
Other Unsecured	150.00
<b>Total</b>	<b>6,906.35</b>

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

**d During the year the Company has defaulted in repayment of loans and interest in respect of the following:**

(₹ in millions)

Particulars	Period (upto balance sheet date)					Total
	One day	One month to Three Months	Four Months to Six months	Upto Nine months	More than a year	
<b>Principal</b>						
Non Convertible Debentures	375.00	375.00	375.00	375.00		1,500.00
Loans from banks	250.00	448.71	250.00	-		948.71
Loans from Institutes	-	50.00	48.68	-		98.68
<b>Total</b>	<b>625.00</b>	<b>873.71</b>	<b>673.68</b>	<b>375.00</b>		<b>2,547.39</b>
<b>Interest</b>						
Compulsorily Convertible Debentures					410.01	410.01
Non Convertible Debentures	49.81	50.36	-	-		100.17
Loans from banks-short Term	22.70	-	-	-		22.70
Loans from Institutes	34.94	23.63	-	-		58.57
<b>Total</b>	<b>107.46</b>	<b>73.99</b>	<b>-</b>	<b>-</b>	<b>410.01</b>	<b>591.46</b>

**e. Details of CCDs issued by the Company along with redemption details**

Orbit Highcity Private Limited (hereinafter referred as "The Company") has entered into an investment agreement dated 27<sup>th</sup> January, 2010 (Investment Agreement) with IL&FS Trust Company Limited, IIRF India Realty X Limited, Moltana Holdings Limited, Rodere Holdings Limited and Orbit Corporation Limited for funding of ₹ 1,650 million in mix of Debentures and Equity. In accordance with which the following Debentures were allotted:

Debenture Holders	No of Debentures			
	As on 31st March 11	Allotted during the year	Allotted during the year	As on 31st March 12
IL & FS Trust Company Limited	66	46	140	252
Moltana Holdings Limited	2,284	1,604	4,860	8,748
<b>Total</b>	<b>2,350</b>	<b>1,650</b>	<b>5,000</b>	<b>9,000</b>
Date of Allotment	22-Mar-10	2-Apr-11	27-Mar-12	
Date of Redemption	21-Mar-16	2-Jan-17	26-Mar-18	

CCDs will be entitled to bear interest on the face value from the Effective Date till the date of conversion of the Investor CCDs, at the rate of 14.75% p.a (net of all Taxes)

The CCDs shall be compulsorily converted and the debenture holder shall be entitled to have the CCDs converted into Equity Shares, having the same rights and ranking pari passu with other ordinary fully paid up Equity Shares of the Company, on such terms and conditions as stipulated in the Investment Agreement. Any stamp duty on the Agreement, issuance of Debentures, and/ or issuance of Equity Shares as a result of conversion of debentures shall be borne by the Company.

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

At the end of 72 (seventy two) months from the date of issuance of the CCDs by the Company, the CCDs shall automatically convert into Equity Shares to the extent not already converted, at the terms set out in the Investment Agreement.

The Investors shall have the right (but not the obligation) to convert at any time from the agreement date any or all of the CCDs into Equity Shares of the Company, at the terms set out in the Investment Agreement.

On actual conversion of the CCDs, the number of fully paid Equity Shares to be issued and allotted upon conversion of CCDs, shall be subject to appropriate adjustments for (i) any bonus issue of shares; or (ii) consolidation or sub-division of shares, including a share split; or (iii) issue of shares on rights basis; or (iv) any other dilution or consolidation events that may have occurred prior to such conversion that have occurred after the Investment Agreement date.

### f. Security Details

Name of Lender	Facility & Loan Documentation	Amount Outstanding (₹ in Mn.)	Interest Rate p.a	Repayment Schedule (₹ in Mn.)
Details of security offered for Loan from Banks				
Term loans and overdraft facilities which are secured by registered mortgages of certain freehold lands / properties of the Company / Subsidiary Companies and / or against future receivables of the Company / Subsidiary Companies and / or directors' personal guarantee				
1. State Bank of India	Term loan	448.71	15.75%	Sep 2011-250 mn Dec 2011-198.71 mn
2. Union Bank of India	Term loan	546.00	16.50%	Dec 2011 - 250mn
				Mar 2012- 250mn
				June 2012- 46 mn
3. Axis Bank	Cash Credit Facility	714.86	14%	Quarterly installments in FY 2012-13 of 250 Mn each starting from July 2012
4. Canara Bank	Working Capital Loan	800.62	11.35%	On Demand
Construction Equipment and Vehicle Loan against hypothecation of respective equipments/vehicles and Directors' personal guarantee				
1. HDFC Bank Ltd.	Construction Equipment Loan	0.65	various rates ranging @ average of 12.75%	Various installments upto July 2012
2. HDFC Bank Ltd, ICICI Bank and Canara Bank	Vehicle Loan	65.24	various rates ranging @ average of 11.39%	Various installments upto December 2016

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

<b>Details of security offered for Loan from Institutions</b>				
Term loans and overdraft facilities which are secured by registered mortgages of certain freehold and leasehold lands / properties of the Company / Subsidiary Companies and / or against future receivables of the Company / Subsidiary Companies and / or directors' personal guarantee				
1. LIC - Non Convertible Debenture (NCDs)	Working Capital Loan	1500	13.32%	30th June 2011 - 37.50 mn
				30th Sept 2011 - 37.50 mn
				31st Dec 2011 - 37.50 mn
				31st Mar 2012 - 37.50 mn
2. LIC Housing Finance Ltd.	Term loan	889.93	15.90%	Loan Repayment scheduled Vide letter dated Sep 10, 2011. Monthly installments of 80 mn starting from Sep 2012 to June 2013 and 89.93 mn in July 2013
3. IFCI Ltd	Corporate Loan	864.64	16.75%	Nov 2011- 48.7 mn
				Feb 2012 -50mn
				May 2012 -200mn
				Aug 2012 -200mn
				Nov 2012 -200mn
Feb 2013 - 165.9 mn				
4. Money Matters Financial Services Ltd	General Corporate Purposes	400.00	16%	18 monthly installments starting from April 12 of 22.22 Mn each.
5. Deewan Housing Finance Corporation Ltd	Mortgage Loan	241.66	21%	84 Months EMI of 5.2 mn commenced from Oct 11
6. ECL Finance Limited	General Corporate Purposes	1100	18%	Sep 2012 - 275 mn
				Dec 2012 -275 mn
				June 2013 -275 mn
				Sep 2013 - 275 mn
<b>Details of security offered for Loan from Corporate</b>				
Secured by properties of the Company and Directors' personal guarantee				
1. JBF Industries Limited	General Corporate Purposes	150	24%	May 2012- 150 mn

### 5. Other Long term liabilities

(₹ in millions)

	As at 31 March 2012	As at 31 March 2011
Advances from customers	382.51	249.28
Application money for I.P.O. to be refunded	0.01	0.01
Deposits	0.24	0.22
	<b>382.76</b>	<b>249.51</b>

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 6. Long Term Provision

(₹ in millions)

	As at 31 March 2012	As at 31 March 2011
Provision for Leave Encashment	7.24	6.46
Provision for Gratuity	6.98	5.90
	<b>14.22</b>	<b>12.36</b>

### 7. Short-term borrowings

	As at 31 March 2012	As at 31 March 2011
<b>Secured</b>		
From Bank	800.62	331.09
From Others	150.00	
<b>Unsecured</b>		
From Other Bodies corporate	7.50	-
(Refer Note 4 for Other Details)	<b>958.12</b>	<b>331.09</b>

### 8. Trade Payables

	As at 31 March 2012	As at 31 March 2011
- Dues to Micro, small and medium enterprises	-	-
- Others		
Goods supplied	260.02	187.01
Expenses	77.18	73.37
Others	210.00	40.00
	<b>547.20</b>	<b>300.38</b>

### 9. Other Current Liabilities

	As at 31 March 2012	As at 31 March 2011
Current maturities of long term borrowings (Refer note 4)	5,512.80	5,122.00
Interest accrued and due on borrowings	590.67	325.04
Interest accrued but not due on borrowings	1.24	-
Unpaid Dividend	1.72	1.07
Others Statutory Liabilities	101.85	23.96
Advances from customers	1,562.27	1,051.79
	<b>7,770.56</b>	<b>6,523.86</b>

### 10. Short Term Provision

	As at 31 March 2012	As at 31 March 2011
Provision for Expenses	14.37	-
Proposed Dividend	-	114.12
Tax on Dividend	-	18.95
Provision for Income Tax	1,045.73	952.40
Provision for Fringe Benefit Tax	9.99	9.99
Provision for Wealth Tax	1.17	1.10
	<b>1,071.26</b>	<b>1,096.57</b>



## 11. Tangible assets

(₹ in millions)

	Land Freehold	Flat	Plant and equipment	Site Equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computers	Business Communication System	Yacht	Boat	Total
<b>Gross block</b>													
<b>Balance as at 01 April 2010</b>	<b>0.51</b>	<b>54.66</b>	<b>76.77</b>	<b>1.75</b>	<b>77.51</b>	<b>62.65</b>	<b>12.24</b>	<b>18.81</b>	<b>10.74</b>	<b>4.17</b>	<b>60.31</b>	<b>5.72</b>	<b>385.85</b>
Additions			21.82	2.69	6.02	44.69	0.53		3.95	1.87			81.56
Disposals						10.34							10.34
<b>Balance as at 31 March 2011</b>	<b>0.51</b>	<b>54.66</b>	<b>98.60</b>	<b>4.44</b>	<b>83.53</b>	<b>97.00</b>	<b>12.76</b>	<b>18.81</b>	<b>14.69</b>	<b>6.04</b>	<b>60.31</b>	<b>5.72</b>	<b>457.07</b>
Additions			0.64		0.65	36.41	0.70		0.61	0.62	0.42	14.12	54.16
Disposals						3.02							3.02
<b>Balance as at 31 March 2012</b>	<b>0.51</b>	<b>54.66</b>	<b>99.24</b>	<b>4.44</b>	<b>84.18</b>	<b>130.38</b>	<b>13.46</b>	<b>18.81</b>	<b>15.30</b>	<b>6.66</b>	<b>60.73</b>	<b>19.83</b>	<b>508.21</b>
													-
<b>Accumulated depreciation and amortisation</b>													
<b>Balance as at 01 April 2010</b>		<b>0.73</b>	<b>13.26</b>	<b>0.16</b>	<b>21.85</b>	<b>26.01</b>	<b>4.49</b>	<b>10.09</b>	<b>5.83</b>	<b>1.33</b>	<b>23.94</b>	<b>2.10</b>	<b>109.79</b>
Depreciation charge		2.70	11.56	0.27	11.01	14.40	1.10	1.58	2.54	0.54	7.27	0.72	53.69
Reversal on disposal of assets						6.82							6.82
<b>Balance as at 31 March 2011</b>	<b>-</b>	<b>3.43</b>	<b>24.81</b>	<b>0.44</b>	<b>32.86</b>	<b>33.59</b>	<b>5.59</b>	<b>11.67</b>	<b>8.37</b>	<b>1.87</b>	<b>31.21</b>	<b>2.83</b>	<b>156.66</b>
Depreciation charge		2.56	10.27	0.56	9.26	23.99	1.05	1.29	2.71	0.64	5.91	1.84	60.08
Reversal on disposal of assets						2.41							2.41
Acquisitions through business combinations													-
<b>Balance as at 31 March 2012</b>	<b>-</b>	<b>5.99</b>	<b>35.08</b>	<b>0.99</b>	<b>42.11</b>	<b>55.17</b>	<b>6.65</b>	<b>12.96</b>	<b>11.09</b>	<b>2.51</b>	<b>37.12</b>	<b>4.66</b>	<b>214.34</b>
<b>Net block</b>													
<b>Balance as at 31 March 2011</b>	<b>0.51</b>	<b>51.23</b>	<b>73.79</b>	<b>4.00</b>	<b>50.67</b>	<b>63.41</b>	<b>7.17</b>	<b>7.14</b>	<b>6.31</b>	<b>4.18</b>	<b>29.10</b>	<b>2.89</b>	<b>300.41</b>
<b>Balance as at 31 March 2012</b>	<b>0.51</b>	<b>48.67</b>	<b>64.16</b>	<b>3.45</b>	<b>42.07</b>	<b>75.21</b>	<b>6.82</b>	<b>5.85</b>	<b>4.21</b>	<b>4.15</b>	<b>23.60</b>	<b>15.17</b>	<b>293.87</b>

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 12. Investments (Valued at Cost)

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
<b>Unquoted</b>				
<b>Investments in Equity Instruments</b>				
Property Redevelopers Association	0.06		0.06	
6,250 (Previous year 6,250) shares of ₹ 10 each, fully paid up				
The Pen Co-operative Urban Bank Limited	0.50		0.50	
2,000 (Previous year 2,000 ) shares of ₹ 250 each, fully paid up.				
The Sarwaswat Co-Op.Bank Ltd.	0.03		0.03	
2,500 (Previous year 2,500 ) shares of ₹10 each, fully paid up.				
	<b>0.59</b>	-	<b>0.59</b>	-
<b>Quoted</b>				
<b>Investments in Mutual Funds</b>				
Birla Sunlife Savings Fund - Institutional Daily Dividend		26.08		57.54
	-	<b>26.08</b>	-	<b>57.54</b>

#### Other Details

- Market Value of quoted investments - ₹ 26.08 millions
- During the year 8,494,223.927 units of Birla Sunlife Savings Fund were purchased for ₹ 130 millions and 7,045,209.251 units were redeemed for ₹ 165 million
- The company has received a dividend income of ₹ 3.54 millions on the same.

### 13. Loans and Advances

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
<b>Unsecured considered good</b>				
<b>A. Capital Advances</b>				
Advance for Fixed Assets	-	-	39.36	-
Advances paid for Joint Development	2,483.58	-	2,482.58	-
Advances paid for acquisition of properties	2,702.80	265.19	1,979.15	155.61
<b>B. Security Deposits</b>				
Deposits - Director	278.76	-	278.76	-
Other Deposits	46.31	0.62	30.29	
<b>C. Advances to Related Parties</b>				
Advances paid for acquisition of properties to Related parties	2,913.34	172.86	2,804.87	-
Other advances	-	4.46	2.91	
For goods	-	1.44		

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

<b>D. Others</b>				
Advance for Expenses	-	13.70	-	135.64
Advances to suppliers	-	179.90		87.48
Advances recoverable in cash or in kind or for value to be received	-	576.80	232.88	56.43
Advance payment of taxes	-	1,131.29	-	962.53
MAT Credit Entitlement	-	43.33	-	249.18
	<b>8,424.79</b>	<b>2,389.60</b>	<b>7,850.80</b>	<b>1,646.87</b>
<b>Loans and advances include amounts due from:</b>				
1. Director	278.76	-	278.76	-
2. Private companies in which any director is a director or member	2,451.69	174.52	2,499.49	
3. Officer of the Company	-	1.24	-	1.00
	<b>2,730.45</b>	<b>175.75</b>	<b>2,778.25</b>	<b>1.00</b>

### 14. Inventories

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
Closing Work-in-Progress	-	7,373.06	-	7,875.84
	-	<b>7,373.06</b>	-	<b>7,875.84</b>

### 15. Trade receivables

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
Unsecured, considered good				
Outstanding for a period exceeding six months from the date they are due for payment	-	1167.25	-	3,264.21
Trade receivables	-	4763.16	-	1,667.48
	-	<b>5,930.41</b>	-	<b>4,931.69</b>

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 16 Cash and Bank Balances

(₹ in millions)

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
<b>Cash and cash equivalents</b>				
Cash on hand	-	67.59	-	93.79
Balances with banks				
on current accounts	-	7.54	-	125.16
on dividend accounts	-	(64.76)		0.90
Deposits with original maturity of less than 3 months	-	648.21	-	408.24
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	-	307.41	-	-
	-	<b>966.01</b>	-	<b>628.09</b>

### 17 Other current assets

	As at 31 March 2012		As at 31 March 2011	
	Non Current	Current	Non Current	Current
Interest Accrued on Fixed Deposits		5.47	-	8.19
	-	<b>5.47</b>	-	<b>8.19</b>

### 18. Revenue from operations

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Revenue generated from completed projects	(76.79)	104.70
Revenue recognised for projects under progress	2,752.44	3,751.78
(Details Refer note 36 )		
Sale of Property Rights	1,150.00	-
Others	-	135.01
	<b>3,825.65</b>	<b>3,991.49</b>

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 19. Other Income

(₹ in millions)

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
<b>Interest Income</b>		
Bank Deposits	49.85	11.80
Other Advances	27.46	34.00
<b>Dividend</b>		
Mutual Funds	3.54	4.45
Shares	0.01	0.01
<b>Others</b>		
Gain on sale of subsidiary	-	1.14
Profit/loss on Sale of Asset	0.09	-
Miscellaneous Income	2.42	1.79
	<b>83.37</b>	<b>53.17</b>

### 20. Cost of Real Estate Purchase, Materials and Consumption Expenses

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
A. Property Acquisition Cost	132.80	1,748.72
(Including Tenants Buyback and Accomodation cost)		
B. Total Material Cost	389.19	754.10
C. Other Direct Project Expenses		
Labour Charges / Works Contract charges	564.28	680.78
Legal and Professional fees	24.53	110.81
Insurance	3.74	3.47
Rates and Taxes	62.12	78.65
Advertisement and Publicity	0.68	3.55
Compensation Expenses	87.73	20.50
Travelling Expenses	0.04	0.22
Other Direct expenses related to Projects	26.97	179.01
Total Direct Project Expenses	770.10	1,076.99
<b>Total Cost of Real Estate Purchase , Materials and Consumption Expenses</b>	<b>1,292.08</b>	<b>3,579.80</b>

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 21. Change in Inventories

(₹ in millions)

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
<b>Closing Work-in-Progress</b>		
Finished goods	-	-
Work in progress	(7,373.06)	(7,875.84)
<b>Opening Work-in-Progress</b>		
Finished goods	-	17.12
Work in progress	7,875.84	5,467.08
	<b>502.78</b>	<b>(2,391.64)</b>

### 22. Employee Related Costs

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Salaries ,Wages ,bonus and Benefits	123.89	128.77
Contribution to Provident Fund	7.58	8.56
Employee Stock Option Scheme	(0.05)	2.45
Staff Welfare Expenses	13.75	17.13
	<b>145.17</b>	<b>156.91</b>

### 23. Finance costs

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Interest on Non Convertible Debentures	200.26	177.86
Interest on Complusorily Convertible Debentures	94.42	383.21
Interest on Other Loan	847.27	398.29
Interest on Income tax	5.37	19.69
Other Interest and Finance Charges	45.51	60.77
	<b>1,192.83</b>	<b>1,039.81</b>

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 24. Other Expenses

(₹ in millions)

	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Legal and Professional fees	123.12	158.87
Labour charges	22.98	1.44
Insurance	4.96	2.87
Rent	41.69	41.03
Rates and Taxes	3.87	4.12
Repairs and Maintenance		
Buildings	-	-
Plant and Machinery	-	-
Others	2.16	4.26
Business Promotion	31.97	38.23
Auditors Remuneration	4.15	3.11
Compensation Expenses	12.93	-
Advertisement and Publicity	34.41	64.86
Travelling Expenses	7.71	15.08
Wealth Tax	0.43	0.21
	-	
Other general and administration Expenses	96.72	152.16
	<b>387.10</b>	<b>486.24</b>

### 25. Earnings Per Share

Particulars	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Net Profit attributable to Equity Share Holder	117.03	754.72
Number of shares outstanding at the end of the year	113,961,890	113,961,890
Weighted Average number of shares	113,961,890	111,364,630
Weighted average number of potential equity shares on account of employee stock options	-	49,972
Number of shares for computation of Diluted EPS	113,961,890	111,414,602
Basic EPS (In ₹.)	1.03	6.78
Diluted EPS (In ₹.)	1.03	6.78
Face Value per Equity Share(₹)	10	10

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 26. Basis of Preparation

The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", issued by the Companies Accounting Standard Amendment Rules, 2006. The CFS comprises the financial statements of Orbit Corporation Limited and its subsidiaries.

The significant accounting policies and notes to the CFS are intended for better understanding of the Group's financial position. In this respect, the Company has disclosed such policies and notes which represent the required disclosures.

### 27. Contingent Liabilities

#### 1. Corporate Guarantee

The Company had provided corporate guarantee on behalf of Bhagyodaya Infrastructure Development Limited, the principal contractor for few projects undertaken by the Company, for availing credit facility to the extent of ₹ 175.00 million from State Bank of India. Loan Outstanding as on 31<sup>st</sup> March 2012 is ₹ 94.10 millions.

#### 2 Other money for which the company is contingently liable

- a. In continuation of Note 32(b), the Company has received Assessment orders for Assessment year 2004-05 to 2010-11 passed by Dy. Commissioner Income Tax, Centre Circle, Mumbai U/s 153A r.w.s. 143(3) of the Income Tax Act, 1961 and also received demand notice U/s 156 of the Income Tax Act, 1961. As per the said demand notice, the Income Tax department has raised demand for Income Tax and interest thereon for an amount of ₹ 1,573.24 millions. However, the company has contested the said order and the demand raised thereon by filing appeal before Commissioner of Income Tax (Appeals). The Company is confident that it will succeed in the appeal filed based on the available documents & evidence and the liability will not get materialized.
- b. As a reason of differences and disputes relating to certain issues, between Orbit Corporation Limited and Rosy Blue (India) Private Limited, arbitration was invoked under the Arbitration and Conciliation Act, 1996, whereby an Arbitrator was appointed. The claim made by Rosy Blue is unlikely to be awarded as since 2009, Orbit has been calling upon Rosy Blue (India) Private Limited to take possession of the property "Orbit Plaza", which Rosy Blue (India) Private Limited, has been avoiding. In the event, Award is granted in favour of Rosy Blue, Orbit may suffer potential monetary to the extent of outstanding amount receivable.

### 28. Segment Reporting

The Company's business activities fall within a single segment, viz. real estate and redevelopment and predominantly operates in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 'Segment Reporting', is not applicable.

29. Trade Receivables, Trade payable and loans and advances are subject to confirmation and reconciliation, if any

### 30. Borrowing cost

Borrowing cost specific to Project is capitalised as project cost and are charged to revenue based on percentage completion. Other Borrowing costs are charged to revenue.

During the year Interest cost ₹ 766.41 millions had been charged to revenue (including portion of accumulated interest).



## Notes to the Consolidated Financial Statements for year ended 31 March 2012

31. The list of Subsidiaries included in the consolidated financial statements are as under:

Name of Subsidiary	Country of Incorporation	Proportion of ownership as at 31st March, 2012	Proportion of ownership as at 31st March, 2011
Orbit Highcity Private Limited	India	52.57%	97.35%
Ahinsa Buildtech Private Limited	India	85.00%	85.00%
Orbit Habitat Private Limited	India	100%	100%
Orbit Residency Private Limited	India	100%	100%

32. Related Parties

1. List of related parties	
<b>a. Subsidiary company</b>	
1. Orbit Highcity Private Limited	52.57 % Subsidiary company
2. Ahinsa Buildtech Private Limited	85 % Subsidiary company
3. Orbit Habitat Private Limited	100 % Subsidiary company
4. Orbit Residency Private Limited	100 % Subsidiary company
<b>b. key Management Personnel</b>	
1. Mr. Ravi Kiran Aggarwal	Chairman & Executive Director
2. Mr. Pujit Aggarwal	Managing Director & CEO
<b>c. Others</b>	
Enterprises over which Key Managerial Personnel are able to exercise Significant influence	
1. Apex Hotel Enterprises Private Limited	
2. Emgee Foils Private Limited	
3. Orbit Compel Infra-Build Private Limited	
4. Orbit Entertainment Private Limited	
5. Orbit Equisities Housing Private Limited	
6. Orbit Infraserve Private Limited	
7. Orbit Socio Foundation	
8. Revati Academic & Infrastructure Private Limited	
9. Ambuj Infrastructure Private Limited	
10. Brio Academic Infrastructure and Resource Management Private Limited	
11. Charm Mercantile Private Limited	
12. Mazda Construction Company Private Limited	
13. Nitika Multitrading Private Limited	

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

14. Orbit Abode Private Limited	
15. Orbit Dwelling Private Limited	
16. Orbit Eduworld Private Limited	
17. Orbit Evolve Developpers Private Limited	
18. Orbit Lifestyle City Developers Private Limited	
19. Orbit Parkcity Private Limited	
20. Orbit Parkland Developers Private Limited	
21. Orbit Power & Transmission Private Limited	
22. Orbit Raking Solutions Limited	
23. Orbit Retail Chain Private Limited	
24. Orbit Translink & Logistics Private Limited	
25. Pheonix Appliances Private Limited	
26. Property Redevelopers Association	
27. Orbit Eduserve Pvt. Ltd	
28. Orbit Evolve Infra Pvt. Ltd.	

### 2. Names of the related parties with whom transactions were carried out during the year and description of relationship

<b>a. Subsidiary company</b>	
1. Orbit Highcity Private Limited	52.57 % Subsidiary company
2. Ahinsa Buildtech Private Limited	85 % Subsidiary company
3. Orbit Habitat Private Limited	100 % Subsidiary company
4. Orbit Residency Private Limited	100 % Subsidiary company
<b>b. Key Management Personnel</b>	
1. Mr. Ravi Kiran Aggarwal	Chairman & Executive Director
2. Mr. Pujit Aggarwal	Managing Director & CEO
<b>c. Others</b>	
Enterprises over which Key Managerial Personnel are able to exercise Significant influence	
1. Mazda Construction Company Private Limited	
2. Orbit Abode Private Limited	
3. Property Redevelopers Association	
4. Pheonix Appliances Private Limited	
5. Orbit Dwelling Private Limited	
6. Orbit Lifestyle City Developers Private Limited	
7. Emgee Foils Pvt Ltd	
8. Orbit Eduworld Private Limited	

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

(₹ in millions)

3a. Disclosure of related party transactions for KMPS		
Particulars	KMPS	
	For the year ended 31 March 2012	For the year ended 31 March 2011
1. Loan Taken	220.88	120.28
Loan Repaid	222.20	65.89
Closing Balance	141.43	142.74
2. Rent Paid	26.47	26.47
3. Managerial Remuneration & Salaries	13.50	13.50
4. Shares issued out of Promoters Warrant Money	-	379.50
5. Deposits		
During the year	-	-
Closing Balance	278.76	278.76
3b. Disclosure of related party transactions for Others		
Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Property Advances</b>		
Advance Granted	296.98	698.58
Advance Recovered	15.65	35.03
Closing Balance	3,086.20	2,804.87
<b>Other Advances</b>		
Advance Granted	1.56	6.94
Advance Recovered	0.01	4.11
Closing Balance	4.46	2.91
Supplier Advance	1.44	-
Interest received	107.37	206.70
Purchase of Material	0.02	0.09
Donation Given	0.65	0.90

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 33. Note on Taxes

- a. The Company considering inter alia, the legislative intent of the provisions of the Section 80-IB (10) of the Income Tax Act, 1961, particularly with respect to the deduction of the profits derived from redevelopment of buildings/properties, is of the considered opinion that it shall be entitled to a 100% deduction of its profits derived from such property redevelopment activities undertaken in accordance with Development Control Regulations (DCR) in force in the state of Maharashtra, notwithstanding approvals etc. in terms of provisions of the said Section 80-IB (10). Accordingly the taxable profit computed in accordance with the provisions of Income Tax Act, 1961 have been reduced to the extent of claim u/s. 80-IB (10). The company has applied for admission at settlement commission for various issues inter alia under section 80-IB(10) claim made by the Company, to which Income Tax department had contested upon.

The company has been granted interim relief in form of stay order against abatement of all cases. In view of the matter being subject of scrutiny by Settlement Commission and further verification of facts, the same is subjudice for deduction u/s 80 – IB(10). Submission of facts & justification of the said claim is in process through various hearing from time to time at the Hon'ble Income Tax Settlement Commission.

In addition to the amount of ₹ 141.36 millions provided during the year for tax, ₹ 12.67 millions may be an additional amount for the same in case the deduction u/s 80-IB (10) is not available for the year.

In addition to the amount of ₹ 905.15 millions provided cumulative for previous years for tax, ₹ 776.79 millions may be an additional amount for the same in case the deduction U/s 80 IB (10) is not available for such previous years.

- b. The Company inter alia had received notice U/s 153A of the Income Tax Act, 1961 in respect of search carried out by the relevant authority in February 2010. The Company has filed return for the same and also for the cases pending with Hon'ble Income Tax Settlement Commission. The Income Tax department has passed orders assessment yearwise in response to the said returns filed by the Company. However the company has contested the said orders and the demand raised thereon by filing appeal before Commissioner of Income Tax (Appeals).
- c. Major Components of Deferred Tax Liability (DTL) are as under:

(₹ in millions)

	DTL/(DTA) As At 31.03.2011	Charged/(credited) To Profit & Loss A/c	DTL/(DTA) As At 31.03.2012
<b>DTL</b>			
Deferment of Tax Liability on Account of uncertainty related to final sale agreement .	580.19	(102.97)	477.22
<b>Total</b>	<b>580.19</b>	<b>(102.97)</b>	<b>477.22</b>
<b>DTA</b>			
Employee benefits	4.10	(0.51)	4.61
Difference between Book & Tax Depreciation	2.07	(4.00)	6.07
Carry Forward Losses	28.63	11.43	17.20
Expenses Transferred to Income Tax CWIP	9.81	(11.44)	21.25
<b>Total</b>	<b>44.61</b>	<b>(4.52)</b>	<b>49.13</b>
<b>Net DTL /(DTA)</b>	<b>535.58</b>	<b>(107.49)</b>	<b>428.09</b>

Note: The Deferred Tax Liability is netted off on consolidation basis.

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### 34. Employee Stock Options

#### a. ESOP Scheme 2009

1. At an Extra Ordinary Meeting held on 9<sup>th</sup> July, 2009 resolution to grant upto 300,000 options to employees was approved. The Compensation Committee of the Board granted 161,500 options on 27<sup>th</sup> January, 2010 to selected 107 employees of the Company under Orbit ESOS 2009.
2. At the time of allotment of bonus shares in July 2010, in the ratio of 1 share for every 1 share held, further 161,500 bonus options were granted to these employees
3. 90,330 options have vested on 27<sup>th</sup> Jan 2012 and balance 111,350 options will vest on 27<sup>th</sup> Jan 2013.
4. The pricing of options granted is based on 30% discount of average price of equity shares computed as the average of weekly high and low of the closing prices of the shares for 2 weeks ending on the date of vest. Bonus options do not have any exercise price but are exercisable along with original options

#### b. Repricing of ESOP on AGM

1. The AGM held on 9<sup>th</sup> August 2011 approved the re-pricing of the Options in such a way that the reference of Vesting Date is not required. The revised price is a fixed price of ₹ 46.71 per option/share for all the Options granted but not vested as on 9<sup>th</sup> August 2011.
2. The vesting schedule after 9<sup>th</sup> August 2011: 90,330 options on 27<sup>th</sup> January 2012 and 111,350 options on 27<sup>th</sup> January 2013.
3. The closing market price on 8<sup>th</sup> August, 2011 (being previous date to the re-pricing) was ₹ 36.60 per share on NSE (volume of trade 814,885 shares) and ₹ 37.05 per share on BSE (volume of trade 391,656 shares). The NSE closing price has been taken as a base for working out intrinsic value.

#### c. Rational for re-pricing

Existing pricing formula has uncertainty about pricing and is linked to market price to the date of vesting. This is likely to render the Options unattractive due to volatile market conditions.

#### d. Accounting

1. As the market price is less than the re-priced option, there would be no charge towards employee compensation cost in respect of 2<sup>nd</sup> and 3<sup>rd</sup> vesting.
2. The employee compensation cost in respect of 1<sup>st</sup> Vesting for 119,250 options, applicable at ₹ 20.54 per share (i.e. ₹ 67.25 less ₹ 46.71 per share) has already been charged to Profit and loss account in the previous year
3. The charge of ₹ 49,501 has been reversed in the current year in respect of 2,410 options (out of 1<sup>st</sup> Vesting) which lapsed in the year.
4. During the year ended 2011-12, 15 employees holding options resigned. As a result of separations so far, 9,100 vested options and 13,090 unvested options have lapsed and are available for reissue

#### e. Others

1. There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

### f. Summary of Options Granted

Vesting date	No. of Options	Options surrendered/ lapsed	Exercise Period	Exercise Price	Market Value	Intrinsic Value
27.01.11	121,320	4,480	Upto 25.01.14	46.71	67.25	20.54
27.01.12	90,330	4,620	Upto 25.01.15	46.71	37.05	-
27.01.13	111,350	13,090	Upto 25.01.16	46.71	37.05	-
	<b>323,000</b>	<b>22,190</b>				

### g The movement of stock options during the year ended March 31, 2012 are summarized below:

	Number of options
Outstanding at the beginning of the year	318,300
Exercisable at the beginning of the year	119,250
Granted during the year	-
Vested during the year	90,330
Vested Options Forfeited during the year	7,030
Granted Options Forfeited during the year	17,490
Exercised during the year	-
Expired during the year	-
Money realized by exercise of options	-
Outstanding at the end of the year	300,810
Exercisable at the end of the year	202,550

### h. For purposes of the proforma disclosures, the fair value of each option grant using the Black Scholes Option Valuation model with the following assumptions:

	First Vesting	Second Vesting	Third Vesting
Risk free interest rate	7%	8%	8%
expected volatility	57%	57%	57%
Years to Maturity	1	2	3
Stock Price at the time of Option grant	67.25	36.6	36.6
Expected Dividends	Not separately included, factored in volatility working		
Calculations			
Options granted	121,320	90,330	111,350
Options Lapsed	4,480	4,620	13,090
Net options granted	116,840	85,710	98,260
Exercise Price	46.71	46.71	46.71
Market Price on grant date (in ₹)	67.25	36.60	36.60
Intrinsic Value (in ₹)	20.54	-	-
Fair Value based on Black Scholes Method (in ₹)	27.57	10.42	13.81

## Notes to the Consolidated Financial Statements for year ended 31 March 2012

Charged to employee cost based on Intrinsic Value (Before Group allocation) (₹ in millions)	2.40	-	-
Chargeable to employee cost based on Fair Value (₹ in millions)	3.22	0.89	0.68
Additional charged if Fair Value taken (₹ in millions)	0.82	0.89	0.68

Note: The difference in basic and diluted EPS is insignificant under both the methods.

35. The total value of sales for project mentioned in note 36 for which revenue recognition is applicable is ₹ 22,691 millions. Out of which ₹ 15,525 millions was recognised in previous year and ₹ 2,676 millions is recognised revenue for the year as per percentage completion method. The remaining amount i.e. outstanding book size is ₹ 4,490 millions.

36. The following is the summary of the projects.

Location wise	Sale Consideration as on 31 <sup>st</sup> Mar 2012	Revenue Recognised till 31 <sup>st</sup> Mar 2011	Revenue Recognised for FY 11-12	Outstanding Book Size
<b>1. Completed Projects</b>				
Napean Sea Road	3,238	3,119	119	-
Lower Parel	482	477	6	-
BKC	7,449	7,651	(202)	-
	<b>11,170</b>	<b>11,246</b>	<b>(77)</b>	-
<b>2. On going Projects</b>				
Napean Sea Road	5,268	1,609	1,161	2,499
Lower Parel	3,857	2,246	743	868
Prarthna Samaj	428	-	108	320
Andheri Saki Naka	1,967	423	741	803
	<b>11,521</b>	<b>4,278</b>	<b>2,752</b>	<b>4,490</b>
<b>Total</b>	<b>22,691</b>	<b>15,525</b>	<b>2,676</b>	<b>4,490</b>
<b>3. Sale of Property</b>				
Napean Sea Road	1,150	-	1,150	-

### 37. Previous Year Figures

The previous year's figures have been recast / regrouped / rearranged wherever considered necessary in accordance with Revised Schedule VI forming part of companies Act, 1956 and effective for the financial year commencing on or after 01<sup>st</sup> April 2011.

As per our report attached

**Sharp and Tannan**

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

**Milind P.Phadke**

Partner

Membership No. 33013

Place : Mumbai.

Date: 24<sup>th</sup> May 2012

For and on behalf of the Board Of Directors

**Ravi Kiran Aggarwal**

Chairman and Executive Director

**Ramashrya Yadav**

Head - Finance & Strategies

**Pujit Aggarwal**

Managing Director & CEO

**Puja Mehta**

Company Secretary

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

(₹ in millions)

Particulars	Orbit Highcity Private Limited	Ahinsa Buildtech Private Limited	Orbit Residency Private Limited	Orbit Habitat Private Limited
Country of Incorporation	India	India	India	India
Financial Year Ended	31 <sup>st</sup> Mar 2012	31 <sup>st</sup> Mar 2012	31 <sup>st</sup> Mar 2012	31 <sup>st</sup> Mar 2012
Subsidiary since	18 <sup>th</sup> Jan 2008	11 <sup>th</sup> July 2008	11 <sup>th</sup> July 2008	9 <sup>th</sup> Feb 2011
Proportion of Ownership as at 31st March 2012	52.57%	85.00%	100.00%	100.00%
Equity Shares Held as on 31st March 2012	8,903,226	10,000	8,500	10,000
Share Capital	169.35	0.10	0.10	0.10
Reserves	2,543.34	150.61	(6.48)	(1.83)
Share application money			-	142.65
Non-current liabilities	1,405.00	835.77	395.00	52.54
Current liabilities	446.61	168.68	0.03	0.22
<b>Total Liabilities</b>	<b>1,851.62</b>	<b>1,004.45</b>	<b>395.03</b>	<b>52.76</b>
Fixed Assets	25.04	0.08	48.67	-
Investments	-	-	-	-
Deferred Tax Asset	39.06	-	-	-
Other Non-current assets	2,483.58	0.80	339.50	193.31
Current Assets	2,016.63	1,154.27	0.48	0.37
<b>Total Assets</b>	<b>4,564.31</b>	<b>1,155.16</b>	<b>388.65</b>	<b>193.68</b>
Operating Income	-	740.85	-	-
Other Income	45.61	0.03	-	-
Profit/(Loss) before Taxation	10.67	171.92	(2.63)	(0.40)
Provision for Taxation	4.38	57.19	-	-
<b>Profit/(Loss) after Taxation</b>	<b>6.28</b>	<b>114.73</b>	<b>(2.63)</b>	<b>(0.40)</b>
Proposed Dividend	NIL	NIL	NIL	NIL

Above Information on subsidiaries is provided in compliance with Circular No. 2/2011 file no. 51/12/2007-CL-III dated February 08, 2011 of the Ministry of Corporate Affairs, Government of India. We undertake to provide the audited annual accounts and related information of subsidiaries, where applicable, upon request by any of our shareholders. The annual accounts will also be available for inspection during business hours at our registered office in Mumbai, India.











**ORBIT**  
VISION BEYOND

## Orbit Corporation Limited

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