

11th Annual Report 2010-11



ORBIT
VISION BEYOND





Orbit Arya won the
Luxury Project of the Year 2011 Award
at 'Realty Plus Excellence Awards (West).



STAYING THE COURSE

BIRDS are among the world's most resolute creatures. Every year, they migrate thousands of kilometers to nest. Journeys can be long and exhausting. Along the way, they combat scarcity of food and hostile weather. But their spirit is unwavering; their determination absolute. They soldier on for months, focused single-mindedly on their destination.

At Orbit Corporation Limited, we reflect the same doggedness. *This Annual Report is our homage to these amazing avians.*

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Board of Directors

Mr Ravi Kiran Aggarwal
Chairman & Executive Director

Mr Pujit Aggarwal
Managing Director & CEO

Mr Shailesh S. Vaidya
Non – Independent Director

Mr Hafeez Contractor
Non – Independent Director

Mr Davendra Ahuja
(Deceased on 20th August, 2010)
Independent Director

Mr Prithvi Raj Jindal
Independent Director

Mr Kuldeep Bhargava
Independent Director

Mr Raman Maroo
Independent Director

Mr Shahzaad Dalal
Independent Director

Mr Satish Chandra Gupta
Independent Director
(Additional Director
w.e.f. 24th May, 2011)

Bankers

State Bank of India
Shivsagar Estate Branch,
Worli,
Mumbai – 400 018

Canara Bank
Colaba Branch,
Near Colaba Police Station,
Mumbai – 400 039

Union Bank of India
Mumbai Samachar Marg Branch,
66/80, Mumbai Samachar Marg,
Fort,
Mumbai – 400 023

HDFC Bank Ltd
Kamala Mills Compound,
Lower Parel,
Mumbai – 400 013

Statutory Auditors

M/s Sharp & Tannan
Ravindra Annexe,
194, Churchgate Reclamation,
Dinshaw Vachha Road,
Mumbai – 400 020

Solicitors and Legal Advisors

Kanga & Co.
1st Floor, Ready Money Chambers,
43, Veer Nariman Road,
Mumbai – 400 001

Nishith Desai Associates
93 – B, Mittal Court,
Nariman Point,
Mumbai – 400 021

Registrar and Transfer Agents

Link Intime India Private Limited
C – 13,
Pannalal Silk Mills Compound,
LBS Road,
Bhandup (West),
Mumbai – 400 078

Audit Committee

Mr Raman Maroo
Mr Ravi Kiran Aggarwal
Mr Shahzaad Dalal
Mr Kuldeep Bhargava

Management Team

Mr Pujit Aggarwal
Managing Director & CEO

Mr Ramashrya Yadav
Head – Finance and Strategies

Mr Rajesh Shah
Chief Operating Officer

Mr Hari Kumar Kurup
Chief Acquisition Officer

Commodore Vasudevan B Iyer
VSM (retd.)
Sr Vice President – Projects

Mr Sanjay Bhutani
Head – Sales

Company Secretary

Mr Satish Anand Sharma
(till 31st January, 2011)

Ms Puja Mehta
(w.e.f. 1st February, 2011)

Registered Office

The View, 1st Floor,
165, Dr. Annie Besant Road,
Worli,
Mumbai – 400 018
Maharashtra, India
Tel: +91 – 22 – 30446900
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Chairman's Message



Mr Ravi Kiran Aggarwal
Chairman & Executive Director

Dear Shareholders,

Year 2010-11 was the year of major economic upheaval, marked by sluggish growth, global uncertainties and low market sentiments. During such times, it requires great prudence and discretion to stay the course, while bearing the hurdles and difficulties of an economic turmoil. It becomes more important to continuously tread the intended path even if it calls for unassuming leaps.

Amidst this environment, your company has not only successfully stayed on its course but has also sought to explore newer avenues. As I indicated in my previous year's message, every dark cloud has a silver lining, your company utilized the opportunity to realign itself during the crises, so as to channelize its strengths and execute its strategy.

As a result, your company is now at a strategic advantage to reap the benefits of the efficiencies built over the period. The future augurs well since the markets have shown signs of improvement and the sectoral growth bids fair to touch the rising curve.

A strong pipeline, proactively built over the years at premium locations of the city in conjunction with improved internal capabilities, prepared your company well in time to remain competitive and responsive to market dynamics. Such efficiencies not only led to sustained profitability but also increased immunity of your company towards dodgy business cycle of the sector. We believe that with this focussed strategy, supported by the four pillars of our business: Quality, Innovation, Technology and People, your company will continue to reap benefits in the times to come.

We continue to employ green and sustainable technology and practices as a token of our commitment to the steady amelioration of our natural environs. I take pleasure, therefore, to inform you that during financial year 2011, we have implemented the GO GREEN INITIATIVE of the Ministry of Corporate Affairs.

Going ahead, with the consent of our shareholders, we intend to send various notices and documents to them at their registered e-mail addresses. I take this opportunity to encourage you to increasingly use electronic means for correspondence and actively participate in making this initiative a huge success.

This year, we also pay homage to Shri Davendra Ahuja Ji, whose sad demise not only creates a lacuna in our hearts but also deprives our organization of the energy and experience that he brought to bear on the agenda. He will always be remembered for his valuable contributions to our organization as the chairman of Audit Committee and as an Independent Director.

I would also hereby like to welcome Shri Satish Chandra Gupta as an esteemed addition to our Board and hope that the organization will continue to benefit by his unique expertise and entrepreneurial acumen.

We continuously strive to protect the interest of our stakeholders and create great value for them through our business. It is a matter of pride for us to announce the completion of our Employee Stock Option Scheme and to propose a 10% year end dividend for our shareholders during this tumultuous period.

We would like to thank hereby, all our shareholders, valuable clients, bankers, institutional investors and Orbit family members for reposing their trust in not only our performance but also our potential. We are grateful to them for standing strong by our side during these uncertain and trying circumstances. We look forward to your continued support as we navigate into a more prosperous future.

Mr Ravi Kiran Aggarwal

Chairman & Executive Director

Mumbai, 27th June, 2011



VISION

To be the most sought after organisation
of the 21st Century.

MISSION

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

To be sought after

By our customers for trust and deliverance

By our team for creditworthiness

By the government for transparency

By the environment for conscientiousness

By the society for socio-economic transformation

By the stakeholders for value enrichment

STRATEGY

To be the most sought after provider of Realty Solutions
in niche segments of Mumbai Metropolitan Region,
by leveraging our core competence, knowledge and experience.
Housing the dreams of Mumbaiites, by using proprietary
products, services, design and technology – thereby ensuring
a high value quotient for Orbit Properties. Making the home
buying experience not only supremely satisfying, but also
a truly unique international experience.....
.....Thus enriching the value of our Stakeholders.

ONE OF THE FINEST
HUNTERS in the sky, the
Golden Eagle picks the location
of its nest with great deliberation.
High up on a cliff top, it's young
are safe from predators and it
gets a great vantage point to spot
prey. This is one thing it never
compromises on, searching for
months for the perfect spot.

We at Orbit Corporation
Limited have taken inspiration
from this magnificent creature.
Instead of building land banks in
obscure locations, we've focused
on carving a niche in the
redevelopment space. We've
invested in smaller, yet more
lucrative projects in handpicked
locations in South Mumbai.
Because we know, when it comes
to delivering rich dividends, you
can never underestimate the
significance of a prime spot.



THE GOLDEN EAGLE

knows there are
three crucial things to consider when
building its nest:
location, location, location.

IT'S NOT THE BLADES of grass
and the ability to knit them
together that sets apart a weaver
bird from others; it's the single-
minded devotion to completing
the task at hand, come what may.
It soldiers on for 6 to 7 hours
every day for weeks until it is
satisfied that the home it has
built is accessible and secure.

The humble weaver bird is a
mighty source of inspiration for
us at Orbit Corporation Limited.
Like our tiny, feathered friend, we
too have never lost sight of our
purpose. Our single-minded focus
on creating premium and ultra
premium luxury homes in prime
locations in South Mumbai has
set us on the course to
differentiate us from the rest of
the herd. We've continued to
remain nimble and we continued
to flourish. Because we've set our
hearts on it.



ONE VITAL ELEMENT

That's priceless in
constructing a weaver bird's home:
focus.

AT FIRST GLANCE, a robin's nest is testimony to its fine craftsmanship. But look closer and you'll see how the tiny twigs (picked for their precise shape), bark strips and tiny rootlets form the perfect shape, and how the inside is made comfortable with fine, soft grass. The wrong kind of material would never deliver the perfect home.

This obsession with using only the best, is something that we take great pride in at Orbit Corporation Limited. We understand that the best location in the world would amount to nought if the quality of the construction was substandard and the fittings mediocre. Add to this our single-minded focus on redeveloping small, luxury properties in hand picked locations and you have a home that can only be described in one word: perfect.



THE SECRET

to a robin's sturdy nest resides
in details invisible to the naked eye:
the quality of the materials.



CEO's Message



Mr Pujit Aggarwal
Managing Director & CEO

To be able to resolutely stay on the course requires a fine blend of caution and diligence so as to pragmatically evaluate potential opportunities. Over the years, this quality has enabled us to carefully pick the twigs for building our organization.

Year 2009-10 augured well for economy on the whole, in the sense that, it provided an opportunity for the corporate to revisit business strategies and realign themselves to the emergent milieu. During the year 2010-11, global economic outlook improved with IMF raising its 2011 global growth forecast to 4.4% and speculations of a double-dip recession subsided soon after.

Indian economy also rebounded robustly from the global financial crisis, owing to strong domestic demand. However, 2010-11 was also set to test the sinews of fundamentals revised during the time of crisis. Target of achieving double digit GDP within the country was more than locked by huge upheaval in global economy. Large inflow of FDIs

in emerging markets and scepticism over commodity prices resulted in huge inflationary pressure across all developing economies, which led them to revise their priorities. To overcome the challenge of rising inflation and tame it to comfortable limits, money market regulators tightened the monetary policy so as to regulate liquidity.

During first half of the financial year 2011, realty sector benefitted by the improved market sentiments and registered good growth, with Mumbai lying at the forefront of the recovery cycle. However, persuaded by the global economic scenario, effect of undulating inflation counter balanced market sentiments in trailing half of the year. As a result, liquidity pressure started creeping in the market and growth forecasts were revised downwards within the country. Realty sector also witnessed extended caution and discretion by both financial institutions and regulatory authorities. These factors capped the sector performance which is also evident from the fact, that overall, realty index has underperformed during the financial year.

Demand scenario in premium residential segment almost remained resilient owing to balanced supply of mature projects. Though prices followed an upward trend until first half of the year, they moderated in the second half. Disregarding speculations of overheated economy and pricing bubble, realizations from high visibility and high maturity projects have remained competitively positive across all our markets. Hardened interest rates and inflationary pressure largely influenced the absorption of new supply in central and suburban residential market. Consequently, sale volumes wilted to remain mostly flat and even dipped in certain locations. This led to fewer project launches in these markets especially during the second half of the financial year.

Your Company has always believed in remaining niche-oriented. The focus clearly lies in creating pipeline in the prime locations of the island city. Over the years, we have been able to build a sound project pipeline that stands as a bastion against the business cycle of real estate sector for at least next five years. As a result of building our capabilities during the last few years, we have been able to anticipate the latent demand much ahead of its time. This has enabled us to timely alter our product offerings and match the needs of our customers. For the next three financial years, our aim is to further enhance the execution capability and deliver the project pipeline established so far, at an increasing pace each year.

Undoubtedly, the sector is poised for higher growth and a lot of opportunities exist in all markets across India. Given the present economic scenario and growth outlook, it remains a challenge to reinvigorate the business model while keeping it aligned to our strategy and to address this demand for integrating these markets into our revenue stream. Presently, real estate sector lies in its evolutionary phase and absence of a sector regulator is an impediment to establish a desired level of comfort and a sense of transparency for financial community and related authorities. In spite of such ambiguities plaguing the sector, its paramount utility cannot be under estimated as it caters to the basic pre requisite need of the citizenry. Going ahead, we look forward to the stakeholders actively participating and partnering with us in scaling the summit.

Mr Pujit Aggarwal

Managing Director & CEO

Mumbai, 27th June, 2011

Message From Head - Finance & Strategies



Mr Ramashrya Yadav
Head –Finance & Strategies

“When it is obvious that the goals cannot be reached,
don’t adjust the goals, adjust the action steps”

CONFUCIUS (551 BC - 479 BC), ANCIENT CHINESE PHILOSOPHER

Our Philosophical approach of running and managing business in today’s fast evolving economical environment works out perfectly to address some of the most critical business challenges. We have evolved over the period and framed our policies and processes to ensure achievement of business goals. This approach has been embedded in our business DNA over the period and is aligned with our business philosophy.

Fiscal 2011 was a year full of turbulence for the industry, which came under scanner from different section of its stakeholders, resulting in constant battering of confidence and periodic stalling of growth. However, looking on the brighter side, this also brought about a breather for the industry's unbridled growth. It also gave us an opportunity to internally focus on enhancing our policies and streamlining them with changing business environment, thereby enabling us to emerge stronger.

We concluded fiscal 2011 with consolidated revenues of ₹ 4,045 Mn as against ₹ 4,936 Mn for fiscal 2010, lower by ~18%. Our operational efficiency measures started bearing visible fruits this fiscal, with EBITDA margins

improving to 37% in 2011 as compared to 30% for 2010. Profit before tax grew by more than 13% to ₹ 1140 Mn as against ₹ 1003 Mn, however, the profit after tax and exceptional item for the fiscal 2011 was lower by ~17% at ₹ 789 Mn as against ₹ 950 Mn for fiscal 2010 primarily on account of all the projects coming under full tax rate regime.

Continuing with our practice of defining and implementing best-in-industry governance standards and processes, fiscal 2011 was no exception. In our previous communications, we had informed about deployment of Enterprise Wide Risk Management System on corporate as well as project level. It was successfully rolled out in a phased out manner through implementation of Standard Operating Procedures (SOPs) in line with Global Best Practices as advised by Pricewaterhouse Coopers Pvt. Ltd. This year we engaged Aneja Associates (Chartered Accountants) as independent risk assessment consultants in order to review these enterprise wide processes and systems. Although it is an ongoing process, the results so far have been encouraging and we are continuously contemporizing the business processes with the best practices.

Pipeline maturity and new pipeline creation was another area which was center of activity during fiscal 2011. While Orbit Terraces and Orbit Haven achieved high level of completion, Orbit Grand and Orbit Residency Park achieved completion beyond our internal threshold of 25% to become eligible for revenue recognition. We continued with our acquisition focus on Napeansea Road by further enhancing our pipeline in that area.

We have so far been successful in involving investment partners to share our risk at commensurate returns. Going ahead, we will take measures towards increasing capital efficiency and improving our asset turnover.

I am encouraged by the results of our efforts and our internal strength that organization has projected through better operational performance at a time of onslaught of external factors and fragile economic conditions.

With such business partnerships and a committed team, I am confident that Orbit Corporation Ltd. is well positioned operationally, financially and strategically for future beyond.

Mr Ramashrya Yadav

Head-Finance & Strategies

Mumbai, 27th June, 2011



ORBIT CORPORATION LTD.

11th Annual Report 2010-11

Management's Discussion and Analysis

BUSINESS ENVIRONMENT

Economic growth

Growth in India is largely driven by private domestic consumption and investment demand. Together they contribute ~95% of the total GDP. Despite persistent high inflationary pressure, private domestic consumption grew at estimated 8.2% mainly due to rising income.

For the year ending March 2011, GDP grew by 8.5% down from the initial forecast of 9% at the start of the year. Due to mounting inflation, growth forecast has been moderated with RBI projecting a growth of 8% and IMF projecting it at 8.2%.

Inflation and interest rate movement

Fears of a possible double dip recession subsided early in the financial year as there was a renewed confidence in sustainability of healthy growth. However, by the second half of the financial year inflationary pressures forced the government and the regulators to take steps at curbing liquidity, primarily by increasing policy rates. Headline inflation towards the year-end had been 8.98% with food inflation being the major contributor.

For fiscal 2011, while the Repo rate increased by 175 bps to 6.5%, Reverse Repo rate increased by 225 bps to 5.75%. It is speculated that the repo rates may increase further. CRR went up by 25 bps and stabilized at 6% by the year end.

Real Estate Performance in Mumbai

During the year, while there was a healthy supply of residential real estate in Mumbai, prices too have risen significantly on a year to year basis.

First two quarters witnessed a healthy growth in the number of new launches, and was matched by a satisfying sales growth too. While Mumbai stood at the forefront of the recovery cycle during this period, sales were moderated during the second half and launches of new projects slowed down across the city. The slower paced growth can be attributed to speculation on prices, liquidity concerns and higher interest rates as these factors directly impact the sales as well as execution of most projects especially in the mid-premium market. Rise in lending rates increased the cost of housing loans for customers and further slowed down demand in the mid-premium and affordable housing segment.

Pricing trends varied across different micro-markets of the city. In certain pockets, prices rose sharply at the start of the year but remained stable or witnessed marginal decline in the third quarter. In South Mumbai, where most of the premium and luxury segment properties get consumed, prices remained stable throughout the year.

It should be noted that realizations from highly visible properties remained robust across all market segments. In the residential segment, supply of such properties is still limited and there is a high potential for absorption wherever customers see price matching the value delivered. However, other parameters are being given high importance besides the standard product features like quality of construction, amenities, locality, connectivity, proximity to business districts etc while judging value delivered and making an investment decision.

These parameters include:

- On time execution & delivery
- Higher visibility of progress in the project
- Attractiveness of investment (expected appreciation)
- Financial strength of the developer

Ability to listen to their customers and address their needs & concerns will be a key differentiating factor for real estate developers and will also enable them to sail through tumultuous times.

FUTURE OUTLOOK

Macroeconomic scenario

Growing inflation and prevailing high interest rates could eventually slow down overall consumption since government as well as regulatory authorities would continue to take monetary measures to curb inflation. However, interest rates as well as inflation should peak during this financial year and should start softening from second half.

Renewed focus on Infrastructure Spending

The Central government has renewed its focus on infrastructure development and has allocated nearly 48.5% of its total budgeted spend to the sector. Moreover, the XIIth five year plan envisages US\$ 1 trillion of infrastructure spending. Both these measures augur well for future growth of the economy as well as real estate since greater infrastructure spending would help prop up overall investment demand.

Long-term demographic dividends

As per a report released by the McKinsey Global Institute (India's urban awakening: Building inclusive cities, sustaining economic growth), India's urban population will soar to 590 million by 2030, from 340 million in 2008. With this soaring population, India would need to invest US\$ 1.2 trillion over next 20 years to modernise urban infrastructure and keep pace with the growing urbanisation. Indian cities could generate 70% of the net new jobs created by 2030 and can produce more than 70% of the country's Gross Domestic Product (GDP). This would largely result in a near four-fold increase in per capita income and a buoyant consumption mood.

Outlook for Real Estate Sector

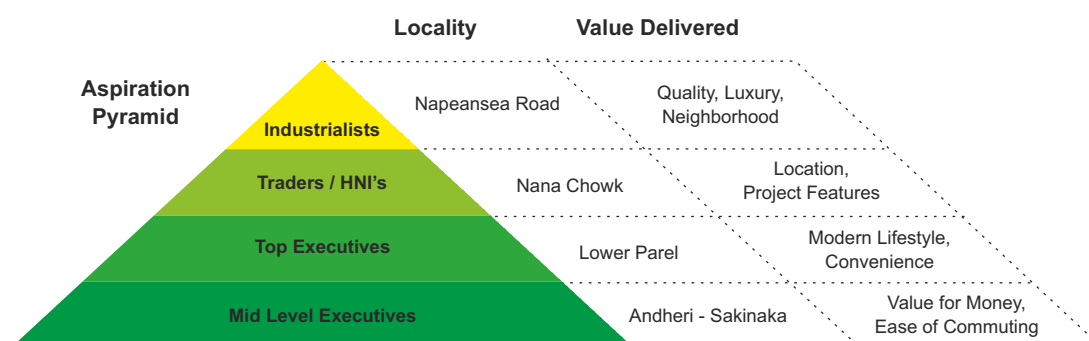
The above trends promise an exciting future in real estate and development of commercial, residential and retail properties over the long term. As for residential market, the housing shortage in India, estimated at 26 million units by 2012, is itself a mammoth opportunity for the government and real estate developers.

Market sentiments are largely driven by the overall projected growth and investments in infrastructure. With planned infrastructure coming up in new areas, customers as well as developers will recognize potential for asset appreciation and new supply in such areas will get consumed at a healthy pace until supply gradually overtakes the actual demand. For matured markets with little scope for infrastructure spend, classical demand supply scenario equations will drive pricing.

OCL'S BUSINESS OVERVIEW

We are a real estate development company with projects in Mumbai Metropolitan Region (MMR), and significant operations in the Island City of Mumbai. We aim to be providers of premium realty solutions by leveraging the strength of our brand, our project execution skills and maintaining our competitive advantage through location and international 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, as shown in the map, 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. We now have two award winning projects in this locality, namely Villa Orb and Orbit Arya. The former has been successfully completed while Orbit Arya will be fully delivered in FY12. Orbit Haven, the third property in the same locality, is in advanced stages of construction.

In the past, Orbit has executed projects like Shivam and Orbit Heights in this part of the city. These projects have helped Orbit in laying the foundation for creating a strong brand awareness for target clientele.

During FY11, Orbit launched the following new projects in South Mumbai:

- **Orbit Laburnum**

Located in Gamdevi, Orbit Laburnum will be a residential tower comprising single floor and duplex apartments with open double height terraces. Of its estimated saleable area of 50,000 sft, we have already sold 27,213 sft at an average realization of ₹ 30,879 per sft. It was launched during Q1 FY11.

- **Orbit Ocean Parque**

Overlooking Priyadarshini Park on Napeansea Road, Orbit Ocean Parque is designed to be a premium residential tower comprising exquisite ocean facing apartments with large private terraces, a luxury with few parallels. Since its launch in Q1 FY11, we have booked 12,300 sft of the estimated saleable area of 34,000 sft by end of FY11.

- **Orbit Enclave**

Centrally located at Prarthana Samaj in the heart of Mumbai and close to the city's diamond trading hub, Orbit Enclave will be a multi-storeyed premium residential tower with optional open double height terraces attached with apartments. Launched in Q2 FY11, we have sold 16,400 sft of the estimated saleable size of 23,000 sft at an average realization of ₹ 24,823 per sft.

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 is nearly complete and possessions are being handed over to the customers. 60% of the combined saleable area of 358,681 sft under the other two projects, Orbit Terraces and Orbit Grand has already been sold. Further, significant addition to the pipeline will occur from the Lalbaug development to be launched in various phases starting this financial year.

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. We launched Orbit Residency Park in Sakinaka, Andheri during Q3 FY10. We sold 49,567 sft from the project during FY11. The project is being executed by OCL's subsidiary company Ahinsa Buildtech Pvt. Ltd.

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.

Project Portfolio (As at 31st March, 2011)

	Projects Completed	Projects Under Development*	Projects in Pipeline**
Sales yet to Commence			Orbit Mid Town - Phase I & II Orbit Magnum - NSR Block Santacruz Redevelopment New Project I - Napeansea Road New Project II - Napeansea Road Orbit Mandwah - Phase I & II
Sales Ongoing		Orbit Residency Park Orbit Terraces Orbit Grand Area Sold: 401, 061 sft. Balance Area: 241,618 sft.	Orbit Ocean Parque Orbit Laburnum Orbit Enclave
Sales Completed	Villa Orb Orbit Heights Orbit Plaza Total 233,267 sft.	Orbit Eterna Orbit WTC Orbit Arya Orbit Haven Total 490,781 sft.	Villa Orb Annex
Legend *Projects contributing to the revenue as of March 2011. **Projects not contributing to the revenue as of March 2011.			

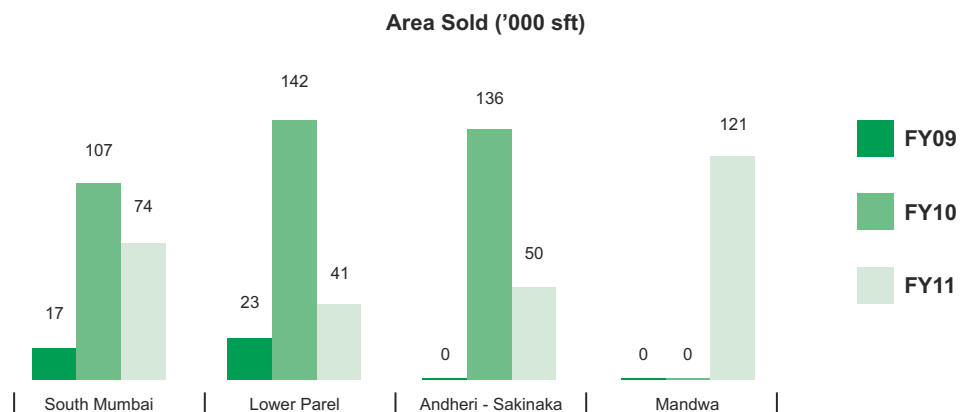
OPERATING PERFORMANCE

Rewards & Recognitions:

Orbit Arya has been awarded the “Luxury Project of the Year” in Realty Plus Excellence Awards 2011 (West). The Realty Plus Excellence Awards 2011 (West) seek to acknowledge the contribution of real estate stalwarts who have conceptualized and executed people friendly landmark projects in the West zone of the country. This award is a testimony to our commitment towards quality, product innovation and customer satisfaction.

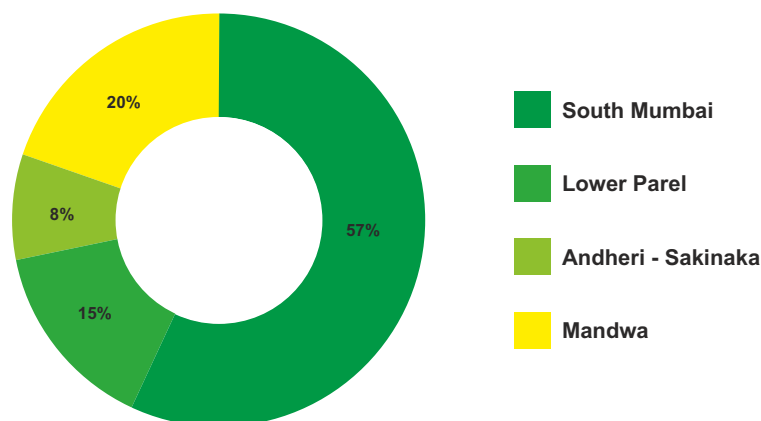
Sales Performance:

Our sales performance over the past three years reflects our efforts made for horizontal expansion within Mumbai so as to diversify the portfolio. This strategy has helped us to cushion the revenue stream against segment specific sentiments during downturns.



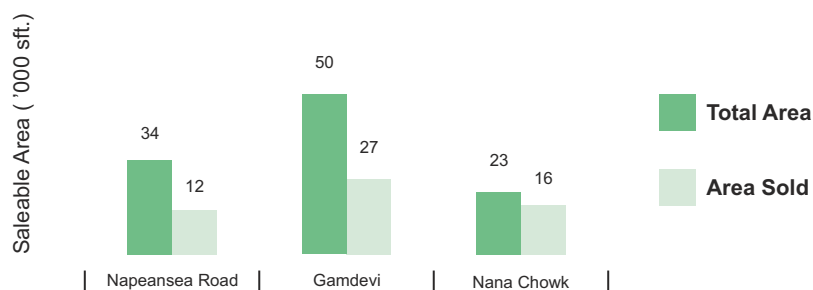
During FY11, Orbit sold a total of 2,85,416 sft worth ₹ 5,280 Mn across its portfolio. South Mumbai accounted for the largest share of sales within island city of Mumbai and Greater Mumbai combined, contributing to ~71% in value terms and ~45% in terms of volume.

Total Sale Value - ₹ 5,280 Mn (For FY11)



Sales from the three new launches namely, Orbit Ocean Parque, Orbit Laburnum and Orbit Enclave in Napeansea Road, Gamdevi and Nana Chowk respectively have also been encouraging. We have sold a little over 50% of total area under these projects even in turbulent times thanks to our brand's stronghold in the locality, as well as the value offered to our clientele.

New launches in FY11



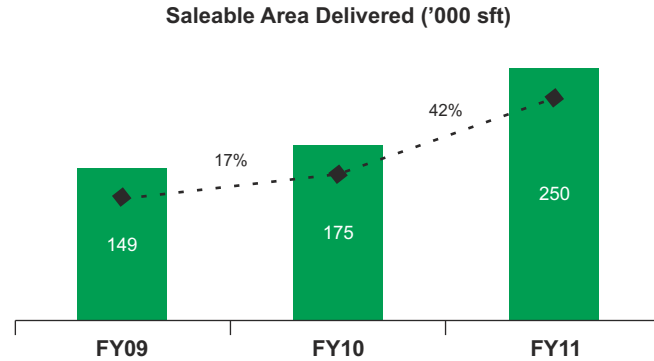
While the sales registered in markets like Andheri is a testimony of successful extension of the brand 'Orbit', South Mumbai will continue to remain a target market and the same is evident from the future pipeline and product offering targeted here over a period of next 5 years.

Table below shows the project wise sales during the past year:

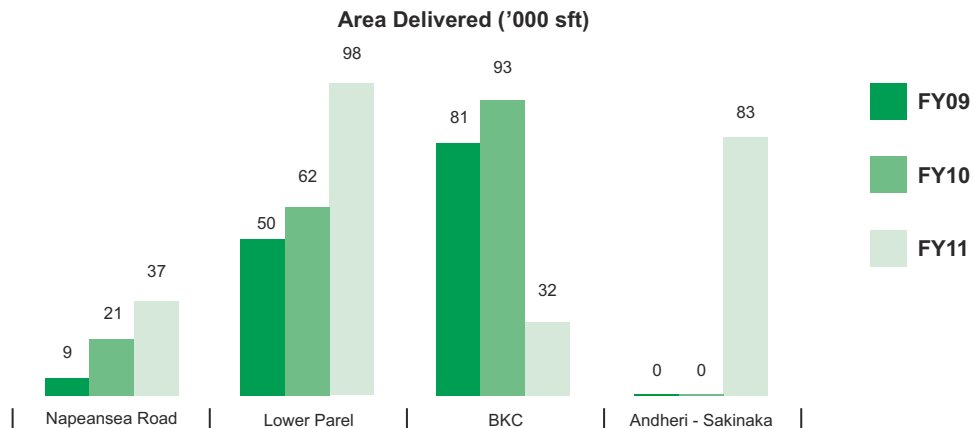
Project	Area sold (sft)	Value (₹ Mn)
Orbit Arya	2,509	161
Orbit Haven	15,300	889
Orbit Ocean Parque	12,300	677
Orbit Enclave	16,400	407
Orbit Laburnum	27,213	840
Orbit Terraces	32,140	594
Orbit Grand	9,172	151
Orbit Residency Park	49,567	432
Orbit Mandwah	120,800	1,063

Area Delivered

We have continuously ramped up our execution capacity to speed up completion of ongoing projects. Up from around 0.15 Mn sft in FY09, we have delivered nearly 0.25 Mn sft in FY11, a growth of 42% over last year's delivery.



In Lower Parel, execution moved at a faster pace at both Orbit Terraces and Orbit Grand. We started executing Orbit Residency Park during 2010-11 and projects near BKC were in their completion phase. Execution at three projects on Napeansea Road (in South Mumbai) has also scaled up and area delivered increased by around 76% compared to the previous year.



Financial Highlights

Revenues declined in FY11 to ₹ 4,045 Mn compared to ₹ 4,936 Mn in FY10. Despite ramp up in execution capabilities and an overall increase in area delivered, the revenue recognized has been lower in FY11. This is because Orbit Residency Park which accounted for 33% of the area delivered contributed to only 10% of the Total Income unlike the projects in BKC and Lower Parel.

Particulars	FY10	FY11
Total Income (₹ Mn)	4,936	4,045
EBIDTA (₹ Mn)	1,476	1,495
EBIDTA Margin	30%	37%
Profit Before Tax (₹ Mn)	1,004	1,140
PAT (attributable to OCL) (₹ Mn)	955	783
PAT Margin	19%	19%

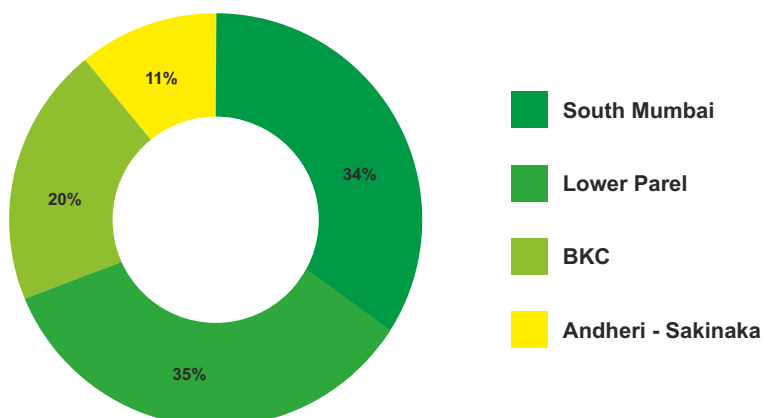
Project wise break up of Revenue

The revenue basket comprised nine projects spread across four different micro markets within Mumbai.

Particulars	Revenue (₹ Mn.) contributed in FY11
Orbit Terraces	990
Orbit Haven	988
Orbit - WTC	783
Ordit Residency Park	423
Orbit Arya	273
Orbit Grand	262
Orbit Eternia	32
Orbit Heights	68
Villa Orb	35

As per the revenue recognition policy of the organization, a project must meet the threshold limit of 25% completion in order to qualify for revenue recognition. Owing to the stated policy, Villa Orb Annex has not been a revenue contributor for FY11 since it did not exceed 25% completion during the year. Consequently, revenue recognized from Villa Orb Annex during the first three quarters was de-recognized at the end of the financial year.

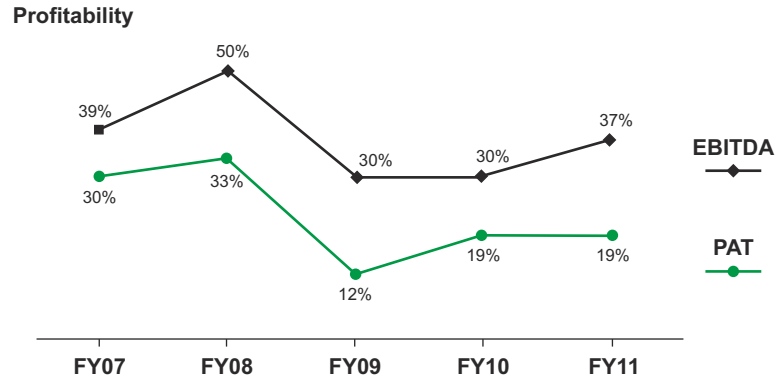
Location Wise Revenue Contribution (For FY11)*



Note : *Does not include revenues under Other Income.

Profitability

Profitability at EBITDA level was higher at 37% due to significant revenue contribution from higher margin projects like Orbit Haven and Orbit Terraces. However, on account of all the projects coming under full tax rate regime and the consequent higher tax provisioning, PAT margins remained at the same levels as last year.



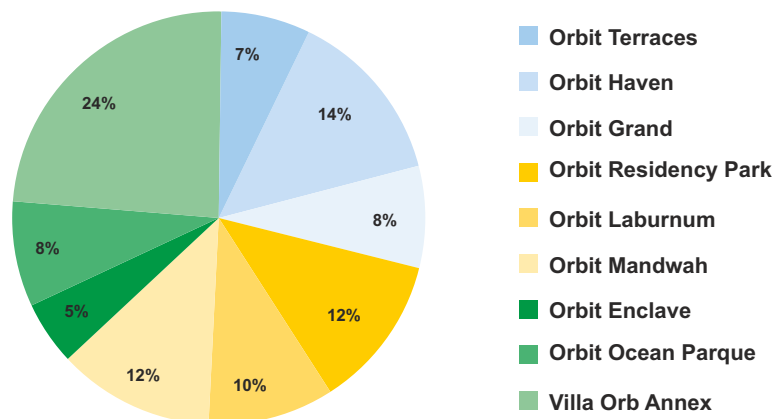
Expenditure break up

Expenditure (all figures rounded & in ₹ Mn)	FY10	FY11
Operating, General & Admin expenses	2,569	4,223
Depreciation	46	54
Interest and Finance Charges	908	1,020
(Increase)/Decrease in Inventory	410	(2,392)
Total	3,932	2,905

Outstanding Order book

Total Outstanding book size as at 31st March, 2011 is ₹ 8,511 Mn. which is spread across nine projects as depicted in the adjoining chart. Contribution of completely sold off projects like Villa Orb Annex and Orbit Haven in the order book will reduce in the coming years as their sales keep getting recognised in the Profit and Loss account. While contributions from other projects will also move to the Profit and Loss account, further sales from them will keep the order book healthy for future revenue recognition.

Project Wise - Outstanding Order book (as at 31st March, 2011)



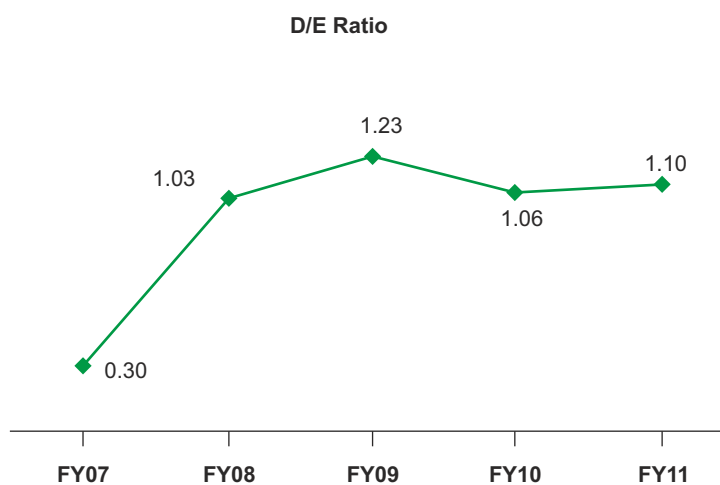
Sources of funds during FY11

During FY11, the company directly or through its wholly owned subsidiaries, raised funds to the extent of ₹ 3,711.9 Mn in the form of equity and debt to fund the operations. Details of funds raised during the year are provided in table below. Of these, funds to the tune of ₹ 400 Mn were earmarked for the project in Mandwa.

Nature of fund	Particulars	Company in which fund is raised	Amount Sanctioned (₹ Mn.)
Equity	Conversion of Promoter Warrants	Orbit Corp. Limited	284.62
Debt	Corporate Level Borrowing	Orbit Corp. Limited	2,027.30
	Project Specific Loans	Orbit Corp. Limited	1,000.00
Part Equity	Private Equity Funding: Orbit Mandwah	Orbit Highcity Limited	400.00

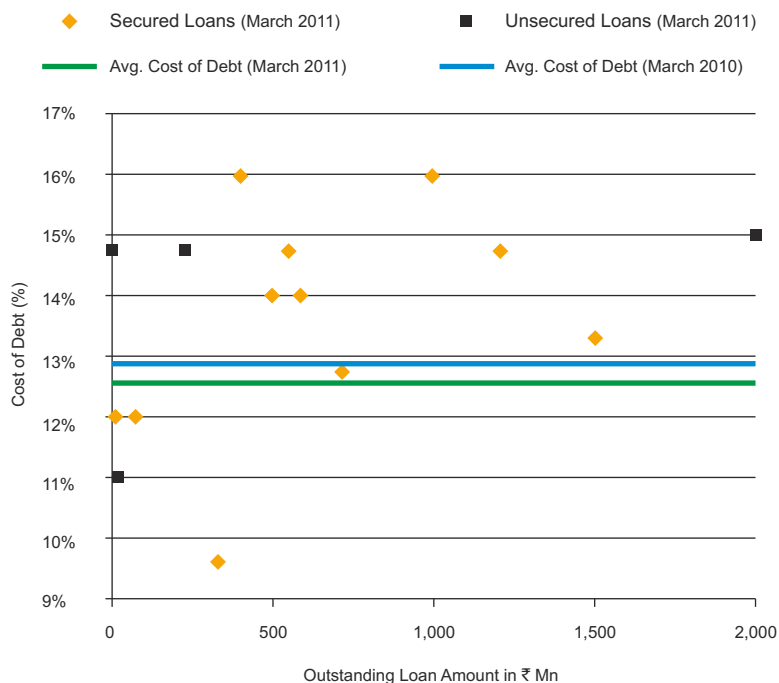
As of 31st March, 2011, we had ₹ 6,874 Mn of principal amount of secured loans outstanding, consisting of term loans from Banks and Financial Institutions of ₹ 5,299 Mn. Additionally, 1,500 MIBOR linked secured non convertible debentures of ₹ 1 Mn each aggregating to ₹ 1,500 Mn have been subscribed by insurance companies. 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 guarantees.

Debt to Equity ratio inclusive of CCDs worth ₹ 2,235 Mn stands at 1.1 as at 31st March, 2011.



Through different financing options, company was able to bring down the average cost of debt in FY11 by 30 bps to 12.59% p.a. as compared to previous year (12.89% p.a.). At the same time, debt level was also kept around comfortable levels.

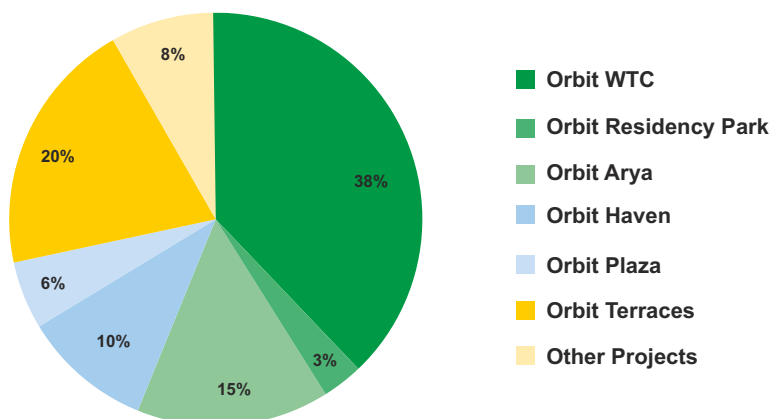
Debt Portfolio (as at 31st March, 2011)



Debtors

Total outstanding Debtors as at 31st March, 2011 is ₹ 4,931.7 Mn. Substantial portion of these outstanding debtors arise due to difference in the revenue recognition policy of the organization and the stage of physical progress of a project with which the actual payments are linked. As a result, while debtors for a project may seem to continuously increase over a period, they tend to decrease in significant proportion as soon as the criterion for the project's physical progress is met.

Project Wise Debtors (as at 31st March, 2011)



Outlook

The real-estate market is likely to improve during the second half of FY12 backed by gradual improvement in customer confidence and regulatory scenario. We expect sales to pick up in the last two quarters of FY12.

While we have an outstanding order book of ₹ 8,511 Mn, we also have around 292,707 sft of free saleable area in projects currently under execution and with high visibility. With our continued focus on execution, we should be able to recognize 40-45% of both the new sales as well as the outstanding order book, over the next year.

Additionally, we foresee more projects being launched in South Mumbai over the next 3 years while projects in Santacruz, Lalbaugh and Mandwa would also commence during this period.

STRATEGY FOR THE YEAR AHEAD

Our business strategy has helped us to withstand the financial crisis and to stay on course towards our vision. The key components of our strategy will continue to be focused around:

- Customer Loyalty and hence a strong Brand Image
- Strategically conceived and positioned projects
- Financial Strength and Liquidity

Customer focus will be at the core of our strategy to remain a strong brand in the Mumbai real estate market. We will keep exploring how to improve our sales efficiency through innovative pricing strategy, customised sales agreements and higher project visibility. Greater transparency and comfort to our customers as well as aligning our execution and sale agreements will help us further optimize our cash inflows.

Ramping up of our execution capabilities will remain a part of our continuous improvement measures as we are still in the growth phase and our delivery capacity needs to be scaled up and also optimally utilized all the while. This will help bring greater visibility to our projects, which in turn will speed up our sales.

We have a strong pipeline and we will keep up the ante towards bringing these projects to maturity at the earliest. Our mega projects like those in Santacruz, Lalbaugh and Mandwa would thus be launched in phases.

RISKS AND CONCERNS

Missing out on mass housing & mid-size housing opportunity

- With the economy back on track, mass housing or the mid-size housing requirement may witness good growth over the next two years because of better incentives for affordable housing, 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 volumes in line with mass housing market.

Execution risks

- Our business requires, among others, getting consent from at least 70% of the tenants, consensus between various groups of tenants, providing temporary alternate accommodation to them during the interim period of demolition and construction, obtaining consents and rehabilitation. Delay in any of the aforesaid activities can thus have adverse financial implications.
- Any delay in the construction or prolonged construction period will lead to increased cost and the same may 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 Recoverables: With growing number of projects under execution and the nature of collection agreements with clients, the outstanding amount gives an illusion of high receivables in the form of Debtors.
- 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.
- Our revenue stream is likely to be discrete because of the typical sales pattern of the residential real estate property market.
- 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.
- Our operations and results are also subject to general economic factors like the economic, income & demographic conditions of Mumbai as well as risks arising from political scenario in the country as well as the state of Maharashtra.

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.

ORGANISATION

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 ensures 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 practices 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 (₹)
Behavioral / Soft Skill	1,173	378,525
Fitness & Well Being	717	Nil
General Management	128	2,890,387
Seminar	132	106,185
Technical / Domain	1,857	618,115
Total	4,007	3,993,212

As at March 2011, Orbit is a 360 members strong family, up from 206 in March 2010 (excluding contractual labour and other temporary staff).

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 11th Annual General Meeting of the Members of ORBIT CORPORATION LIMITED will be held at M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai-400 001 on Tuesday, 9th August, 2011 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended 31st March, 2011 together with the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Prithvi Raj Jindal, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kuldip Bhargava, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint Ms. Sharp & Tannan as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Satish Chandra Gupta, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 (“the Act”), read with Article 121 of the Articles of Association of the Company and whose term of office as a Director expires at this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Act has been left at the Registered Office of the Company by a Member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation in accordance with Section 257 and other applicable provisions of the Act.”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and any other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Article 192(1) of the Articles of Association of the Company which be and is hereby altered and stands substituted as :

192(1) A document or notice may be served or given by the Company on any member either by sending it through physical or electronic mode.

“RESOLVED FURTHER THAT the Board of the Directors of the Company and/ or the Company Secretary be and is hereby authorised to sign, file and execute all the documents necessary to give effect to the aforesaid resolution.”

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

“RESOLVED THAT in accordance with the provisions contained in the Articles of Association of the Company, Section 81 and other applicable provisions of Companies Act, 1956, if any, and the provisions contained in Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force and subject to other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the authorities while granting such approvals, permissions and sanctions which are agreed to by Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Compensation Committee of the Board which supervises ESOS), approval and consent of the Company be and is hereby accorded to the Board to re-price the Options already granted and to be granted under “Orbit ESOS-2009” which was approved by the Members in their Extra-Ordinary General Meeting held on 9th July 2009.

RESOLVED FURTHER THAT such re-pricing of the Options already granted and to be granted is done without any change or modification in the vesting period/schedule, exercise period and/or any other specific terms and conditions under which such Options have been granted and to be granted.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to this resolution and/ or to settle any question or difficulty that may arise with regard to the re-pricing of the said Options.”

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

“RESOLVED that the consent of the Company be and is hereby accorded to the re-pricing of Options mentioned in the Resolution no. 8 under “Orbit ESOS-2009” to be Options granted to the Directors and employees of the Subsidiary companies of the Company”.

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 314 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, variation in managerial remuneration of Mr. Ravi Kiran Aggarwal, Chairman & Executive Director of the Company for a period of three years with effect from 1st April, 2011 be and is hereby proposed by the Board and as recommended by the Remuneration Committee at a managerial remuneration as hereunder:

- (1) Remuneration: ₹ 18,000,000 (Rupees Eighteen millions Only) per annum.
- (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 utilities 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 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 managerial 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.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, variation in managerial remuneration of Mr. Pujit Aggarwal, Managing Director & CEO the Company for a period of three years with effect from 1st April, 2011 be and is hereby proposed by the Board and as recommended by the Remuneration Committee at a managerial remuneration as hereunder:

- (1) Remuneration: ₹ 15,000,000 (Rupees Fifteen millions Only) per annum.
- (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 utilities 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 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 managerial 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.”

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 24th May, 2011

Puja Mehta
Company Secretary

Registered Office:

The View, 1st Floor,
165, Dr. Annie Besant Road,
Worli, Mumbai – 400 018
India.

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 OF THE COMPANY.**
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 from 30th July, 2011 to 9th August, 2011 (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, India 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.
8. The Explanatory Statements pursuant to Section 173 (2) of the Companies Act, 1956, in respect of business items no. 6 to 11 are attached herewith.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6

Mr. Satish Chandra Gupta was appointed as an Additional Director of the Company with effect from 24th May, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Articles of Association of the Company. Pursuant to the provisions of the said section, the term of the office of the said Director shall expire at the ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956 along with the necessary deposit from a shareholder proposing candidature of Mr. Satish Chandra Gupta for office of Director of the Company.

The Board recommends the appointment of Mr. Satish Chandra Gupta as a Director of the Company. The resolution vide Item no. 6 is therefore proposed for approval of the members.

None of the Directors except Mr. Satish Chandra Gupta shall be deemed to be concerned or interested in the proposed resolution since it relates to his own appointment.

Item No. 7

The green revolution across the globe is emphasizing our increased responsibility of saving environment from further degradation. Supporting this, the Ministry of Corporate Affairs (MCA)(vide circular nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" whereby Companies would be considered compliant with the provisions of Section 53 and 219(1) of the Companies Act, 1956 by dispatching all the documents including Notice of Annual General Meeting (AGM), Annual Report consisting of Directors' Report, Auditors' Report, Audited Financial Statements, Consolidated Financial Statements etc. via. electronic mode to the members whose email addresses are registered with the Depository Participant (DP).

Thus, the Company as a part of its Corporate Social Responsibility undertakes this initiative. The Company proposes to send all the above mentioned documents including Annual Report for the financial year ended 31st March, 2011 in electronic mode to those members who have registered their email addresses with the DP.

In light of this "GO GREEN" Initiative in Corporate Governance, the Company wishes to amend the Articles of Association by altering and substituting Article 192(1) of the Articles of Association of the Company.

Item No. 8 & 9

The pricing formula in “Orbit ESOS- 2009” approved by the members on 9th July, 2009 is: 30% discount to the average price of Equity shares computed as average weekly high and low of the closing prices of the shares during two weeks immediately preceding the date of vesting.

The total number of Options as per the “Orbit ESOS-2009” is 300,000 Options. This quantity has now been taken as 600,000 Options due to issue of Bonus shares carried out on 1st July, 2010 in the ratio of 1 share for every 1 Equity share held.

323,000 Options have been granted in January 2010 and 121,320 Options out of these have been vested in January 2011. The exercise price for Options which vested in January 2011 works out to be ₹ 46.71 per share.

To generate value out of ESOPs vested on progressive basis to the employees, Company believes to price its ESOPs at an initial exercise price and to do away the determination thereof at various vesting schedules within such grant.

The Directors, therefore, propose to re-price the Options (including the Options already granted but not vested) at the initial exercise price for all the options granted which shall be the same for all vesting schedules within such grant. This initial exercise price will be determined as the exercise price for the first vesting schedule and will be calculated at 30% discount of the average price of Equity shares computed as average weekly high and low of the closing prices of the shares during two weeks immediately preceding the date of vesting.

Thus, the reworked price of Options already granted but not vested will be determined by the Compensation Committee on approval of re-pricing of Options by the Members.

Re-pricing of the Options already granted but not exercised is permissible under Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“SEBI Guidelines”) subject to approval of Members. The proposed re-pricing is in conformity with SEBI Guidelines.

Disclosures as required under by Clause 7.4 of Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is as under:

1. **Details of variation:** Re-pricing of Options at the initial exercise price for all the Options granted which shall be the same for all vesting schedules. This initial exercise price will be determined as the exercise price for the first vesting schedule and will be calculated at 30% discount to the average price of Equity shares computed as average weekly high and low of the closing prices of the shares during two weeks immediately preceding the date of vesting within such grant.
2. **Rational for re-pricing:** To generate value out of ESOPs vested on progressive basis to the employees, Company believes to price its ESOPs at an initial exercise price and to do away the determination thereof at various vesting schedules within such grant.
3. **Details of Employees:**
 - a. 121,320 Options have been granted and are vested as on date. 95 employees are holding such Options.
 - b. 201,680 Options have been granted and are to be vested. 107 employees are holding such Options.
 - c. 277,000 available for fresh grant in future. These may be granted in one or more tranches to existing and future employees.
 - d. Options have not been granted to any of the Directors.

The resolution vide Item no. 8 & 9 is therefore proposed for approval of the members.

None of the Directors may be deemed to be concerned in or interested in the Resolution except to the extent of the Options already granted to them.

Item No.10

Mr. Ravi Kiran Aggarwal has been the Chairman & Executive Director of the Company since 10th April, 2006. His managerial remuneration was last revised w.e.f. 1st April, 2009. In view of his expertise and enriched experience, the Board of Directors in their meeting held on 24th May, 2011 and as recommended by the Remuneration Committee, proposed revision in managerial remuneration of Mr. Ravi Kiran Aggarwal, Chairman & Executive Director of the Company, w.e.f. 1st April, 2011 on the terms and conditions as follows :

- (1) Remuneration: ₹ 18,000,000 (Rupees Eighteen millions Only) per annum.
- (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 utilities 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 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.

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.

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.11

Mr. Pujit Aggarwal has been Managing Director & CEO of the Company since 10th April, 2006. His managerial remuneration was last revised w.e.f. 1st April, 2009. In view of his strenuous efforts, expertise and enriched experience, the Board of Directors in their meeting held on 24th May, 2011 and as recommended by the Remuneration Committee proposed revision in managerial remuneration of Mr. Pujit Aggarwal, Managing Director & CEO of the Company, w.e.f. 1st April, 2011 on the terms and conditions as follows :

- (1) Remuneration: ₹ 15,000,000 (Rupees Fifteen millions Only) per annum.
- (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 utilities 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.

In the event of absence or inadequacy of profits in any financial year the managerial 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.

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.

BRIEF PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT/ 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. Prithvi Raj Jindal	Mr. Kuldip Bhargava	Mr. Satish Chandra Gupta
Age	59	58	64
Date of Appointment	16.02.2006	16.02.2006	24.05.2011
Qualifications	Bachelor of Arts	Bachelor of Arts	M. Com, CAIIB
Expertise in specific functional areas	He has served the steel industry for over three decades. He set up the Company, SAW Pipes Ltd. (now known as Jindal Saw Ltd.) in 1984 with its first state-of-the-art plant in Kosi Kalan in UP.	He possesses more than 25 years of experience in the steel industry. He is the President of Hissar Industries Association, Hissar, Haryana. He is the Managing Director of Quality Foils (India) Pvt. Ltd, which is engaged in manufacturing of steel strips and sheets. He is also a promoter director in Quality Stainless Pvt. Ltd. which is engaged in the manufacturing of stainless steel tubes/pipes.	He possesses more than 4 decades of illustrious experience in Banking domain. He began his career with the State Bank of India in 1966 and later served Syndicate Bank and Oriental Bank of Commerce at various positions. He joined the Indian Overseas Bank as Executive Director in 1999 and was promoted to the position of Chairman and Managing Director in 2001. Under his 4 years of able leadership, the Bank attained greater heights. Soon after, the Govt of India (M. O. F) recommended him as the Chairman and Managing Director of one of the largest public sector banks of India, Punjab National Bank, where he rendered his services and superannuated on 31 st May, 2007.
Directorship of other Companies	1. Jindal ITF Ltd. 2. Jindal Saw Ltd. 3. OPJ Investments & Holdings Ltd. 3. Salasar Finvest Ltd. 4. Vrindavan Fintrade Ltd. 5. Nalwa Fincap Ltd. 6. Jindal Synergy Investments Ltd. 7. Sonabheel Tea Ltd. 8. IUP Jindal Metals & Alloys Ltd. 9. Nalwa Steel & Power Ltd. 10. Rohit Tower Buildings Ltd. 11. Jindal Water Infrastructure Ltd. 12. Jindal Waterways Ltd.	1. Jindal Saw Ltd. 2. Satellite Developers Ltd.	1. Emmsons International Ltd. 2. Jai Balaji Industries Ltd. 3. Solar Industries India Ltd. 4. Sagacious Financial Services Ltd. 5. ISMT LTD. 6. RNA Corporation Ltd. 7. Aban offshore Ltd. 8. Cordia IT Ltd. 9. Bralampurtra Infrastructure Ltd. 10. Bralampurtra Infraprojects Ltd. 11. Sanlam Investment Advisory India Ltd. 12. Liliput Kidswear Ltd.

Chairman/ Member of the Committees of the board of the Companies on which he/ she is a Director	Jindal Saw Ltd.	1. Quality Foils (India) Pvt. Limited 2. Quality Stainless Pvt. Ltd.	1. ISMT Ltd. 2. Jai Balaji Industries Ltd. 3. Solar Industries India Ltd. 4. Brahmaputra Infra Projects Ltd. 5. Liliput Kidswear Ltd.
Shareholding in Orbit Corporation Limited	NIL	20,000 representing 0.0175% of share capital	NIL

*Does not include Alternate Directorships, Directorships in Private Limited 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: 24th May, 2011

Puja Mehta
Company Secretary

Registered Office:

The View, 1st Floor,
165, Dr. Annie Besant Road,
Worli, Mumbai – 400 018
India

Directors' Report

Dear Shareholders,

We have immense pleasure in placing before you the 11th Annual Report of your Company together with the 'Management Discussion and Analysis', 'Corporate Governance Report', and 'Audited Financial Accounts' for the Financial Year (FY) ended 31st March, 2011.

1. Results of Operations

(₹ in millions)

	Standalone		Consolidated	
	2010-11	2009-10	2010-11	2009-10
Revenue	3,613	4,936	4,045	4,936
Expenditure	2,533	3,904	2,905	3,932
Profit before tax	1,080	1,032	1,140	1,004
Provision for taxation	325	72	351	53
Profit after tax	755	960	789	951
Minority Interest in Net Income	-	-	6	(4)
Profit after minority interest	755	960	783	955

2. Business

During the FY 2010-11, total revenue of the Company amounted to ₹ 3,613 Mn as against previous year's revenue of ₹ 4,936 Mn on a standalone basis. Your Company has registered a Profit before tax of ₹ 1,080 Mn as against ₹ 1,032 Mn during the previous year on a standalone basis.

3. Awards and Recognitions

During the financial year, our project Orbit Arya situated at the Napeansea Road won the "Luxury Project of the Year" award (West) at 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.

4. Increase in share capital

4 Mn Warrants were allotted to Promoters on 16th November, 2009. Out of the aforesaid warrants issued; 2 Mn Warrants were converted into Equity shares at ₹ 189.75 each (including a premium of ₹ 179.75 each) on 31st March, 2010.

Further on 1st July, 2010 the Board of Directors vide. circular resolution approved the allotment of 54,980,945 Equity shares as Bonus shares to the existing shareholders of the Company in the ratio of 1:1 i.e. 1 fully paid-up Equity share of ₹ 10 each on every 1 Equity share of ₹ 10 each held.

The balance 2 Mn Warrants were thereafter converted into Equity shares at ₹ 189.75 each (including a premium of ₹ 179.75 each) on 24th November, 2010. The Promoters were also allotted Bonus shares in the ratio of 1:1 including shares allotted upon conversion of these Warrants.

5. Dividend:

Your Directors recommend a dividend for the FY 2010-11 of ₹ 1 per share i.e. 10% of the face value of ₹ 10 subject to the approval of the members in the Annual General Meeting.

6. Directors

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

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

The Board also recommends the appointment of Mr. Satish Chandra Gupta, who was appointed as an Additional Director of the Company on 24th May, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 to hold office till the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Satish Chandra Gupta as a Director of the Company.

Brief resumes of Mr. Prithvi Raj Jindal, Mr. Kuldip Bhargava and Mr. Satish Chandra Gupta are furnished in the notes below the notice of ensuing Annual General Meeting of the Company.

7. Company Secretary

Mr. Satish Anand Sharma resigned as Company Secretary and Compliance officer w.e.f. 31st January, 2011 and Ms. Puja Mehta was appointed in his place w.e.f. 1st February, 2011.

8. Secretarial Auditors

M/s. Mehta & Mehta, Practising Company Secretaries was appointed as Secretarial Auditor with effect from 1st April, 2011 in place of M/s Rathi & Associates, Practising Company Secretaries.

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 31st March, 2011 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 31st March, 2011 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. The members are requested to appoint the Statutory Auditors for the current year and to authorize the Board to fix their remuneration.

11. Internal Auditors

The Company had appointed Aneja & Associates as Internal Auditors w.e.f. 30th May, 2009 to carry out procedures relating to internal control and processes commensurate with the size of the Company and the nature of its business.

12. Report on Corporate Governance

Your Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities & Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement. As required by the said clause, a separate Report on Corporate Governance forms part of this Report.

A Certificate from Mehta & Mehta, Practicing Company Secretaries on Compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

13. Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchange, Management Discussion and Analysis Report forms part of this Report.

14. 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 attached hereunder :

Sr. No.	Name and Designation	Qualification	Age	Date of Joining	Experience (Years)	*Gross Remuneration per annum (in ₹)	Previous Employment and Designation
1	Mr. Ravi Kiran Aggarwal Chairman & Executive Director	B. E., BITS Pilani & MBA, Delhi University	62	07.03.2000 (Since Incorporation)	44 years	6,750,000	Director of the Company.
2	Mr. Pujit Aggarwal Managing Director & CEO	B.Com, OPM (Owner President Programme) from Harvard Business School USA, AMDP (Advanced Management & Design Program) from The Graduate School of Design – Harvard University	39	07.03.2000 (Since Incorporation)	22 years	6,750,000	Director of the Company

* As per Form 16 issued by the Company

15. 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 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 and takes effective steps to conserve energy wherever applicable and possible.

a Conservation of Energy:

1. Energy conservation measures taken	N.A.
2. Additional investment and proposals, if any, being implemented for reduction of consumption	N.A.
3. 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.
4. Total energy consumption and energy consumption per unit of production are as under:	N.A.

		Year Ended 31/03/2011	Year Ended 31/03/2010
A. Power and Fuel Consumption			
1. Electricity			
a) Purchase			
Unit		1,356,034	698,306
Total Amount	(₹)	16,218,213	8,713,978
Rate/ Unitb)	(₹)	12	12.48
b) Own generation (Through D.G. Set)			
Unit			
Diesel Oil Consumed	(Ltr.)	N.A.	N.A.
Total Amount	(₹)		
Avg. Per Ltr.	(₹)		
2. Furnace Oil			
Quantity	(Ltr.)		
Total Amount	(₹)	N.A.	N.A.
Avg. Per Ltr.	(₹)		
B. Consumption Per Mtr. of Production			
Production	(Mtrs.)	N.A.	N.A.
Electricity	(₹)		
Diesel Oil	(₹)		
Furnace Oil	(₹)		

b. **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.

c. **Foreign Exchange Earnings and Outgo:**

Foreign Exchange Outgo: ₹ 112.16 millions

Foreign Exchange Earned: Nil

16. 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.

17. Orbit Employees Stock Option Scheme (ESOS)- 2009

Your Company has introduced “Orbit Employees Stock Option Scheme- 2009” (Orbit ESOS- 2009) for the employees of the Company. The details of the Options granted are as follows;

Your Company has granted Options to the selected employees under “Orbit ESOS- 2009” at an exercise price of 30% discount to the average price of Equity Shares of the Company computed as the average of weekly high and low of the closing prices during two weeks immediately preceding the date of vesting. During the year under review; 121,320 Options have vested out of total of 323,000 options which have been granted. This is inclusive of Bonus Options due to issue of Bonus shares allotted to shareholders in the ratio of 1 for every 1 Equity share held on 1st July, 2010.

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:

a.	Options granted on 27th Jan 2010; 161,500 and 161,500 as bonus thereon	323,000
b.	Pricing Formula	30% discount to average price, of Equity shares of the Company computed as the average weekly high and low of the closing prices during two weeks immediately preceding the date of vesting.
c.	Options vested net of lapsed	119,250
d.	Options exercised	0
e.	Total number of Equity shares arising as a result of exercise of Options	0
f.	Options granted but lapsed (as at 31 st March, 2011)	4,700 (available for reissue out of which 2,070 Options were vested and lapsed due to separations.)
g.	Variation of terms of Options (as at 31 st March, 2011)	NIL
h.	Money realized by exercise of Options	0
i.	Total number of Options in force (as at 31 st March, 2011)	318,300
j.	Employee wise details of Options granted to (Original Options granted in 2009-10 and Bonus Options in 2010-11)	Quantity inclusive of Bonus Options
j-1.	Key Managerial Personnel	
	Mr. Ramashrya Yadav, Head - Finance & Strategies	20,000

	Mr. Hari Kumar Kurup, Chief Acquisition Officer	16,000
	Mr. Rajesh Shah, Chief Operating Officer	16,000
	Commodore Vasudevan B Iyer (Retd), Sr Vice President Projects	16,000
	Mr. Sanjay Bhutani, Head- Sales	16,000
	Mr. Pritam Nair, Executive President Operations	13,000
	Mr. Nitin Bavisi, General Manager, Finance	10,000
j-2.	Employees to whom more than 5% Options granted during the year	Mr. Ramashrya Yadav, mentioned above
j-3.	Employees to whom Options more than 1% of issued capital granted during the year	Nil
j-4.	Other Employees to whom Options were granted than 1 to 3 as above	216,000
k.	Diluted EPS, pursuant to issue of shares on exercise of Options	₹ 6.78
l-1.	Method of calculation of employee compensation cost	Calculation is based on intrinsic value method. Intrinsic value per share is ₹ 20.54 per share
l-2.	Difference between employee compensation cost calculated based on intrinsic value method and employee compensation cost that shall have been recognized if fair value of the Options had been used.	Employee compensation cost would have been higher by ₹ 838,328 had the Company used fair value method for accounting the Options issued under ESOS
l-3.	Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by ₹ 838,328 and there would have been an insignificant impact on EPS
m-1.	Weighted average exercise price	₹ 46.71
m-2.	Weighted average fair value of Options based on Black Scholes methodology	₹ 27.57
n.	Significant assumptions used to estimate fair value of Options including weighted average	
n-1.	Risk free interest rate	7% p.a.
n-2.	Expected life	Average life taken as 1 year from date of Grant (Vest)
n-3.	Expected volatility	57%
n-4.	Expected dividends	Not separately included, factored in volatility working
n-5.	Closing market price of share on a date prior to date of Grant (Vest)	₹ 67.25

18. Utilization of funds as on 31st March 2011

The conversion of Warrants into Equity shares which were granted to the Promoters on a Preferential basis involves infusion of funds of ₹ 759,000,000 which were utilized in acquisition of land and property, execution of ongoing projects, repayment of loans and other corporate expenses.

19. Consolidated Accounts

The Ministry of Corporate Affairs (MCA) by General Circular No. 2/2011 dated 8th February, 2011, issued a direction under Section 212(8) of the Companies Act, 1956 that the provisions of Section 212 shall not apply to Companies in relation to their Subsidiaries, subject to fulfilling certain conditions mentioned in the said circular.

The Board of Directors of your Company at its meeting held on 24th May, 2011, approved the Audited Consolidated Financial Statements for the financial year 2010-11 in accordance with the Accounting Standard (AS-21) and other Accounting Standards as notified by Companies (Accounting Standard) Rules, 2006 as well as Clause 32 of the Listing Agreement, which include financial information of all its Subsidiaries, and are annexed to this report.

The annual accounts and financial statements of the Subsidiary Companies of your Company and related detailed information shall be made available to members on request and are open for inspection at the Registered Office of your Company. Your Company as well as Subsidiary Companies have regularly filed all such data as required by various regulatory and Government authorities.

Your Company has complied with all the conditions as stated in the said circular and accordingly has not attached the financial statements of its Subsidiary Companies for the financial year 2010-11. A statement of summarized financials of all subsidiaries of your Company including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to the abovementioned Circular, forms part of this report.

20. Subsidiary Companies

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and related detailed information to any member of the Company who may be interested in obtaining the same.

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 (OHPL)**

Orbit Highcity Private Limited, a Subsidiary of your Company was incorporated on 19th December, 2007 with the objective of developing large sized projects like gated townships in the Mumbai Metropolitan region. OHPL 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. As on 31st March, 2011; your Company holds 97.35% in OHPL.

As per the Investment Agreement dated 27th January, 2011 between IL&FS Trust Company Limited, IIRF India Realty X Limited, Moltana Holdings Limited, Rodere Holdings Limited and Orbit Corporation Limited and subsequent investment by the investors, the current shareholding of your Company as on 24th May, 2011 stands as 68.83% in OHPL.

- **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 35,000 sft.

- **Ahinsa Buildtech Private Limited (ABPL)**

Your Company holds 85% equity stake in ABPL thereby making it a subsidiary. ABPL 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**

On 9th February, 2011, Orbit Corporation Limited invested Rs. 1,00,000 in Orbit Habitat Private Limited by acquiring 10,000 Equity shares of ₹ 10/- each thereby making it a wholly owned subsidiary with immediate effect. This Subsidiary will undertake development of a residential project in Napeansea Road to begin with.

21. IFRS Convergence - Adoption of Indian Accounting Standards (Ind AS)

As mentioned in previous communications, your Company has already initiated efforts and is in an advance stage to align reporting systems and business practices to address the needs of IFRS reporting requirements. Fiscal 2011 marked a major milestone towards this convergence as Ministry of Corporate Affairs notified thirty five Indian Accounting Standards converged with International Financial Reporting Standards (referred to as “Ind AS”), thereby bringing about greater clarity on the convergence. Although notification for final implementation date of these standards is still awaited, your Company is already putting due efforts towards smooth transition to full convergence to IFRS.

22. Acknowledgements

Orbit Corporation Limited is grateful to the Shareholders, Customers, Suppliers, Bankers, Statutory Authorities, Financial Institutions, Business Associates and the Government of India for their co-operation and guidance and looks forward to their continued support in the future.

The Board of Directors place on record their appreciation for the contributions made by the employees at all level, whose outstanding professionalism, commitment, initiative and solidarity has made the organization grow successfully and continues to drive its progress. Finally, the Board of Directors express their gratitude to the members for their trust and support.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 24th May, 2011

Ravi Kiran Aggarwal

Chairman & Executive Director

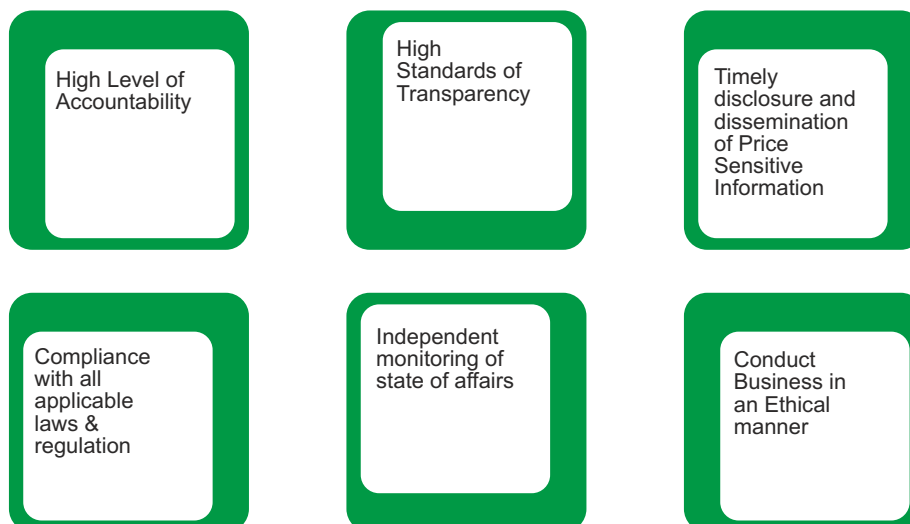
Pujit Aggarwal

Managing Director & CEO

Corporate Governance Report

1. Corporate Governance Philosophy at Orbit Corporation Limited (OCL):

Your Company constantly endeavours and is committed to achieve the highest level of standards of corporate governance, ensuring adequate disclosures to its stakeholders viz. Shareholders, Customers, Employees, Government, Lenders and the Community in which it operates. These governance processes ensure proper utilization of resources so as to meet the expectations of the stakeholders providing transparency, empowerment, accountability and security of people and environment. They lay emphasis on business ethics and encourage the following practices:



In line with our corporate governance philosophy, we have made efforts to enhance transparency and level of compliances. Below are the areas where we have exceeded the minimum stated level of requirements mandated by Clause 49 of the Listing Agreement

- **Composition of the Board**

To enhance the independence of the Board and ensure higher transparency, we have voluntarily exceeded the minimum stated ratio (50:50) for Executive and Non- Executive Directors. Presently, the Board consists of more than half Non-Executive Directors.

Additionally, while Clause 49 mandated only 50% of the Directors to be Independent when the Chairman is an Executive Chairman, the present Board comprises more than 50% Independent Directors on the Board.

Also, three out of the four unlisted subsidiaries of the Company have Independent Directors on their Board.

- **Number of Board Meetings**

During the financial year, the Company conducted five Board Meetings as against four, mandated by the Clause.

- **Dissemination of Price Sensitive Information**

Apart from complying with the requirements for timely dissemination of price sensitive information, the Company has published a policy “The Wall” by which a period of fifteen days, prior to the Board Meeting for corporate announcements/ General Meeting, is observed as Silent Period that lasts until these Meetings are concluded.

During this Silent Period, the Board Members and the employees are refrained from establishing contact with any investor, stakeholder, media or any other public relation agency or making any statement providing detailed information related with the Board Agenda including Financial Information.

- **Disclosure of Quarterly and Annual Financial Results on the website**

To ensure better transparency in information dissemination, the Company voluntarily uploads its Result Analysis alongwith Investor/Analyst conference call transcript, whenever the conference call is held, in addition to the mandatory requirements stated by the Clause, as a part of its corporate governance best practices. These documents can be found in the Investor Relations section of the website of the Company.

2. Board of Directors:

Based on the size of the Company, complexity and nature of Company's business, the Board comprises of dignitaries of exemplary repute and relentless commitment hailing from varied backgrounds, wherein each of the esteemed members possess vast experience in their respective area of expertise.

Meetings and Key Agenda Items of the Board

During the financial year 2010–11, 5 (Five) Board Meetings were held as follows:

S.No.	Date of Board Meeting	Key Agenda Items
1	10 th May, 2010	(i) Adoption of Standalone and Consolidated Audited Financial Statements for the year ended 31 st March, 2010 (ii) Ratification of Circular Resolution for Conversion of 2 Mn Warrants into Equity shares & its Listing thereof (iii) Increase of Authorised Share Capital from ₹ 1000 Mn to ₹ 2000 Mn (iv) Recommend Final Dividend @ 15% on Equity Share Capital for FY2009-10 (v) Recommend issue of Bonus shares to Equity shareholders in the ratio of 1:1 (vi) Approving draft Notice to AGM and sections as to Annual Report
2	18 th June, 2010	(i) Fix the record date for Issue of Bonus shares (1:1) i.e. ₹ 55 Mn Equity shares as Bonus (ii) Board recommends subject to the shareholders approval via. Postal Ballot <ul style="list-style-type: none"> a) Raise funds upto ₹ 10 Bn through Qualified Institutional Placement (QIP) and/or Private Placement b) Recommend increase in borrowings powers of the Board from ₹ 10 Bn to ₹ 20 Bn
3	27 th July, 2010	(i) Adoption of Standalone and Consolidated Un-Audited Financial Statements for the quarter ended 30 th June, 2010 (ii) Ratification of Circular Resolution for allotment of Bonus shares
4	2 nd November, 2010	(i) Adoption of Standalone and Consolidated Un-Audited Financial Statements for the quarter and six months ended 30 th September, 2010 (ii) Reconstitution of Board Committees
5	9 th February, 2011	(i) Adoption of Standalone and Consolidated Un-Audited Financial Statements for the quarter and nine months ended 31 st December, 2010 (ii) Investment in Orbit Habitat Pvt. Ltd. making it a wholly-owned subsidiary of the Company

Composition, Meetings and Attendance of the Board

Name of the Director	Category	No. of Director-ships in other companies	No. of membership/ Chairmanship in Committee of other Companies [#]		No. of Board Meeting attended	Whether attended last AGM
			Membership	Chairmanship		
Mr. Ravi Kiran Aggarwal	Chairman & Executive Director	-	-	-	5	Yes
Mr. Pujit Aggarwal	Managing Director & CEO	1	-	-	5	Yes
* Mr. Davendra Ahuja	Independent Director	3	3	2	3	Yes
**Mr. Prithvi Raj Jindal	Independent Director	14	-	1	0	No
Mr. Kuldip Bhargava	Independent Director	2	1	-	4	No
Mr. Shailesh S. Vaidya	Non-Independent Director	10	-	-	3	Yes
Mr. Hafeez Contractor	Non-Independent Director	-	-	-	2	No
Mr. Raman Maroo	Independent Director	3	-	-	5	Yes
Mr. Shahzaad Dalal	Independent Director	11	5	1	3	No

* Mr. Davendra Ahuja ceased to be a Director w.e.f 20th August, 2010 owing to his sad demise.

** Leave of absence granted.

[#] Memberships of Audit Committee and Shareholders' & Investors' Grievance Committee, have been considered.

Note: There are no inter-se relationship among the Directors of your Company except Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal. Does not include Alternate Directorships, Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.

As on 31st March, 2011, the Board of the Company has 8 Directors, comprising two Executive Directors including Chairman, two Non-Independent Non-Executive Directors and four Independent Directors as defined under Clause 49 of the Listing Agreement of the Exchanges.

Independent Directors

All the Independent Directors qualify to be so pursuant to the definition specified in Clause 49(1)(A)(III) of the Listing Agreement, since they don't have any material pecuniary relationship or transactions with the Company, its promoters, management or subsidiaries affecting their independent judgement or opinion towards the Company.

Brief Profile of Mr. Satish Chandra Gupta, Additional Director introduced on the Board w.e.f. 24th May, 2011:

Mr. Satish Chandra Gupta possesses more than 4 decades of illustrious experience in the banking domain. He is MCom and CAIIB. He began his career with the State Bank of India in 1966 and later served Syndicate Bank and Oriental Bank of Commerce at various positions. He joined the Indian Overseas Bank as Executive Director in 1999 and was promoted to the position of Chairman and Managing Director in 2001. Under his 4 years of able leadership, the Bank attained greater heights. Soon after, the Govt of India (M.O.F.) recommended him as the Chairman and Managing Director of one of the largest public sector banks of India, Punjab National Bank, where he rendered his services and superannuated on 31st May 2007.

Company Secretary

Mr. Satish Anand Sharma resigned as the Company Secretary & Compliance Officer of the Company w.e.f. 31st January, 2011 and Ms. Puja Mehta was appointed in his place w. e.f. 1st February, 2011 who also acts as a Secretary to the Board Committees.

Board Meetings

Being the apex body constituted by the shareholders for overseeing the overall functioning of the Company, the Board evaluates the proposals involving strategic decisions on a collective consensus basis amongst the Directors.

The Company Secretary in consultation with the Chairman, Managing Director & CEO and Head- Finance & Strategies drafts the Agenda for each Board Meeting along with explanatory notes and distributes these in advance to the Directors.

The Minutes of the Meetings of all the Committees of the Board of Directors, namely, Audit Committee, Shareholders' & Investors' Grievance Committee, Remuneration Committee and Compensation Committee etc., are regularly placed before the Board of Directors.

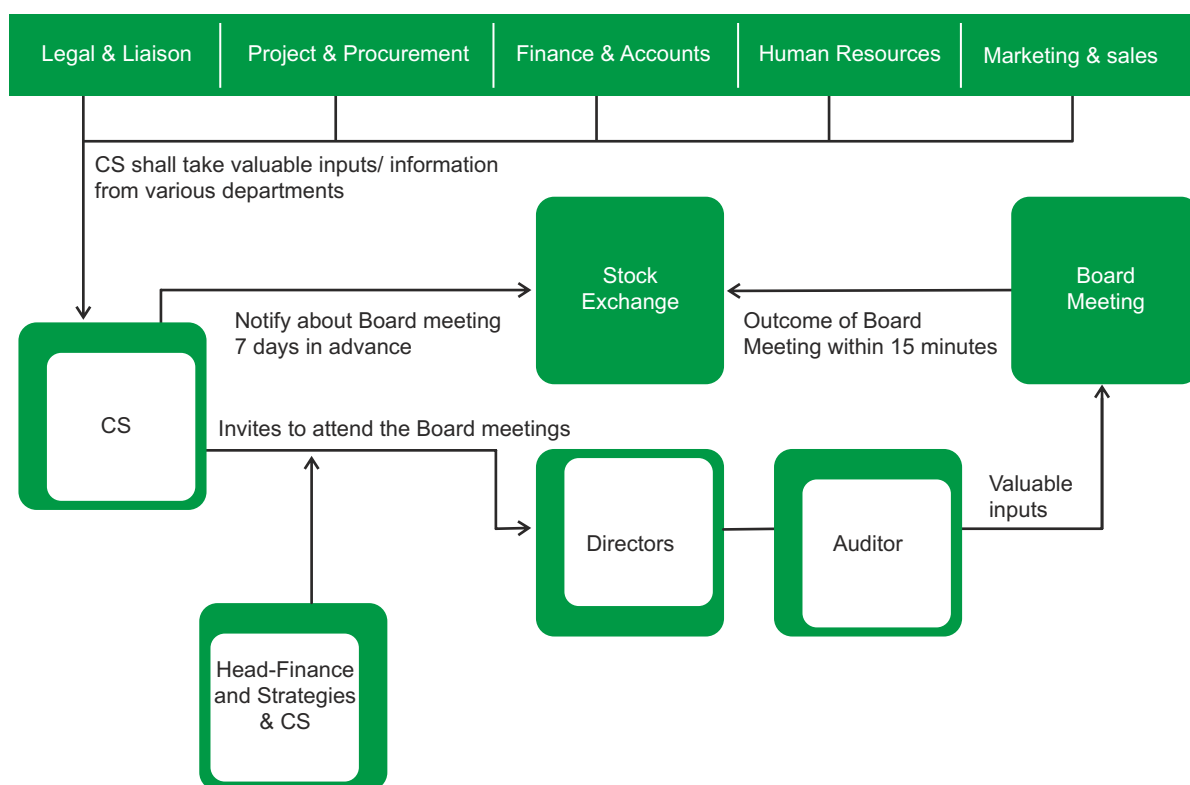
Procedure of Board Meeting

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 7 days in advance. Detailed agenda together with the relevant annexures is also sent to the Directors.

The MD & CEO and Head-Finance & Strategies give the key information on business operations and 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 meetings of the Board are generally held at the registered office of the Company i.e. at Mumbai.

Procedure of Board Meeting



Note: CS- Company Secretary

Resolution passed by Circulation

During the financial year 2010-11, the Board of Directors has passed the following resolutions by circulation:

S.No.	Date of Allotment	Particulars
1	31 st March, 2010	Conversion of 2 Mn Warrants into Equity shares allotted to promoters namely: Mr Ravi Kiran Aggarwal and Mr Pujit Aggarwal and distributed equally i.e. 1 Mn each which was further ratified on 10 th May, 2010
2	1 st July, 2010	Allotment of Bonus Equity shares which was further ratified on 27 th July, 2010.
3	24 th November, 2010	Conversion of 2 Mn Warrants into Equity shares which were allotted to the promoters i.e. Mr Ravi Kiran Aggarwal and Mr Pujit Aggarwal and distributed equally i.e. 1 Mn each which was further ratified on 9 th February 2011.

3. Board 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, Meetings & Attendance

During the year, 4 (Four) Audit Committee Meetings were held on the following dates: 10th May, 2010; 27th July, 2010; 2nd November, 2010 and 9th February, 2011.

Name of the Director	Status	Category	No. of Meetings	
			Held	Attended
* Mr. Davendra Ahuja	Chairman	Independent	4	2
Mr. Raman Maroo	Chairman	Independent	4	4
Mr. Ravi Kiran Aggarwal	Member	Executive	4	4
Mr. Kuldeep Bhargava	Member	Independent	4	4
**Mr. Shahzaad Dalal	Member	Independent	4	1

* Mr. Davendra Ahuja ceased to be a member w.e.f 20th August, 2010 owing to his sad demise.

** Mr. Shahzaad Dalal was appointed as a member w.e.f 2nd November, 2010.

In addition to the members of the Audit Committee, Head–Finance & Strategies and the representatives of the Statutory Auditors attended 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 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 Directors' 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, internal control and processes commensurate with size of the Company and nature of its business 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 mandatorily 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 Internal Auditors, 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, Meetings & Attendance**

During the year, two Meetings were held on the following dates: 10th May, 2010 and 9th February, 2011

Name of the Director	Status	Category	No. of Meetings	
			Held	Attended
Mr. Raman Maroo	Chairman	Independent	2	2
* Mr. Davendra Ahuja	Member	Independent	2	1
Mr. Ravi Kiran Aggarwal	Member	Executive	2	1
Mr. Pujit Aggarwal	Member	Executive	2	1
**Mr. Shahzaad Dalal	Member	Independent	2	1

* Mr. Davendra Ahuja ceased to be a member w.e.f 20th August, 2010 owing to his sad demise.

** Mr. Shahzaad Dalal was appointed as a member w.e.f 2nd November, 2010.

The Share Transfer Committee is specifically responsible for the redressal of issues related to transfer, split, consolidation and rematerialization of shares. It approves issue of Duplicate Share Certificates, receives transfer of shares, redressal of all investor complaints related to Annual Reports, Dividend, Conversion of Warrants into Shares and Issue of Bonus shares. It also oversees compliance with respect to Company's stated Code of Conduct, Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Guidelines, 1996 and performance of Registrar & Transfer Agents.

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 and Issue of Bonus share.
- Compliance with respect to Company's stated Code of Conduct, Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers), 1996 Guidelines and performance of Registrars & Transfers Agent.
- 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 1st April, 2010 to 31st March, 2011 are as follows:

The Shareholders' / Investors' Grievances are periodically reviewed by the Company. There were no pending shareholders complaints as on 31st March, 2011. The details of investor grievances received from 1st April, 2010 to 31st March, 2011 are as follows:

Balance as on April 1, 2010	Received during the year	Resolved during the year	Balance as on March 31, 2011	Avg. No of days in which resolved
NIL	27	27	NIL	10 to 15 days

C. Remuneration Committee

i) Composition, Meetings & Attendance

During the year, no Remuneration Committee meeting was held. The composition of the Remuneration Committee is given below:

Name of the Director	Status	Category
*Mr. Davendra Ahuja	Chairman	Independent
**Mr. Shahzaad Dalal	Chairman	Independent
Mr. Kuldip Bhargava	Member	Independent
Mr. Prithvi Raj Jindal	Member	Independent

* Mr. Davendra Ahuja ceased to be a member w.e.f 20th August, 2010 owing to his sad demise.

** Mr. Shahzaad Dalal was appointed as a member w.e.f 2nd November, 2010.

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) Remuneration:

a) Employees

Particulars	OCL	OCL + Subsidiaries + Outsourced
Opening Headcount as on 1 st April, 2010	151	276
New Recruits in FY 2010-11	37	146
Employee Turnover in FY 2010-11	34	62
Closing Headcount as on 31 st March, 2011	154	360

The remuneration of employees largely consists of basic remuneration, allowances, performance incentives and perquisites. The components of total remuneration vary for different grades and are as per Company policy considering industry patterns, qualification, experience of the employees, responsibilities handled by him/ her and individual, team and organisation performance etc.

During the financial year ended 31st March, 2011; the Company issued Employee Stock Options (ESOP's) as a part of perquisite to the employees at all levels of the organisation to strengthen talent retention and foster the culture of motivating individuals to enhance their performance, by vesting ownership of the Company in them. Out of the 323,000 ESOP's granted; 1,21,320 ESOP's post-bonus have vested in the FY 2010-11.

Table A

iv) Details of Remuneration / Sitting fees paid to all the Directors of the Company during the financial year ended 31st March, 2011 is given below:

Name	Salary (₹)	Commission (₹)	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	23,384,676	Nil
Mr. Prithvi Raj Jindal	Nil	Nil	Nil	Nil	Retirement by rotation	Nil	Nil
Mr. Davendra Ahuja	Nil	Nil	120,000	120,000	Retirement by rotation	Nil	Nil
Mr. Kuldip Bhargava	Nil	Nil	180,000	180,000	Retirement by rotation	20,000	Nil
Mr. Shailesh Vaidya	Nil	Nil	60,000	60,000	Retirement by rotation	20,000	Nil
Mr. Hafeez Contractor	Nil	Nil	40,000	40,000	Retirement by rotation	20,000	Nil
Mr. Raman Maroo	Nil	Nil	240,000	240,000	Retirement by rotation	2,000	Nil
Mr. Shazaad Dalal	Nil	Nil	120,000	120,000	Retirement by rotation	Nil	Nil

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 amounting to ₹ 43.73 Mn to each due to adverse scenario and with a view to conserve financial resources of the Company.

No commission has been paid to any Non-Executive Director for the year ended 31st March, 2011

b) **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 31st March, 2011 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.

iv) **Details of Remuneration/ Sitting fees paid to all Directors of the Company during the financial year ended 31st March, 2011 is given at Table A.**v) **Shares Held By Non-Executive Directors**

Name	Shares Held
Mr. Prithvi Raj Jindal	Nil
Mr. D. Avendra Ahuja	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

D. Compensation Committee :i) **Composition, Meetings & Attendance**

During the year, one Meeting was held on 9th February, 2011.

Name of the Director	Status	Category	No. of Meetings	
			Held	Attended
*Mr. Davendra Ahuja	Chairman	Independent	1	0
Mr. Kuldip Bhargava	Member	Independent	1	1
Mr. Raman Maroo	Member	Independent	1	1
**Mr. Shahzaad Dalal	Chairman	Independent	1	1

* Mr. Davendra Ahuja ceased to be a member w.e.f 20th August, 2010 owing to his sad demise.

** Mr. Shahzaad Dalal was appointed as a member w.e.f 2nd November, 2010.

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.

The Committee has been constituted to administer the ESOP Scheme- 2009. Shareholders in Extra Ordinary General Meeting held on 9th July 2009 approved "Orbit ESOS-2009". During the financial year 2010-2011, the Committee granted 161,500 Options at exercise price to be finalised based on 30% discount to the average price of Equity shares computed as the average of weekly high and low of the closing prices of the shares during two weeks immediately preceding the date of vesting within such grant to selected 107 employees.

Due to allotment of Bonus shares in the ratio of 1 for every 1 Equity share held on 1st July 2010, further, 161,500 Bonus Options were granted as per the provisions of the scheme.

Each Option represents a right but not obligation to apply for 1 fully paid Equity share of ₹ 10/- each at the exercise price. The Options granted will vest over 3 years from the date of grant. The effective pricing, considering the impact of Bonus shares, for 121,320 Options which vested on 27th January 2011 works out to ₹ 46.71 per share. Out of these vested Options, 2,070 Options have lapsed due to separations as on 31st March, 2011.

As price of options granted which have not vested can not be ascertained, it has been decided to treat each vest as a separate grant for this purpose.

Disclosure as required by SEBI Guidelines on ESOS is annexed to the Directors' report which, inter alia, gives details of Options granted to Senior Management Personnel.

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
2009-10	18 th June, 2010 at 11.00 a.m.	M.C. Ghia Hall, 2 nd 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
2008-09	14 th September, 2009 at 3.30 p.m.	M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kala Ghoda, Mumbai – 400 001	a) Reappointment of Mr. Ravi Kiran Aggarwal as Chairman & Executive Director w.e.f. 1 st April, 2009 for further period of 3 years. b) Reappointment of Mr. Pujit Aggarwal as Managing Director & CEO with effect from 1 st April, 2009 for further period of 3 years. c) Issuance of 20 Mn Warrants each on a Preferential basis to Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal, the Promoters of the Company aggregating to 4 Mn Warrants.
2007-08	07 th August, 2008 at 3.30 p.m.	M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kala Ghoda, Mumbai – 400 001	a) Revision in remuneration of Mr. Ravi Kiran Aggarwal, Chairman & Executive Director of the Company b) Revision in remuneration of Mr. Pujit Aggarwal, Managing Director & CEO of the Company.

(ii) Postal Ballot:

During the financial year 2010-11, following resolutions were passed by Postal Ballot :--

- 1) To increase the borrowing powers of the Board of Directors of the Company under Section 293(1)(d) of the Companies Act, 1956 from ₹ 10 Bn to ₹ 20 Bn.
- 2) To authorise the Board of Directors of the Company under Section 293(1)(a) of the Companies Act, 1956 for creation of charge/mortgage on the assets of the Company (amounting to sale/lease/disposal of the whole or substantially whole of the undertaking(s) of the Company, to secure borrowings of the Company not exceeding ₹ 20 Bn.
- 3) To grant authority under Section 372A of the Companies Act, 1956 to make loan(s) and/or give guarantee(s)/provide securities in connection with loans made and/or invest in or acquire by way of subscription, purchase or otherwise the securities of any body corporate upto an aggregate limit not exceeding ₹ 20 Bn.
- 4) To issue securities under Section 81(1A) of the Companies Act, 1956, for raising funds to the extent of ₹ 10 Bn.

5. Disclosures:

Mandatory

• **Related Party Transactions**

There are no materially significant related party transactions of the Company with Directors/entities in which the Directors are interested which have potential conflict with the interests of the Company at large. The disclosure with respect to the related party transactions is set out in the Notes to Accounts. These transactions are being carried out at an arm's length basis at fair value.

• **Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards as applicable and as notified by Companies (Accounting Standard) Rules, 2006.

• **Disclosure regarding reappointment/ appointment of Directors**

Disclosures regarding brief profile of Directors seeking reappointment/ 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

• **Insider Trading Regulations**

The Company gives timely disclosures as required under SEBI (Prohibition of Insider Trading Regulations, 1992. During Q3 FY11, the Promoters had acquired 1,665,000 Equity shares through open market purchase which was adequately disclosed to the Stock Exchanges under these Regulations.

Promoters acquired 1,665,000 Equity shares through open market purchase in Q3FY11.

• **Disclosures on Risk Management**

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

• **Reconciliation of Share Capital Audit**

In line with the requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002, Reconciliation of Share Capital Audit has been carried out on a quarterly basis by a Company Secretary in Practice to confirm that the aggregate number of Equity shares

of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

- **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.

- **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.

Non Mandatory Requirements

- **Prevention of Insider Trading**

The Company has adopted a policy– “The Wall”, by which a period of fifteen days, prior to the Board Meeting/General Meeting, is observed as Silent Period that lasts until these Meetings are concluded.

During this period, the Board Members and Company employees are refrained from establishing contact with any investor, stakeholder, media or any other public relation agency or making any statement providing detailed information related with the Board Agenda including Financial Results.

The Company has adopted a manual on Insider Trading applicable to all Directors, Promoters, Key Managerial 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 and SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997.

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 Registrar & Transfer 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 and other related matters.
- Compensation Committee has been formed to discuss the matter relating to administration of ESOS- Scheme.
- The Company has adopted the Green Initiative under Corporate Governance pursuant to the Circular of Ministry of Corporate Affairs. This Initiative shall allow sending of Annual Reports/ Notices/ Documents through electronic mode to 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 Annual General Meeting & on the Website of the Company.
- **Secretarial Audit Report**
For enhanced corporate governance, Secretarial Audit Report given by M/s. Mehta & Mehta, Practising Company Secretaries for the financial year ended 2010-11 also forms part of this Report.

6. Management Discussions and Analysis

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Management Discussion and Analysis Report forms a part of Directors' Report .

7. Achievements

- ▶ Project Orbit Arya, situated at Napeansea Road, has won the Luxury Project of the Year at Realty Plus Excellence Awards 2011 (West) during the financial year ended 31st March, 2011.

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	The Economic Times, Times of India and Maharashtra Times
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, NSE and the Company :- www.bseindia.com www.nseindia.com www.orbitcorp.com
Address of Correspondence:	The View, 1 st Floor. 165, Dr Annie Besant Road, Worli, Mumbai - 400 018, India. Tel: +91-22-30446910
Registrar & Transfer Agents:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai – 400 078, India. Tel: +91-22-25963838

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 Tuesday, 9th August, 2011 at M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400 001 at 4.00 p.m.

ii) Financial Calendar:

- | | |
|---|---|
| a) Financial year | - 1 st April, 2011 to 31 st March, 2012 |
| b) Un-audited Results for the Quarter ended 30 th June, 2011 | - By 14 th of August, 2011 |

- c) Un-audited Results for the
Half Year ended 30th September, 2011 - By 14th of November, 2011
- d) Un-audited Results for the
Quarter ended 31st December, 2011 - By 14th of February, 2012
- e) Audited Results for the Year
ended 31st March, 2012 - By 30th of May, 2012

iii) **Date of Book Closure:** 30th July, 2011 to 9th August, 2011 (both days inclusive)

iv) **Dividend Payment Date:** On or before 7th September, 2011

v) **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 2011-12.

vi) **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

vii) **Market Price Data**

During the financial year ended 31st March, 2011, the highest and lowest price recorded for each month on BSE and NSE is as under:

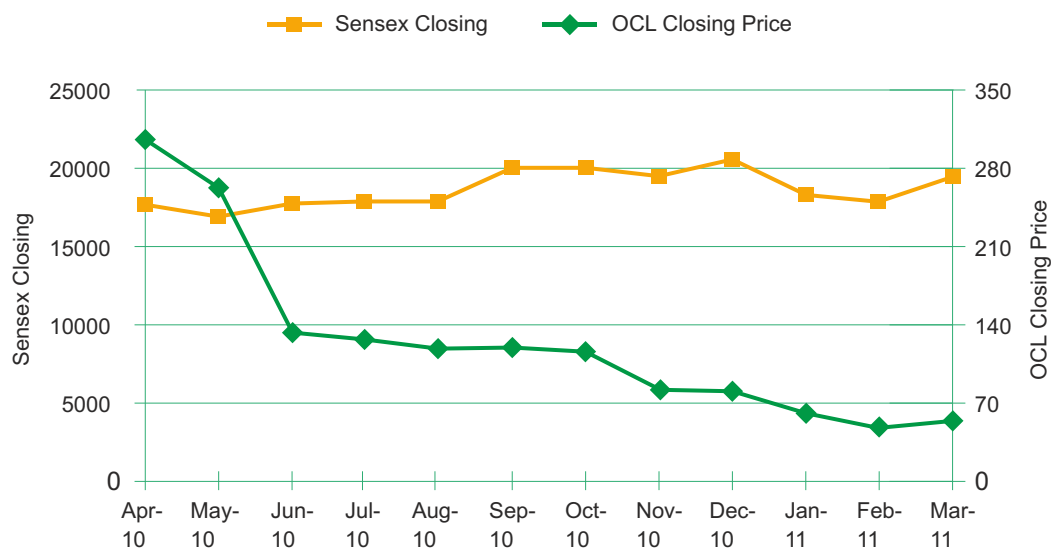
(Amount in ₹)

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
Pre-Bonus				
April 2010	345.00	272.70	344.80	272.30
May 2010	318.90	232.20	318.00	232.15
June 2010 (till 28 th June, 2010)	280.35	244.60	281.20	244.30
Post Bonus				
*June 2010 (w.e.f. 29 th June, 2010)	143.00	130.70	144.90	130.20
July 2010	148.35	126.00	148.25	125.55
August 2010	144.10	115.65	144.00	115.80
September 2010	130.95	118.55	130.55	118.65
October 2010	135.60	114.55	135.65	114.45
November 2010	123.65	57.00	123.45	58.50
December 2010	94.90	70.85	95.00	70.05
January 2011	82.50	58.30	82.60	58.55
February 2011	63.80	44.90	63.80	43.00
March 2011	55.85	47.50	55.80	47.10

* The prices are adjusted for bonus issue in the ratio of 1:1, with 30th June, 2010 being the record date.

viii) Stock Performance:

(based on closing Share Price of the Company and closing Sensex of the respective months)

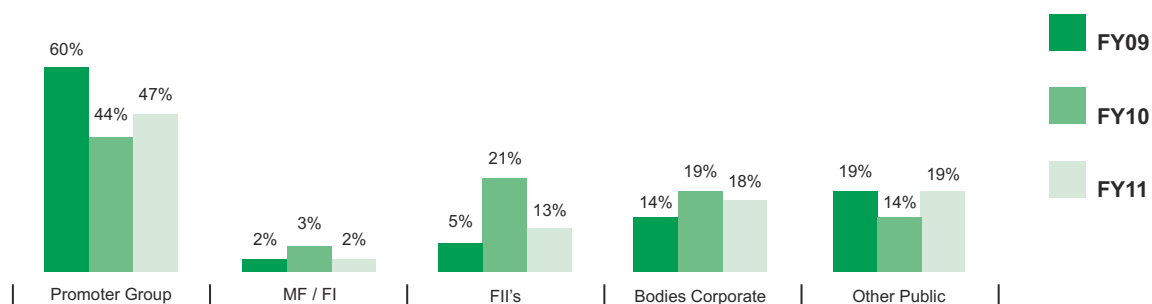
**ix) Distribution of Shareholding as on 31st March, 2011**

Range	Shareholders		No. of Shares	
	No. of Shareholders	%age of Total Shareholders	No. of Shares	%age of Total Shares
1 - 500	42,453	87.35	5,340,466	4.69
501 - 1000	3,186	6.56	2,552,257	2.24
1001 - 2000	1,468	3.02	2,298,566	2.02
2001 - 3000	424	0.87	1,097,784	0.96
3001 - 4000	244	0.50	885,630	0.78
4001 - 5000	173	0.36	811,742	0.71
5001 - 10000	302	0.62	2,244,324	1.97
10001 & above	350	0.72	98,731,121	86.63
Total	48,600	100	113,961,890	100

x) Category wise Shareholding as on 31st March, 2011

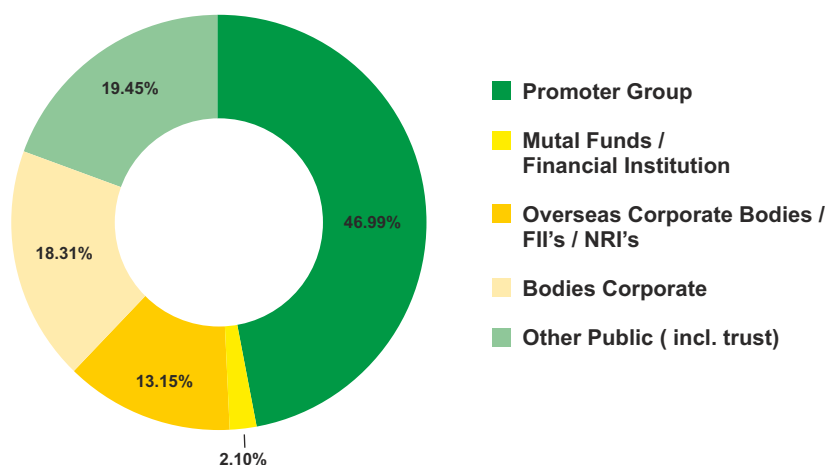
Sr. No.	Category	No. of shares held	Percentage of Holdings
1	Promoter Group	53,546,486	46.99%
2	Mutual Funds/ Financial Institutions	2,395,179	2.10%
3	Overseas Corporate Bodies /FII's/ NRIs	14,986,241	13.15%
4	Bodies Corporate	20,862,568	18.31%
5	Other Public	22,171,416	19.45%
	Total	113,961,890	100.00

Change in Category wise Shareholding over the past 3 FYs



Year ended as of 31 st March	FY 09	FY 10	FY 11
Number of Shareholders	24,223	22,748	48,600

Shareholding as on 31st March, 2011



xi) **Registrar & Share Transfer Agents** : **Link Intime India Private Limited**
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West), Mumbai – 400 078.
Tel: +91-22-25963838

- xii) **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 request for physical transfer of shares has been received during the year.

- xiii) **Shares held in dematerialized form** are electronically traded in the Depository. The Registrar and Share Transfer Agents 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 and dividend warrants, etc.
- xiv) 4 Mn Warrants were allotted to Promoters on 16th November, 2009. Out of which 2 Mn Warrants were converted into Equity shares at ₹ 189.75 each (including a premium of ₹ 179.75 each) on 31st March, 2010.

Further on 1st July, 2010 the Board of Directors via, circular resolution approved the allotment of 54,980,945 Equity shares as Bonus shares to the existing shareholders of the Company in the ratio of 1:1 i.e 1 fully paid up Equity share of ₹ 10 each for every 1 existing fully paid up Equity share of ₹ 10 each.

The balance 2 Mn Warrants were thereafter converted into Equity shares at ₹ 189.75 each (including a premium of ₹ 179.75 each) on 24th November, 2010 post getting a Bonus in the ratio of 1:1.

- xv) **Plant Location:** The Company does not have any manufacturing activities and the same is not applicable to the 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 donates up to 1% of its profits to the initiative. Major areas of focus include Environment Management, Education for the underprivileged and Healthcare. Additionally, the Foundation partners with certain social activities organized for supporting the above focus areas. However, Orbit does so without any bias or preference for any specific religion or community.

During the past year, the Orbit Socio Foundation associated itself and encouraged members of the Orbit Family to work closely with 4 NGOs in line with above focus areas. An amount of ₹ 1,432,100 was spent towards donations to these NGOs.

Orbit Socio Foundation: Statement of Accounts for the period 1 st April, 2010 to 31 st March, 2011 (Amount in ₹)		
Opening Balance	:	983,800
Donations Received		
a) OCL	:	900,000
b) Others	:	25,000
Donations Paid	:	1,432,100
Other expenses	:	12,070
Closing Balance	:	464,630

i) **Education of the Underprivileged:**

Orbit Socio Foundation realizes that underprivileged children need continuous financial as well as motivational support to complete their basic education and not just be self-reliant but also grow up as respectable and responsible citizens of the society. The Foundation has taken up the task of sponsoring education of street children and underprivileged girls in the city of Mumbai. In all, 46 street children and 69 girls were supported by the Foundation with the aim of giving them financial assistance up to their graduation, so that they are able to stand on their feet and also support their families.

The Foundation is grateful to Society Moved to Instill Love with Empathy (SMILE), which is the NGO that is directly involved with supporting the street children and to Majhe Maher that takes care of the underprivileged girls.

ii) **Environment Management:**

The Foundation supported development of one of its kind Butterfly garden at Rotary Garden, Chembur. This is a commendable effort initiated by the Rotary Club of Bombay Chembur West to not only protect and promote the growth of valuable flora and fauna in the city but also to enable students of Higher Secondary as well as Botanical studies from across the city of Mumbai in studying various species of butterflies and plants. While the initiative saves efforts of these students who otherwise had to travel to distant places outside the city, it also reinforces the need for protecting environment as a natural habitat for a number of species.

iii) **Healthcare:**

During the year, the Foundation supported five cancer detection camps for underprivileged women in Mumbai. These camps were organized by the NGO, Streehitakarini so that early detection of the disease can save their lives and prevent them from highly expensive treatments. In total, 500 underprivileged women were examined in these camps and were advised accordingly by a consulting team of doctors to take appropriate treatment, if required.



iv) **Labour Management & Hospitality**

Our commitment towards our workforce encompasses their safety, health and well-being, through measures like ensuring adequate drinking water, food, electricity & restrooms for the staff, free lunch for all site staff and regular health check-ups & trainings on first aid & fire-fighting.

v) **Eco-Conscious Perspective:**

Orbit has perennially focused on its Eco-Conscious Perspective to promote eco-friendly operational practices such as Sewage treatment & waste management, Conservation of water & energy and Vermi-composting. Also, pursuant to “Green Initiative in Corporate Governance” adopted by MCA, the Company has initiated dispatching of all the documents including Annual Report through electronic mode.

12. Recent Amendments adopted by Orbit Corporation Limited

- Availing of general exemption from the provisions of Section 212 of the Companies Act, 1956 wherein the Holding Company is not required to attach the financial statements of its Subsidiaries.
- Every Company should disclose in the Directors' Report; the remuneration payable to the employees for an amount exceeding ₹ 500,000 p.m. & ₹ 6,000,000/- p.a. u/s 217 of the Companies Act, 1956 for the Annual Report made for the FY 2010-11 and onwards.
- According to Director's Relatives (Office or Place of Profit) Rules, 2003; wherein any partner/relative of a Director who holds any office/ place of profit which carries a monthly remuneration of an amount not less than ₹ 250,000 p.m. instead of ₹ 50,000 p.m. (as earlier) shall be approved by prior Central Government approval.

- Adoption of Clause 54 of the Listing Agreement ensures maintenance of a functional website to provide the basic information viz. business, financial information, shareholding, corporate governance, Key Managerial Personnel (KMP's), Key Agreements entered into etc.
- Adoption of norms to protect Independent Directors by initiating no action against Independent Directors and Nominee Directors for acts of companies undertaken without their "consent or connivance or where he/she has not acted diligently in the Board process."
- Adoption of filing of Balance Sheet and Profit & Loss Account in Extensible Business Reporting Language (XBRL) Mode.
- Payment of Stamp Duty has been made online.
- Adoption of Green Initiative in Corporate Governance by allowing sending the Notices/Documents through electronic mode for the members who have registered their email addresses with the Company.

13. 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 Key Managerial Personnel ("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 revolves 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 2010- 11.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 24th May, 2011

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 31st March, 2011 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 31st March, 2011 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 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 Auditors and the Audit Committee:

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

Place: Mumbai
Date: 24th May, 2011

Pujit Aggarwal
Managing Director & CEO

Ramashrya Yadav
Head – Finance & Strategies

Certificate on Corporate Governance

To,

The Members of
Orbit Corporation Limited

We have examined the compliance of conditions of corporate governance by Orbit Corporation Limited, for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of information and explanations provided to us, we certify that the Company has complied with the mandatory conditions of Clause 49 as stipulated in the abovementioned Listing Agreement.

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

For MEHTA & MEHTA
Company Secretaries

Place: Mumbai
Date: 24th May, 2011

DIPTI MEHTA
Membership No. 3667

Secretarial Audit Report

CIN: L72900MH2000PLC124729

Date of Incorporation: March 7, 2000

Nominal Capital : ₹ 2,000,000,000/-

Paid up Capital : ₹ 1,141,218,900/-

The Board of Directors

ORBIT CORPORATION LIMITED

The View, 1st Floor, 165, Dr. Annie Besant Road,

Worli, Mumbai – 400 018, India.

We have examined the registers, records and documents of Orbit Corporation Limited (“the Company”) for the financial year ended on March 31, 2011 according to the provisions of:

- The Companies Act, 1956 and the rules made there under (“the Act”);
- The Listing Agreement entered with Bombay Stock Exchange Limited and National Stock Exchange of India Limited;
- The Securities and Exchange Board of India Act, 1992 and the rules, regulations and guidelines made there under;
- Foreign Exchange Management Act, 1999
- Memorandum and Articles of Association of the Company;
- The Code of Conduct under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Based on the information and explanations provided to us by the Company, we hereby report that:

1. The requisite Statutory Registers and other records required under the Act and the rules made there under have been maintained.
2. The requisite forms, returns and documents required under the Act and the rules made there under have been filed with the Registrar of Companies, Mumbai, Maharashtra, India
3. The Board of Chairman & Executive Directors of the Company as on 31st March, 2011 consist of 8 directors with an optimum combination of four(4) Independent Directors, two(2) Non-Executive Directors and two (2) Executive Directors including Chairman & Executive Director.
4. The Board of Directors duly met Five (5) times during the financial year ended 31st March, 2011 in respect of which proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company has not defaulted in respect of the provisions of Section 274 (1)(g) of the Act which would otherwise disqualify the Directors of the Company from acting as a director of any other company.
6. The Company has received the Disclosure of Interest from all the Directors of the Company pursuant to the provisions of Section 299 of the Act.
7. The 10th Annual General Meeting of the Company for the financial year ended on 31st March, 2011 was held on 18th June, 2010. The minutes of the meeting have been properly recorded in the minutes book maintained for the purpose.
8. No Extra Ordinary General Meeting was held during the financial year. However, the Company had passed resolutions through Postal Ballot during the financial year in compliance with The Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.
9. The Company has altered the provisions of its Memorandum of Association with respect to the share capital of the Company and has complied with applicable provisions of the Act with respect to said alteration.
10. The Company has complied with the provisions of Section 372A of the Act in respect of investments made and guarantees given during the financial year.
11. The Company has borrowed money during the financial year in compliance with the provisions of Section 293 (1)(a) and 293(1)(d) of the Act.

12. Charges created by the Company during the financial year were notified to the Registrar of Companies and were entered in the register maintained for the purpose.
13. The closure the Register of Members of the Company during the financial year was in accordance with provisions of the Act read with relevant provisions of Listing Agreement entered into with Stock Exchanges.
14. Declaration and payment of dividend during the financial year was in accordance with provisions of the Act read with relevant provisions of Listing Agreement entered into with Stock Exchanges.
15. The Company had issued Bonus Equity shares in the ratio of 1:1 during the financial year. The said Bonus issue was in accordance with provisions of the Act read with relevant provisions of Listing Agreement entered into with Stock Exchanges.
16. The Company has in place the Code of Conduct for its Directors and Key Managerial Employees as required under the Clause 49 of the Listing Agreement with Stock Exchanges. The Company has obtained from all the members of the Board and Key Managerial Employees affirmation that they have complied with said Code of Conduct in respect of the financial year.
17. The Company has complied with the provisions of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 with respect to Qualified Institutional Placement and issue of Bonus shares made during the financial year.
18. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as and when required.
19. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 read with Insider Trading Manual of the Company, as and when required.
20. The Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Options Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme.
21. The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 during the financial year, as and when required.

We state that the above compliances are neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MEHTA & MEHTA
Company Secretaries

Place: Mumbai
Date: 24th May, 2011

DIPTI MEHTA
Membership No. 3667

Standalone Financial Statements 2010-11

Auditors' Report

To the members of Orbit Corporation Limited

We have audited the attached Balance Sheet of Orbit Corporation Limited as at 31st March, 2011, the Profit and Loss account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of Section 227 of the Companies Act 1956, we report that:

1. As required by the Companies (Auditor's Report) Order, 2003, and as amended by the Companies (Auditor's report) (Amendment) Order, 2004 (the Order) issued by the Central Government of India under sub-section (4A) of Section 227 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. **Further to our comments in the Annexure referred to above, 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, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Profit and Loss account, the Balance Sheet and Cash Flow Statement dealt with by this report 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 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956; and
 - (f) in our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the significant accounting policies in Schedule - 'O' and note 16 and other notes in Schedule - 'P' appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SHARP & TANNAN

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

Milind P. Phadke

Partner

Membership No. 033013

Place: Mumbai

Date: 24th May, 2011

Annexure to the Auditors' Report

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

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We are informed that the Company has formulated a programme of physical verification of all the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Physical verification has been conducted during the year and no material discrepancies have been found.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year so as to affect its going concern status.
2. (a) As explained to us, inventories have been physically verified by technically qualified independent agencies during the year, which in our opinion is reasonable.
- (b) As per the information, the procedures of physical verification of inventory followed by management 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.
3. (a) According to the information and explanations given to us, the Company has granted, unsecured, interest-free loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties involved were three and the maximum amount involved during the year was ₹ 1,414.44 million and the year-end balance of such parties was ₹ 1,315.55 million.
- (b) According to the information and explanations given to us, the Company has not taken unsecured, interest free loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) The terms and conditions of loans given by the Company are prima-facie not prejudicial to the interests of the Company.
- (d) The above loans are repayable on demand and hence there are no amounts overdue for recovery.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets. We have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
5. (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 to the register maintained under section 301 of Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. The Company is having an internal audit system commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us, there have been delays in depositing undisputed statutory dues including Provident Fund, Income Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Cess as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts were in arrears as at 31st March 2011 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 31st March 2011, which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March 2011 and it has not incurred cash loss in the financial year and also in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.
18. The Company has made a preferential allotment of shares during the year. The price at which the shares have been allotted is not prejudicial to the interests of the Company.
19. The Company has not issued any debentures during the year.
20. The Company has not made any public issue of shares during the year.

21. 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

Firm's Registration Number 109982W

by the hand of

Place: Mumbai

Date: 24th May, 2011

Milind P. Phadke

Partner

Membership No. 033013

Balance Sheet as at 31st March, 2011

(₹ in millions)

	Schedule		As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	1,141.22		551.41
Employees Stock Options		2.45		-
Warrants Money Received		-		94.88
Reserves and Surplus	B	8,283.06		7,871.53
			9,426.73	8,517.82
Loan Funds				
Secured Loans	C	6,867.01		5,990.20
Unsecured Loans	D	163.20		106.84
			7,030.21	6,097.04
Deferred Tax Liability			574.41	547.88
Total			17,031.35	15,162.74
APPLICATION OF FUNDS				
Fixed Assets	E			
Gross Block		377.13		309.33
Less: Depreciation		143.61		103.39
Net Block		233.52		205.94
Capital Work-in-Progress		26.50		27.03
			260.02	232.97
Investments	F		558.41	124.29
Current Assets, Loans and Advances	G			
Inventories		5,799.82		3,631.38
Sundry Debtors		4,765.34		4,629.89
Cash and Bank Balances		272.67		373.86
Loans and Advances		7,928.43		8,429.31
		18,766.26		17,064.44
Less: Current Liabilities and Provisions	H			
Liabilities		1,490.38		1,470.24
Provisions		1,062.96		788.72
		2,553.34		2,258.96
Miscellaneous Expenditure (to the extent not written off or adjusted)	I		16,212.92	14,805.48
			-	-
Total			17,031.35	15,162.74
Significant Accounting Policies	O			
Notes on Accounts	P			

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.: 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.: 33013
Place: Mumbai
Date: 24th May, 2011

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
Chairman & Executive Director

Ramashrya Yadav
Head - Finance & Strategies

Place: Mumbai
Date: 24th May, 2011

Pujit Aggarwal
Managing Director & CEO

Puja Mehta
Company Secretary

Profit and Loss Account for the Year Ended 31st March, 2011

(₹ in millions)

	Schedule		2010-11	2009-10
INCOME				
Operating Income	J	3,568.08		4,871.14
Other Income	K	44.67		64.84
			3,612.75	4,935.98
EXPENDITURE				
Operating, General and Administrative Expenses	L	4,041.28		2,512.03
Depreciation		47.03		41.51
Interest and Finance Charges	M	613.05		539.47
(Increase)/Decrease in Inventory	N	(2,168.45)		810.64
			2,532.91	3,903.64
Profit before Tax			1,079.84	1,032.34
Provision for Taxes				
Current Tax		298.04		175.48
Wealth Tax		0.36		0.22
Deferred Tax		26.53		42.12
MAT Credit Entitlement		-		(145.18)
			324.93	72.64
Profit after Tax			754.91	959.70
Balance brought forward from the previous year			2,911.78	2,323.57
Profit available for appropriation			3,666.69	3,283.27
Transfer to General Reserve			18.87	95.97
Transfer to Debenture Redemption Reserve			750.00	116.86
Profit available for Distribution			2,897.82	3,070.44
Distributions				
Proposed Dividend		113.97		82.47
Interim Dividend		-		52.98
Dividend on Preference Share		0.16		0.16
Tax on Dividend		18.95		23.05
			133.08	158.66
Balance carried to Balance Sheet			2,764.74	2,911.78
Earnings Per Share (Basic) (₹)			6.78	10.17
Earnings Per Share (Diluted) (₹)			6.78	10.03
Refer Note No. 15				
Face Value per Equity Share (₹)			10.00	10.00
Significant Accounting Policies	O			
Notes on Accounts	P			

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.: 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.: 33013
Place: Mumbai
Date: 24th May, 2011

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
Chairman & Executive Director

Ramashrya Yadav
Head - Finance & Strategies

Place: Mumbai
Date: 24th May, 2011

Pujit Aggarwal
Managing Director & CEO

Puja Mehta
Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2011

(₹ in millions)

	2010-11	2009-10
A. Cash Flow from operating activities		
Net profit before tax	1,079.84	1,032.34
Adjustments For:		
Depreciation	47.04	41.51
Interest expense	613.05	539.47
Gain on sale of subsidiary	(1.14)	-
Employee stock option	2.45	-
(Profit)/ Loss on sale of Assets	0.19	(0.01)
Income from investment	(4.42)	(12.57)
Operating profit before working capital changes	1,737.01	1,600.73
Adjustments for:		
(Increase)/decrease in inventories	(2,168.45)	810.64
(Increase)/decrease in trade and other receivables	560.32	(5,231.61)
Increase/(decrease) in trade and other payables	(54.80)	(42.66)
Cash generated from operations	74.08	(2,862.89)
Direct taxes paid	(194.88)	(175.90)
(Increase)/decrease in miscellaneous expenditure not written off	-	-
Net cash from operating activities	(120.80)	(3,038.79)
B. Cash flow from investing activities		
Purchase of fixed assets	(77.60)	(56.88)
Proceeds from sale of Fixed Assets	3.33	0.05
Purchase of shares of Subsidiary	(450.20)	(40.00)
Sale of shares of Subsidiary	1.24	-
(Purchase) / Sale of investments	20.00	(73.52)
Income from investments	0.39	12.57
Net cash (used in)/from investing activities	(502.84)	(157.78)
C. Cash flow from financing activities		
Issue of share capital	20.00	187.10
Securities premium (net of issue expenses)	264.63	1,949.17
Promoter Warrants Money received	-	94.88
Changes in borrowed funds (secured / unsecured)	922.91	1,923.58
Interest paid	(602.79)	(529.83)
Final Dividend of FY 09-10	(82.27)	-
Final Dividend of FY 07-08	(0.01)	(0.002)
Interim Dividend of FY 09-10	(0.02)	(52.59)
Interim Dividend of FY 07-08	-	(0.0008)
Tax on Dividend	-	(9.00)
Net cash (used in)/from financing activities	522.45	3,563.29
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(101.19)	366.72
Cash and cash equivalents at the beginning of the Year	373.86	7.14
Cash and cash equivalents at the end of the Year	272.67	373.86

Cash Flow Statement for the Year Ended 31st March, 2011

Notes:

1. 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.
2. Cash and cash equivalents represent cash and bank balances.
3. Additions to fixed assets include movement of capital work-in-progress during the year.
4. Previous year figures have been regrouped / reclassified wherever applicable.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.: 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.: 33013
Place: Mumbai
Date: 24th May, 2011

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
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Ramashrya Yadav
Head - Finance & Strategies

Place: Mumbai
Date: 24th May, 2011

Pujit Aggarwal
Managing Director & CEO

Puja Mehta
Company Secretary

Schedules Forming Part of the Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'A': SHARE CAPITAL			
Authorised Capital 199,750,000 Equity shares of ₹ 10 each (Previous year 99,750,000 Equity shares of ₹ 10 each)		1,997.50	997.50
250,000 Redeemable Non cumulative Preference share of ₹ 10 each (Previous year 250,000 Preference shares of ₹ 10 each)		2.50	2.50
		2,000.00	1,000.00
Issued, Subscribed and Paid up			
113,961,890 Equity shares of ₹ 10 each, fully paid (Previous year 54,980,945 Equity shares of ₹ 10 each fully paid up) (Of the above 56,980,945 Equity shares of ₹ 10 each were allotted as fully paid-up by way of bonus shares)		1,139.62	549.81
160,000 10% Redeemable Non Cumulative Preference share of ₹ 10 each (Previous year 160,000 Preference shares of ₹ 10 each)		1.60	1.60
		1,141.22	551.41
Promoters Warrant Money (Previous year 2,000,000 Warrants issued to Promoter @ ₹ 189.75 each, 25% paid)		-	94.88
		-	94.88
SCHEDULE 'B': RESERVES AND SURPLUS			
Securities Premium Account	3,946.86		1,997.69
Received during the year	359.50		2,037.18
Less: Bonus shares issued	569.81		-
Less: Security issue expenses written off in terms of Section 78 of Companies Act, 1956	-		88.01
		3,736.55	3,946.86
General Reserve	262.60		166.63
Add: Transfer from Profit and Loss Account	18.87		95.97
		281.47	262.60
Debenture Redemption Reserve			
Opening Balance	750.00		633.14
Add: Transfer from Profit and Loss Account	750.00		116.86
		1,500.00	750.00
Capital Redemption Reserve		0.29	0.29
Profit and Loss Account		2,764.75	2,911.78
		8,283.06	7,871.53

Schedules Forming Part of the Accounts

(₹ in millions)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'C': SECURED LOANS		
1,500, Secured Non Convertible Debentures of ₹ 1,000,000 each	1,500.00	1,500.00
Loans		
From Bank	2,188.81	1,134.48
From Institutions	3,109.92	3,077.96
Vehicle Loans	68.28	27.76
Others	-	250.00
	6,867.01	5,990.20
Note: The vehicle loans from banks are secured against hypothecation of vehicles.		
SCHEDULE 'D': UNSECURED LOANS		
From Directors (interest free)	142.21	87.81
From other Bodies Corporate	20.99	19.03
	163.20	106.84

Schedules Forming Part of Accounts

SCHEDULE 'E': FIXED ASSETS

(₹ in millions)

Particulars	Rate (%)	GROSS BLOCK (At cost)				DEPRECIATION				NET BLOCK	
		As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Up to 31.03.2010	For the Year ended 31.03.2011	Deductions	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	0%	0.51	-	-	0.51	-	-	-	-	0.51	0.51
Leasehold Improvements	18.10%	18.81	-	-	18.81	10.09	1.58	-	11.67	7.14	8.72
Furnitures	18.10%	77.36	6.02	-	83.37	21.85	10.98	-	32.82	50.55	55.51
Office Equipment	13.91%	12.17	0.30	-	12.46	4.48	1.07	-	5.55	6.91	7.68
Computers	40.00%	10.32	3.59	-	13.90	5.81	2.33	-	8.14	5.76	4.51
Business Communication System	13.91%	4.16	1.73	-	5.88	1.32	0.53	-	1.85	4.03	2.83
Vehicles	25.89%	48.92	44.69	10.34	83.27	22.64	11.72	6.82	27.54	55.73	26.28
Yacht	20.00%	60.31	-	-	60.31	23.94	7.27	-	31.21	29.10	36.37
Plant & Machinery	13.91%	76.77	21.82	-	98.60	13.26	11.55	-	24.81	73.79	63.52
Total		309.33	78.14	10.34	377.13	103.39	47.03	6.82	143.61	233.52	205.94
Capital WIP		27.04	26.50	27.04	26.50	-	-	-	-	26.50	27.03
Total		336.37	104.64	37.38	403.63	103.39	47.04	6.82	143.61	260.02	232.97
Previous Year		279.53	56.88	0.04	336.37	61.89	41.51	0.004	103.39	232.97	217.63

Schedules Forming Part of the Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'F': INVESTMENTS (At Cost)			
Long term			
Non Trade			
Unquoted			
In fully paid equity shares in subsidiary companies			
Orbit Highcity Private Limited		500.00	50.00
8,903,226 Equity shares of ₹ 10 each (P.Y. 1,645,161 Equity shares of ₹ 10 each)			
Orbit Residency Private Limited		0.10	0.10
10,000 Equity shares of ₹ 10 each (P.Y. 10,000 Equity shares of ₹ 10 each)			
Ahinsa Buildtech Private Limited		0.08	0.08
8,500 Equity shares of ₹ 10 each (P.Y. 8,500 Equity shares of ₹ 10 each)			
Orbit Habitat Private Limited		0.10	-
10,000 Equity shares of ₹ 10 each			
Anaya Infrastructure Private Limited		-	-
Purchase and sold 10,000 Equity shares of ₹ 10 each			
Property Redevelopers Association	0.06		0.06
6,250 shares of ₹ 10 each			
The Pen Co-operative Urban Bank Limited	0.50		0.50
2,000 shares of ₹ 250 each, fully paid up			
The Saraswat Co-operative Bank Limited	0.03		0.03
2,500 shares of ₹ 10 each, fully paid up			
		0.59	0.59
Short Term			
Birla Sunlife Savings Fund - Institutional Daily Dividend (5,750,119.63 units, Previous Year 7,346,745.466 units)		57.54	73.52
		558.41	124.29

Schedules Forming Part of the Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'G': CURRENT ASSETS, LOANS AND ADVANCES			
Inventories			
Finished goods	-		17.12
Work-in-Progress	5,799.82	5,799.82	3,614.26
			3,631.38
Sundry Debtors			
unsecured, considered good			
Debts outstanding for a period exceeding six months	3,249.61		2,381.44
Other debts	1,515.73	4,765.34	2,248.45
			4,629.89
Cash and Bank Balances			
Cash on hand	61.38		57.28
Balances with Scheduled Banks			
On current accounts	122.89		261.85
On deposit accounts	88.23		54.56
Balance with Non-scheduled Bank on current account - The Pen Co-Op. Urban Bank Ltd.	0.17		0.17
		272.67	373.86
Loans and Advances			
unsecured, considered good			
Advances to subsidiary company	1,315.55		1,251.02
Advance against Share application money in Subsidiary company	142.65		-
Advances paid for acquisition of properties	4,457.29		5,195.77
Advances to suppliers	83.04		78.80
Deposits	307.64		302.30
Advance payment of taxes	944.59		749.70
MAT Credit Entitlement	249.18		315.78
Advance for Expenses	135.22		117.23
Interest Accrued on Fixed Deposits	1.22		0.57
Advances recoverable in cash or in kind or for value to be received	292.05		418.14
		7,928.43	8,429.31
(Maximum amount outstanding at any time from an officer ₹ 1 million)			
		18,766.26	17,064.44

Schedules Forming Part of the Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'H': CURRENT LIABILITIES AND PROVISIONS			
Liabilities			
Sundry Creditors:			
For goods supplied	177.07		174.45
For expenses	85.60		51.22
For Properties	40.00		3.97
	302.67		229.64
Application money for I.P.O. to be refunded	0.01		0.01
	302.68		229.65
Deposits	0.22		0.72
	302.90		230.37
Advances from customer	1,187.48		1,239.87
		1,490.38	1,470.24
Provisions			
Provision for Taxation	906.76		675.32
Provision for Fringe Benefit Tax	9.90		9.90
Provision for Wealth Tax	0.98		0.63
Proposed Dividend	114.12		82.47
Tax on Dividend	18.95		14.02
Provision for Leave Encashment	6.41		3.82
Provision for Gratuity	5.84		2.57
		1,062.96	788.72
		2,553.34	2,258.96
SCHEDULE 'I': MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
Amount brought forward	-		-
Security issue expenses	-		88.01
	-		88.01
Less: Amortised during the Year Against Securities Premium (in terms of Section 78 of Companies Act, 1956)	-	-	88.01
		-	-

Schedules Forming Part of the Accounts

(₹ in millions)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'J': OPERATING INCOME		
Revenue generated from completed projects	104.70	66.31
Revenue recognised for projects under progress	3,328.38	4,800.95
Other Operating Income	135.00	3.88
	3,568.08	4,871.14
SCHEDULE 'K': OTHER INCOME		
Dividend Income	4.42	12.57
Interest income (TDS ₹ 3.35 Mn, Previous Year ₹ 7.71 Mn)	37.33	49.94
Profit on Sale of Asset	-	0.01
Gain on sale of subsidiary	1.13	-
Miscellaneous income	1.79	2.32
	44.67	64.84

Schedules Forming Part of the Accounts

(₹ in millions)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'L': OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES		
Property Acquisition Cost	1,744.27	539.50
Material, Labour & Direct expenses		
Materials	680.75	710.24
Labour Charges	680.78	495.31
Legal and Professional fees	110.81	125.47
Insurance	3.47	2.24
Rates and Taxes	78.65	60.20
Advertisement and Publicity	3.55	10.56
Travelling Expenses	0.22	-
Other Direct expenses related to Projects	110.05	74.27
	1,668.28	1,478.30
General & Administration Expenses		
Salaries, Wages, bonus and Benefits	127.35	85.37
Contribution to Provident Fund	8.42	4.04
Legal and Professional fees	158.87	143.36
Insurance	2.87	4.43
Rent	41.03	39.71
Rates and Taxes	4.12	13.21
Repairs and Maintenance		
Buildings	-	-
Plant and Machinery	-	-
Others	4.26	2.80
Business Promotion	38.23	38.91
Advertisement and Publicity	64.86	19.86
Travelling Expenses	15.08	13.25
Other General and Administration Expenses	163.64	129.29
	628.73	494.23
	4,041.28	2,512.03

Schedules Forming Part of the Accounts

(₹ in millions)

		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'M': INTEREST AND FINANCE CHARGES			
Interest on Non Convertible Debentures		177.86	115.56
Interest on Term Loan		398.29	340.01
Other Interest and Finance Charges		36.90	83.89
		613.05	539.47
SCHEDULE 'N': (INCREASE)/DECREASE IN INVENTORY			
(Increase)/Decrease in Inventories			
Closing Inventory:			
Finished goods	-		17.12
Work in progress	5,799.82		3,614.26
		5,799.82	3,631.38
Less: Opening inventory			
Finished goods	17.12		47.42
Work in progress	3,614.25		4,394.61
		3,631.37	4,442.02
		(2,168.45)	810.64

Schedule Forming Part of Accounts

SCHEDULE 'O': SIGNIFICANT ACCOUNTING POLICIES

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.

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%.

3. Fixed Assets

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

4. Intangible assets and Amortisation

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

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.

Schedules Forming Part of the Accounts

SCHEDULE 'O': SIGNIFICANT ACCOUNTING POLICIES (Continued....)

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.

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.

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.

9. Borrowing costs

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

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.

11. Taxes on income

- a. 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.
- b. 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.
- c. 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.

Schedule Forming Part of Accounts

SCHEDULE 'O': SIGNIFICANT ACCOUNTING POLICIES (Continued....)

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

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.

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.

14. Foreign Currency Transactions

- a. All transactions in foreign currency are recorded at the rates of exchange prevailing on the date the relevant transactions take place.
- b. 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.

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS

1. Contingent Liabilities: Corporate Guarantee (previous years ₹ Nil)

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 31st March 2011 is ₹ 87.08 million.

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil; (Previous year ₹ Nil).

2. Auditors' remuneration and expenses charged to accounts:

(₹ in millions)

	Year Ended 31.03.2011	Year Ended 31.03.2010
For Statutory Audit	0.88	0.88
For Tax Audit	0.22	0.22
For other matters	0.72	1.55
For Expenses Reimbursed	0.03	0.03

3. Remuneration to directors

(₹ in millions)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Remuneration to Chairman & Managing Director	13.50	15.12

Details of Managerial Remuneration u/s. 349 of the Companies Act, 1956.

Net Profit before Tax		1,079.84
Add	1) Depreciation as per Accounts	47.03
	2) Fall in value of Foreign exchange monetary assets	0.94
	3) Loss on sale of Assets	0.19
	4) Managerial Remuneration	13.50
		1,141.50
Less:	1) Profit on sale of investments	1.14
	2) Depreciation U/S. 350	47.03
		1,093.33
	Maximum Commission payable 4% of net profit calculated above to	
	Chairman & Executive Director	43.73
	Managing Director & CEO	43.73
	Actual commission paid	-

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

4. Additional information required to be disclosed pursuant to Schedule VI to the Companies Act, 1956.

- a. Value of imports (on CIF basis):

(₹ in millions)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Capital goods	-	16.62
Other Materials	89.34	68.25

- b. Expenditure in foreign currency:

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Professional fees	18.49	43.83
Other matters – Conference, Foreign traveling, etc.	4.33	1.95

5. Non Convertible Debentures (NCDs) issued by the company are held by Life Insurance Corporation of India (LIC) for an outstanding amount of ₹ 1,500 millions. The said NCDs have been secured by mortgage of its property situated at Santacruz, Mumbai and over immovable property at Gujarat. In addition to above, the said NCDs have also been secured by personal guarantee of Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal. The Redemption schedule is as under:

Sr No.	Date of Repayment	Amount of Repayment
1	30.06.2011	₹ 375 Millions
2	30.09.2011	₹ 375 Millions
3	31.12.2011	₹ 375 Millions
4	31.03.2012	₹ 375 Millions

Debenture Redemption Reserve (DRR) has been created in accordance with circular No.9/2002 dated 18th April, 2002 issued by Department of Company Affairs, Ministry of Law Justice and Company Affairs Government of India and Section 117(C) of the Companies Act, 1956. Amount set aside for DRR represents proportionate amount of outstanding NCDs equally spread over terms of Debentures.

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

6. Loan outstanding as on 31st March, 2011

(₹ in millions)

Name of Lender	Amount Outstanding (₹ Mn)	Effective Interest Rate (p.a.)
1. Loans From Bank		
a. 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		
State Bank of India	583.38	14.00 %
Union Bank of India	548.70	14.75 %
Canara Bank	331.08	9.15 %
Axis Bank	714.99	12.75 %
b. Construction Equipment Loan against hypothecation of respective equipments and directors' personal guarantee		
HDFC Bank Ltd.	6.85	12.75 %
HDFC Bank Ltd.	0.54	12.02 %
HDFC Bank Ltd.	1.32	12.50 %
HDFC Bank Ltd.	1.93	13.00 %
2. Loans From Institution		
a. 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		
LIC Housing Finance Ltd	1,209.93	14.75 %
LIC – NCD	1,500.00	13.32 %
Money Matters Financial Services Ltd	400.00	16.00 %
b. Corporate Term loans which are secured by pledge of promoters' and promoter group company's shareholding and directors' personal guarantee		
IFCI Ltd	1,000.00	16.00 %
Edelweiss Finance & Investment Ltd.	500.00	14.00 %

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

7. Sundry creditors includes ₹ Nil (Previous year ₹ Nil) due to vendors covered by the Micro, Small and Medium Enterprises Development Act, 2006.
8. Sundry debtors, sundry creditors and loans and advances are subject to confirmation and reconciliation, if any.
9. 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.

10. Acquisition of Subsidiaries:

- a. During the year, the Company had acquired 10,000 equity shares of M/s Orbit Habitat Private Limited at ₹ 10 each, thereby making it 100% subsidiary of the Company. The company had made advances of ₹ 142.65 Mn for further acquisition of shares.
- b. The Company has further acquired 7,258,065 shares of subsidiary M/s Orbit Highcity Private Limited at ₹ 62 per share i.e. at premium of ₹ 52 per share, thereby holding 97.35% shares of the said subsidiary company.
- c. During the Year, Company had acquired the entire 10,000 equity shares of M/s Anaya Infrastructure Private Limited @ ₹ 10 each, thereby making it a 100% subsidiary of the company. However, the shares were sold off during the year for @ ₹ 123.50 each.

11. Orbit ESOS 2009

- a. At an Extra Ordinary Meeting held on 9th July, 2009 resolution to grant upto 300,000 options to employees was approved. The Compensation Committee of the Board granted 161,500 options on 27th January, 2010 to selected 107 employees of the Company under Orbit ESOS 2009.
- b. 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.
- c. There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.
- d. 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.
- e. The number of options which have vested on 27th January 2011 is 121,320 Options. Subsequently, 2070 vested options have lapsed on resignation of 2 employees. These options are available for reissue.
- f. Each option is convertible into One Equity share of ₹ 10 each at an effective exercise price of ₹ 46.71 per share (including impact of bonus options), in respect of Options which have vested on 27th January 2011
- g. The balance options will vest on 27th January 2012 and 27th January 2013. The options granted would vest over a vesting period of 3 years from the date of grant. Pricing of options which will vest in the coming years will be worked out on date of vesting and accounted at that time
- h. As per the pricing formula of the scheme, the exercise price of the options can be determined on the basis of average price of shares for certain period prior to the date of vest as mentioned in point 'd' above. Accordingly, the price of options granted but not vested cannot be ascertained. Thereby each vest is considered as a separate grant and date of vest is treated as grant date for the purpose of accounting.

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

- i. Market Price of ₹ 67.25 per share is closing price on NSE on the previous date of vesting. (i.e 25th January 2011)
- j. 10,900 options granted were allocated to employees of subsidiary and group company, of which 3,810 vested on 27th January 2011. On account of which, the company had transferred and recovered employee compensation of ₹ 0.08 Mn from subsidiary and group company.
- k. The Summary of Options granted is as below:

Vesting date	No.of Options	Exercise Period	Exercise Price	Market Value	Intrinsic Value
27.01.2011	121,320	Upto 25.01.2014	46.71	67.25	20.54
27.01.2012	90,330	Upto 25.01.2015	As per Pricing Formula on date of vesting.		
27.01.2013	111,350	Upto 25.01.2016	As per Pricing Formula on date of vesting .		

- l. The movement of stock options during the year ended March 31, 2011 are summarized below:

	Number of options
Outstanding at the beginning of the year	161,500
Adjusted options as on 30 th June 2010 consequent to Bonus granted	323,000
Granted during the year	-
Forfeited during the year	4,700
Exercised during the year	-
Expired during the year	-
Money realized by exercise of options	-
Outstanding at the end of the year	318,300
Exercisable at the end of the year	119,250

- m. For purposes of the proforma disclosures, the fair value of each option grant was estimated on the date of grant using the Black Scholes Option Valuation model with the following assumptions:
 - Risk free interest rate of 7%;
 - Expected volatility of 57%
 - Expected option life : Average life taken as 1 year from date of Vesting
 - Expected Dividends : Not separately included, factored in volatility working
 - Closing market price of share on a date prior to date of Vesting: ₹ 67.25

Proforma disclosures using fair value of options granted:

Vested Options	121,320
Options Lapsed	2,070
Vested Options net of Lapsed	119,250
Exercise Price	₹ 46.71
Market Price on grant date	₹ 67.25
Intrinsic Value	₹ 20.54
Fair Value based on Black Scholes Method	₹ 74.28
Charged to employee cost based on Intrinsic Value (Before Group allocation)	₹ 2.44 millions
Chargeable to employee cost based on Fair Value	₹ 3.29 millions
Additional charged if Fair Value taken	₹ 0.84 millions

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

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

12. Disclosure of related parties / Related party transactions:

i. List of related parties:

Sr. No	Name of the Related Party	Nature of Relationship
(a)	Particulars of subsidiary company 1. Orbit Residency Private Limited 2. Orbit Highcity Private Limited 3. Ahinsa Buildtech Private Limited 4. Orbit Habitat Private Limited	100 % Subsidiary Company 97.35 % Subsidiary Company 85% Subsidiary Company 100 % Subsidiary Company
(b)	Key Management Personnel 1. Mr. Ravi Kiran Aggarwal 2. Mr. Pujit Aggarwal	Chairman & Executive Director Managing Director & CEO
(c)	Others : 1. Revati Academic & Infrastructure Private Limited 2. Mazda Construction Company Private Limited 3. Orbit Abode Private Limited 4. Orbit Lifestyle City Developers Private Limited 5. Ambuj Infrastructure Private Limited 6. Orbit Translink & Logistics Private Limited 7. Orbit Retail Chain Private Limited 8. Charm Mercantile Private Limited 9. Property Redevelopers Association 10. Brio Academic Infrastructure and Resource Management Private Limited 11. Pheonix Appliances Private Limited 12. Emgee Foils Private Limited 13. Orbit Habitat Private Limited 14. Orbit Raking Solutions Limited 15. Orbit Entertainment Private Limited 16. Orbit Power & Transmission Private Limited 17. Orbit Socio Foundation 18. Orbit Dwelling Private Limited 19. Orbit Parkcity Private Limited 20. Orbit Infraserve Private Limited 21. Orbit Eduworld Private Limited 22. Apex Hotel Enterprises Private Limited 23. Orbit Compel Infra-Build Private Limited 24. Orbit Evolve Developpers Private Limited 25. Orbit Equisities Housing Private Limited 26. Orbit Parkland Developers Private Limited 27. Nitika Multitrading Private Limited	Enterprises over which Key Managerial Personnel are able to exercise Significant influence

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

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

Sr. No	Name of the Related Party	Nature of Relationship
(a)	Particulars of subsidiary company 1. Orbit Residency Private Limited 2. Orbit Highcity Private Limited 3. Ahinsa Buildtech Private Limited 4. Orbit Habitat Private Limited	100 % Subsidiary Company 97.35 % Subsidiary Company 85% Subsidiary Company 100 % Subsidiary Company
(b)	Key Management Personnel 1. Mr. Ravi Kiran Aggarwal 2. Mr. Pujit Aggarwal	Chairman & Executive Director Managing Director & CEO
(c)	Others : 1. Mazda Construction Company Private Limited 2. Orbit Abode Private Limited 3. Property Redevelopers Association 4. Pheonix Appliances Private Limited 5. Orbit Socio Foundation 6. Orbit Dwelling Private Limited 7. Orbit Lifestyle City Developers Private Limited 8. Orbit Translink & Logistic Private Limited 9. Emgee Foils Private Limited 10. Orbit Eduworld Private Limited	Enterprises over which Key Managerial Personnel are able to exercise Significant influence

- iii. Disclosure of related party transactions: (₹ in millions)

Sr. no	Nature of relationship / Transaction	Subsidiary Companies	Key Management Personnel	Others	Total
1	Loan granted / Advances Given	807.72 (821.74)	—	6.94 (0.15)	814.66 (821.89)
	Loan Recovered	743.18 (846.50)	—	4.11 (0.17)	747.30 (846.67)
	Maximum Outstanding	1,414.44 (1,554.08)	—	2.83 (0.17)	1,417.27 (1,554.26)
	Closing Balance	1,315.55 (1,251.02)	—	2.83 (NIL)	1,318.38 (1,251.02)
2	Loan taken	—	120.28 (18.57)	—	120.28 (18.57)
	Loan Repaid	—	65.88 (NIL)	—	65.88 (NIL)
	Maximum Outstanding	—	149.71 (87.81)	—	149.71 (87.81)
	Closing Balance	—	142.21 (87.81)	—	142.21 (87.81)

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

3	Advances for Property Acquisition Amount granted / Advances given	—	—	698.58 (1,563.42)	698.58 (1,563.42)
	Amount Recovered	—	—	33.23 (448.25)	33.23 (448.25)
	Maximum Outstanding	—	—	2,516.81 (1,923.36)	2,516.81 (1,923.36)
	Closing Balance	—	—	2,503.17 (1,832.72)	2,503.17 (1,832.72)
4	Investment in Shares	450.10 (40.00)	—	—	450.10 (40.00)
5	Rent Paid	—	26.47 (26.47)	—	26.47 (26.47)
6	Interest Received on Loan	21.94 (115.11)	—	206.70 (NIL)	228.64 (115.11)
7	Managerial Remuneration & Salaries	—	13.50 (15.12)	—	13.50 (15.12)
8	Purchase of material	—	—	0.09 (0.08)	0.09 (0.08)
9	Donation given	—	—	0.90 (NIL)	0.90 (NIL)
10	Shares issued out of Promoters Warrant Money (Incl Premium)*	—	379.50 (379.50)	—	379.50 (379.50)
11	Advance against Share Application Money	142.65 (NIL)	—	—	142.65 (NIL)

*The Company has during the year allotted 1,000,000 Equity shares each on conversion of warrants into Equity shares and 1,000,000 Bonus shares each thereon to Shri Ravi Kiran Aggarwal and Shri Pujit Aggarwal, the promoters of the Company.

During the current year company has paid Professional fees to Mr. Hafeez Contractor (Director) ₹ 22.12 millions in his professional capacity.

- During the current year company has redeemed all units of LIC MF Liquid Fund, for ₹ 200.25 millions and earned dividend income of ₹ 0.25 millions on same. The company has redeemed all units of LIC MF Saving Fund, for ₹ 200.14 millions and earned dividend income of ₹ 0.14 millions on same.

Besides, the company has received a dividend income of ₹ 4.02 millions, and has redeemed 1,998,640.924 units of Birla Sunlife Savings Fund for ₹ 20 million. All the above mentioned units were classified as short term investments.

14. 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 ₹ 252.81 million had been charged to revenue (including portion of accumulated interest).

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

15. Earnings Per Share:

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax attributable to Equity shareholders. 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 convertible warrants and employee stock options. Dilutive nature have been calculated as difference between fair value i.e. average of past six months daily closing price as on 31st March, 2011 and actual conversion price for such warrants.

(₹ in millions)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Net Profit attributable to Equity shareholders	754.72	959.70
Number of shares outstanding at the end of the year	113,961,890	54,980,945
Weighted Average number of shares	111,364,630	47,183,058
Weighted average number of potential equity shares on account of employee stock options	49,972	-
Weighted average number of potential equity shares on account warrant conversions	-	1,299,948
Number of shares for computation of diluted EPS	111,414,602	47,833,032
Basic EPS (in ₹)	6.78	10.17
Diluted EPS (in ₹)	6.78	10.03
Face Value per Equity Share (in ₹)	10.00	10.00

Note: Previous year EPS figures have been adjusted to give bonus effect.

16. The Company considering interlia, 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 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).

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

In addition to the amount of ₹ 298.04 millions provided during the year for tax, ₹ 75.38 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 ₹ 763.79 millions provided cumulative for previous years for tax, ₹ 764.12 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.

The Company inter alia has 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 except cases pending for hearing at Hon'ble Settlement Commission.

17. Major Components of Deferred Tax Liability (DTL) are as under :

(₹ in millions)

Particulars	DTL/(DTA) As At 31.03.2010	Charged/(Credited) To Profit & Loss A/c	DTL/(DTA) As At 31.03.2011
DTL			
• Deferment of Tax Liability on Account of final sale agreement being executed.	557.82	22.37	580.19
Total	557.82	22.37	580.19
DTA			
• Difference between Book & Tax Depreciation	7.81	(6.10)	1.71
• Employee benefits	2.13	1.94	4.07
• Other items giving rise to timing difference	-	-	-
Total	9.94	(4.16)	5.78
Net DTL /(DTA)	547.88	26.53	574.41

18. The total value of sales for project mentioned in note 19 for which revenue recognition is applicable is ₹ 21,451.06 millions (including previous 100% completed projects). Out of which ₹ 15,552.81 millions was recognised in previous years and ₹ 3,433.08 millions is recognised revenue for the current year based on percentage completion method. The remaining amount i.e. outstanding book size is ₹ 2,465.18 millions

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

19. The following is the summary of the projects.

(₹ in millions)

Project	Sale Consideration as on 31 st March 2011	Revenue Recognised till 31 st March 2010	Revenue Recognised for FY 10-11	% of Project Completion
Orbit Arya	3,137.38	2,845.64	273.18	99.41%
Orbit Heights	1,262.12	1,192.42	69.70	100%
Orbit Eternia	477.53	444.83	31.77	99.80%
Orbit Terraces	2,544.50	994.03	989.92	77.97%
Orbit WTC	7,659.25	6,867.74	783.31	99.89%
Orbit Haven	2,789.02	620.90	987.92	57.68%
Villa Orb	2,622.25	2,587.25	35.00	100%
Orbit Grand	959.01	-	262.28	27.35%
Total	21,451.06	15,552.81	3,433.08	

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

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

(₹ in millions)

Particulars	Amount
Present Value of obligation as on 31st March, 2011	5.84
Service Cost Recognised to Profit & Loss Account	1.76
Interest Cost	0.21
Benefits paid during the year	0.08
Actuarial Gain Recognised	1.37
Assumptions:	
Interest rate	8.25% p.a.
Salary Growth	7.00% p.a.
Retirement Age	58 Years

Schedule Forming Part of Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued...)

21. Figures for the previous year have been regrouped/reclassified wherever necessary.
22. Figures in brackets are in respect of previous year.

Signatures to Schedules A to P

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.: 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.: 33013

Place: Mumbai
Date: 24th May, 2011

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
Chairman & Executive Director

Ramashrya Yadav
Head - Finance & Strategies

Place: Mumbai
Date: 24th May, 2011

Pujit Aggarwal
Managing Director & CEO

Puja Mehta
Company Secretary

Balance Sheet Abstract and Company's General Business Profile:

A. Registration Details:	
Registration Number	U72900MH2000PLC124729
State Code	11
Balance Sheet Date	31st March, 2011
B. Capital raised during the year	
	₹ '000
Public issue	Nil
Right issue	Nil
Bonus issue	569,809
Private Placement	Nil
Preferential Allotment	20,000
C. Position of Mobilization and Deployment of Funds	
	₹ '000
Total Liabilities including paid up capital	17,031,345
Total Assets	17,031,345
Sources of Funds	
Paid up Capital	1,141,219
Employees Stock Options	2,449
Reserves and Surplus	8,283,058
Secured Loans	6,867,009
Unsecured Loans	163,198
Deferred Tax Liability	574,412
Application of Funds	
Net Fixed Assets	260,018
Investments	558,413
Net Current Assets	16,212,914
Miscellaneous Expenditure	Nil
D. Performance of the Company	
	₹ '000
Turnover including other income	3,612,755
Total Expenditure	2,532,916
Profit before tax	1,079,839
Profit / (Loss) after tax	754,911
Earnings per Share (₹)	6.78
Dividend Rate (%)	10%
E. Generic Names of Three Principal Products / Services of the Company	
Item code No. (ITC Code)	Product Description
Not Applicable	Construction/Redevelopment of Properties/Buildings

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
Chairman & Executive Director

Pujit Aggarwal
Managing Director & CEO

Ramashrya Yadav
Head - Finance & Strategies

Puja Mehta
Company Secretary

Place: Mumbai
Date: 24th May, 2011

Statement under Section 212 of the Companies Act, 1956

(₹ in millions)

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 (b) Extent of Holding	9,145,161 97.35%	10,000 85%	10,000 100%	10,000 100%
C	Financial Year of the Company	2010-11	2010-11	2010-11	2010-11
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 2011. (b) For the Subsidiary Company's previous Financial years, since it became the Holding Company's subsidiary.	(3.93) (32.63)	35.30 (4.81)	(2.77) (1.08)	(0.85) (0.58)
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

Ravi Kiran Aggarwal
Chairman & Executive Director

Place: Mumbai
Date: 24th May, 2011

Kept intentionally blank

Consolidated Financial Statements 2010-11

Auditors' Report

To the Board of Directors of Orbit Corporation Limited

We have audited the attached consolidated Balance Sheet of Orbit Corporation Limited and its subsidiaries as at 31st March, 2011, the consolidated Profit and Loss account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of ₹ 5,178.10 millions, total revenues of ₹ 431.91 millions and cash inflows of ₹ 244.54 millions. These financial statements have been audited by other auditors whose reports have been furnished to us, and, 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.

We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" specified by the Companies (Accounting Standards) Rules 2006 notified by the Central Government and on the basis of separate audited financial statement of Orbit Corporation Limited and its subsidiaries included in the consolidated financial statements.

In our opinion and to the best of our information and explanations given to us and on consideration of the separate audit report of the individual audited financial statements of Orbit Corporation Limited and its subsidiaries read together with the significant accounting policies in schedule - 'O' and note 15 and other notes on accounts in schedule - 'P', give a true and fair view in conformity with the accounting principles generally accepted in India;

- (i) in the case of the Consolidated Balance Sheet, of the consolidated statement of affairs of Orbit Corporation Limited and its subsidiaries as at 31st March, 2011;
- (ii) in the case of Consolidated Profit and Loss account, of the Consolidated results of operations of Orbit Corporation Limited and its subsidiaries for the year ended on that date; and

- (iii) In the case of the Consolidated Cash Flow statement, of the consolidated cash flows of Orbit Corporation Limited and its subsidiaries for the year ended on that date.

SHARP & TANNAN

Chartered Accountants

Firm's Registration Number 109982W

by the hand of

Place: Mumbai

Date: 24th May, 2011

Milind P. Phadke

Partner

Membership No. 033013

Consolidated Balance Sheet as at 31st March, 2011

(₹ in millions)

	Schedule		As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	1,141.22		551.41
Employees Stock Options		2.45		-
Warrant Money Received		-		94.87
Application Money Pending				
Allotment in Subsidiary		235.00		-
Reserves and Surplus	B	8,269.15		7,842.24
Minority Interest			9,647.82	8,488.52
Loan Funds			17.92	4.05
Secured Loans	C	6,874.30		5,999.54
Unsecured Loans	D	3,488.76		3,072.40
Deferred Tax Liability			10,363.06	9,071.94
Total			574.41	511.63
			20,603.21	18,076.14
APPLICATION OF FUNDS				
Fixed Assets	E			
Gross Block		457.07		385.85
Less: Depreciation		156.66		109.78
Net Block		300.41		276.07
Capital Work-in-Progress		39.36		27.04
Investments	F		339.77	303.11
Deferred Tax Asset			58.13	74.10
Current Assets, Loans and Advances	G		38.83	-
Inventories		7,875.84		5,484.20
Sundry Debtors		4,931.69		4,629.89
Cash and Bank Balances		628.09		484.79
Loans and Advances		9,466.50		9,590.10
		22,902.12		20,188.98
Less: Current Liabilities and Provisions	H			
Liabilities		1,626.71		1,684.20
Provisions		1,108.93		805.85
		2,735.64		2,490.05
Net Current Assets			20,166.48	17,698.93
Miscellaneous Expenditure (to the extent not written off or adjusted)	I		-	-
Total			20,603.21	18,076.14
Significant Accounting Policies	O			
Notes on Accounts	P			

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.: 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.: 33013
Place: Mumbai
Date: 24th May, 2011

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
Chairman & Executive Director

Ramashrya Yadav
Head - Finance & Strategies

Place: Mumbai
Date: 24th May, 2011

Pujit Aggarwal
Managing Director & CEO

Puja Mehta
Company Secretary

Consolidated Profit and Loss Account for the Year Ended 31st March, 2011

(₹ in millions)

	Schedule		2010-11	2009-10
INCOME				
Operating Income	J	3,991.49		4,871.14
Other Income	K	53.17		64.84
			4,044.66	4,935.98
EXPENDITURE				
Operating, General and Administrative Expenses	L	4,222.60		2,568.55
Depreciation		53.69		45.87
Interest and Finance Charges	M	1,020.13		908.12
(Increase)/Decrease in Inventory	N	(2,391.64)		409.93
			2,904.78	3,932.47
Profit before Tax			1,139.88	1,003.51
Provision for Taxes				
Current Tax		326.79		175.48
Wealth Tax		0.36		0.23
Deferred Tax		23.95		5.86
MAT Credit Entitlement		-		(145.18)
			351.10	36.39
			788.78	967.12
Less: Short Provision of Tax in respect of previous year			-	16.89
Profit after Tax			788.78	950.23
Less: Minority Interest			6.12	(4.30)
Profit After Minority Interest			782.66	954.53
Balance brought forward from the previous year			2,875.82	2,292.78
Balance brought forward from the New Subsidiaries			(0.58)	-
Less: Minority Interest in Prior Period Losses			2.56	-
Less: Profit written off on consolidation			2.55	-
Profit available for Appropriation			3,652.78	3,247.31
Transfer to General Reserve			18.87	95.97
Transfer to Capital Redemption Reserve			-	-
Transfer to Debenture Redemption Reserve			750.00	116.86
Profit available for Distribution			2,883.91	3,034.48
Distributions				
Proposed Dividend			113.96	82.47
Dividend on Preference Share			0.16	0.16
Interim Dividend			-	52.98
Tax on Dividend			18.95	23.05
Balance carried to Balance Sheet			2,750.84	2,875.82
Earnings Per Share (Basic) (₹)			7.03	10.12
Earnings Per Share (Diluted) (₹)			7.02	9.98
Refer Note No. 14				
Face Value per Equity Share (₹)			10.00	10.00
Significant Accounting Policies	O			
Notes on Accounts	P			

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.: 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.: 33013
Place: Mumbai
Date: 24th May, 2011

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
Chairman & Executive Director

Ramashrya Yadav
Head - Finance & Strategies

Place: Mumbai
Date: 24th May, 2011

Pujit Aggarwal
Managing Director & CEO

Puja Mehta
Company Secretary

Consolidated Cash Flow Statement for the Year Ended 31st March, 2011

(₹ in millions)

	2010-11	2009-10
A. Cash Flow from Operating Activities		
Net Profit before Tax	1,139.88	1,003.52
Adjustments For:		
Depreciation	53.69	45.87
Interest expense	1,020.13	908.11
(Profit)/ Loss on Sale of Assets	0.19	(0.01)
Employee stock option	2.45	-
Gain on sale of subsidiary	(1.14)	-
Income from Investment	(12.92)	(12.57)
Operating Profit before Working Capital changes	2,202.29	1,944.92
Adjustments for:		
(Increase)/decrease in Trade and Other Receivables	(49.05)	(5,292.19)
(Increase)/decrease in Inventories	(2,391.64)	409.92
Increase/(decrease) in Trade Payables	(69.94)	152.41
Cash generated from Operations	(308.35)	(2,784.94)
Direct Taxes paid	(195.74)	(192.98)
(Increase)/decrease in miscellaneous expenditure written off	-	-
Net cash from Operating Activities	(504.09)	(2,977.92)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(93.88)	(120.44)
Proceeds from sale of Fixed Assets	3.33	0.05
Purchase of shares of newly acquired Subsidiaries	(0.20)	-
Sale of shares of newly acquired Subsidiary	1.24	-
Cash Balance of newly acquired Subsidiary	0.02	-
(Purchase) / Sale of Investments	26.97	(73.52)
Income from Investments	1.93	12.57
Net cash (used in)/from Investing Activities	(60.59)	(181.34)
C. Cash flow from Financing Activities		
Issue of share capital	20.00	187.10
Securities premium (net of issue expenses)	264.63	1,949.17
Share application money received in Subsidiary	235.00	-
Consideration received from Minority	-	15.00
Promoter Warrants Money received	-	94.88
Changes in borrowed funds (secured / unsecured)	1,086.05	2,368.34
Interest paid	(815.39)	(917.51)
Final Dividend of FY 09-10	(82.27)	-
Final Dividend of FY 07-08	(0.01)	(0.002)
Interim Dividend of FY 09-10	(0.02)	(52.59)
Interim Dividend of FY 07-08	-	(0.001)
Tax on Dividend of FY07-08	-	(9.00)
Net cash (used in)/from Financing Activities	707.99	3,635.38
Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)	143.30	476.12
Cash and cash equivalents at the beginning of the Year	484.79	8.67
Cash and cash equivalents at the end of the Year	628.09	484.79

Consolidated Cash Flow Statement for the Year Ended 31st March, 2011

Notes :

1. 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.
2. Cash and cash equivalents represent cash and bank balances.
3. The reported cashflows are inclusive of the movements resulting from subsidiaries acquired during the last year.
4. The figures for the corresponding year have been regrouped or reclassified, wherever necessary.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.: 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.: 33013
Place: Mumbai
Date: 24th May, 2011

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
Chairman & Executive Director

Ramashrya Yadav
Head - Finance & Strategies

Place: Mumbai
Date: 24th May, 2011

Pujit Aggarwal
Managing Director & CEO

Puja Mehta
Company Secretary

Schedules Forming Part of the Consolidated Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'A': SHARE CAPITAL			
Authorised Capital 199,750,000 Equity shares of ₹ 10 each (Previous year 99,750,000 Equity shares of ₹ 10 each)		1,997.50	997.50
250,000 Redeemable Non cumulative Preference share of ₹ 10 each (Previous year 250,000 Preference share of ₹ 10 each)		2.50	2.50
		2,000.00	1,000.00
Issued, Subscribed and Paid up 113,961,890 Equity shares of ₹ 10 each, fully paid (Of the above 56,980,945 Equity shares of ₹ 10 each were allotted as fully paid-up by way of Bonus shares) (Previous year 54,980,945 Equity shares of ₹ 10 each fully paid up)		1,139.62	549.81
160,000 10% Redeemable Non cumulative Preference share of ₹ 10 each (Previous year 160,000 Preference shares of ₹ 10 each)		1.60	1.60
		1,141.22	551.41
Promoters Warrant Money (Previous Period 4,000,000 Warrants issued to Promoter @ ₹ 189.75 each, 25% paid)		-	94.87
		-	94.87
SCHEDULE 'B': RESERVES AND SURPLUS			
Securities Premium Account		3,946.86	1,997.69
Received during the year		359.50	2,037.18
Less: Bonus shares issued		569.81	-
Less: Security issue expenses Written off in terms of Section 78 of Companies Act, 1956		-	88.01
		3,736.55	3,946.86
General Reserve	262.60		166.63
Add: Transfer from Profit and Loss Account	18.87		95.97
		281.47	262.60
Capital Reserve on consolidation			
Opening Balance	6.67		-
Add: created on consolidated	-		6.67
Less: Written off on account of change in Group interest	6.67		-
		-	6.67
Capital Redemption Reserve		0.29	0.29
Debenture Redemption Reserve			
Opening Balance	750.00		633.14
Add: Transfer from Profit and Loss Account	750.00		116.86
		1,500.00	750.00
Profit and Loss Account		2,750.84	2,875.82
		8,269.15	7,842.24

Schedules Forming Part of the Consolidated Accounts

(₹ in millions)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'C': SECURED LOANS		
1,500, Secured Non Convertible Debentures of ₹ 1,000,000 each.	1,500.00	1,500.00
Loans from Bank	2,188.80	1,134.48
Loans from Institution	3,109.93	3,077.96
Vehicle Loans	75.57	37.09
Loans from Others	-	250.00
	6,874.30	5,999.54
(The vehicle loans from banks are secured against hypothecation of vehicles.)		
SCHEDULE 'D': UNSECURED LOANS		
20,000 15% Compulsorily Convertible Debentures of ₹ 100,000 each	2,000.00	2,000.00
2,350 14.75% Compulsorily Convertible Debentures of ₹ 100,000 each	235.00	235.00
Interest accrued and due on Compulsorily Convertible Debentures	325.04	130.56
Debenture application money	165.00	-
From directors	142.74	87.81
Application Money received -Optionally convertible Debentures	200.00	200.00
From other bodies corporate	405.98	404.03
From Others	15.00	15.00
	3,488.76	3,072.40

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'E': FIXED ASSETS

(₹ in millions)

Particulars	Rate (%)	GROSS BLOCK (At cost)				DEPRECIATION				NET BLOCK	
		As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Up to 31.03.2010	For the Year ended 31.03.2011	Deductions	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	0.00%	0.51	-	-	0.51	-	-	-	-	0.51	0.51
Leasehold Improvements	18.10%	18.81	-	-	18.81	10.09	1.58	-	11.67	7.14	8.72
Flat	5.00%	54.66	-	-	54.66	0.73	2.70	-	3.43	51.23	53.93
Furnitures	18.10%	77.51	6.02	-	83.53	21.85	11.01	-	32.86	50.67	55.66
Office Equipment	13.91%	12.24	0.53	-	12.76	4.49	1.10	-	5.59	7.17	7.75
Computers	40.00%	10.74	3.95	-	14.69	5.83	2.54	-	8.37	6.31	4.91
Business Communication System	13.91%	4.17	1.87	-	6.04	1.33	0.54	-	1.87	4.18	2.85
Vehicles	25.89%	62.65	44.69	10.34	97.00	26.01	14.40	6.82	33.59	63.41	36.64
Yacht	20.00%	60.31	-	-	60.31	23.94	7.27	-	31.21	29.10	36.37
Boat Sea Ray Sun Deck	20.00%	5.72	-	-	5.72	2.10	0.72	-	2.83	2.89	3.62
Plant & Machinery	13.91%	76.77	21.82	-	98.60	13.26	11.56	-	24.81	73.79	63.52
Site Equipment	13.91%	1.75	2.69	-	4.44	0.16	0.27	-	0.44	4.00	1.59
Total		385.85	81.56	10.34	457.07	109.79	53.69	6.82	156.66	300.41	276.07
Capital WIP		27.04	39.36	27.04	39.36	-	-	-	-	39.36	27.04
Total		412.89	120.91	37.38	496.43	109.79	53.69	6.82	156.66	339.77	303.11
Previous Year		292.49	120.44	0.04	412.89	63.92	45.87	0.00	109.79	303.11	228.57

Schedules Forming Part of the Consolidated Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'F': INVESTMENTS (At Cost)			
Long term			
Non Trade			
Unquoted			
Property Redevelopers Association	0.06		0.06
6,250 shares of ₹ 10 each			
The Pen Co-operative Urban Bank Limited	0.50		0.50
2,000 shares of ₹ 250 each, fully paid up			
The Saraswat Co-operative Bank Ltd.	0.03		0.03
2,500 shares of ₹ 10 each, fully paid up		0.59	0.59
Others			
Short Term			
Other Investments			
Birla Sunlife Savings Fund - Institutional Daily Dividend		57.54	73.51
(5,750,119.63 units, Previous year 7,346,745.466 units)			
		58.13	74.10

Schedules Forming Part of the Consolidated Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'G': CURRENT ASSETS, LOANS AND ADVANCES			
Inventories			
Finished goods	-		17.12
Work-in-Progress	7,875.84	7,875.84	5,467.08
Sundry Debtors			5,484.20
unsecured, considered good			
Debts outstanding for a period exceeding six months	3,264.21		2,381.45
Other debts	1,667.48		2,248.45
Cash and Bank Balances		4,931.69	4,629.90
Cash on hand	93.79		64.47
Balances with Scheduled Banks			
On current accounts	125.90		365.60
On deposit accounts	408.24		54.56
Balance with Non-scheduled Bank on current account			
- The Pen Co-Op. Urban Bank Ltd.	0.17		0.17
		628.09	484.79
Loans and Advances			
Advances paid for acquisition of properties	4,939.64		5,535.47
Advances to suppliers	87.48		84.19
Deposits	309.05		303.05
Advance payment of taxes	962.53		766.79
MAT Credit Entitlement	249.18		315.78
Advance for Expenses	135.64		117.23
Interest Accrued on Fixed Deposits	8.19		0.57
Advances paid for Joint Development	2,482.58		2,044.08
Advances recoverable in cash or in kind or for value to be received	292.23		422.95
		9,466.50	9,590.10
		22,902.12	20,188.98

Schedules Forming Part of the Consolidated Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'H': CURRENT LIABILITIES AND PROVISIONS			
Liabilities			
Sundry Creditors:			
For goods supplied	187.01		174.76
For expenses	98.40		122.18
For others	40.00		3.97
	325.41		300.91
Deposits	0.22		0.72
	325.63		301.63
Application money for I.P.O. to be refunded	0.01		0.01
	325.64		301.64
Advances from customer	1,301.07		1,382.56
		1,626.71	1,684.20
Provisions			
Provision for Taxation	952.41		692.21
Provision for Fringe Benefit Tax	9.99		9.99
Provision for Wealth Tax	1.10		0.74
Proposed Dividend	114.12		82.47
Tax on Dividend	18.95		14.02
Provision for Leave Encashment	6.46		3.83
Provision for Gratuity	5.90		2.59
		1,108.93	805.85
		2,735.64	2,490.05
SCHEDULE 'I': MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
Amount brought forward	-		-
Security issue expenses	-		88.01
	-		88.01
Less: Amortised during the Year			
Against Securities Premium	-	-	88.01
(in terms of Section 78 of Companies Act, 1956)		-	-

Schedules Forming Part of the Consolidated Accounts

(₹ in millions)

	2010-11	2009-10
SCHEDULE 'J': OPERATING INCOME		
Revenue generated from completed projects	104.70	66.31
Revenue recognised for projects under progress	3,751.78	4,800.95
Other Operating Income	135.01	3.88
	3,991.49	4,871.14
SCHEDULE 'K': OTHER INCOME		
Interest income	45.80	49.94
Dividend Income	4.45	12.57
Profit on Sale of Asset	-	0.01
Gain on sale of Subsidiary	1.14	-
Miscellaneous Income	1.78	2.32
	53.17	64.84

Schedules Forming Part of the Consolidated Accounts

(₹ in millions)

	2010-11	2009-10
SCHEDULE 'L': OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES		
Property Acquisition Cost	1,748.72	556.50
Material, Labour & Direct Expenses		
Materials	754.10	712.18
Labour Charges	716.91	495.31
Legal and Professional Fees	147.37	135.41
Insurance	3.47	2.24
Rates and Taxes	78.65	60.20
Advertisement and Publicity	3.55	10.56
Travelling Expenses	0.22	0.20
Other Direct expenses related to Projects	126.83	82.48
	1,831.09	1,498.58
General & Administration Expenses		
Salaries, Wages, Bonus and Benefits	131.22	86.52
Contribution to Provident Fund	8.56	4.04
Legal and Professional fees	160.94	150.87
Insurance	2.94	4.46
Rent	41.03	39.71
Rates and Taxes	4.12	13.21
Repairs and Maintenance		
Buildings	-	-
Plant and Machinery	-	-
Others	4.26	2.80
Business Promotion	38.23	38.91
Advertisement and Publicity	65.78	19.86
Travelling Expenses	15.08	13.25
Other General and Administration Expenses	170.64	139.84
	642.79	513.47
	4,222.60	2,568.55

Schedules Forming Part of the Consolidated Accounts

(₹ in millions)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'M': INTEREST AND FINANCE CHARGES			
Interest on Non Convertible Debentures		177.86	230.67
Interest on Compulsorily Convertible Debentures		383.21	251.31
Interest on Term Loan		398.29	340.01
Other Interest and Finance Charges		60.77	86.13
		1,020.13	908.12
SCHEDULE 'N': (INCREASE)/DECREASE IN INVENTORY			
(Increase)/Decrease in Inventories			
Closing Inventory:			
Finished goods	-		17.12
Work in Progress	7,875.84		5,467.07
		7,875.84	5,484.19
Less: Opening inventory			
Finished goods	17.12		47.42
Work in Progress	5,467.08		5,846.70
		5,484.20	5,894.12
		(2,391.64)	409.93

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'O': SIGNIFICANT ACCOUNTING POLICIES

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 is recognised prospectively in the current and future periods. Wherever changes in presentation are made, comparative figures of the previous year are regrouped accordingly.

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%.

3. Fixed Assets

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

4. Intangible Assets and Amortisation

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

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.

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'O': SIGNIFICANT ACCOUNTING POLICIES (Continued....)

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.

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.

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.

9. Borrowing costs

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

10. Retirement Benefits

Retirement benefits to the employees comprises 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.

11. Taxes on income

- a. 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.
- b. 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.
- c. 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.

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'O': SIGNIFICANT ACCOUNTING POLICIES (Continued....)

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

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.

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.

14. Foreign Currency Transactions

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

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS

1. 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.

2. Contingent Liabilities: Corporate Guarantee (previous year ₹ Nil).

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 31st March 2011 is ₹ 87.08 million.

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

Name of the subsidiary	Country of Incorporation	Proportion of ownership as at 31st March, 2011	Proportion of ownership as at 31st March, 2010
1 Orbit Residency Private Limited	India	100%	100%
2 Orbit Highcity Private Limited	India	97.35%	87.18%
3 Ahinsa Buildtech Private Limited	India	85%	85%
4 Orbit Habitat Private Limited	India	100%	-

Minority shareholders share in pre acquisition & Post acquisition profits / losses been adjusted against the equity held by minority Shareholders.

4. Acquisition of Subsidiaries

- During the year the Company had acquired 10,000 equity shares of M/s Orbit Habitat Private Limited at ₹ 10 each, thereby making it 100% Subsidiary of the Company. The Company had made advances of ₹ 142.65 million for further acquisition of shares.
- The Company has further acquired 7,258,065 shares of Subsidiary M/s Orbit Highcity Private Limited at ₹ 62 per share i.e. at premium of ₹ 52 per share, thereby holding 97.35% shares of the said Subsidiary Company.
- During the Year Company had acquired the entire 10,000 equity shares of M/s Anaya Infrastructure Private Limited @ ₹ 10 each, thereby making it a 100% subsidiary of the Company. However, the shares were sold off during the year for @ ₹ 123.50 each

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

5. Managerial Remuneration

(₹ in millions)

	Year ended 31.03.2011	Year ended 31.03.2010
Remuneration to Chairman & Managing Director	13.50	15.12

6. Sundry creditors includes ₹ Nil (Previous year ₹ Nil) due to vendors covered by the Micro, Small and Medium Enterprises Development Act, 2006.

7. 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.

8. Details of Share Application money and Debenture Application money received during the year

The subsidiary Company, Orbit Highcity Private Ltd. had entered into an investment agreement dated 27th 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 which in accordance with the following transactions have been carried out during the year:

(₹ in millions)

Share Application Money received	No. of Shares	Share Capital (₹ 10 Face value)	Premium (₹ 52 per share)	Total Amount
IIRF India Realty X Limited	3,684,448	36.84	191.60	228.44
IL & FS Trust Company Limited	105,875	1.06	5.50	6.56
	3,790,323	37.90	197.10	235.00

Debenture Application Money received	No. of Debentures	Face value (₹)	Amount (₹ 1 lac per Debenture)	Coupon Rate %
IL & FS Trust Company Limited	46	100,000	4.60	14.75%
Moltana Holdings United	1,604	100,000	160.40	14.75%
	1,650		165.00	

The above mentioned shares and debentures are allotted on 02 April, 2011

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

9. Relevant terms of conversion of CCDs

- a. 20,000, 15% Compulsorily Convertible Debentures (CCDs) of ₹ 100,000.
 - The subsidiary Company, Orbit Highcity Private Limited had issued 20,000, 15% Compulsorily Convertible Debentures (CCDs) of ₹ 100,000 each to Rodere Holdings Limited in accordance with Investment Agreement dated March 8, 2008. These CCDs are due for conversion into Equity Shares at the terms and conditions specified in the Investment Agreement.
 - The CCDs will be converted in financial year 2011-12.
 - b. 2,350 14.75% Compulsory Convertible Debentures (CCDs) of ₹ 100,000
 - The subsidiary Company, Orbit Highcity Private Ltd. had in accordance to an investment agreement dated 27th 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 had issued above debentures.
 - At the end of 72 (seventy two) months from the date of issuance of the CCDs by the Company, the CCD 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.
10. Non Convertible Debentures (NCDs) issued by the company are held by Life Insurance Corporation of India (LIC) for an outstanding amount of ₹ 1,500 millions. The said NCDs have been secured by registered mortgage of its property situated at Santacruz, Mumbai and over immovable property at Gujarat. In addition to above, the said NCDs have also been secured by personal guarantee of Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal. The Redemption schedule is as under:

Sr No.	Date of Repayment	Amount of Repayment
1	30.06.2011	₹ 375 millions
2	30.09.2011	₹ 375 millions
3	31.12.2011	₹ 375 millions
4	31.03.2012	₹ 375 millions

Debenture Redemption Reserve (DRR) has been created in accordance with circular No.9/2002 dated 18th April, 2002 issued by Department of Company Affairs, Ministry of Law Justice and Company Affairs, Government of India and Section 117(C) of the Companies Act, 1956. Amount set aside for DRR represents proportionate amount of outstanding NCDs equally spread over terms of Debenture.

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

11. Secured Loans Outstanding as on 31st March, 2011

(₹ in millions)

Name of Lender	Amount Outstanding (₹ Mn)	Effective Interest Rate (p.a.)
1. Loans From Bank		
a. 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		
State Bank of India	583.38	14.00 %
Union Bank of India	548.70	14.75 %
Canara Bank	331.08	9.15 %
Axis Bank	714.99	12.75 %
b. Construction Equipment Loan against hypothecation of respective equipments and directors' personal guarantee		
HDFC Bank Ltd.	6.85	12.75 %
HDFC Bank Ltd.	0.54	12.02 %
HDFC Bank Ltd.	1.32	12.50 %
HDFC Bank Ltd.	1.93	13.00 %
2. Loans From Institution		
a. 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		
LIC Housing Finance Ltd	1,209.93	14.75 %
LIC – NCD	1,500.00	13.32 %
Money Matters Financial Services Ltd	400.00	16.00 %
b. Corporate Term loans which are secured by pledge of promoters' and promoter group company's shareholding and directors' personal guarantee		
IFCI Ltd	1,000.00	16.00 %
Edelweiss Finance & Investment Ltd.	500.00	14.00 %

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

12. Disclosure of related parties / Related party transactions:

i. List of related parties:

Sr. No	Name of the Related Party	Nature of Relationship
(a)	Particulars of subsidiary company 1. Orbit Residency Private Limited 2. Orbit Highcity Private Limited 3. Ahinsa Buildtech Private Limited 4. Orbit Habitat Private Limited	100 % Subsidiary Company 97.35 % Subsidiary Company 85 % Subsidiary Company 100 % Subsidiary Company
(b)	Key Management Personnel 1. Mr. Ravi Kiran Aggarwal 2. Mr. Pujit Aggarwal	Chairman & Executive Director Managing Director & CEO
(c)	Others : 1. Revati Academic & Infrastructure Private Limited 2. Mazda Construction Company Private Limited 3. Orbit Abode Private Limited 4. Orbit Lifestyle City Developers Private Limited 5. Ambuj Infrastructure Private Limited 6. Orbit Translink & Logistics Private Limited 7. Orbit Retail Chain Private Limited 8. Charm Mercantile Private Limited 9. Property Redevelopers Association 10. Brio Academic Infrastructure and Resource Management Private Limited 11. Pheonix Appliances Private Limited 12. Emgee Foils Private Limited 13. Orbit Habitat Private Limited 14. Orbit Raking Solutions Limited 15. Orbit Entertainment Private Limited 16. Orbit Power & Transmission Private Limited 17. Orbit Socio Foundation 18. Orbit Dwelling Private Limited 19. Orbit Parkcity Private Limited 20. Orbit Infraserve Private Limited 21. Orbit Eduworld Private Limited 22. Apex Hotel Enterprises Private Limited 23. Orbit Compel Infra-Build Private Limited 24. Orbit Evolve Developpers Private Limited 25. Orbit Equisities Housing Private Limited 26. Orbit Parkland Developers Private Limited 27. Nitika Multitrading Private Limited	Enterprises over which Key Managerial Personnel are able to exercise Significant influence

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

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

Sr. No	Name of the Related Party	Nature of Relationship
(a)	Key Management Personnel 1. Mr. Ravi Kiran Aggarwal 2. Mr. Pujit Aggarwal	Chairman & Executive Director Managing Director & CEO
(b)	Others : 1. Mazda Construction Company Private Limited 2. Orbit Abode Private Limited 3. Property Redevelopers Association 4. Pheonix Appliances Private Limited 5. Orbit Socio Foundation 6. Orbit Dwelling Private Limited 7. Orbit Lifestyle City Developers Private Limited 8. Orbit Translink & Logistic Private Limited 9. Emgee Foils Private Limited 10. Orbit Eduworld Private Limited 11. Ambuj Infrastructure Private Limited	Enterprises over which Key Managerial Personnel are able to exercise Significant influence

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

iii. Disclosure of related party transactions:

(₹ in millions)

Sr. no	Nature of relationship / Transaction	Key Management Personnel	Others	Total
1	Loan taken	120.48 (18.57)	-	120.48 (18.57)
	Loan Repaid	65.89 (NIL)	-	65.89 (NIL)
	Maximum Outstanding	150.25 (87.81)	-	150.25 (87.81)
	Closing Balance	142.74 (87.81)	-	142.74 (87.81)
2	Loan granted / Advances Given	-	6.98 (0.15)	6.98 (0.15)
	Loan Recovered	- -	4.11 (0.15)	4.11 (0.15)
	Maximum Outstanding	- -	2.91 (0.15)	2.91 (0.15)
	Closing Balance	-	2.91 (NIL)	2.91 (NIL)
3	Advances for Property Acquisition Amount granted / Advances given	-	698.58 (1,757.42)	698.58 (1,757.42)
	Amount Recovered	-	35.03 (463.25)	35.03 (463.25)
	Maximum Outstanding	-	2,820.31 (2,245.96)	2,820.31 (2,245.96)
	Closing Balance	-	2,804.87 (2,141.32)	2,804.87 (2,141.32)
4	Rent Paid	26.47 (26.47)	-	26.47 (26.47)
5	Managerial Remuneration & Salaries	13.50 (15.12)		13.50 (15.12)
6	Purchase of material	-	0.10 (0.07)	0.10 (0.07)
7	Shares issued out of Promoters Warrant Money (Incl Premium)*	379.50 (379.50)	-	379.50 (379.50)
8	Donation given	-	0.90 (NIL)	0.90 (NIL)
9	Interest Received on Loan		206.70 (NIL)	206.70 (NIL)

*The Company has during the year allotted 1,000,000 Equity shares each on conversion of warrants into Equity shares and 1,000,000 Bonus shares each thereon to Shri Ravi Kiran Aggarwal and Shri Pujit Aggarwal, the promoters of the Company.

During the current year company has paid Professional fees to Mr. Hafeez Contractor (Director) ₹ 22.12 millions in his professional capacity.

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

13. Orbit ESOS 2009

- a. At an Extra Ordinary Meeting held on 9th July, 2009 resolution to grant upto 3,00,000 options to employees was approved. The Compensation Committee of the Board granted 1,61,500 options on 27th January, 2010 to selected 107 employees of the Company under Orbit ESOS 2009.
- b. 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.
- c. There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.
- d. 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 .
- e. The number of options which have vested on 27th January 2011 is 121,320 Options. Subsequently, 2070 vested options have been cancelled on separation of 2 employees. These options are available for reissue.
- f. Each option is convertible into One equity share of ₹ 10/- each at an effective exercise price of ₹ 46.71 per share (including impact of bonus options), in respect of Options which have vested on 27th January 2011.
- g. The balance options will vest on 27th January 2012 and 27th January 2013. The options granted would vest over a vesting period of 3 years from the date of grant. Pricing of options which will vest in the coming years will be worked out on date of vesting and accounted at that time.
- h. As per the pricing formula of the scheme, the exercise price of the options can be determined on the basis of average price of shares for certain period prior to the date of vest as mentioned in point 'd' above. Accordingly the price of options granted but not vested cannot be ascertained. Thereby each vest is considered as a separate grant and date of vest is treated as grant date for the purpose of accounting.
- i. Market Price of ₹ 67.25 per share is closing price on NSE on the previous date of vesting. (i.e 25th January 2011)
- j. 10,900 options granted were allocated to employees of subsidiary and group company, of which 3,810 vested on 27th January 2011. On account of which, the company had transferred and recovered employee compensation of ₹ 0.08 Mn from subsidiary and group Company.
- k. The Summary of Options granted is as below:

Vesting date	No.of Options	Exercise Period	Exercise Price	Market Value	Intrinsic Value
27.01.2011	121,320	Upto 25.01.2014	46.71	67.25	20.54
27.01.2012	90,330	Upto 25.01.2015	As per Pricing Formula on date of vesting.		
27.01.2013	111,350	Upto 25.01.2016	As per Pricing Formula on date of vesting.		

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

1. The movement of stock options during the year ended March 31, 2011 are summarized below:

	Number of options
Outstanding at the beginning of the year	161,500
Adjusted options as on 30th June 2010 consequent to Bonus granted	323,000
Granted during the year	-
Forfeited during the year	4,700
Exercised during the year	-
Expired during the year	-
Money realized by exercise of options	-
Outstanding at the end of the year	318,300
Exercisable at the end of the year	119,250

- m. For purposes of the proforma disclosures, the fair value of each option grant was estimated on the date of grant using the Black Scholes Option Valuation model with the following assumptions:

- Risk free interest rate of 7%;
- Expected volatility of 57%
- Expected option life : Average life taken as 1 year from date of Vesting
- Expected Dividends: Not separately included, factored in volatility working
- Closing market price of share on a date prior to date of Vesting: ₹ 67.25

Proforma disclosures using fair value of options granted:

Vested Options	121,320
Options Lapsed	2,070
Vested Options net of Lapsed	119,250
Exercise Price	₹ 46.71
Market Price on grant date	₹ 67.25
Intrinsic Value	₹ 20.54
Fair Value based on Black Scholes Method	₹ 74.28
Charged to employee cost based on Intrinsic Value (Before Group allocation)	₹ 2.44 millions
Chargeable to employee cost based on Fair Value	₹ 3.29 millions
Additional charged if Fair Value taken	₹ 0.84 millions

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

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

14. Earnings Per Share:

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax attributable to equity shareholder. 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 convertible warrants and employee stock options. Dilutive nature have been calculated as difference between fair value i.e. average six months daily closing price as on 31st March, 2011 and actual conversion price for such warrants.

(₹ in millions)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Net Profit after minority interest attributable to equity shareholder	782.47	954.53
Number of shares outstanding at the end of the year	113,961,890	54,980,945
Weighted Average number of shares	111,364,630	47,183,058
Weighted average number of potential equity shares on account of employee stock options	49,972	-
Weighted average number of potential equity shares on account warrant conversions	-	649,974
Number of shares for computation of diluted EPS	111,414,602	47,833,032
Basic EPS (in ₹)	7.03	10.12
Diluted EPS (in ₹)	7.02	9.98
Face Value per Equity Share (in ₹)	10.00	10.00

Note: Previous year EPS figures have been adjusted to give bonus effect.

15. The Company considering interlia, 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 interlia 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).

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

In addition to the amount of ₹ 298.04 millions provided during the year for tax, Rs 75.38 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 ₹ 763.79 millions provided cumulative for previous years for tax, ₹ 764.12 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.

The Company inter alia has 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 except cases pending for hearing at Hon'ble Settlement Commission.

16. Major Components of Deferred Tax Liability (DTL) are as under :

(₹ In Millions)

Particulars	DTL/(DTA) As At 31.03.2010	Charged/(Credited) To Profit & Loss A/c	DTL/(DTA) As At 31.03.2011
DTL			
• Deferment of Tax Liability on Account of final sale agreement being executed.	557.82	22.37	580.19
Total	557.82	22.37	580.19
DTA			
• Difference between Book & Tax Depreciation	7.89	(5.82)	2.07
• Employee benefits	2.14	1.96	4.10
• Other items giving rise to timing difference	36.17	(7.54)	28.63
	-	9.81	9.81
Total	46.20	(1.58)	44.61
Net DTL /(DTA)	511.62	23.95	535.58

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

17. The total value of sales for project mentioned in note 18 for which revenue recognition is applicable is ₹ 22,893.59 millions. Out of which ₹ 15,552.81 millions was recognised in previous year and ₹ 3,856.48 millions is recognised revenue for the year as per percentage completion method. The remaining amount i.e. outstanding book size is ₹ 3,484.31 millions.

In respect of newly launched projects and Projects in pipeline (projects for which revenue recognition has not started) outstanding book size is ₹ 5,026.38 millions.

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 'P': NOTES ON ACCOUNTS (Continued....)

18. The following is the summary of the projects under Revenue Recognition.

(₹ in millions)

Project	Sale Consideration as on 31st March 2011	Revenue Recognised till 31st March 2010	Revenue Recognised for FY 10-11	% of Project Completion
Orbit Arya	3,137.38	2,845.64	273.18	99.41%
Orbit Heights	1,262.12	1,192.42	69.70	100%
Orbit Eternia	477.53	444.83	31.77	99.80%
Orbit Terraces	2,544.50	994.03	989.92	77.97%
Orbit WTC	7,659.25	6,867.74	783.31	99.89%
Orbit Haven	2,789.02	620.90	987.92	57.68%
Villa Orb	2,622.25	2,587.25	35.00	100%
Orbit Grand	959.01	-	262.28	27.35%
Orbit Residency Park	1,442.53	-	423.41	29.35%
Total	22,893.59	15,552.81	3,856.48	

19. During the year Interest cost on consolidated basis of ₹ 304.55 million had been charged to revenue including portion of accumulated interest.

20. Figures for the previous year have been regrouped wherever necessary.

21. Figures in brackets are in respect of previous year.

Signatures to Schedules A to P

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.: 109982W
by the hand of

Milind P. Phadke
Partner
Membership No.: 33013

Place: Mumbai
Date: 24th May, 2011

For and on behalf of the Board of Directors

Ravi Kiran Aggarwal
Chairman & Executive Director

Ramashrya Yadav
Head - Finance & Strategies

Place: Mumbai
Date: 24th May, 2011

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 million)

Particulars	Orbit Highcity Private Limited	Orbit Residency Private Limited	Ahinsa Buildtech Private Limited	Orbit Habitat Private Limited
Country of Incorporation	India	India	India	India
Financial Year Ended	31 st Mar 2011	31 st Mar 2011	31 st Mar 2011	31 st Mar 2011
Subsidiary since	18 th Jan 2008	11 th July 2008	11 th July 2008	9 th Feb 2011
Proportion of Ownership as at 31 st March 2011	97.35%	100.00%	85.00%	100.00%
Equity Shares Held as on 31 st March 2011	89,03,226	10,000	8,500	10,000
Share Capital	91.45	0.10	0.10	0.10
Reserves	419.52	-	35.87	-
Share application money	235.00	-	-	142.65
Loans	3,170.61	395.00	1,081.47	1.33
Total Liabilities	3,916.58	395.10	1,117.45	144.08
Fixed Assets	28.40	51.23	0.12	-
Investments	-	-	-	-
Deferred Tax Asset	38.84	-	-	-
Net Current Assets	3,811.78	340.02	1,117.32	142.65
Profit and Loss Account	37.56	3.85	-	1.43
Total Assets	3,916.58	395.10	1,117.45	144.08
Operating Income	-	-	423.41	-
Profit/(Loss) before Taxation	(3.80)	(2.77)	67.47	(0.85)
Provision for Taxation	0.24	-	25.94	-
Profit/(Loss) after Taxation	(4.04)	(2.77)	41.53	(0.85)
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.

Notes

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