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# **CORPORATE INFORMATION**

## **Chairman & Managing Director**

Mr. G R K Reddy

## **Directors**

Mrs. V P Rajini Reddy

Mr. G Raghava Reddy

Mr. Arun Kumar Gurtu

Mr. Karanjit Singh Jasuja

Mr. Sai Baba Vutukuri

## **Company Secretary**

Mr. S Sivaraman

## **Auditors**

K Ramkumar & Co.,  
Chartered Accountants,  
E-7, III Floor, Gemine Parsn Apartments,  
Cathedral Garden Road,  
Chennai – 600 006.

## **Registered Office**

MARG Axis,  
4/318, Rajiv Gandhi Salai,  
Kottivakkam,  
Chennai – 600 041.  
website: [www.marggroup.com](http://www.marggroup.com)

## **Stock Exchanges**

Where the shares of the Company are listed

### **i) Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

### **ii) Madras Stock Exchange Limited**

Exchange Building,  
30, Second Line Beach Road, Chennai 600 001.

## **Registrar & Transfer Agent**

M/s. Cameo Corporate Services Limited ,  
Subramanian Building,  
No. 1 Club House Road, Chennai – 600 002.





# DIRECTORS' REPORT

To  
The Members of  
MARG Limited

The Directors are pleased to present the Sixteenth Annual Report along with the audited accounts for the year ended 31st March 2011

## 1. Financial Results

(₹ in Crores)

	Year ended 31st March, 2011	Year ended 31st March, 2010
Income from operations	1,085.01	745.39
Non-operating Income	1.37	15.49
Total Income	1,086.38	760.88
Total Expenditure	957.23	626.61
Profit before depreciation, interest and taxation	129.15	134.27
Depreciation	6.89	5.17
Interest & finance charges	27.61	14.38
Profit before tax	94.65	114.72
Tax expenses	34.78	35.22
Profit after tax	59.87	79.50
Balance in Profit & Loss Account	184.94	120.15
Amount available for appropriation	244.81	199.65
Dividend	7.62	6.59
Dividend tax	1.26	1.12
Amount transferred to general reserve	4.50	7.00
Balance in Profit and Loss account	231.43	184.94

The year in retrospect witnessed a jump in turnover which crossed a revenue of ₹ 1,000 crores, and has been listed by Dun & Bradstreet among "India's Top 500 Companies, 2010". During the year, the company's income grew by 45.56% and the operational EPBITA was ₹ 128 crores as compared to ₹ 119

crores in the previous year. The basic Earning Per Share (EPS) is ₹ 18.11 on capital of 3.31 crore weighted average number of shares and Diluted Earning Per Share is ₹ 15.85 on 3.77 crore weighted average number of shares of ₹ 10 each for the year under review.



## 2. Business Highlights FY 2010-11

- A. MARG EPC business revenue stood at ₹ 1,004 crores, an increase of 43% YoY.
- B. Karaikal Port Pvt Ltd, a subsidiary of your Company handled 4.75 MMT of cargo in FY 2010-11, and the revenue was ₹ 170 crores in FY 2010-11.
- C. New Chennai Township Pvt. Ltd, a subsidiary of your Company, earned a revenue of ₹ 198 crores, an increase of 32% YoY.
- D. MARG ProperTies Ltd, a subsidiary of your Company has sold 0.89 mn sq.ft (879 units) for ₹ 228 crores.
- E. The construction of MARG Junction comprising Mall, Hotel, Multiplex and Offices by Riverside Infrastructure (India) Private Ltd, (a subsidiary of your Company), is on schedule and it has executed deals for 35% of the leasable space in the Mall area.
- F. The company raised ₹ 106.93 crores through QIP (Qualified Institutional Placement) of Equity Shares at an offer price of ₹ 189.88 per share during the FY 2010-11 to fund its various projects.

Your Company's projects in different verticals are handled by dedicated teams. The Business situation of the above projects are discussed in the Management Discussion and Analysis Report which forms part of this Report.

## 3. Awards & Recognitions

The Company has received the following awards and recognitions:

1. Listed by Dun & Bradstreet among "India's Top 500 Companies 2010".
2. Hatrick of Awards at India Leadership Conclave 2011 for 'India's Most Admired Infrastructure Company 2011', 'Excellence in Social Service' and for 'Innovative CEO of the year'.
3. Sir Visvesvaraya Industrial Award by All India Manufacturers Organisation (TNSB) in 2010.

4. The 'Second fastest growing construction Company (medium category) Award' at the 8th Construction World Annual Awards 2010.
5. 'India Shining Star Award 2011' for outstanding work in CSR in the Infrastructure sector by Wockhardt Foundation.
6. 3rd Construction Industry Development Council, 'Vishwakarma Awards 2011' for achievements in CSR.

## 4. Increase In Share Capital

During the year, the Company's paid up Equity Share Capital of the Company has increased from 27,208,369 Equity Shares to 38,118,926 Equity Shares of ₹10 each consequent to allotment of 10,910,557 equity shares through Qualified Institutional Placement (QIP), Warrants conversion and ESOP.

## 5. Appropriations

### A. Dividend

The Directors recommend a dividend of ₹ 2 on the face value of ₹ 10 per share on 38,118,926 equity shares of the Company, for the year ended 31st March 2011.

### B. Transfer To Reserves

The Company proposed to transfer ₹ 4.50 crores (7.5% of the Net Profit for the year) to the General Reserve. A balance amount of ₹ 46.49 crores is proposed to be retained in the Profit & Loss account.

## 6. Directors

Mrs. V P Rajini Reddy and Mr. G Raghava Reddy, Directors, retire by rotation and are being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

## 7. Auditors

M/s. K Ramkumar and Co., Chartered Accountants, the Statutory Auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received their consent under Section 224 (1B) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the prescribed limits under Sec.224 (1B) of the Companies Act, 1956.



## 8. Subsidiary Companies

The Company has 82 subsidiaries as on 31st March 2011.

Pursuant to the Government of India's General Circular No: 2 /2011 (No: 51/12/2007-CL-III) dated 8th February, 2011 issued by Ministry of Corporate Affairs, the Company has been exempted from attaching the accounts and other information of subsidiaries as required under Section 212 (1) of the Companies Act, 1956. However, a statement is attached in Consolidated Balance Sheet providing the stipulated financial information for each subsidiary. As per the conditions of the above Circular, the same forms part of the annual accounts of the Company.

The Consolidated Financial Statements duly audited are presented along with the Accounts of your Company in this Report. The annual accounts of subsidiary companies are kept at the Company's Registered Office and also at the respective registered offices of the subsidiaries and shall be made available for inspection to the members/ investors of the Company, seeking such information at any point of time.

## 9. Corporate Governance

A Report on Corporate Governance approved by the Board of Directors of the Company and a Certificate from the Auditors of the Company is set out in the Annexure to this Report.

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

The Company has taken adequate measures to conserve energy and the Company believes that productivity from all its workforces can be achieved with interface of latest technology.

The Company is not an industrial undertaking in terms of Section 217(1)(e) of the Companies Act, 1956 read along with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and hence, particulars regarding conservation of energy, technology absorption and adaptation are not applicable and hence the same are not provided.

The information on Foreign Exchange Earnings and Outgo is contained in the note 16 of schedule 18 Notes on Account, forming part of the accounts. A separate statement is attached as Annexure I to this Report.

## 11. Particulars of Employees U/S 217(2A)

Particulars of the employees of the Company, who were in receipt

of remuneration, which in aggregate exceeds the limit fixed under Section 217(2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules 1975 as amended, forms part of this Directors Report. However, as per the provisions of Sec. 219 (i)(b)(iv) of the Companies Act 1956, the Annual Report and accounts excluding the aforesaid information are being sent to the shareholders of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company for the same.

## 12. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors confirm that;

- i) In the preparation of the Annual Accounts for the financial year ended 31st March 2011, the applicable accounting standards had been followed and there were no material departures;
- ii) They 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 at the end of the financial year and of the profit and loss account of the Company for that period;
- iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) They have prepared Annual Accounts on a going concern basis.

## 13. Fixed Deposits

The Company has not invited or accepted fixed deposits from the public.

## 14. Employee Stock Option Scheme

During the year 2010-11, the Company allotted 45,610 equity shares of ₹ 10 each at a premium of ₹ 65 aggregating to ₹ 75 per share on 12th October 2010 and 23,780 equity shares of ₹ 10 each at a premium of ₹ 90 aggregating to ₹ 100 per share on 13th November 2010 to the employees of the Company and its subsidiaries.

The Disclosures required to be made under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 is given as Annexure II to this report including details on the grant, vesting, exercise, and lapsed under the aforesaid ESOP scheme.

## 15. Joint Venture

The Company has entered into TWO joint ventures:

- (i) Future Parking Private Limited (in which MARG holds 51% of paid-up share capital), is into joint venture with M/s. Apollo Hospitals Enterprise Limited for the development of Multi Level Car Parking (MLCP) at Wallace Garden, Chennai on BOT basis for a period of 20 years including 2 years of construction period with a provision of right for development of commercial complex along with the MLCP facility for the entire BOT period. The Company has received approvals from CMDA, Corporation of Chennai for the construction of the MLCP and the project is expected to be commissioned in June 2012.
- (ii) Signa Infrastructure India Limited (in which MARG holds 74% of paid-up share capital), is into a joint venture with Housing and Urban Development Corporation Limited (HUDCO) for Techno-Financial collaboration.

## 16. Corporate Social Responsibility – Approach Towards Society

MARG Parivarthan – ('Chain of Change') which is MARG's CSR brand has executed the following socio-responsibility projects during the year 2010-11.

- **EDUCATION**: Infrastructure support to Govt. Middle School near MARG Swarnabhoomi and to Tiruvallur Tamil High School – Karaikal, Summer Coaching Camp – Karaikal, Distribution of school bags to Panchayat Union Primary School at Kalavakkam and uniforms to Panchayat Union Middle School at Madayambakkam, etc are some of educational initiatives which were taken place in 2010-11.
- **Health**: 24 hrs First aid centre and Ambulance Service to the Contract labourers at MARG Swarnabhoomi, Medical Centre, Village Health Clinics, Eye Camp – Karaikal, General Medical Camp, Awareness programme on Alcoholism, are some of the health initiatives which the Company introduced in 2010-11.
- **Basic amenities** : Illuminated three panchayats around MARG Swarnabhoomi with 175 sodium vapour lamps.

- **Livelihood**: Training on JCB operations & maintenance for youths from Karaikal, Training for Four-wheeler driving for interested youths from Kancheepuram & Karaikal, Assistance to women Self Help Groups, conducting of Tailoring classes, Financial assistance for deserving women in Lathur Block – Puducherry are some of the livelihood opportunities assisted to poor by MARG.

- **Environment** : To commemorate the World Environment Day, painting competition was held on 28th June 2010 for the students of 6th – 8th std on the theme “cool the globe” at Panchayat Union Middle school, Madayambakkam. Children participated with enthusiasm and painted their ideas on mitigating global warming. Mahayagnam of Tree Sapling Plantation at MARG Swarnabhoomi, MARG Swarnabhoomi Pudukkottai Marathon with around 8500 people “going green to save the earth” are some of other CSR initiatives.

### ■ Other Initiatives:

- MARG Chennai Marathon' 2010 - The city turned into a runners' paradise on 29th August 2010 as nearly one lakh participated in the third edition of the Chennai Marathon.
- MARG Lights out Campaign (10:10:10:10:10) - MARG partnered EXNORA'S Lights out campaign popularly called '5 tens Lights Out campaign' to motivate people to switch off their lights for 10 minutes on 10.10.10 thereby acknowledging the importance of protecting our planet and our role in mitigating global warming.

## 17. Employee Relations

The Directors place on record their deep appreciation of the sincere and dedicated team work rendered by employees at all levels to meet the company's objectives. The employee relations at all projects and other locations continued to be cordial.

### Acknowledgement

The Directors wish to place on record their gratitude to the shareholders, financial institutions, banks, government authorities, customers and others connected with the business of the company for their unstinted co-operation and support.

For and on behalf of the Board of Directors

Place: Chennai

Date: 29th August, 2011

**G R K Reddy**

*Chairman & Managing Director*



## Annexure I

### Description of Account:-Foreign Currency Transactions

Expenditure:-

(₹ in Crores)

Particulars	2010-11	2009-10
<b>a Value of Imports Calculated on CIF Basis</b>		
i. Components, Embedded goods and spare-parts	0.81	1.40
ii. Capital goods	9.31	–
<b>b Expenditure in Foreign Currencies</b>		
i. Travelling Expenses	0.08	0.15
ii. Technical /Professional & Conference Expenses	0.83	0.13
iii. Charter Hire Charges	35.42	6.80
<b>Total</b>	<b>46.45</b>	<b>8.48</b>

Income:-

(₹ in Crores)

Particulars	2010-11	2009-10
<b>a Income in foreign currencies</b>		
Dividend from Subsidiary	0.83	–
<b>Total</b>	<b>0.83</b>	<b>–</b>



## Annexure II

Statement as at 31.03.2011, pursuant to Clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Sl. No.	Description	ESOP 2006
A	Options granted	During the year no options have been granted
B	Pricing formula	Options granted to Eligible Employees under this Scheme carry an Exercise Price at a discount of 20% - 50% to the Market price of the shares determined with respect to the date of Grant.
C	Option vested (inc. lapsed after vesting)	127,600
D	Options exercised	107,278
E	Total number of Ordinary Shares arising as a result of exercise of Options	107,278
F	Options lapsed	233,617
G	Variation of terms of Options	Nil
H	Money realized by exercise of Options	9,587,550 (During the year 5,798,750 has been realized)
I	Total number of Options in force	146,290
J	Details of Options granted to	
	a) Senior Management Personnel	During the year no options have been granted
	b) Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	Nil
c)	Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
K	Diluted Earnings per Share (EPS) pursuant to issue of Ordinary Shares on Exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share.'	₹ 15.87



Sl. No.	Description	ESOP 2006																								
L	i) Method of calculation of employee compensation cost	Intrinsic Value																								
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	If the Company had used fair value of options, the calculation of employee cost would have increased by ₹ 0.90 Crores																								
	iii) The impact of this difference on Profits and on ESP of the Company (on standalone financial statements)	<p>The effect of adopting the fair value method on the net income and earnings per share is presented below:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">₹ In Crores</th> </tr> </thead> <tbody> <tr> <td>Net Income as reported</td> <td colspan="2">59.87</td> </tr> <tr> <td>Add: Intrinsic Value Compensation Cost</td> <td colspan="2">0.31</td> </tr> <tr> <td>Less: Fair value Compensation Cost (Black Scholes Model)</td> <td colspan="2">1.22</td> </tr> <tr> <td>Adjusted Net Income</td> <td colspan="2">58.97</td> </tr> <tr> <td><b>Earning per share</b></td> <td><b>Basic (₹)</b></td> <td><b>Diluted (₹)</b></td> </tr> <tr> <td>As reported</td> <td>18.11</td> <td>15.87</td> </tr> <tr> <td>As adjusted</td> <td>17.84</td> <td>15.63</td> </tr> </tbody> </table>		₹ In Crores		Net Income as reported	59.87		Add: Intrinsic Value Compensation Cost	0.31		Less: Fair value Compensation Cost (Black Scholes Model)	1.22		Adjusted Net Income	58.97		<b>Earning per share</b>	<b>Basic (₹)</b>	<b>Diluted (₹)</b>	As reported	18.11	15.87	As adjusted	17.84	15.63
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As reported	18.11	15.87																								
As adjusted	17.84	15.63																								
M	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price is less than the market price of the shares.	NA																								
N	A description of the method and significant assumption used during the year to estimate the fair values of Options	<p>The fair value of each options estimated using the Black Scholes Options Pricing Model for non-dividend paying stock after applying the following key assumptions (weighted values for options granted during the year)</p> <table border="1"> <tbody> <tr> <td>i) Risk free interest rate</td> <td>NA</td> </tr> <tr> <td>ii) Expected life</td> <td>NA</td> </tr> <tr> <td>iii) Expected volatility</td> <td>NA</td> </tr> <tr> <td>iv) Expected dividend</td> <td>NA</td> </tr> <tr> <td>v) The price of the underlying shares in market at the time of option grant</td> <td>NA</td> </tr> </tbody> </table>	i) Risk free interest rate	NA	ii) Expected life	NA	iii) Expected volatility	NA	iv) Expected dividend	NA	v) The price of the underlying shares in market at the time of option grant	NA														
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# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MARG Ltd, one of India's fastest growing infrastructure organizations and listed by Dun & Bradstreet among 'India's Top 500 Companies 2010', is focused on achieving holistic regional development, unlocking economic prosperity and creating inclusive & sustainable growth models. Towards this end, the Company, by itself and through its subsidiaries, is undertaking the development and operation of infrastructure projects in the areas of marine infrastructure and urban and industrial infrastructure, thereby pioneering the development of economic growth centers. It owns and operates a 5.2 MTPA port at Karaikal, Puducherry (currently being expanded to 21 MTPA); and is also developing a 612 acre special economic zone (SEZ), as a part of MARG Swarnabhoomi - 'The Land of New Thinking' on the scenic East Coast Road between Chennai and Puducherry. MARG Foundation India, MARG's EPC division provides integrated turnkey solutions by offering a plethora of services including integrated design, engineering, material procurement, field services and construction & project management services for infrastructure sector and real estate projects for its various subsidiaries as well as external customers. The Company also offers quality residential spaces, predominantly catering to the mid segment and affordable segment categories, and commercial spaces as well. In the residential segment about 4.1 million sq. ft. of space has been launched in parts of Tamil Nadu and Andhra Pradesh with another 1.4 million sq. ft. in the pipeline. MARG is also developing a multi-use commercial building, in the heart of Chennai's IT corridor, aggregating to 1.8 million square feet of total development comprising retail space (mall & multiplex), office space, hotel and service apartments.

## Economic Environment

The Indian Economy has recovered from 2008-2009 crisis to a significant extent in 2010-11. The growth rate of GDP in 2010-11, according to CSO (GoI), will be 8.5% (up from 7.4% in 2009-10) and is likely to be higher after factoring in the new index of industrial production series. While inflation and interest

rates are causes for concern, the development of robust infrastructure is the key to achieving the 12th Five Year Plan's targeted 9.5% GDP growth.

## Business Verticals Overview, Business Segment Review and Outlook

### EPC VERTICAL

A longtime player in the EPC business, MARG has upgraded its presence in Infrastructure, Marine, Industrial and Real Estate and successfully evolved as an integrated EPC-cum-asset-development company from a pure EPC model earlier. The EPC business continues to support revenue streams and contributes to its steady cash flows.

The EPC division of the company has registered strong growth over the last five years, largely driven by in-house orders. EPC's revenue in FY2010-11 stands at ₹ 1004 crores, representing an increase of 43% Y-o-Y. The volume of external orders has also grown rapidly and is soon set to match the internal orders in terms of revenue contribution. In FY 2010-11, about 47% of EPC business revenue is realized from external customers as opposed to 17% in FY2009-10. The current order book position is around ₹ 3,350 crs and this provides strong earnings visibility for EPC Services. The EPC division seeks to leverage its experience in marine construction and other specialized areas to carve a differentiated niche for itself. Strategic alliances with several domestic and international players have been forged in this respect.

- PYCSA S.L., a Spain based company, for jointly developing urban & rural infrastructure projects
- LAGAN Construction (Ireland based) for collaboration to strengthen the development on constructions of Roads, Airports, Marine structures, Water & Sewage Treatment Plants
- AECOM for master planning the Bijapur Airport
- BEFESA, Tecpro Systems Ltd, Jyoti Ltd, MR Vision Pipeline, Yashika Enterprises, Abhav Ocean WJ construction in areas including water systems, material handling, submarine/onshore/offshore pipelines etc.



## PORT

The Karaikal Port is owned and operated by Karaikal Port Pvt Ltd (KPPL), a subsidiary of MARG. Despite being a capital intensive and complex project, the company has successfully stabilized and ramped up operations at the Karaikal port to near-capacity levels (5.2 MTPA). After commissioning in April 2009, cargo traffic at the Karaikal Port has grown at a fervent pace. In FY 2010-11, the Company handled a cumulative traffic of 4.75 MMT as against 1.57 MMT in FY 2009-10. During FY 2010-11 the port earned revenue of ₹ 170 crores, which represents a 240% increase from the ₹ 50 crores revenue generated in FY 2009-10. EBITDA was at ₹ 79 crores (220% increase) and PAT at ₹ 24 crores (398% increase). It has achieved a record peak discharge rate of 55,912 MT of coal in 24 hrs (through conventional handling) in March 2011. The port has been awarded ISO 9001: 2008, ISO 14001: 2004 and OSHAS 18001: 2007 certifications. The credit rating of Karaikal Port Private Limited (KPPL) has been upgraded to 'Triple B' from 'Triple B minus' on account of the port's robust performance.

The port is currently undergoing a four-fold expansion in capacity from 5.2 MTPA to 21 MTPA. It is expected to capitalize on the existing/potential demand within the immediate hinterland and also within the extended hinterland area, given its modern infrastructure and efficient cargo handling facilities relative to competing ports. The Karaikal Port also provides significant cost advantages to the existing cement plants and power plants in the hinterland, thereby resulting in the diversion of traffic from the competing ports such as Chennai and Tuticorin to Karaikal. Several upcoming power plants in the vicinity of the port, some of which are already in advanced stages of development, are expected to create an annual demand for about 60 MT of coal. The Karaikal Port is placed advantageously to cater to this demand.

## SEZ

MARG is developing two Special Economic Zones (catering to Engineering & Multi-Services industries) spread over 612 acre, as a part of MARG Swarnabhoomi - 'The Land of New Thinking',

under its wholly-owned subsidiary-New Chennai Township Pvt Ltd (NCTPL). MARG Swarnabhoomi is located on the scenic East Coast Road, midway between Chennai and Puducherry.

While regulatory pressures (levy of Minimum Alternate Tax on units in SEZs) and competitive threats exist, MARG Swarnabhoomi has achieved significant success by way of its differentiated positioning as the "Land of New Thinking"- a city of education, research, innovation and industry. By providing a unique ecosystem with the requisite residential, business and knowledge infrastructure, MARG Swarnabhoomi has been able to attract several establishments.

On the education front, Swarnabhoomi Academy of Institutes (SAI) is already functioning inside the MARG Swarnabhoomi premises. Additionally, MARG Institute of Design & Architecture Swarnabhoomi (MIDAS) and MARG Navjyothi Vidyalaya (CBSE pattern day school) started functioning from this academic year. Swarnabhoomi Academy of Music (SAM), with internationally renowned guitarist/composer PRASANNA as its President, is also functional. The Company has signed an MoU with Virginia Tech, USA to set up a centre of higher education in the advanced engineering space within the SEZ (subject to the foreign universities bill being passed). Besides, nearly 7 acres of land have been earmarked for setting up Dhyaan Dhaam (an Art of Living centre). All of these initiatives serve to position MARG Swarnabhoomi as a one-of-a-kind holistic knowledge hub.

In the Engineering segment, while some clients have commenced operation and some have their facilities under construction, several others are in advanced stages of the pipeline. Grundfos and Vanspall have commenced their operations and have started shipping export orders. Virgo and Polyhose have started construction of factory premises and are expected to be operational in FY 11-12. Many other leading companies have evinced interest in the form of LOIs (Letters of Intent).

In the Multi-services zone, a Science Park facility is being setup, in which construction of Phase-I of Wet Laboratory building is

currently underway and it would be ready for occupation by March,2012. Clients signed on include Strand Genomics, Incogene, Biozeen, Symphony, Micro Labs, Laxai Avanti and Biophenolika. Several other leaders in the biotechnology and life sciences space are in the pipeline. The Department of Biotechnology (DBT), Government of India has approved the Biotechnology Incubation Center (BTIC) that is being set up under association with ICRISAT. The Incubation Center shall be functional in Q3 2011-12.

In the residential segment, the launched projects have seen high levels of absorption and this is testimony to the strong demand from not just the immediate vicinity, but also the neighbouring cities of Chennai and Puducherry. Total of 607 (0.618 million sq ft) apartments were sold during FY11 taking the total sales since inception to 1.25 million sq ft.

MARG Swarnabhoomi's FY2010-11 revenue stood at ₹ 198 crores; revenue increased by 32% Y-o-Y.

## REAL ESTATE DEVELOPMENT

MARG's real estate initiatives since last two years have gone to greater heights. The Company has been targeting the real estate segment in an organized manner under **MARG ProperTies** – the umbrella brand for residential projects and MARG Junction – the umbrella brand for the Group's commercial ventures. At present, the Group has 4 million sq. ft. of residential space and 1.8 million sq. ft. of commercial space (mall-cum-hotel) under development.

In FY2010-11 MARG ProperTies registered residential sales of 0.89 million sq ft (879 units) at a sale value of ₹ 228 crores, total sales (ITD) till March 2011 was 1385 units (1.37 million sq ft) at sales value of 343 crores.

While the recent macro economic trends including rising interest rates and inflationary pressures have a bearing on demand for residential property, MARG ProperTies is placed advantageously on account of its low cost land banks at attractive locations and its strategic focus on the affordable/mid segment housing where

a significant supply deficit exists. This is further augmented by the company's professionalism, transparent operations, strong alliances, use of state-of-the-art technology, and above all a commitment to consistently deliver the best.

MARG Junction, a 1.8 million sq. ft. integrated mixed use commercial project comprising of a mall and hotel is being developed by the company's subsidiary, Riverside Infrastructure (India) Private Limited (RI(I)PL). Deals for 35% of the leasable retail space have been finalized; key clients include PVR, Shoppers Stop, HyperCity, Rayban, Hewlett Packard etc. An agreement has been signed with Shangri-La for the hotel project at MARG Junction.

## OPPORTUNITIES, THREATS, RISKS AND CONCERNS

### Outlook

The Government plans to enhance investment proposals for roads, airports, ports, railways, metro rail and other infrastructure facilities in the country. This would augur well for the private sector by creating substantial opportunities for the infrastructure players which would in turn spiral demand for residential spaces, social infrastructure and associated services.

### Opportunities

The new affordable housing scheme, steady growth in port activities, industrial urban infrastructure services and increased opportunities for EPC shall drive growth prospects to the Company's business, turnover and profits.

### Risks and concerns

Although the outlook for the future looks positive, the increased number of players from unorganised sector shall impact the businesses; and the Company has to withstand tougher challenges in future.

The economic policies of GOI, changes in the tax code and likely withdrawal of economic stimulus packages announced in 2009 may impact the continued growth rate in all business verticals of the Company.





The intense competition and pressure on the sale price of various products such as homes, malls, commercial buildings, etc., may also affect the profitability of the Company.

Retention of skills and talents remains a challenge especially in view of foreign companies entering into real estate business in India and due to growth momentum as well.

### Management Initiatives

All the risks are monitored at the senior management level in each of the business verticals and as far as reasonably and practically possible, systems and procedures and policies have been established to minimize or mitigate these risks.

The Company is constantly focusing to enhance the local engineering, designs and development, It is cost conscious on purchase of raw materials, labour and services. The Company always strives hard to innovate new methods/process in construction activities and always motivates skills and talent by focussed Employee Development Programmes.

### Internal Controls

The Company has established adequate internal control system in order to ensure and safeguard all immovable, movable assets, licenses etc., from unauthorized use or disposition. The company's internal controls are exercised by independent external internal auditors and internal audit report are reviewed by the management. The internal control is designed to ensure effective and efficient functioning of various business verticals. All the financial and internal audit reports are reviewed by the Audit Committee of the Board.

### Financial Performance

The company follows the percentage of completion accounting method for revenues and costs in proportionate to the percentage of work in completing a project. Therefore, the revenue and cost recognition of a project happens over a period of time of the given project.

The financial highlights are:

- The income from operations increased from ₹ 745 crs to

₹ 1,085 crs, an increase of 45.56% in FY 2010-2011

- Operational PBDIT has increased from 119 crs in FY 2009-10 to 128 crs in FY 2010-11
- The Debt Equity Ratio stood at 1.31:1 in FY 2010-11
- PAT for 2010-11 was ₹ 59.87 crores on an expanded equity of 38,118,926 shares
- Dividend outgo of ₹ 2 per share subject to the approval of the shareholders in the ensuing AGM.

### Employee Wellness

The Company's success lies in its sustainable human capital strategy and alignment with the organizational goals and objectives. MARG believes in engaging Human Capital through its well enshrined value system, which is its corner stone's for stability and organization profitability. It has generously and strategically invested money, resources and time to build human capital skills, objective performance norms, and bench strength through appropriate strategic interventions. A few such initiatives are Open door policy, Fast Trackers and SAMPARK – the communication platform directly between Chairman and employees which has enabled in building an open culture. This culture has actively encouraged the lower rung employees to approach the senior management, and express their ideas, problems, issues and seek guidance. Employee related social objectives are met with programmes, sports, NGO participation, employee CSR activities etc.

### Human Resource Development

MARG believes in giving equal opportunity for students from Category A and Category B & C schools from tier II and tier III school/colleges. The Company hires crème de la crème students from institutes like IIM-Ahmedabad, IBS- Hyderabad, IITs, Great Lakes Institute of Management, CA/CS/CWA Institutes, National Law School-Bangalore, Anna University and the like. For sustainable growth of nation MARG also commits to recruit human talent from Cat B & C schools and colleges from Tier-II & Tier III cities. It has designed a unique program called "Academy of Centre of Excellence" for "Graduate Engineer

Trainees” who will be managed through a yearlong blended learning, these trainees are being selected through a structured Assessment Centers; which encompasses academic background, work experience, skill sets, behavioral aspects, values, qualities and traits.

To unleash business potentials mushrooming across MARG business and its subsidiaries a unique Intrapreneurship Development Program (MIDP) is introduced, which is a brain child of Chairman, now this program has successfully identified 4 business proposals from MARG employees. Currently they are being mentored to become successful entrepreneurs.

The Company and its subsidiaries business profile is nurtured by the best in class talents, skills, and experiences, the professionals bring to the Company in various dimensions in the execution of various projects. During the year, the employees’ strength has gone up to 1,213 which stand as a testimony towards the Company’s growth in business and expansion initiatives.

Employees are empowered to think and function as business partners even though they are competent of emerging as entrepreneurs. While ensuring performance, precision in execution of assignments, the sense of belongingness is retained.

The Company imparts training to the employees, including structured induction program, knowledge & skill development and executive training to enable them to do better in their jobs. The Company has introduced CLAP (Complete Leadership Achievement Program), and Sales Skill Development interventions through Mentor Learning for MARG Properties, Leadership Workshop was conducted to all grades of employees by the legendary Robert Swan, OBE - the polar explorer. In effect, the people working in MARG take great pride as thought leaders hence we address them “MARG Visioneers”

## Branding

MARG believes that branding of its projects and products help to register competitive edge, and value to its various stakeholders. During the year, the RE Vertical has launched MARG ProperTies Shoppe, first of its kind retail concept to customers in the real estate industry. Interactive touch screen kiosk is another unique brand building initiative from MARG ProperTies. It is an ATM concept where customers can obtain complete project information including 360 degree virtual tour, submit enquiries and obtain brochure. The Company has planned to install more kiosks at high streets, malls & in stores to reach out to more customers in the FY 2011-2012. Brand equity of MARG ProperTies has been further enhanced through the launch of Mr.Joy- the new mascot. The new mascot has given a unique identity to the company and helped stand out from the clutter of competition.

In MARG Swarnabhoomi SEZ, “MIDAS” brand which amplifies for “MARG Institute of Design and Architecture Swarnabhoomi” has given a great mileage for learning and competencies. The Brands introduced in MARG shall pave way for greater recognition, in terms of quality, image and belongingness to people, with whom MARG comes in contact with a purpose to serve them better.

## Cautionary Statement

Statements of Management Discussion and Analysis describing the Company’s objectives, financials, projections, estimates and expectations may be “forward looking statements”. The forward looking statements are based on certain assumptions and expectations of future events/developments, over which the Company exercises no control, and hence the Company assumes no responsibility to its use, interpretations, or publicity in any mode. The Company reserves its rights to amend, modify or revise any forward looking statements on the basis of future prospects.

# REPORT ON CORPORATE GOVERNANCE

## 1. Philosophy on Code of Governance

A good Corporate Governance creates values through entrepreneurship, innovation, development and exploration, and provides accountability to the stakeholders, and ensures control systems commensurate with the risks involved.

MARG believes in good Corporate Governance, which is based on good corporate practices and guidelines issued by Government of India (GOI) from time to time. MARG is committed to focus on financial prudence, transparency and commitment to values. The Company is constantly engaged in improving more value creation to its stakeholders, namely shareholders, customers, employees, lenders, Government, suppliers and the society.

## 2. Board of Directors

The Board is the supreme authority constituted by the shareholders of the Company for managing the entire affairs of the Company. The Board provides and evaluates the policies, targets and performance, and ensures the interests of all the stakeholders.

MARG maintains an optimum combination of Executive & Non Executive Directors, and Independent Directors craving the Independence of the Board.

The Board presently consists of SIX Directors comprising of Managing Director, who is also the Chairman of the Board and FIVE Non-Executive Directors out of which, THREE are Independent Directors.

Composition of the Board and directorship held during the year 2010-11 are as follows:

Sl. No	Name(s) of Director (s)	Executive/ Non-executive/ Independent	Number of Directorship in other Public Companies*		Number of Committee positions in other Public Companies**	
			Member	Chairman	Member	Chairman
1	Mr. G R K Reddy	PD/ ED	13	1	1	2
2	Mr. G Raghava Reddy	PD/ NED	4	Nil	Nil	Nil
3	Mrs. V P Rajini Reddy	PD/ NED	13	Nil	2	1
4	Mr. Arun Kumar Gurtu	ID/ NED	Nil	Nil	Nil	Nil
5	Mr. Karanjit Singh Jasuja	ID/ NED	3	Nil	3	Nil
6	Mr. Saibaba Vutukuri	ID/ NED	Nil	Nil	Nil	Nil

PD – Promoter Director; ED - Executive Director; NED - Non Executive Director; ID – Independent Director

\*The directorship does not include directorship in Private Limited Company which are not subsidiary of Public Limited Company, Section 25 Companies and Companies Incorporated outside India.

\*\*In accordance with clause 49 of the Listing Agreement, membership/chairmanship of only Audit Committee and Shareholders/ Investor Grievance Committee has been considered.

## Directors' Profile

Brief Resume of all the Directors are given below:

### Mr. G R K Reddy, Chairman & Managing Director (Executive)

aged 51 years, is a Post-Graduate in Commerce. He started his career in 1985 as a Merchant Banker and gained rich experience in advising and structuring various financial instruments. Later in 1994, he moved to the Constructions & Infrastructure industry, and promoted 'MARG'. He made MARG a premier group operating in South India providing Marine, Infrastructure, Industrial Clusters, Real Estate, Power, Civil, Residential and Commercial Projects.

**Mrs. V P Rajini Reddy, Director (Non-Executive)** aged 44 years, is a B. Tech with over a decade experience in the areas of Investment Consultancy and Capital Market Operations. She has over nine years experience in the area of CAD/CAM systems, software development and training. She runs a BPO in Chennai, catering to international clients' back office functions. She is anchoring the technology inflow in execution of various projects.

**Mr. G Raghava Reddy, Director (Non-Executive)** aged 79 years, is a B.E MIE, with over 41 years of experience in Infrastructure and Construction industry and involved in the construction of Nagarjuna Sagar Dam Diversion Tunnel, Nagarjuna Sagar Dam Right Canal at Gundlakamma River, Krishna Delta Regulation System, Godavari Barrage, Water Supply Canal to Visakapatnam Steel Plant, Spilway works for Yellashwaram Reservoir and Multistorey Commercial & Residential Complex in Vijayawada.

### Mr. Arun Kumar Gurtu, Director (Non-Executive, Independent)

aged 68 years, is a Fellow Member of Institute of Chartered Accountants of India. He brings with him 33 years of rich experience in Finance, Management and Taxation. He has held senior positions in various industries varying from Banking, Tea, Cable Paper, Construction and Real Estate. He has held senior position in Construction and Real Estate companies in the last 15 years. He has handled various projects from conception stage to commissioning stage. Presently he is carrying on profession of Advisory and Consultancy Services.

### Mr. Karanjit Singh Jasuja, Director (Non-Executive, Independent)

aged 50 years, is a Fellow Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He is a practicing Chartered Accountant and has been authoring articles and delivering lectures on various professional topics. He acts as an Advisor to corporates and is an expert in taxation and finance.

### Mr. Saibaba Vutukuri, Director (Non-Executive, Independent)

aged 48 years, holds an MBA in International Business from Scandinavian International Management Institute, Copenhagen and is a graduate from National Dairy Research Institute. He has over 25 years of rich industrial experience in diverse industries both within and outside India with more than 10 years in the renewable energy. He has held top management positions in the areas of General Business Management, Business Development, Marketing, Project Construction and Execution, Manufacturing & Technology with multinational organisations such as Suzlon Energy Ltd, General Electric, Vestas (India) Pvt Ltd, APV Pasilac etc. Presently Mr. Saibaba is the CEO of Lanco Solar Pvt Ltd.

## Attendance of Directors at Board Meetings and at Annual General Meeting

Following are the attendance of directors in the Board Meetings and AGM:

Sl. No	Name(s) of Director(s)	No. of Board Meetings held	Board Meetings attended	Attendance at Previous AGM
1	Mr. G R K Reddy	7	7	Yes
2	Mr. G Raghava Reddy	7	6	Yes
3	Mrs. V P Rajini Reddy	7	4	Yes
4	Mr. Arun Kumar Gurtu	7	7	Yes
5	Mr. Karanjit Singh Jasuja	7	6	No
6	Mr. Saibaba Vutukuri	7	2	No

### Number of Board Meetings held and the dates on which held:

During the financial year 2010-11, SEVEN meetings of Board of Directors were held on 15th May 2010, 11th August 2010, 30th September 2010, 13th November 2010, 30th December 2010, 11th February 2011 and 31st March 2011.



### 3. Committee of Directors

The Board had constituted several committees, both mandatory and non mandatory committees. Mandatory Committees are Audit Committee, Shareholders/ Investors Grievance Committee, Remuneration Committee and Compensation Committee. The non mandatory Committees have been constituted to deal with specific matters and have been delegated with powers for different functional areas.

The Board has constituted SEVEN Committees namely:-

- I. Audit Committee
- II. Remuneration Committee
- III. Shareholders/ Investors Grievance Committee
- IV. Compensation Committee
- V. Banking and Legal Matters Committee
- VI. Capital Issues and Allotment Committee
- VII. Business Review Committee

#### I. Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement, the Board has constituted an Audit Committee. Presently the Committee comprises of THREE Non-Executive Directors out of which TWO are Independent Directors. All the Committee members have sound knowledge in finance and accounts. Mr. Arun Kumar Gurtu and Mr. Karanjit Singh Jasuja possess expert knowledge in finance and accounts.

Mr. Arun Kumar Gurtu, Director is the Chairman of the Committee.

#### Number of Meetings held and the dates on which held:

During the financial year 2010–11, FIVE meetings of Audit Committee were held on 15th May 2010, 11th August 2010, 13th November 2010, 11th February 2011 and 31st March 2011.

#### Terms of reference

Following are the main terms of reference given by the Board of Directors to the Audit Committee:

- a) To review the quarterly, half-yearly and annual financial statements before submission to the Board, focusing particularly on:
  - i) Any changes in the accounting policies
  - ii) Significant adjustments made in the financial statements arising out of audit findings
  - iii) Compliance with listing and other legal requirements relating to financial statements
  - iv) Limited Review Report of Auditors
  - v) Compliance with applicable accounting standards
  - vi) Directors' Responsibility Statement as per section 217 (2AA) of the Companies Act, 1956
  - vii) Major accounting entries involving estimates based on the exercise of judgement by the management
  - viii) Disclosure of any related party transactions
  - ix) Qualifications in the Draft Audit Report
- b) To recommend to the Board the appointment, reappointment and if required, the replacement or removal of statutory auditor and fixing of audit fees
- c) To approve payment to statutory auditors for audit or other services rendered by them
- d) To discuss with the statutory auditor before the audit commences, the nature and scope of the audit
- e) To discuss with internal auditors any significant findings and follow up thereon
- f) To review the statutory auditors report and presentations and management's response
- g) To review with the management, application of funds raised through issue of shares
- h) To review the adequacy of internal audit programme and the major 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

Composition of the Audit Committee and Attendance of each member in the Committee Meetings are given below:

Sl. No.	Name	Category/ Status	Meetings Held	Meetings Attended
1	Mr. Arun Kumar Gurtu	NED/ID/Chairman	5	5
2	Mrs. V P Rajini Reddy	NED/PD/ Member	5	4
3	Mr. Karanjit Singh Jasuja	NED/ID/ Member	5	5



- material nature and reporting the matter to the board
- i) To review the functioning of the Whistle Blower Mechanism
  - j) To review management discussion and analysis of financial condition and results of operations
  - l) To review internal audit reports relating to internal control
  - m) To review appointment, removal and terms of remuneration of the Chief Internal Auditors; and
  - n) To consider other matters, as may be referred to by the Board of Directors from time to time

## II. Remuneration Committee

Pursuant to the provisions of Clause 49 of the Listing Agreement, Board has constituted Remuneration Committee. The Remuneration Committee presently consists of THREE Non-Executive Directors out of which TWO are Independent Directors. Mr. Arun Kumar Gurtu is the Chairman of the Committee. The Committee determines and recommends to the Board of Directors, the remuneration payable to the Board of Directors. The resolution for the appointment and remuneration payable to the Board of Directors are approved by the shareholders of the Company.

### Number of Meetings held and the dates on which held:

During the financial year 2010–11, TWO meetings were held on 11th August 2010 and 30th December 2010

### Terms of reference

Following are the terms of reference given by the Board of Directors to Remuneration Committee:

- (a) To decide on the remuneration policy of the managerial personnel
- (b) To approve the appointment/ reappointment of the managerial personnel for such tenure as they may decide
- (c) To approve the remuneration package to the managerial personnel within the limits provided in Schedule XIII of the Companies Act, 1956 read with other applicable provisions

of the said Act

- (d) Other benefits entitlement viz., Accommodation, Insurance, Medical expenses reimbursement, Leave Travel Allowance, Company's Car and Telephone at residence, etc
- (e) To decide and recommend to Board the commission to be paid to Managing Director and Other Non Executive Directors
- (f) Such other powers/ functions as may be delegated by the Board from time to time

## Remuneration standards

The Company adopts good compensation package akin to industry standards to retain talents and skills of the employees.

### Remuneration to Directors

Executive Director, Mr. G R K Reddy has been appointed as Managing Director since July 2002 and was re-appointed in the June 2007. His remuneration has been revised by the shareholders vide AGM resolution dated 30th September 2010 to salary of ₹ 1.20 crores (inc. DA and other allowances), HRA upto ₹ 0.72 lacs and other benefits as per company rules. No stock option has been granted to him. During the year 2010-11, he has been paid a remuneration of ₹ 1.89 crores (salary of ₹ 1.20 crores + PF contribution of ₹ 9 lacs + commission of ₹ 60 lacs).

Non-Executive Directors were entitled to a Commission upto 1% of the net profits of the Company, (calculated as per sec. 349 & 350 of the Companies Act) pursuant to the resolution passed by way of Postal Ballot dt. 18.02.2011 and the same will be confirmed in the ensuing AGM.

Further Non-Executive Directors are paid a sitting fee of ₹ 20,000/- for each Board Meeting and for each Committee Meetings attended by them.

### Shareholding of Directors

Details of Shares held by the Directors in the Company as on

Composition of the Remuneration Committee and Attendance of each member in the Committee Meetings are given below.

Sl. No.	Name	Category/ Status	Meetings Held	Meetings Attended
1	Mr. Arun Kumar Gurtu	NED/ID/Chairman	2	2
2	Mr. G Raghava Reddy	NED/PD/ Member	2	2
3	Mr. Karanjit Singh Jasuja	NED/ID/Member	2	2



31st March 2011 are as follows:

Name	Number of Shares
Mr. G R K Reddy	48,00,000
Mrs. V P Rajini Reddy	950,000
Mr. G Raghava Reddy	1,100,000
Mr. Arun Kumar Gurtu	Nil
Mr. Karanjit Singh Jasuja	Nil
Mr. Saibaba Vutukuri	Nil

### III. Shareholders/ Investors Grievance Committee

To oversee and review all matters connected with transfer of securities, non-receipt of annual report, notices, dividend and for attending various grievances of the shareholders, the Board has constituted a Shareholders'/ Investors' Grievance Committee.

Presently the Committee consists of THREE Non-Executive Directors out of which TWO are Independent Directors. Mr. G Raghava Reddy is the Chairman of the Committee. The Committee has delegated the authority for share transfers to the Managing Director. The Committee oversees performance of Registrars and Share Transfer Agents of the Company and recommends remedial measures to improve quality of investors services.

#### Number of Meetings held and the dates on which held:

During the year FIVE meetings were held on 14th May 2010, 10th August 2010, 13th November 2010, 11th February 2011 and 19th February 2011.

#### Compliance Officer

Mr. S Sivaraman, Company Secretary acts as Compliance Officer. Further the Company Secretary has been authorized to deal with all correspondence and complaints of the investors. He apprises the Committee about the status of

Complaints/grievances.

### Investors' Grievance Redressal

During the year, a total of 12 complaints were received and all the complaints were resolved to the satisfaction of shareholders. There were no outstanding complaints as on 31st March 2011.

### IV. Compensation Committee

The Board has constituted a Compensation Committee for the purpose of Employee Stock Option Plans of the Company. The Committee presently consists of THREE Non-Executive Directors out of which TWO are Independent Directors.

The members of the Compensation Committee are

- (i) Mrs. V P Rajini Reddy,
- (ii) Mr. Arun Kumar Gurtu (ID) and
- (iii) Mr. Karanjit Singh Jasuja (ID).

Mrs. V P Rajini Reddy is the Chairperson of the Committee.

### V. Banking and Legal Matters Committee

The Banking and Legal Matters Committee consists of ONE Executive and THREE Non-Executive Directors out of which TWO are Independent Directors. The Committee has been constituted with a view to expedite various banking, legal and other statutory or non statutory issues which otherwise requires the approval of Board.

The members of the Banking and Legal Matters Committee are

- (i) Mr. G R K Reddy,
- (ii) Mrs. V P Rajini Reddy,
- (iii) Mr. Karanjit Singh Jasuja (ID) and
- (iv) Mr. Arun Kumar Gurtu (ID).

Mr. G R K Reddy is the Chairman of the Committee.

The composition of the Shareholders' / Investors' Grievances Committee and attendance of each member in the Committee Meetings are given below:

Sl. No.	Name	Category/ Status	Meetings Held	Meetings Attended
1	Mr. G Raghava Reddy	NED/PD/ Chairman	5	5
2	Mr. Arun Kumar Gurtu	NED/ID/ Member	5	5
3	Mr. Karanjit Singh Jasuja	NED/ID/ Member	5	5

## VI. Capital Issues and Allotment committee

The Capital Issues and Allotment Committee was constituted for issue of capital and allotment of Shares/ convertible instruments and allotment of Equity Shares upon conversion of such instruments. The Committee consisted of ONE Executive and THREE Non- Executive Directors out of which TWO are Independent Directors.

The members of the Capital Issues and Allotment Committee are

- (i) Mr. G R K Reddy,
- (ii) Mrs. V P Rajini Reddy,
- (iii) Mr. Karanjit Singh Jasuja (ID) and
- (iv) Mr. Arun Kumar Gurtu (ID)

Mr. G R K Reddy is the Chairman of the Committee.

## VII. Business Review Committee

This Committee presently consists of THREE Non-Executive

Directors out of which TWO are Independent Directors. The Committee reviews the progress of various projects inter-alia operations, business, finances and execution.

The members of the Business Review Committee are

- (i) Mr. Arun Kumar Gurtu (ID)
- (ii) Mrs. V P Rajini Reddy and
- (iii) Mr. Karanjit Singh Jasuja (ID)

Mr. Arun Kumar Gurtu is the Chairman of the Committee.

## 4. Subsidiary Companies:

The subsidiary Companies of MARG are Board managed Companies.

MARG has Eighty Two Subsidiary Companies as on 31st March 2011, out of which Seventy Seven Companies are wholly Owned Subsidiary Companies.

The details of shareholding in respect of Companies which are not Wholly Owned Subsidiary Companies are given as under:

Name of the Subsidiary	Paid up Capital	No. of shares held	% of share holding
Karaikal Port Private Limited	₹ 3,935,398,830 comprising 313,539,883 equity shares of ₹ 10/- each & 80,000,000 Compulsorily Convertible preference shares (CCPS) of ₹ 10/- each	298,920,000 equity shares	95.34% of equity shares
Riverside Infrastructure (India) Private Limited	₹ 1,348,863,000 comprising 134,886,300 equity shares of ₹ 10/- each	92,386,300 equity shares	68.49%
Future Parking Private Limited	₹ 25,100,000 comprising 2,510,000 equity shares of ₹ 10/- each	1,280,100 equity shares	51.00%
Signa Infrastructure India Limited	₹ 500,000 comprising 50,000 equity shares of ₹ 10/- each	37,000 equity shares	74.00%
MARG Swarnabhoomi Port Private Limited	₹ 125,000 comprising 12,500 equity shares of ₹ 10/- each	11,250 equity shares	90.00%

During the year 2010-11, MARG Sri Krishnadevaraya Airport Private Limited, was incorporated as a Wholly Owned Subsidiary on 5th August 2010.



## 5. General Body Meeting

Date, time and location for the Annual General Meetings of the Company held in last three years:

Financial Year	Date	Time	Venue	No. of Special Resolution passed
2009-10	30.09.2010	3.00 PM	Hotel Fortune Select Palms, 142, Rajiv Gandhi Salai, Thoraipakkam, Chennai – 600 096.	1
2008-09	29.09.2009	3.00 PM	Hotel Fortune Select Palms, 142, Rajiv Gandhi Salai, Thoraipakkam, Chennai – 600 096.	3
2007-08	25.09.2008	2.00 PM	Hotel Fortune Select Palms, 142, Rajiv Gandhi Salai, Thoraipakkam, Chennai – 600 096.	3

## 6. Postal Ballot

During the year the Company had passed postal ballot resolution vide Notice dated 30th December 2010 for the following items as per Postal Ballot result dt. 18.02.2011:

**Item No. 1:** To hive-off the residential unit/projects of Real Estate Business of the Company under Section 293(1)(a) of the Companies Act, 1956 (Act) (Ordinary Resolution); and

**Item No. 2:** To pay commission to Non-executive Directors of the Company under Section 309 of the Act (Special Resolution)

## 7. Disclosures

I. None of the transactions with any of the related parties viz., Promoters, Directors or the Senior Management, their Subsidiaries or relatives were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standard (AS 18) relating to “Related Party Transactions” have been made separately in the Annual Report.

The related party transactions with Subsidiary Companies are at arms length and are based on consideration of business necessity and strategy for investments, profitability, legal requirements and the like.

II. Company has complied with all the requirements of the Listing Agreement entered with Stock Exchanges as well as regulation and guidelines of SEBI. There has been no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Regulatory Authorities, on any matters related to capital markets during the last three years.

III. Company has established Whistle Blower Policy and no personnel is denied the access to the Audit Committee.

IV. The Company complies with the mandatory requirements and non-mandatory requirements of Corporate Governance

as provided under Clause 49 of Listing Agreement. The Disclosure relating to the compliance has been provided separately in this report. The Company has obtained a certificate from its auditors regarding compliance of conditions of Corporate Governance and the certificate is annexed to this Report.

## 8. Means of Communication

I. The Un-audited Financial Results on quarterly basis along with Limited Review Report of the Auditors of the Company are approved by the Board of Directors at its meeting for every quarter, as per the Listing requirement and the same are furnished to all the Stock Exchanges where the Company’s shares are listed within fifteen minutes of Close of the Meeting. The Un-audited Financial Results along with the Limited Review Report of the Auditors are placed before the Audit Committee. The same along with recommendation of the Audit Committee are forwarded to the Board of Directors for their consideration.

II. The Financial results as per the requirement of Clause 41 of the Listing Agreement are published within 48 hours in two newspapers, one in English daily - News Today, and one in Regional (Tamil) Language daily - Malai Sudar. Additionally, it is also published in magazines and financial newspapers having national circulation.

III. The quarterly results, shareholding pattern and other mandatory information are available at the website of Company, i.e. [www.marggroup.com](http://www.marggroup.com). The Company’s website provides all necessary information and contains news releases.

IV. The presentations made to Institutional Investors or to/by analysts are also put on the website of the Company.

## 9. General Shareholder Information:

### I. Information about 16th Annual General Meeting

Date and Time: 29th September 2011 at 3.00 PM

Venue: Hotel Fortune Select Palms,  
No.142, Rajiv Gandhi Salai,  
Thoraipakkam, Chennai – 600 096

### II. Financial Year

The financial year of the Company commences with 1st April every year and ends with 31st March in the succeeding year.

#### Publication of Financial Result:

##### First Quarter 30th June 2011:

on or before 14th August 2011

##### Second Quarter 30th September 2011:

on or before 14th November 2011

##### Third Quarter 31st December 2011:

on or before 14th February 2012

##### Fourth Quarter 31st March 2012:

on or before 30th May 2012

### III. Date of Book Closure

The Register of Members and Share Transfer Books shall be closed for a period of 6 days starting from Saturday,

24th September 2011 to Thursday, 29th September 2011 (Inclusive of Both Days).

### IV. Dividend Payment Date

Dividend if declared shall be paid after the AGM, i.e., after 29th September 2011.

### V. Listing on Stock Exchanges

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and Madras Stock Exchange Limited. And the Equity Shares are admitted for trading in National Stock Exchange Limited under Permitted Securities category with effect from 5th November 2009.

Annual Listing fees for the financial year 2011-2012 has been paid to the above Stock Exchanges.

### VI. Stock Code/Symbol

- i) Bombay Stock Exchange Limited  
Stock Code: 530543 (For Equity Shares of the Company)
- ii) Madras Stock Exchange Limited  
Stock Code: MARGCONST (For Equity Shares of the Company)
- iii) National Stock Exchange Limited  
Stock Code: MARG (For Equity Shares of the Company)
- iv) DEMAT ISIN in NSDL and CDSL for equity shares is INE941E01019

## VII. Market Price Data

Following are the monthly High / Low Price & Trading Volume of Equity Shares of Company at Bombay Stock Exchange Limited:

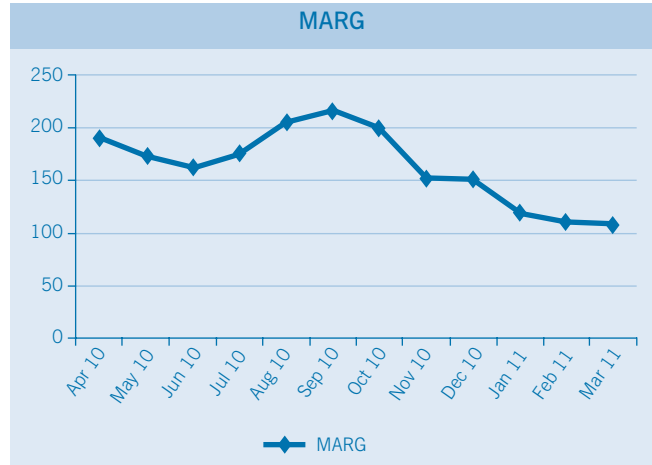
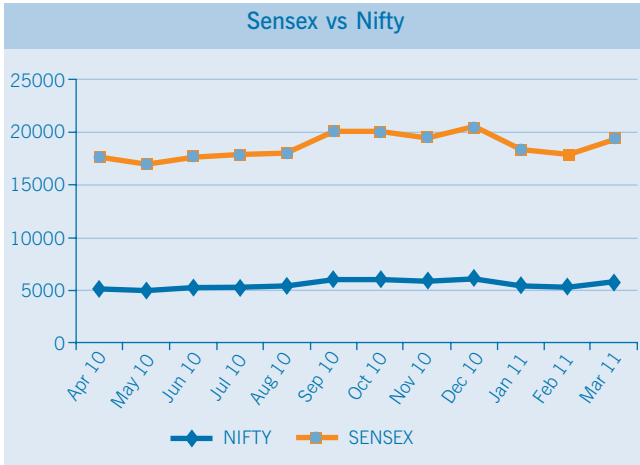
Year	Month	High (₹)	Low (₹)	Close (₹)	Monthly Volume	SENSEX Close	NIFTY Close
2010	April	199.50	176.90	190.05	1,686,829	17558.71	5278.00
2010	May	201.00	165.10	173.10	1,348,460	16944.63	5086.30
2010	June	174.40	150.55	162.00	983,441	17700.90	5312.50
2010	July	187.20	155.25	175.60	1,077,972	17868.29	5367.60
2010	August	215.70	168.60	205.00	3,545,807	17971.12	5402.40
2010	September	243.80	206.25	216.40	4,368,317	20069.12	6029.95
2010	October	242.00	197.20	200.20	906,559	20032.34	6017.70
2010	November	212.00	149.80	152.25	539,400	19521.25	5862.70
2010	December	177.90	103.05	151.50	2,659,172	20509.09	6134.50
2011	January	159.95	110.10	117.90	572,016	18327.76	5505.90
2011	February	137.00	100.10	110.70	439,306	17823.40	5333.25
2011	March	120.00	100.00	108.75	1,209,655	19445.22	5833.75





**VIII. Performance vis a vis BSE SENSEX**

The comparison with SENSEX close and NIFTY close has been provided in graphical presentation as below:



**IX. Registrar and Share Transfer Agents**

M/s. Cameo Corporate Services Limited acts as Registrars and Share Transfer Agent. The Company has also entered into agreements with both the depositories NSDL and CDSL. Following is the address of the Registrar and Share Transfer Agents:

M/s. CAMEO CORPORATE SERVICES LIMITED  
 Unit: MARG Limited  
 Subramanian Building, No. 1, Club House Road, Chennai – 600 002  
 Ph: +91 44 2846 0390, Fax: +91 44 2846 0129, Email: investor@cameoindia.com

**X. Share Transfer System**

As on date of this report, shares representing 98.57% of total paid-up capital of the Company are in electronic form. As regards transfer of shares in physical form, the transfer documents can be lodged with M/s. Cameo Corporate Services Limited at the above address. The physical transfers are normally processed within 7-10 days from the date of receipt of valid documents.

**XI. Share holding as on 31st March 2011**

Categories of Shareholding as on 31st March 2011

Category	No. of Shares Held	Percentage of Shareholding
<b>A Promoter's Holding</b>		
1 Promoters	19,000,000	49.84%
2 Persons acting in Concert	Nil	0.00%
<b>Sub Total</b>	<b>19,000,000</b>	<b>49.84%</b>
<b>B Non Promoters Holding</b>		
A Mutual funds/FIs/Banks	2,501,565	6.56%
B FIIs	5,499,673	14.43%
C Bodies Corporate	2,845,773	7.47%
D Indian Public (Individuals/HUF)	6,315,577	16.57%
E NRI/FCB/Foreign Nationals	1,691,560	4.44%
F Trusts	225,500	0.59%
G Others-(Clearing Members)	39,278	0.10%
<b>Sub Total</b>	<b>19,118,926</b>	<b>50.16%</b>
<b>Grand Total</b>	<b>38,118,926</b>	<b>100.00%</b>

## XII. Dematerialization of Equity Shares and Liquidity

DEMAT ISIN in NSDL and CDSL for equity shares is INE941E01019.

The Authorised Capital of ₹ 500,000,000 (Rupees Fifty Crores only) comprising of 50,000,000 (Five Crores) equity shares of ₹ 10 each. The paid up Capital of the Company as on 31st March 2011 is ₹ 381,189,260 (Rupees Thirty Eight Crores Eleven lacs Eighty Nine Thousand Two Hundred and Sixty only) consists of 38,118,926 (Rupees Three Crores Eighty One Lacs Eighteen Thousand Nine Hundred and Twenty Six only) Equity shares of ₹ 10 each. Out of the above shares, 543,495 Equity Shares representing 1.43% are held in physical form and balance 37,575,431 Equity Shares representing 98.57% are held in dematerialised form.

## XIII. QIPs

The Company raised ₹ 106.93 crores through Qualified Institutional Placement in May 2010. The Company allotted 5,631,648 equity shares of ₹ 10/- at a premium of ₹ 179.88 per share on 3rd May 2010.

### Outstanding GDR / FCCB / Warrants

There are no outstanding convertible instruments pending for conversion as on 31st March 2011.

### Warrants

The Company, on August 25, 2009, had allotted 6,771,619 warrants convertible into equal number of equity shares to Promoters, Employees & Associates and out of the above mentioned warrants, 1,562,100 were converted on September 29, 2009; 89,400 warrants were converted on May 15th, 2010; 2,250,000 warrants were converted on February 15, 2011 and the balance 2,870,119 warrants were converted into equal number of shares on February 19, 2011.

### GDRs

The Company issued 1,351,500 GDRs in February 28, 2007, each GDR representing two equity shares, and raised USD 15 million, and were listed on the Luxembourg Stock Exchange (LSE). On 30th April 2010, the last tranche of 9000 GDRs were converted into 18,000 equity shares and thus all the GDRs have been extinguished from LSE w.e.f. 30th April, 2010.

## XIV. ESOP

The Company has granted ESOP to employees of the Company and its subsidiaries as per the ESOP Scheme 2006 & 2007. Under these schemes, a total of 487,185 options were granted to the employees. On 4th November

2009, 37,888 equity shares have been allotted to FORTY FOUR employees at ₹ 100 /- (with a premium of ₹ 90 per share); On 12th October 2010, 45,610 equity shares have been allotted to TWO HUNDRED AND EIGHT employees at ₹ 75/- (with a premium of ₹ 65 per share) and in 13th November 2010, 23,780 equity shares have been allotted to THIRTY FIVE employees at ₹ 100/- (with a premium of ₹ 90 per share). As on 31.03.2011, a total of 107,278 options have been converted into equity shares and balance of 146,290 options are in force.

## XV. Location of projects

The Company is engaged in business of Constructions and Infrastructure Development. Accordingly the activities are carried at various locations where the projects are identified.

## XVI. Address for Correspondence

The Registered Office of the Company is situated in the following address. All correspondences should be addressed to:

The Company Secretary  
MARG Limited  
Marg Axis  
No. 4/318, Rajiv Gandhi Salai  
Kottivakkam, Chennai – 600 041  
Ph: +91 44 3221 1955, Fax: +91 44 2454 1123  
Email: investor@marggroup.com

For shareholders' grievance, the communication should be addressed to the Registrar and Transfer Agents at the following address:

M/s CAMEO CORPORATE SERVICES LIMITED  
Unit: MARG Limited  
Subramanian Building, No. 1, Club House Road  
Chennai – 600 002  
Ph: +91 44 2846 0390, Fax: +91 44 2846 0129  
Email: investor@cameoindia.com

### Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has prescribed a Code of Conduct for prevention of Insider Trading. All the employees including the Directors of the Company complies with the Insider Trading Regulations framed by the Company.

### Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit required in terms of Circular No. D&CC/FITTC/CIR – 16/2002 dated 30th June 2002 is being done by a Practicing Company Secretary on quarterly basis for reconciling total admitted capital with NSDL & CDSL and total issued & listed capital. The Company has



obtained Reconciliation of Share Capital Audit Report for all the four quarters during the year 2010-11 and the same have been forwarded to the Stock Exchanges. The audit confirms that the total issued/ paid up Capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

■ **Code of Business Conduct and Ethics for Directors and Managerial personnel**

The Company adopts a comprehensive code applicable to all Directors and Managerial Personnel laying down in detail, the standards of business conduct, ethics and governance. A copy of the code has been put on the company's website [www.marggroup.com](http://www.marggroup.com). The code has been circulated to all the members of the Board and the Managerial Personnel and the compliance of the same is affirmed by them annually.

A declaration signed by the Chairman & Managing Director of the Company is given below:

I confirm that the Company is in respect of the financial year ended 31st March 2011 received from the Senior Management Personnel of the Company and the Members of the Board, a declaration of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, Senior Management personnel means Chief Executive Officer, Chief Financial Officer, Company Secretary, Functional Heads and employees in the General Manager cadre and above as on 31st March 2011.

**G R K Reddy**

*Chairman and Managing Director*

■ **MD & CFO Certification**

As required under Clause 49 of the Listing Agreement, a certificate duly signed by Mr. G R K Reddy, Managing Director and Mr. R Suresh, CFO of the Company was placed at the meeting of the Board of Directors of the Company.

■ **Report on Corporate Governance**

As required under Clause 49 of the Listing Agreement, this section forms part of Annual Report relating to Corporate Governance containing detailed compliance report on Corporate Governance for both mandatory and non-mandatory requirements as provided in Annexure- I C and Annexure – I D to the Listing Agreement. The Company also submits a quarterly Compliance Report to the Stock Exchanges within 15 days from the close of every quarter as per the format provided in Annexure I B to Listing Agreement.

■ **Report on Compliance**

As required under Clause 49 of the Listing Agreement, the Company has obtained a certificate from Statutory Auditor of the Company regarding compliance of conditions of Corporate Governance and the same is annexed to the Directors' Report as an Annexure. The Company also complies with non-mandatory requirements as provided under Annexure – I D to the Listing Agreement.

**XVII. Non Mandatory Requirements**

**1. The Board:**

No separate Chairman's office is maintained since Chairman is Executive.

**2. Remuneration Committee:**

The details regarding the Committee has been provided under heading, 'Committee of Directors' elsewhere in this report.

**3. Communication to Shareholders:**

The Company displays its quarterly (unaudited), half yearly (unaudited) and annual (audited) result on its website at [www.marggroup.com](http://www.marggroup.com). The results are also published in English newspaper having a wide circulation and in Tamil newspaper having a wide circulation in Tamil Nadu respectively. The Company has circulated information to the shareholders containing progress of the project and financial information.

**4. Audit Qualifications:**

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt the best practices to ensure a regime of unqualified financial statements.

**5. Training of Board Members:**

As the members of the Board are eminent and experienced professionals, necessity to formulate a policy for their training has not been felt.

**6. Mechanism for evaluating Non-Executive Board Members:**

The Company has adopted a policy for evaluation of Non-Executive Board Members primarily based on the attendance and few other factors including contribution at the Board Meeting and at Audit Committee Meeting of the Board.

**7. Whistle Blower Mechanism:**

The Company has adopted Whistle Blower Mechanism. All the employees have the access to the Board and Audit Committee. Further the Board / Audit Committee ensure that no victimization is done to employees.

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## Auditors' Certificate on Corporate Governance

To  
The Members of  
**MARG Limited**

1. We have examined the compliance of conditions of Corporate Governance by MARG Limited (the Company) for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that no investor grievances are pending for a period exceeding one month against the Company as on 31st March 2011 as per the records maintained by the Shareholders / Investors Grievances Committee of the Company.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **K RAMKUMAR & CO**  
*Chartered Accountants*  
Firm Regn No. 2830S

**(R M V BALAJI)**  
*Partner*  
Membership No. 27476

Date : 29-August-2011  
Place : Chennai

# AUDITORS' REPORT

TO  
THE SHAREHOLDERS OF  
**MARG Limited**

1. We have audited the attached Balance Sheet of M/s MARG LIMITED as on 31st March 2011 and the annexed Profit & Loss Account and Cash Flow Statement for the year ended 31st March 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to this Company.
4. Further to the comments in the Annexure referred to above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge were necessary for the purpose of our Audit.
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the 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 Accounts of the Company.
  - d. According to the best of our information and explanations given to us, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211(3C) of The Companies Act 1956, in so far as they are applicable to the Company.
  - e. On the basis of written representations received from the Directors of the company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 from being appointed as a director U/s 274(1)(g) of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes give the information required by the Companies Act, 1956 in the manner required and give a true and fair view,
    - 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 Profit and Loss Account of the Profit for the year ended 31st March 2011; and
    - iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended 31st March 2011.

For **K RAMKUMAR & CO.,**  
**Reg no:02830S**  
*Chartered Accountants*

**R M V BALAJI**  
**Partner**  
Membership no: 27476  
Place: Chennai  
Date : 29th August 2011



## ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE SHAREHOLDERS OF MARG LIMITED

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) The Company has a programme of Physical verification of Fixed assets over a period of three years which is, in our opinion, reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no serious discrepancies have been noticed on such verification  
  
c) During the year, the company has not disposed off a substantial part of fixed assets.
2. a) As explained to us, physical verification of inventory has been conducted by the management, at the end of the year.  
  
b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
  
c) The company is maintaining proper records of inventory and the discrepancies noticed on verification between physical stocks and book stocks were not material.
3. a) The Company has not taken any loan from parties covered in the register maintained under section 301 of the Companies Act.  
  
b) The Company has granted unsecured loans to 79 Subsidiary companies covered in the register maintained under section 301 of the Companies Act. The maximum amount involved during the year was ₹ 677.39 Crores and the year end balance of loans granted to such companies was ₹ 504.82 Crores.  
  
c) According to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given are not prima facie, prejudicial to the interest of the company.  
  
d) According to the information and explanations given to us, the principal amount of the loan along with interest in respect of loan granted to the Subsidiary Companies, except three subsidiaries, is repayable on call.  
  
The Subsidiaries have made repayments during the year as and when calls were made by the Company. In respect of three subsidiaries, the loan given by the company is sub-ordinated to the secured loans from Banks and Financial Institutions availed by such subsidiaries and accordingly the obligation to repay does not arise during the pendency of said secured loans.
4. In our opinion and according to the explanation given to us there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods & services. During the course of our audit, we have not observed 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 transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
  
b) In our opinion and according to the information and explanations given to us the transaction in pursuance of contracts or arrangements entered in the register maintained U/s 301 of The Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at rates or value which are reasonable having regard to the prevailing market rates or values at the relevant time.
6. The Company has not accepted any deposits from the public in terms of provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.
8. We have been informed that the Central Government has not prescribed the maintenance of Cost Records under the provisions of Section 209(1)(d) of the Companies Act, 1956.

9. a) According to the records of the Company, apart from certain instances of delays, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Cess, Sales Tax, Service Tax, and other material statutory dues applicable to it.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and cess were in arrears as at 31st March 2011, for a period of more than six months from the date they became payable.

c) According to the records of the Company and the information and explanation given to us, the dues of Income Tax/Sales Tax/Customs Duty/Cess, which have not been deposited on account of any dispute, are as follows:-

#### Income Tax Dues

##### Income Tax

Asst. Year	Department Demand	Amount paid under protest	Forum where Dispute is pending
2001-02	16,785,003	16,879,719	Madras High Court
2002-03	8,926,848	9,659,367	CIT
2007-08	1,340,625	13,40,625	ITAT, Chennai
2008-09	52,76,990	52,76,990	CIT(Appeal)

##### Tax Deducted at Source

Asst. Year	Department Demand	Amount paid under protest	Forum where Dispute is pending
1996-97	21,503	4,931	ITO-TDS
1997-98	2,368,619	2,317,682	ITO-TDS
1998-99	1,628,830	842,934	ITO-TDS
1999-00	1,857,640	581,282	ITO-TDS
2000-01	442,820	65,440	ITO-TDS

10. The Company has no accumulated losses and has no cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks.

12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society.

14. The Company is not dealing in or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the Company has given guarantees aggregating to ₹ 2277.16 Crores for loans raised by others from Banks. In our opinion, the terms and conditions of the guarantees are prima facie not prejudicial to the interests of the company.

16. In our opinion and according to information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

17. According to the information and explanations and on an overall examination of the Balance Sheet of the Company we report that no funds raised on short-term basis have been used for Long Term investment.

18. The Company has made preferential allotment of shares to parties and companies covered in the register maintained U/s 301 of the Act during the year. The price at which the shares have been issued is not prejudicial to the interest of the company.

19. During the year, the company has not issued any debentures and therefore the question of creating security or charge in respect thereof does not arise.

20. The Company has not made any public issue during the year covered under audit.

21. Based on the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company was noticed or reported during the year.

For **K RAMKUMAR & CO.,**  
**Reg no:02830S**  
*Chartered Accountants*

**R M V BALAJI**  
**Partner**  
 Membership no: 27476  
 Place: Chennai  
 Date : 29th August 2011

## Balance sheet

PARTICULARS	Schedule	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	38.12	27.21
Employee Stock Option	2	0.58	0.80
Warrants Application Money		-	8.30
Reserves & Surplus	3	576.48	399.78
<b>LOAN FUNDS</b>			
Secured Loans	4	804.48	510.24
Unsecured Loans	5	-	0.56
<b>DEFERRED TAX LIABILITY (Net)</b>	6	3.07	1.38
		<b><u>1,422.73</u></b>	<b><u>948.27</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	7	146.93	76.13
Less : Depreciation		20.06	13.13
Net Block		<b><u>126.87</u></b>	<b><u>63.00</u></b>
Capital Work In Progress		15.09	1.97
		<b><u>141.96</u></b>	<b><u>64.97</u></b>
<b>INVESTMENTS</b>	8	519.93	437.96
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	9		
Inventories		132.27	46.98
Sundry Debtors		427.90	350.10
Cash & Bank Balances		57.03	51.08
Loans & Advances		754.64	457.83
		<b><u>1,371.84</u></b>	<b><u>905.99</u></b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	10		
Current Liabilities		590.54	447.26
Lease Deposits/ Rental Advances		4.49	4.18
Provisions		15.97	9.21
		<b><u>611.00</u></b>	<b><u>460.65</u></b>
<b>NET CURRENT ASSETS</b>		<b><u>760.84</u></b>	<b><u>445.34</u></b>
		<b><u>1,422.73</u></b>	<b><u>948.27</u></b>
<b>NOTES ON ACCOUNTS</b>	18		

As per our Report of even date attached  
**For K RAMKUMAR & CO.,**  
**Regn No: 02830S**  
Chartered Accountants

**R M V BALAJI**  
**Partner**  
Membership No. 27476

Place : Chennai  
Date : 29th Aug 2011

For and on behalf of Board of Directors

**G R K REDDY**  
**Chairman & Managing Director**

**ARUN KUMAR GURTU**  
**Director**

**R SURESH**  
**CFO**

**S SIVARAMAN**  
**Company Secretary**

## Profit & Loss Account

PARTICULARS	Schedule	Year ended 31-Mar-11 (₹ in Crores)	Year ended 31-Mar-10 (₹ in Crores)
<b>INCOME</b>			
Income from Operations	11	1,085.01	745.39
Other Income	12	1.37	15.49
		<b>1,086.38</b>	<b>760.88</b>
<b>EXPENDITURE</b>			
Cost of Projects / Operating Expenses	13	913.90	600.73
Personnel Expenses	14	16.84	9.77
Administrative Expenses	15	26.27	15.64
		<b>957.01</b>	<b>626.14</b>
<b>PROFIT BEFORE DEPRECIATION, INTEREST &amp; TAX</b>		<b>129.37</b>	<b>134.74</b>
Depreciation	7	6.89	5.17
<b>PROFIT BEFORE INTEREST &amp; TAX</b>		<b>122.48</b>	<b>129.57</b>
Interest & Finance Charges	16	27.61	14.38
<b>PROFIT BEFORE TAX</b>		<b>94.87</b>	<b>115.19</b>
<b>TAX EXPENSE</b>			
Current Tax		33.10	40.00
Deferred Tax	17	1.68	(4.78)
<b>PROFIT AFTER TAX BEFORE PRIOR PERIOD ITEMS</b>		<b>60.09</b>	<b>79.97</b>
Prior Period Items (Net)		0.22	0.47
<b>PROFIT AFTER TAX</b>		<b>59.87</b>	<b>79.50</b>
Balance brought forward from Previous Year		184.94	120.15
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<b>244.81</b>	<b>199.65</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		7.62	6.59
Dividend Tax		1.26	1.12
General Reserve		4.50	7.00
Balance carried to Balance Sheet		231.43	184.94
		<b>244.81</b>	<b>199.65</b>
<b>EARNINGS PER SHARE</b>			
Basic (Face Value Rs. 10/-)		<b>18.11</b>	<b>30.10</b>
Diluted (Face Value Rs. 10/-)		<b>15.87</b>	<b>26.68</b>
<b>NOTES ON ACCOUNTS</b>		18	

As per our Report of even date attached  
**For K RAMKUMAR & CO.,**  
**Regn No: 02830S**  
Chartered Accountants

**R M V BALAJI**  
**Partner**  
Membership No. 27476

Place : Chennai  
Date : 29th Aug 2011

For and on behalf of Board of Directors

**G R K REDDY**  
**Chairman & Managing Director**

**ARUN KUMAR GURTU**  
**Director**

**R SURESH**  
**CFO**

**S SIVARAMAN**  
**Company Secretary**

## Schedules forming part of Accounts

PARTICULARS	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
50,000,000 Equity Shares of ₹10 each (Previous year 50,000,000 Equity Shares of ₹10 each)	50.00	50.00
<b>Issued, Subscribed and Paid up Capital</b>		
38,118,926 Equity Shares of ₹10 each (Previous year 27,208,369 Equity Shares of ₹10 each)	38.12	27.21
	<b>38.12</b>	<b>27.21</b>
<b>SCHEDULE 2 : EMPLOYEE STOCK OPTION</b>		
Employee Stock Option Outstanding	1.11	2.15
Less: Deferred Employee Compensation Expense	0.53	1.35
	<b>0.58</b>	<b>0.80</b>
<b>SCHEDULE 3 : RESERVES &amp; SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	194.18	185.59
Add: Addition during the year	128.92	8.60
Less: Securities Issue Expenses Written-Off	3.21	0.01
	<b>319.89</b>	<b>194.18</b>
<b>General Reserve</b>		
Opening Balance	20.66	13.66
Add: Transferred from the Profit and Loss Account	4.50	7.00
	<b>25.16</b>	<b>20.66</b>
<b>Profit &amp; Loss Account</b>	231.43	184.94
	<b>231.43</b>	<b>184.94</b>
	<b>576.48</b>	<b>399.78</b>
<b>SCHEDULE 4 : SECURED LOANS</b>		
<b>From Banks &amp; Financial Institution</b>		
Secured by way of charge on rentals, mortgage / hypothecation of movable & immovable properties	492.99	328.07
Secured by way of charge on hypothecation of inventories, advances and receivables of specified projects and fixed deposit receipts	269.96	169.52
<b>From Others:</b>		
Secured by way of charge on movable & immovable properties (Loans for ₹ 769 Crores (Previous Year ₹ 577 Crores) are guaranteed by some of the directors)	41.53	12.65
	<b>804.48</b>	<b>510.24</b>
<b>SCHEDULE 5 : UNSECURED LOANS</b>		
Loans From Companies	-	0.56
	<b>-</b>	<b>0.56</b>
<b>SCHEDULE 6 : DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability	3.49	1.56
Less : Deferred Tax Asset	0.42	0.18
	<b>3.07</b>	<b>1.38</b>

## Schedules forming part of Accounts (Contd.)

### SCHEDULE 7 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As At 31-Mar-10	Additions	Deductions / Transfers	As At 31-Mar-11	Up to 31-Mar-10	For the year	Deletions 31-Mar-11	Up to 31-Mar-11	As At 31-Mar-11	As At 31-Mar-10
<b>INTANGIBLE ASSET</b>										
Computer Software*	2.22	0.93	-	3.15	0.11	0.53	-	0.64	2.51	2.11
<b>TANGIBLE ASSET</b>										
<b>LEASED ASSETS</b>										
Digital Zone - I										
Land	5.23	-	-	5.23	-	-	-	-	5.23	5.23
Building	22.63	-	-	22.63	1.98	0.37	-	2.35	20.28	20.65
Plant & Machinery	5.25	-	-	5.25	1.32	0.25	-	1.57	3.68	3.93
Electrical Equipment & Fittings	10.99	-	-	10.99	2.78	0.52	-	3.30	7.69	8.21
Furniture & Fixtures	9.34	-	-	9.34	3.10	0.59	-	3.69	5.65	6.24
<b>Thiruvanniyur</b>										
Land & Building	0.45	-	-	0.45	-	-	-	-	0.45	0.45
<b>OTHER ASSETS</b>										
Land	1.13	-	-	1.13	-	-	-	-	1.13	1.13
Building	0.31	2.34	-	2.65	0.31	0.34	-	0.65	2.00	-
Computers	4.39	2.35	-	6.74	1.55	0.75	-	2.30	4.44	2.84
Office Equipment	1.66	2.70	-	4.36	0.33	0.16	-	0.49	3.87	1.33
Furniture & Fittings	2.48	10.88	-	13.36	0.63	0.48	-	1.11	12.25	1.85
Motor Vehicles	2.62	2.35	0.10	4.87	0.55	0.37	0.04	0.88	3.99	2.07
Plant & Machinery	7.23	46.98	-	54.21	0.39	2.52	-	2.91	51.30	6.84
Electrical Equipment & Fittings	0.20	2.37	-	2.57	0.08	0.09	-	0.17	2.40	0.12
<b>Total</b>	<b>76.13</b>	<b>70.90</b>	<b>0.10</b>	<b>146.93</b>	<b>13.13</b>	<b>6.97</b>	<b>0.04</b>	<b>20.06</b>	<b>126.87</b>	<b>63.00</b>
<b>Previous Year</b>	<b>129.32</b>	<b>17.60</b>	<b>70.79</b>	<b>76.13</b>	<b>14.28</b>	<b>5.20</b>	<b>6.35</b>	<b>13.13</b>	<b>63.00</b>	<b>115.04</b>
<b>Capital Work in Progress</b>	<b>1.97</b>	<b>13.27</b>	<b>0.15</b>	<b>15.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.09</b>	<b>1.97</b>
<b>Previous Year</b>	<b>4.25</b>	<b>2.07</b>	<b>4.35</b>	<b>1.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.97</b>	<b>4.25</b>

\*Note: - Other than internally generated

Capital work-in-progress includes:

- Construction costs
- Pre-operative Expenses
- Advance given for capital goods

0.94	0.27
9.17	1.58
4.98	0.12
<b>15.09</b>	<b>1.97</b>



## Schedules forming part of Accounts (Contd.)

PARTICULARS	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 8 : INVESTMENTS</b>		
<b>Long Term Investments</b>		
<b>Investments in Shares ( Non-Quoted, Non-Trade, Stated at Cost )</b>		
<b>(As per Annexure - A)</b>		
In Subsidiaries	517.41	435.44
In Associates*	-	-
In Other Companies	1.59	1.59
	<u>519.00</u>	<u>437.03</u>
<b>Investments in Properties ( Non-Quoted, Stated at Cost )</b>		
Building	0.84	0.84
	<u>0.84</u>	<u>0.84</u>
<b>Short Term Investments</b>		
<b>Investments in Mutual Funds ( Quoted )</b>		
UTI Infrastructure Advantage Fund Series	0.09	0.10
[25,462.687 units (Previous year 100,000 units) of Face Value of ₹ 33.50 each (Previous year ₹ 10/- each)]		
[NAV as on 31st March 2011 ₹ 32.96 each (Previous year ₹ 9.20 each)]		
Less : Provision for Decline in Investments**	-	0.01
	<u>0.09</u>	<u>0.09</u>
	<u>519.93</u>	<u>437.96</u>
*Includes ₹ 39,000/- for the FY 2010-11 and 2009-10.		
**Includes ₹ 13,750/- for the FY 2010-11.		
<b>SCHEDULE 9 : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>Inventories</b>		
Stock of Completed Projects	-	6.13
Projects in Progress	80.62	23.18
Stock of Materials and Spares at Site	51.65	17.67
	<u>132.27</u>	<u>46.98</u>
<b>Sundry Debtors</b>		
(Unsecured and considered good)		
Outstanding for more than 6 months	75.43	79.23
Others	352.47	270.87
	<u>427.90</u>	<u>350.10</u>
<b>Cash and Bank Balances</b>		
Cash Balance	0.82	0.10
Balances with Scheduled Banks		
In Current Accounts	12.00	21.35
In Deposit Accounts	5.59	3.77
In Margin Money Accounts	38.62	25.86
	<u>57.03</u>	<u>51.08</u>
<b>Loans &amp; Advances</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advances to Subsidiaries	504.82	276.84
Advances to Suppliers	117.95	52.43
Advances to Staff	1.04	0.56
Other Advances Recoverable	8.50	9.67
Prepaid Expenses	9.12	2.26
Share Application Money	73.13	110.05
Prepaid Taxes	31.02	-
Security Deposits	8.22	6.01
Dividend Receivable	0.84	0.01
	<u>754.64</u>	<u>457.83</u>
	<u>1,371.84</u>	<u>905.99</u>



## Schedules forming part of Accounts (Contd.)

PARTICULARS	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 10 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors	151.07	107.37
Advances from Customers	49.58	12.47
Expenses Payable	69.85	41.24
Bills Payable	130.09	92.03
Statutory Dues	17.94	2.70
Unclaimed Dividend	0.17	0.13
Due to Directors	1.05	0.60
Mobilisation Deposit	<u>170.79</u>	<u>190.72</u>
	<b><u>590.54</u></b>	<b><u>447.26</u></b>
<b>Lease Deposits / Rental Advances</b>	<u>4.49</u>	<u>4.18</u>
	<b><u>4.49</u></b>	<b><u>4.18</u></b>
<b>Provisions</b>		
Income Tax	7.09	1.50
Proposed Dividend	7.62	6.59
Tax on Proposed Dividend	<u>1.26</u>	<u>1.12</u>
	<b><u>15.97</u></b>	<b><u>9.21</u></b>
	<b><u>611.00</u></b>	<b><u>460.65</u></b>

## Schedules forming part of Accounts (Contd.)

PARTICULARS	Year ended 31-Mar-11 (₹ in Crores)	Year ended 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 11 : INCOME FROM OPERATIONS</b>		
Income from Projects / Operations	1,072.57	734.70
Income from Leasing	12.44	10.69
	<b><u>1,085.01</u></b>	<b><u>745.39</u></b>
<b>SCHEDULE 12 : OTHER INCOME</b>		
Profit on Sale of Investment	-	11.69
Dividend Received	0.84	0.01
Profit on Sale of Assets	-	2.98
Exchange Rate Difference	0.30	0.01
Miscellaneous Income	0.23	0.80
	<b><u>1.37</u></b>	<b><u>15.49</u></b>
<b>SCHEDULE 13 : COST OF PROJECTS/OPERATING EXPENSES</b>		
<b>COST OF PROJECTS / OPERATING EXPENSES</b>		
<b>Opening Stock</b>		
Stock of Completed Projects	6.13	-
Projects in Progress	23.18	35.08
Stock of Materials and Spares at Site	17.67	6.96
	<b><u>46.98</u></b>	<b><u>42.04</u></b>
<b>Expenditure During the year</b>		
Cost of Projects / Operating Expenses	997.47	604.61
<b>Closing Stock</b>		
Stock of Completed Projects	-	6.13
Projects in Progress	80.62	23.18
Stock of Materials and Spares at Site	51.65	17.67
	<b><u>132.27</u></b>	<b><u>46.98</u></b>
<b>Cost of Projects / Operating Expenses</b>	<b>912.18</b>	<b>599.67</b>
<b>Repairs &amp; Maintenance-Leased Properties</b>	<b>1.72</b>	<b>1.06</b>
	<b><u>913.90</u></b>	<b><u>600.73</u></b>
<b>SCHEDULE 14 : PERSONNEL EXPENSES</b>		
Salaries & Allowances	8.44	4.99
Remuneration to Managing Director	1.89	1.63
Rent Staff	-	0.09
Contribution to Funds	2.01	0.60
Recruitment & Training Expenses	0.60	0.22
Staff Welfare Expenses	2.27	0.72
Retirement Benefits	1.31	0.40
Employee Compensation Expense	0.32	1.12
	<b><u>16.84</u></b>	<b><u>9.77</u></b>
<b>SCHEDULE 15 : ADMINISTRATIVE EXPENSES</b>		
Rent	3.10	2.20
Rates & Taxes	0.31	0.12
Communication Cost	0.85	0.68
Electricity Charges	0.99	0.30
Traveling and Conveyance	3.20	2.56
IT Services	1.34	0.60
Repairs & Maintenance	0.30	0.38
Payment to Non-executive Directors		
- Sitting Fees for Board Meeting	0.05	0.04
- Sitting Fees for Committee Meeting	0.20	0.12
- Commission	0.50	-
Secretarial Expenses	0.28	0.12
Advertisement & Business Promotion	1.60	2.34
Printing & Stationery	0.78	0.53
Postage and Courier Charges	0.08	0.09
Payment to Auditors		
- Statutory Audit Fee	0.06	0.06
- Other Services	0.01	0.01
Insurance Premium	0.70	0.51
Legal & Professional Charges	5.61	2.44
General Expenses	0.80	0.41
Exchange Rate Fluctuation	0.64	0.06
Office Maintenance	3.87	1.56
Donation	0.54	0.11
Vehicle Maintenance	0.43	0.27
Loss on Sale of Assets	0.03	0.13
	<b><u>26.27</u></b>	<b><u>15.64</u></b>



## Schedules forming part of Accounts (Contd.)

PARTICULARS	Year ended 31-Mar-11 (₹ in Crores)	Year ended 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 16 : INTEREST &amp; FINANCE CHARGES</b>		
Interest on Loans	83.27	44.78
Less : Interest Recovered	<u>59.12</u>	<u>33.30</u>
Net Interest	24.15	11.48
Bank & Finance Charges	<u>3.46</u>	<u>2.90</u>
	<b><u>27.61</u></b>	<b><u>14.38</u></b>
<b>SCHEDULE 17 : DEFERRED TAX EXPENSE (INCOME)</b>		
Deferred Tax Liability for the year	<u>1.68</u>	<u>(4.78)</u>
	<b><u>1.68</u></b>	<b><u>(4.78)</u></b>



## **SCHEDULES FORMING PART OF ACCOUNTS**

### **SCHEDULE 18: NOTES ON ACCOUNTS**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

1. The Financial Statements are prepared under historical cost convention on accrual basis and going concern concept and materially comply with Accounting Standards (AS) as mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable.
2. The Company is a non small and medium sized company (Non-SMC) as defined in the General Instructions relating to Accounting Standards notified and accordingly the Company has complied with the Accounting Standards as applicable to Non-SMC.
3. Use of Estimates: The preparation of financial statements requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statement & reported income and expenses during the reporting period. Examples of such estimates includes provisions for doubtful debts, employee retirement benefit plans, provisions for income taxes, useful life of fixed assets, accounting for work executed etc.

##### **B. REVENUE RECOGNITION**

1. In respect of property development and / or Construction contracts, the Company follows percentage completion method as per Accounting Standard 7 issued by the Institute of Chartered Accountants of India. The percentage of completion is stated on the basis of physical measurement of work actually completed/ actual cost incurred as compared to total estimated cost, at the balance sheet date, taking into account the contractual price and revision thereto. Losses on contracts are fully accounted for as and when incurred. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Expenditure incurred in respect of additional costs / delays are accounted in the year in which they are incurred. Claims made in respect thereof are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client. Project Development Income is the fee charged to the customers on transfer of property in consideration of various services rendered by the Company for promoting the respective projects.
2. Dividend income is recognized when the right to receive the payment is established.
3. In respect of other incomes, accrual system of accounting is followed.

##### **C. FIXED ASSETS, DEPRECIATION & IMPAIRMENT**

1. The Fixed Assets are stated at cost of acquisition including interest paid on specific borrowings up to the date of acquisition / installation of the assets and improvement thereon less depreciation.
2. In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalised.
3. Depreciation is provided on fixed assets, on straight-line method, on pro-rata basis as per the rates specified in Schedule XIV of the Companies Act, 1956.
4. All assets individually costing ₹ 5,000 or below are fully depreciated in the year it is put to use.
5. Advances paid towards acquisition of fixed assets and cost of assets not put to use before the year end are shown under Capital Work - in - Progress.

6. Intangible assets comprising SAP software and other computer software are stated at cost of acquisition less accumulated amortisation. The SAP software cost is amortised over a period of five years on a pro-rata basis.

7. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating divisions which the assets belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and recognized in the profit and loss account.

#### **D. OPERATING LEASES**

The Company is obligated under non-cancelable leases for office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee. Lease expenses are charged to the profit and loss account on a straight line basis over the lease term.

The Company leases office facilities and residential space/facilities under cancelable operating lease agreements. Assets subject to operating leases are included under fixed assets or current assets as appropriate. Lease income is recognized in the profit and loss account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the profit and loss account.

#### **E. VALUATION OF CLOSING STOCK**

a. Raw Material: Raw Material, Stores and Spares are valued at Weighted Average Cost. Cost comprises all costs of purchase.

b. Work-in-progress: Work-in-progress is valued at cost or the contract rates whichever is lower.

c. Completed projects: Completed Projects are valued at cost or net realizable value, whichever is less.

#### **F. INVESTMENTS**

Investments are classified as long-term and current investments. Long-term investments are shown at cost or written down value (in case of other than temporary diminution) and current Investments are shown at cost or market value whichever is lower.

#### **G. EMPLOYEE BENEFITS**

##### **a. Short Term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the bonus, exgratia are recognized in the period in which the employee renders service.

##### **b. Post employment benefits**

###### **• Provident Fund**

The Company's contribution to Provident Fund is deposited with the Regional Provident Fund Commissioner and is charged to Profit and Loss account every year.

###### **• Gratuity**

The Company is having Defined Benefit plan for the Gratuity and the provision is made based on actuarial valuation in accordance with the AS-15 of The Institute of Chartered Accountants of India.

###### **• Leave Encashment**

Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on actuarial basis in accordance with AS-15 of The Institute of Chartered Accountants of India.



## **H. TAX ON INCOME**

a. The accounting treatment for income tax in respect of Company's income is based on the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax on income for the current period is determined on the basis of Taxable Income computed in accordance with the provisions of the Income Tax Act 1961.

b. Deferred Tax on timing differences between the accounting income and taxable income for the year is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each Balance Sheet date unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

## **I. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are accounted on the exchange rate prevailing at the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit and Loss Account.

## **J. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of the asset/project. All the other borrowing costs are treated as period cost and charged to Profit and Loss account in the year in which they are incurred.

## **K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed.

## **L. EMPLOYEE STOCK COMPENSATION COST**

In respect of the stock options granted by the Company, the intrinsic value of the options (excess of market price over the exercise price) of the shares is treated as employee compensation cost and is amortised over the vesting period, in accordance with Guidelines issued by SEBI in this regard.

## **M. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

## NOTES ON ACCOUNTS

### 1. CONTINGENT LIABILITIES

a. Estimated amount of liability on capital contracts as on 31st March 2011 is ₹ 3.06 Crores (Previous year ₹ 6.99 Crores)  
b. Corporate Guarantees given to Banks in respect of loans taken by other Companies : ₹ 2277.16 Crores (Previous year ₹ 2017.10 Crores)

c. Corporate Guarantees given to Banks in respect of performance bank guarantees issued by them: ₹ 126.56 Crores (Previous year ₹ 60.65 Crores)

d. The company has imported capital goods at concessional rate of customs duty under the Export Promotion Credit Guarantee (EPCG) scheme against submission of bank guarantees. In terms of the scheme, the company is obliged to export goods/services of certain FOB value as specified in the said scheme. As at the year end, the company has the following unfulfilled export obligations under the scheme:

(₹ in crores)

As at 31 <sup>st</sup> Mar 2011		As at 31 <sup>st</sup> Mar 2010		Due date of Obligation
Duty saved	Export obligation	Duty saved	Export obligation	
0.14	1.14	0.14	1.14	17-Feb-12
0.12	0.95	0.12	0.95	3-Jan-15
0.14	1.11	0.14	1.11	27-Feb-15
1.73	13.83	Nil	Nil	20-May-18
0.31	2.47	Nil	Nil	20-May-18

e. Claims not acknowledged as debts by the Company: ₹ 1.02 Crores (Previous year ₹ 0.04 crore)

### f. Income Tax Demand

#### Tax on Income

Assessment Year	Demand Raised By Dept.	Details of Demand (₹)			Forum Where Dispute is Pending
		Amount Paid under Protest			
		Till 31st March 2010	During 2010 -11	Total	
2001 - 02	16,785,003	16,879,719	-	16,879,719	Madras High Court
2002 - 03	8,926,848	9,659,367	-	9,659,367	CIT
2007 - 08	13,40,625	13,40,625	-	13,40,625	ITAT, Chennai
2008 -09	52,76,990	-	52,76,990	52,76,990	CIT(Appeal)

### Tax Deducted at Source

Assessment Year	Details of Demand (₹)				Forum Where Dispute is Pending
	Demand Raised By Dept.	Amount Paid under Protest			
		Till 31st March 2010	During 2010-11	Total	
1996 - 97	21,503	4,931	-	4,931	ITO – TDS
1997 - 98	2,368,619	2,317,682	-	2,317,682	ITO – TDS
1998 - 99	1,628,830	842,934	-	842,934	ITO – TDS
1999 - 00	1,857,640	581,282	-	581,282	ITO – TDS
2000 - 01	442,820	65,440	-	65,440	ITO – TDS

## 2. DEFERRED TAX LIABILITY

As per the Accounting Standard (AS-22) laid down by the Institute of Chartered Accountants of India, the Company is required to make a provision for deferred tax liability.

During the year an amount of ₹ 1.68 crores has been provided for deferred tax liability from the profits of the current year. The balance deferred tax liability outstanding as on 31st March 2011 is ₹ 3.07 crores the details of which are as follows:

(₹ in crores)

Particulars	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Outstanding Deferred Tax Liability as at the beginning of the year	1.38	6.17
Timing difference on account of Depreciation	1.92	(0.31)
Timing difference on account of Employee Benefits	(0.23)	(0.19)
Reversal of Deferred Tax Liability for Dredger Depreciation	Nil	(4.29)
Outstanding Deferred Tax Liability (Net) as at the end of the year	3.07	1.38

3. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

4. In the opinion of the Management, Current Assets, Loans & Advances have a value on realization equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities has been made.

## 5. SEGMENT REPORTING

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

6. The remuneration paid to Directors is as follows:

(₹ in crores)

Particulars	2010-11	2009-10
<b>Remuneration to Managing Director</b>		
Salaries & Allowances	1.20	0.96
Commission	0.60	0.60
Contribution to Provident Fund	0.09	0.07
<b>Total</b>	<b>1.89</b>	<b>1.63</b>
<b>Commission to Non executive Directors</b>	<b>0.50</b>	<b>-</b>

7. Statement of computation of net profit under section 349 of the Companies Act, 1956 for the remuneration payable to whole time and other Directors for the year ended 31st March 2011.

Particulars	₹ In Crores
Profit Before Tax as per Profit & Loss Account	94.87
Add : Depreciation charged as per Profit & Loss account	6.89
Add : Managerial Remuneration debited to Profit & Loss Account	2.39
Add: Loss on sale of assets	0.03
Add: Write back of Provision for diminution of investments	_*
	<b>104.18</b>
Less : Depreciation as per Sec. 350 of the Companies Act, 1956	6.89
<b>Net Profit as per Sec 349 of the Companies Act, 1956</b>	<b>97.29</b>
Maximum amount of Remuneration permissible to Whole Time Director (@ 5% of the Net Profit )	4.86
Maximum amount of Remuneration permissible to Non Executive Director (@ 1% of the Net Profit )	0.97

\* includes ₹ 13,750

## 8. RELATED PARTY DISCLOSURES

A. List of related parties, where control exists is given vide Annexure A

### B. Associates:

The Company holds 39% shares in Rajakamanglam Thurai Fishing Harbour Private Limited.

### C. Key Management Personnel (KMP)

G R K Reddy-Chairman & Managing Director (CMD)

### D. Relative of Key Management Personnel

V P Rajini Reddy-Director and wife of the CMD

G Raghava Reddy-Director and father of the CMD

### E. Entities over which KMP and/or their relatives exercise control:

- i) Avinash Constructions Private Limited
- ii) Noble Habitat Private Limited
- iii) Jeevan Habitat Private Limited
- iv) Akshya Infrastructure Private Limited
- v) MARG Foundation
- vi) Swarnabhoomi Academic Institutions

### F. Entities over which KMP and/or their relatives exercise significant influence:

- i) Exemplarr Worldwide Limited
- ii) MARG Digital Infrastructure Private Limited
- iii) MARG Realities Limited

Particulars of transactions with the related parties during the year in the ordinary course of the business:

(₹ in crores)

Particulars	Subsidiaries		Associates		KMP and Relatives		Entities over which KMP and Relatives have control/ significant influence	
	2010-11	2009-10	2010 - 11	2009-10	2010-11	2009-10	2010-11	2009-10
Services rendered	531.85	585.83	-	-	-	-	-	-
Lease rental income	0.60	-	-	-	-	-	-	-
Dividend received	0.84	0.01	-	-	-	-	-	-
Interest received	54.10	28.80	-	-	-	-	-	-
Contracts and Services received	44.74	1.59	-	-	-	-	2.49	1.29
Allocation of common expense	20.09	8.26	-	-	-	-	-	-
Contract Advances received(Net)	78.40	184.12	-	-	-	-	-	-
Remuneration & Commission, Sitting fee	-	-	-	-	2.23	1.71	-	-
Purchase of Fixed Assets	2.03	-	-	-	-	-	-	-
Share Application money given	142.95	265.14	-	-	-	-	-	-
Sale of assets	Nil	65.16	-	-	-	-	-	-
Investments made	81.97	238.97	-	-	-	-	-	-
Loans & Advances made (Net)	212.65	52.04	-	0.14	-	-	-	0.69
Guarantees and Collaterals issued	260.06	1312.45	-	-	-	-	-	-
Guarantees and Collaterals received	258.83	130.46	-	-	-	-	399.00	121.00

**Balances as on 31<sup>st</sup> March 2011**

Investments	517.41	435.44	-*	-	-	-	-	1.59	1.59
Share application money	73.13	110.05	-	-	-	-	-	-	-
Sundry Debtors	202.14	199.62	-	-	-	-	-	-	-
Sundry Creditors	17.00	4.96	-	-	-	-	0.12	0.07	
Loans & Advances	504.82	276.84	1.10	1.10	-	-	-	-	
Remuneration & Commission	-	-	-	-	0.78	0.60	-	-	
Contract Advances received(net)	154.16	171.84	-	-	-	-	-	-	
Guarantees issued	2265.96	2005.90	-	-	-	-	11.20	11.20	
Guarantees and Collaterals received	476.54	283.75	-	-	-	-	525.00	126.00	

\* includes ₹ 39,000/- in associate

## 9. EMPLOYEE BENEFITS

### A. GRATUITY

The Company does not maintain any fund to pay for Gratuity

i) Amount recognized in the Profit and Loss A/c is as under:

(₹ in crores)

Description	Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
Current service cost	0.62	0.27
Interest Cost	0.05	0.02
Expected return on plan assets		-
Net actuarial (gain)/loss recognised in the year	0.12	0.04
Transitional Liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	0.17	-
<b>Expenses recognized in the statement of profit and loss</b>	<b>0.96</b>	<b>0.33</b>

ii) Movement in the liability recognized in the Balance Sheet during the year.

(₹ in crores)

Description	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Opening net liability	0.57	0.24
Expense as above	0.96	0.33
Contribution paid	-	-
<b>Closing net liability</b>	<b>1.53</b>	<b>0.57</b>

iii) Net Assets /Liability in Balance Sheet as at the year end

(₹ in crores)

Description	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Present value of the obligation	1.53	0.57
Fair value of plan assets	-	-
Difference	1.53	0.57
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
<b>Liability recognized in the balance sheet</b>	<b>1.53</b>	<b>0.57</b>

iv) For determination of gratuity liability of the Company the following actuarial assumption were used:

PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
Discount Rate	8%	8%
Salary escalation rate	8%	8%
Attrition rate	4%	4%

## B. LEAVE ENCASHMENT

The Company does not maintain any fund to pay for leave encashment

i) Amount recognized in the Profit and Loss A/c is as under

(₹ in crores)

Description	Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
Current service cost	0.26	0.14
Interest Cost	0.03	0.01
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	0.27	0.14
Transitional Liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	-	-
<b>Expenses recognized in the statement of profit and loss</b>	<b>0.56</b>	<b>0.29</b>

ii) Movement in the liability recognized in Balance Sheet is as under:

(₹ in crores)

Description	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Opening net liability	0.44	0.17
Expense as above	0.56	0.29
Contribution paid	(0.17)	(0.02)
<b>Closing net liability</b>	<b>0.83</b>	<b>0.44</b>

iii) Net Assets/Liability in Balance Sheet as at the year end

(₹ in crores)

Description	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Present value of the obligation	0.83	0.44
Fair value of plan assets	-	-
Difference	0.83	0.44
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
<b>Liability recognized in the balance sheet</b>	<b>0.83</b>	<b>0.44</b>

iv) For determination of leave encashment liability of the Company the following actuarial assumptions were used:

PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
Discount Rate	8%	8%
Salary escalation rate	8%	8%
Attrition rate	4%	4%



## 10. CASH & CASH EQUIVALENTS

Cash & Cash Equivalents include the following which are not available for ready use by the Company as at the Balance Sheet date:

(₹ in crores)

Particulars	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Margin money	38.62	25.86
Fixed Deposit with Bank	5.59	3.77
Unclaimed Dividend with bank	0.17	0.13

## 11. NON CASH TRANSACTIONS

During the year loan of ₹ 48.13 crore given to subsidiaries of the company was converted into Share application money.

## 12. QUALIFIED INSTITUTIONAL PLACEMENT (QIP) AND PREFERENTIAL ISSUE OF WARRANTS:

- Consequent to Qualified Institutional Placement (QIP), the Company issued and allotted 56,31,648 Equity Shares of ₹ 10 each at a premium of ₹ 179.88 per share on 3rd May 2010 to Qualified Institutional Buyers (QIB) under Chapter VIII of SEBI's Issue of Capital & Disclosure Regulations, 2009. The entire proceeds of ₹ 106.93 crores received under the QIP issue was utilized in 2010-2011.

- During 2009-10 the Company issued 67, 71, 619 warrants convertible into equity shares at the option of the holders, on preferential basis. Out of the above, the Company upon conversion of 15,62,100 warrants allotted equal number of 15,62,100 equity shares in 2009-10 and balance of 52,09,519 warrants were converted into equal number of 52,09,519 equity shares in 2010-11 and the issue price of warrants convertible into equity shares was at ₹ 10 each at a premium of ₹ 51 per share. This includes 49,00,000 equity shares allotted to the promoters. Out of the total Preferential warrant proceeds of ₹ 23.48 crores received during the year, the company utilized ₹ 23.83 crores in the year, including the balance carried forward from last year.

## 13. EMPLOYEES STOCK OPTION SCHEME(ESOP)

a) The Company has granted options to the eligible employees of the Company under the MARG Constructions Limited Employees Stock Option Plan 2006 (the "Scheme"). Under the Scheme, 500,000 equity shares have been earmarked to be granted and the same will vest as follows:

Block I	Block II	Block III
Year 1	Year 2	Year 3
30%	30%	40%

Pursuant to the above Scheme, the employee will have the option to exercise the right within 2 years from the date of vesting of shares at the exercise price.

b) As per the Scheme, the Compensation Committee has granted Options as per details below:-

Grant No.	Date of Grant	No of Options Granted	Grant Price ₹	Outstanding Options as on 31 <sup>st</sup> March 2011
I	15-Oct-07	1,97,006	100	3,762
II	23-Oct-07	2,100	100	Nil
III	8-Nov-07	3,475	120	Nil
IV	12-Nov-07	3,000	130	Nil
V	17-Nov-07	4,500	160	Nil
VI	8-Dec-07	6,370	200	Nil
VII	19-Feb-08	19,890	200	Nil
VIII	3-Oct-09	2,50,844	75	1,45,722

c) During the year 69,390 equity shares were allotted to the employees who exercised the option.

## 14. Operating Leases

### Cancelable Lease:

Total rental charges under cancelable operating lease was ₹ 1.24 crores and ₹ 3.83 crores for the quarter and year ended 31<sup>st</sup> March 2011 respectively. (Previous year ₹ 0.42 crore and ₹ 1.98 crores)

### Non cancelable lease:

The Company has taken office building under non-cancelable operating lease during the year from November 2010. The lease rental expense during the year was ₹ 1.45 crore. The future minimum lease payments in respect of this lease as at March 31, 2011 are as follows:

(₹ in crores)

Future Obligations:	2010-11	2009-10
Not later than one year	4.27	-
Later than one year not later than five years	6.76	-
Later than five years	-	-
<b>Total</b>	<b>11.03</b>	-

## 15. Auditors' Remuneration

(₹ in crores)

Particulars	Year Ended 31 <sup>st</sup> March, 2011	Year Ended 31 <sup>st</sup> March, 2010
Statutory Audit Fee	0.06	0.06
Tax Audit Fee	0.01	0.01
Certification	0.04	0.01
Reimbursement of Expenses	-*	-
<b>TOTAL</b>	<b>0.11</b>	<b>0.08</b>

\*includes ₹ 24,908

## 16.

(₹ in crores)

Particulars	2010-11	2009-10
a. <b>Value of Imports calculated on CIF Basis :</b>		
Components, embedded goods and spare-parts	0.81	1.40
Capital goods	9.31	Nil
b. <b>Expenditure in foreign currencies:</b>		
i Traveling expenses	0.08	0.15
ii Technical / Professional & Conference Expenses	0.83	0.13
iii Hire Charges	35.42	6.80
c. <b>Income in foreign currencies:</b>		
Dividend from Subsidiary	0.83	Nil

## 17. EARNINGS PER SHARE (EPS)

	Particulars	2010-11	2009-10
a.	Profit After Tax (₹ Crores) For Basic EPS For Diluted EPS	59.87 59.87	79.50 79.50
b.	Weighted average number of equity shares (Nos lacs) For Basic EPS  Adjustment for Diluted EPS  <b>Add:</b> Weighted average number of potential shares on account of Employee Stock Options  <b>Add:</b> Weighted average number of potential shares on account of Preferential allotment of shares/Warrants  For Diluted EPS	330.55   1.34  45.31  377.20	264.11   1.04  32.76  297.91
c.	Earning Per Share (₹) Basic Diluted	18.11 15.87	30.10 26.68
d.	Nominal Value Per Share (₹)	10.00	10.00

18. Information of (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investments (except in case of investment in subsidiaries) (f) turnover (g) profit (loss) before taxation (h) provision for taxation (i) profit (loss) after taxation and (j) proposed dividend for each subsidiary is furnished in annexure B to the account.
19. Disclosure as required by clause 32 of listing agreement with stock exchanges for loans & advances given by the Company are given in Annexure A.
20. The activities of the company are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under Paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act 1956.
21. **Foreign Currency Exposures**

The Company does not use any derivative instruments to hedge its foreign currency exposures.

The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

(in crores)

Particulars	As at 31st Mar 2011		As at 31st Mar 2010	
	USD	₹	USD	₹
Creditors for Services	0.24	10.74	-	-
Creditors for Spares import	0.04	1.95	0.03	1.30
Loan given to Subsidiary	0.30	13.61	.*	0.07
<b>Total</b>	<b>0.58</b>	<b>26.30</b>	<b>0.03</b>	<b>1.37</b>
	<b>GBP</b>	<b>₹</b>	<b>GBP</b>	<b>₹</b>
Creditors for Services	0.01	0.61	-	-

Conversion rate applied:

1 USD= ₹ 44.65(Previous year ₹ 45.14)

1 GBP= ₹ 71.9289(Previous year ₹ 68.032)

\*15,325 USD in 2009-10

22. Previous year's figures have been regrouped / reclassified / rearranged wherever necessary to bring them in conformity with the current year figures.

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As per our Report of even date attached

**For K RAMKUMAR & CO.,**

**Regn No: 02830S**

Chartered Accountants

**R M V BALAJI**

**Partner**

Membership No. 27476

Place : Chennai

Date : 29th Aug 2011

For and on behalf of Board of Directors

**G R K REDDY**

*Chairman & Managing Director*

**ARUN KUMAR GURTU**

*Director*

**R SURESH**

*CFO*

**S SIVARAMAN**

*Company Secretary*

## Annexure A

### Details of Investments and Disclosure as required by clause 32 of Listing Agreement with Stock Exchanges

Name of the Company	Investments				Loans & Advances Given		
	Face Value(₹)	As At 31-Mar-11 No of Shares(Lacs)	As At 31-Mar-10 No of Shares(Lacs)	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)	Amount Outstanding As at 31-Mar-11 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)
<b>Name of the Subsidiary Company)</b>							
Aaram Constructions Private Limited	10	0.10	0.10	0.01	0.01	3.57	3.57
Abhinaya Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	6.07	6.07
Ajani Constructions Private Limited	10	0.10	0.10	0.01	0.01	12.07	12.07
Akarsh Constructions Private Limited	10	0.10	0.10	0.01	0.01	7.96	7.96
Akhil Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	1.70	1.70
Ambar Nivas Private Limited	10	0.10	0.10	0.01	0.01	0.57	0.57
Amir Constructions Private Limited	10	0.10	0.10	0.01	0.01	4.75	4.75
Anumanthai Beachside Resorts Private Limited	10	0.10	0.10	0.01	0.01	-	-
Anuttam Constructions Private Limited	10	0.10	0.10	0.01	0.01	0.19	13.79
Aparajitha Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	1.24	1.24
Aprati Constructions Private Limited	10	0.10	0.10	0.01	0.01	2.88	14.03
Arogya Constructions Private Limited	10	0.10	0.10	0.01	0.01	16.12	16.12
Arohi Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.79	27.75
Aroopa Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	3.22	7.42
Atul Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.64	1.83
Avatar Constructions Private Limited	10	0.10	0.10	0.01	0.01	1.98	11.84
Bay Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	20.17	20.17
Bharani Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.28	0.42
Bhushan Tradelinks Private Limited	10	0.10	0.10	0.01	0.01	0.86	0.86
Darpan Houses Private Limited	10	0.10	0.10	0.01	0.01	3.18	3.18
Dasha Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	5.98	5.98
Future Parking Private Limited	10	12.80	0.05	1.28	0.01	0.68	0.68
Giri Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	2.06	2.84
Goldenview Nivas Private Limited	10	0.10	0.10	0.01	0.01	0.37	0.37
Highrise Housing Projects Private Limited	10	0.10	0.10	0.01	0.01	0.88	0.88
Hilary Constructions Private Limited	10	0.10	0.10	0.01	0.01	4.47	4.47
Indraprastha Homes Private Limited	10	0.10	0.10	0.01	0.01	1.78	1.78
Jai Ganesh Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	3.28	4.91
Kanchanajunga Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	1.59	6.76
Karaikal Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	0.02	0.02
Karaikal Port Private Limited	10	2,989.20	2,989.20	298.92	298.92	4.46	26.07
Karaikal Power Company Private Limited	10	0.10	0.10	0.01	0.01	1.74	1.74
Kirtidhara Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	6.15	8.35
Kripa Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	14.87	14.87
Magnumopus Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	11.69	11.69
MARG Aviations Private Limited	10	0.10	0.10	0.01	0.01	0.18	0.18
MARG Business Park Private Limited	10	0.10	0.10	0.01	0.01	5.14	5.14
MARG Communications Private Limited	10	0.10	0.10	0.01	0.01	0.00	0.00
MARG Constructions (Chennai) Private Limited	10	0.10	0.10	0.01	0.01	-	0.00
MARG Industrial Clusters Limited	10	0.50	0.50	0.05	0.05	0.01	0.01

## Annexure A

### Details of Investments and Disclosure as required by clause 32 of Listing Agreement with Stock Exchanges

Name of the Company	Investments				Loans & Advances Given		
	Face Value(₹)	As At 31-Mar-11 No of Shares(Lacs)	As At 31-Mar-10 No of Shares(Lacs)	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)	Amount Outstanding As at 31-Mar-11 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)
MARG Infrastructure Developers Limited	10	0.50	0.50	0.05	0.05	0.01	0.01
MARG Marine Infrastructure Limited	10	0.50	0.50	0.05	0.05	0.01	0.01
MARG International Dredging Pte Ltd	SIG \$ 1	173.52	70.00	57.33	23.11	13.58	13.58
MARG Sri Krishnadevaraya Airport Private Limited	10	0.10	-	0.01	-	0.58	0.58
MARG Logistics Private Limited	10	0.10	0.10	0.01	0.01	0.07	0.07
MARG Port Management Services Private Limited	10	0.10	0.10	0.01	0.01	-	-
MARG Power projects Private Limited	10	0.10	0.10	0.01	0.01	0.01	0.01
MARG Properties Limited	10	0.50	0.10	0.05	0.01	33.40	36.44
MARG Renewable Power Projects Private Limited	10	0.10	0.10	0.01	0.01	0.01	0.01
MARG Swarnabhoomi Logistics Private Limited	10	0.10	0.10	0.01	0.01	-	-
MARG Swarnabhoomi Port Private Limited	10	0.11	0.11	0.01	0.01	1.09	1.09
MARG Swarnabhoomi Power Private Limited	10	0.10	0.10	0.01	0.01	0.01	0.01
MARG Trading Pte Ltd	SIG \$ 1	0.01	0.01	0.00	0.00	0.04	0.04
Marigold Villas Private Limited	10	0.10	0.10	0.01	0.01	4.82	4.82
Mayur Habitat Private Limited	10	0.10	0.10	0.01	0.01	0.84	0.84
Mukta Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	2.26	10.01
Navita Estates Private Limited	10	0.10	0.10	0.01	0.01	1.68	1.68
Navrang Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	1.55	1.55
New Chennai Township Private Limited	10	580.50	510.00	58.05	51.00	128.40	128.40
New Era Land Developers Private Limited	10	0.10	0.10	0.01	0.01	9.76	9.76
O M R Developers Private Limited	10	0.10	0.10	0.01	0.01	4.17	9.98
Parivar Apartments Private Limited	10	0.10	0.10	0.01	0.01	0.74	0.74
Pathang Constructions Private Limited	10	0.10	0.10	0.01	0.01	9.73	15.21
Prospective Constructions Private Limited	10	0.10	0.10	0.01	0.01	7.28	7.28
Rainbow Habitat Private Limited	10	0.10	0.10	0.01	0.01	1.38	1.38
Riverside Infrastructure (India) Private Limited	10	1,008.80	615.00	100.88	61.50	45.86	80.95
Rupak Constructions Private Limited	10	0.10	0.10	0.01	0.01	1.98	1.98
Sanjog Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	8.04	8.04
Saptarishi Projects Private Limited	10	0.10	0.10	0.01	0.01	0.07	0.07
Saral Homes Private Limited	10	0.10	0.10	0.01	0.01	3.99	10.13
Sarang Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	21.57	21.57
Sathsang Constructions Private Limited	10	0.10	0.10	0.01	0.01	3.18	7.70
Shubham Vihar Private Limited	10	0.10	0.10	0.01	0.01	9.94	9.94
Siddhi Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	5.41	9.61
Signa Infrastructure India Limited	10	0.37	0.37	0.04	0.04	-	-
Singar Constructions Private Limited	10	0.10	0.10	0.01	0.01	4.84	4.84
Swarnabhoomi Port Private Limited	10	0.10	0.10	0.01	0.01	-	-
Swatantra Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	-	2.02
Veda infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	6.85	6.85
Viswadhara Constructions Private Limited	10	0.10	0.10	0.01	0.01	7.32	7.32
Wisdom Constructions Private Limited	10	0.10	0.10	0.01	0.01	8.80	8.82

## Annexure A

### Details of Investments and Disclosure as required by clause 32 of Listing Agreement with Stock Exchanges

Name of the Company	Investments				Loans & Advances Given		
	Face Value (₹)	As At 31-Mar-11 No of Shares(Lacs)	As At 31-Mar-10 No of Shares(Lacs)	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)	Amount Outstanding As at 31-Mar-11 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)
Yuva Constructions Private Limited	10	0.10	0.10	0.01	0.01	2.03	2.03
<b>Total</b>				<b>517.41</b>	<b>435.44</b>	<b>504.82</b>	<b>677.39</b>
<b>Name of the Associate Company</b>							
Rajakamangalam Thuri Fishing Harbour Private Limited*	10	0.04	0.04	0.00	0.00	1.10	1.10
<b>Total</b>				<b>0.00</b>	<b>0.00</b>	<b>1.10</b>	<b>1.10</b>
<b>Name of the Other Companies</b>							
MARG Digital Infrastructure Private Limited	10	5.95	5.95	0.60	0.60	-	-
MARG Realities Limited	10	9.95	9.95	1.00	1.00	-	-
<b>Total</b>				<b>1.59</b>	<b>1.59</b>	<b>-</b>	<b>-</b>
*Investments includes ₹ 39,000/- as at 31-Mar-11 & 31-Mar-10							



## Annexure B

### Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

(₹ in lacs)

Sl No.	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover*	Profit (Loss) before Taxation	Provision for Taxation	Profit (Loss) after Taxation	Proposed/ Interim Dividend
1	Aaram Constructions Private Limited	1.00	0.05	358.06	357.02	-	-	(0.30)	-	(0.30)	-
2	Abhinaya Infradevelopers Private Limited	1.00	(1.68)	605.92	606.60	-	-	(0.67)	-	(0.67)	-
3	Ajani Constructions Private Limited	1.00	(2.08)	1,206.28	1,207.36	-	-	(0.51)	-	(0.51)	-
4	Akarsh Constructions Private Limited	1.00	(1.00)	809.80	797.30	-	-	(0.40)	-	(0.40)	-
5	Akhil Infrastructure Private Limited	1.00	(1.11)	169.50	169.61	-	-	(0.28)	-	(0.28)	-
6	Ambar Nivas Private Limited	1.00	(1.08)	57.07	57.16	-	-	(0.31)	-	(0.31)	-
7	Amir Constructions Private Limited	1.00	244.95	720.50	474.55	-	-	(0.27)	-	(0.27)	-
8	Anumanthai Beachside Resorts Private Limited	1.00	(0.81)	0.43	0.25	-	-	(0.23)	-	(0.23)	-
9	Anuttam Constructions Private Limited	1.00	291.85	311.80	18.95	-	0.33	0.11	0.03	0.08	-
10	Aparajitha Infrastructure Private Limited	1.00	(0.23)	124.76	123.99	-	0.25	(0.12)	-	(0.12)	-
11	Aprati Constructions Private Limited	1.00	28.15	316.82	287.68	-	0.21	(0.47)	0.00	(0.48)	-
12	Arogya Constructions Private Limited	1.00	(3.33)	1,653.61	1,655.94	-	-	(0.52)	-	(0.52)	-
13	Arohi Infrastructure Private Limited	1.00	27.93	107.48	78.55	-	2.95	2.68	0.81	1.87	-
14	Aroopa Infradevelopers Private Limited	1.00	21.47	344.55	322.08	-	0.08	(0.83)	0.01	(0.84)	-
15	Atul Infrastructure Private Limited	1.00	169.33	234.62	64.29	-	-	(0.48)	-	(0.48)	-
16	Avatar Constructions Private Limited	1.00	232.35	431.24	197.89	-	-	(0.36)	-	(0.36)	-
17	Bay Infradevelopers Private Limited	1.00	13.50	2,031.95	2,017.44	-	0.86	0.18	-	0.18	-
18	Bharani Infrastructure Private Limited	1.00	1.47	30.32	27.85	-	2.00	1.74	0.53	1.20	-
19	Bhushan Tradelinks Private Limited	1.00	(1.30)	85.70	86.00	-	-	(0.51)	-	(0.51)	-
20	Darpan Houses Private Limited	1.00	183.33	502.44	318.11	-	-	(0.34)	-	(0.34)	-
21	Dasha Infradevelopers Private Limited	1.00	251.06	850.54	598.48	-	-	(0.33)	-	(0.33)	-
22	Future Parking Private Limited	251.00	(1.91)	316.71	67.62	-	2.86	(0.94)	0.80	(1.74)	-
23	Giri Infradevelopers Private Limited	1.00	(6.66)	199.89	205.55	-	1.00	0.62	0.12	0.51	-
24	Goldenview Nivas Private Limited	1.00	(0.19)	37.76	36.95	-	0.34	(0.02)	-	(0.02)	-
25	Highrise Housing Projects Private Limited	1.00	0.37	88.90	87.53	-	0.66	0.21	-	0.21	-
26	Hilary Constructions Private Limited	1.00	151.40	600.34	447.93	-	0.40	(1.29)	0.16	(1.45)	-
27	Indraprastha Homes Private Limited	1.00	0.24	179.46	178.22	-	0.48	0.07	-	0.07	-
28	Jai Ganesh Infradevelopers Private Limited	1.00	1.01	328.06	328.07	-	0.00	(0.40)	-	(0.40)	-
29	Kanchanajunga Infradevelopers Private Limited	1.00	(1.85)	157.94	158.78	-	0.05	(0.54)	-	(0.54)	-
30	Karaikal Infradevelopers Private Limited	1.00	(0.68)	2.25	1.93	-	-	(0.23)	-	(0.23)	-
31	Karaikal Port Private Limited	39,353.99	3,027.33	155,647.84	110,926.52	-	16,989.92	3,473.63	1,074.34	2,399.29	0.56
32	Karaikal Power Company Private Limited	1.00	(0.42)	174.53	173.95	-	-	(0.12)	-	(0.12)	-
33	Kirtidhara Infrastructure Private Limited	1.00	363.41	979.47	615.06	-	-	(1.78)	-	(1.78)	-
34	Kripa Infrastructure Private Limited	1.00	(1.65)	1,490.98	1,491.63	-	-	(0.40)	-	(0.40)	-
35	Magnumopus Infrastructure Private Limited	1.00	4.96	1,174.99	1,169.03	-	0.19	(0.25)	-	(0.25)	-
36	MARG Aviations Private Limited	1.00	(0.58)	18.65	18.23	-	-	(0.30)	-	(0.30)	-
37	MARG Business Park Private Limited	1.00	7.31	827.75	819.40	-	0.65	(1.00)	0.00	(1.00)	-
38	MARG Communications Private Limited	1.00	(0.50)	0.50	0.00	-	-	(0.16)	-	(0.16)	-
39	MARG Constructions (Chennai) Private Limited	1.00	(0.46)	0.54	-	-	-	(0.19)	-	(0.19)	-
40	MARG Industrial Clusters Limited	5.00	(0.31)	5.34	0.65	-	0.27	0.08	0.02	0.07	-
41	MARG Infrastructure Developers Limited	5.00	(0.31)	5.34	0.65	-	0.27	0.08	0.02	0.07	-

## Annexure B

### Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

(Contd.)

(₹ in lacs)

Sl No.	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover*	Profit (Loss) before Taxation	Provision for Taxation	Profit (Loss) after Taxation	Proposed/ Interim Dividend
42	MARG Marine Infrastructure Limited	5.00	(0.32)	5.33	0.65	-	0.27	0.08	0.01	0.06	-
43	MARG International Dredging Pte Limited	5,733.00	2,003.39	21,030.10	13,293.71	-	3,710.70	2,016.57	307.58	1,708.86	-
44	MARG Sri Krishnadevaraya Airport Private Limited	1.00	(0.28)	58.73	58.01	-	-	(0.28)	-	(0.28)	-
45	MARG Logistics Private Limited	1.00	108.06	922.87	759.84	-	4,885.95	125.33	45.65	79.68	-
46	MARG Port Management Services Private Limited	1.00	(0.68)	0.75	0.43	-	-	(0.22)	-	(0.22)	-
47	MARG Power projects Private Limited	1.00	(0.99)	0.73	0.72	-	-	(0.27)	-	(0.27)	-
48	MARG Properties Limited	5.00	(83.50)	3,241.79	3,339.93	-	967.53	42.02	32.77	3.14	-
49	MARG Renewable Power Projects Private Limited	1.00	(0.82)	0.67	0.48	-	-	(0.23)	-	(0.23)	-
50	MARG Swarnabhoomi Logistics Private Limited	1.00	(0.47)	0.53	0.00	-	0.01	(0.15)	-	(0.15)	-
51	MARG Swarnabhoomi Port Private Limited	1.25	0.79	109.01	108.54	-	0.13	(1.04)	-	(1.04)	-
52	MARG Swarnabhoomi Power Private Limited	1.00	(0.61)	0.70	0.32	-	0.02	(0.22)	-	(0.22)	-
53	MARG Trading Pte Limited	0.33	(9.94)	(3.82)	3.56	-	0.16	(4.63)	-	(4.63)	-
54	Marigold Villas Private Limited	1.00	0.04	483.28	482.24	-	0.81	0.12	-	0.12	-
55	Mayur Habitat Private Limited	1.00	0.28	85.67	84.39	-	0.63	0.19	-	0.19	-
56	Mukta Infrastructure Private Limited	1.00	309.83	540.06	229.24	-	-	(0.61)	-	(0.61)	-
57	Navita Estates Private Limited	1.00	(0.86)	167.78	167.64	-	-	(0.24)	-	(0.24)	-
58	Navrang Infrastructure Private Limited	1.00	(0.60)	155.74	155.34	-	-	(0.27)	-	(0.27)	-
59	New Chennai Township Private Limited	5,805.00	11,992.63	67,302.45	44,765.84	-	19,868.90	5,352.75	67.02	5,281.02	-
60	New Era Land Developers Private Limited	1.00	(1.89)	979.98	980.87	-	-	(0.41)	-	(0.41)	-
61	O M R Developers Private Limited	1.00	20.65	604.91	417.27	-	0.20	(0.01)	0.00	(0.01)	-
62	Parivar Apartments Private Limited	1.00	(0.81)	74.03	73.85	-	-	(0.21)	-	(0.21)	-
63	Pathang Constructions Private Limited	1.00	(1.84)	971.78	972.62	-	0.11	(0.46)	-	(0.46)	-
64	Prospective Constructions Private Limited	1.00	(0.94)	728.60	728.54	-	-	(0.45)	-	(0.45)	-
65	Rainbow Habitat Private Limited	1.00	(0.63)	138.09	137.72	-	-	(0.18)	-	(0.18)	-
66	Riverside Infrastructure (India) Private Limited	13,488.63	762.81	32,023.56	17,771.61	-	-	(21.61)	1.49	(41.88)	-
67	Rupak Constructions Private Limited	1.00	(0.71)	198.09	197.80	-	0.06	(0.25)	-	(0.25)	-
68	Sanjog Infrastructure Private Limited	1.00	5.94	810.66	803.72	-	-	(0.29)	-	(0.29)	-
69	Saptarishi Projects Private Limited	1.00	(0.84)	7.47	7.31	-	-	(0.30)	-	(0.30)	-
70	Saral Homes Private Limited	1.00	0.02	400.00	398.98	-	0.40	(0.21)	-	(0.21)	-
71	Sarang Infradevelopers Private Limited	1.00	(7.86)	2,425.59	2,437.40	5.14	6.16	(13.73)	0.18	(16.64)	-
72	Sathsang Constructions Private Limited	1.00	0.88	318.41	318.29	-	-	(0.39)	-	(0.39)	-
73	Shubham Vihar Private Limited	1.00	646.66	1,641.48	993.82	-	0.01	(0.21)	-	(0.21)	-
74	Siddhi Infradevelopers Private Limited	1.00	(2.06)	539.90	540.96	-	-	(0.54)	-	(0.54)	-
75	Signa Infrastructure India Limited	5.00	24.81	29.86	0.05	-	74.29	15.00	4.77	10.23	1.00
76	Singar Constructions Private Limited	1.00	(0.61)	484.64	484.25	-	-	(0.26)	-	(0.26)	-
77	Swarnabhoomi Port Private Limited	1.00	(0.75)	0.27	0.02	-	-	(0.16)	-	(0.16)	-
78	Swatantra Infrastructure Private Limited	1.00	915.68	926.68	-	-	1.92	1.66	0.52	1.14	-
79	Veda infradevelopers Private Limited	1.00	(4.10)	761.92	685.02	-	-	(1.21)	-	(1.21)	-
80	Viswadhara Constructions Private Limited	1.00	(0.40)	732.55	731.95	-	0.43	(0.05)	-	(0.05)	-
81	Wisdom Constructions Private Limited	1.00	16.62	897.61	879.99	-	-	(2.25)	-	(2.25)	-
82	Yuva Constructions Private Limited	1.00	25.45	229.48	203.03	-	-	(2.20)	-	(2.20)	-



## AUDITOR'S REPORT ON CASH FLOW STATEMENT

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We have examined the Cash Flow Statement of MARG Limited for the year ended 31st March 2011. The Statement has been prepared by the Company in accordance with the requirement of clause 32 of the listing agreement entered with Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the Members of the Company.

**For K Ramkumar & Co.,**  
**Reg no: 02830S**  
Chartered Accountants

**R M V Balaji**  
**Partner**  
Mem No : 27476  
Place: Chennai  
Date : 29th August,2011

## Standalone cash flow statement

S No	Particulars	Year Ended 31-Mar-11 (₹ in Crores)	Year Ended 31-Mar-10 (₹ in Crores)
<b>A</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
	<b>Net Profit before Taxation and Extraordinary Items</b>	<b>94.87</b>	<b>115.19</b>
	<b>Adjustment for:</b>		
	Depreciation	6.97	5.20
	Net Unrealised (Gain) / Loss on Exchange Rate Fluctuations	0.34	0.05
	Net Unrealised Loss / (Profit) Decline in Investments	0.01	(0.03)
	Dividend Income	(0.84)	(0.01)
	Profit on sale of Investment	-	(11.69)
	Profit on sale of Assets	-	(2.94)
	Loss on sale of Fixed Assets	0.02	0.13
	Charges for Employee Stock option	0.32	1.12
	Prior Period Items (Net)	(0.22)	(0.47)
	Interest and Finance Charges (Net)	27.61	14.38
	<b>Operating Profit before Working Capital Changes</b>	<b>129.08</b>	<b>120.93</b>
	Decrease / (Increase) in Sundry Debtors	(131.99)	(176.94)
	Decrease / (Increase) in Inventories	(85.29)	(4.95)
	Decrease / (Increase) in Loans & Advances	(311.70)	(14.77)
	Increase / (Decrease) in Current Liabilities	139.70	235.32
	<b>Cash Generated from Operations</b>	<b>(260.20)</b>	<b>159.59</b>
	Income Tax	(45.57)	(44.17)
	<b>Cash Flow before Extraordinary Items</b>	<b>(305.77)</b>	<b>115.42</b>
	Adjustment for Extraordinary Items	-	-
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(305.77)</b>	<b>115.42</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets	(43.01)	(15.32)
	Purchase of Investments in Subsidiaries	(21.62)	(215.71)
	Advance for Share Application Money in Subsidiaries	(0.02)	(26.37)
	Dividend Received	0.01	0.01
	Sale of Investments in Subsidiaries	54.19	0.01
	Proceeds from Sale of Fixed Assets (Net)	0.04	0.26
	<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(10.41)</b>	<b>(257.12)</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
	Proceeds from Issuance of Share Capital	9.55	1.60
	Proceeds from Share Premium	118.23	8.61
	Proceeds from Share Application Money	-	8.30
	Proceeds from Long Term Borrowings (Net)	157.48	79.73
	Proceed from Short Term Borrowings (Net)	99.88	99.10
	Interest and Finance Charges Paid (Net)	(55.35)	(26.50)
	Dividend & Dividend Tax Paid	(7.66)	(5.95)
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>322.13</b>	<b>164.89</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>5.95</b>	<b>23.19</b>
	<b>Cash and Cash Equivalents at beginning of Period</b>	<b>51.08</b>	<b>27.89</b>
	<b>Cash and Cash Equivalents at end of Period</b>	<b>57.03</b>	<b>51.08</b>

Notes:

- Cash Flow statement is prepared under the Indirect Method in accordance with Accounting Standard (AS) 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- Depreciation includes amount transferred to 'Cost of Projects'.
- For cash and cash equivalents not available for immediate use as on the Balance Sheet date, refer Note No 10 of Notes forming part of Accounts.
- For non cash transactions refer Note 11 of Notes forming part of Accounts.
- Previous year's figures have been regrouped/reclassified wherever necessary.

As per our Report of even date attached  
**For K RAMKUMAR & CO.,**  
 Regn No: 02830S  
 Chartered Accountants

**R M V BALAJI**  
 Partner  
 Membership No. 27476

Place : Chennai  
 Date : 29th Aug 2011

For and on behalf of Board of Directors

**G R K REDDY**  
 Chairman & Managing Director

**ARUN KUMAR GURTU**  
 Director

**R SURESH**  
 CFO

**S SIVARAMAN**  
 Company Secretary

# AUDITORS' REPORT

TO  
THE BOARD OF DIRECTORS OF  
**MARG Limited**

We have audited the attached Consolidated Balance Sheet of MARG LIMITED and its subsidiaries (the Group) as at 31st March, 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of MARG LIMITED's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the 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.

The Consolidated financial statements of MARG LIMITED incorporate the accounts for the year ended 31st March 2011 of 82 Companies of which 61 companies listed in "Annexure A" have been audited by us and whose reports have been considered by us.

We did not audit the financial statements of following 21 subsidiaries whose financial statements reflects total assets of ₹ 1834.21 Crores as at 31st March 2011, the total income of ₹ 207.54 Crores for the year ended on that date and the Net Cash Flows amounting to ₹ 1.50 Crores, for the year ended 31st March 2011. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.

Sl. No	Name of the Company
1	Aaram Constructions Private Limited
2	Abhinaya Infradevelopers Private Limited
3	Ajani Constructions Private Limited
4	Bharani Infrastructure Private Limited
5	Bhushan Tradelink Private Limited
6	Darpan Houses Private Limited

7	Indraprastha Homes Private Limited
8	Karaikal Port Private Limited
9	MARG Communications Private Limited
10	MARG Constructions (Chennai) P Limited
11	MARG International Dredging Pte Limited
12	MARG Swarnabhoomi Logistics Private Limited
13	MARG Swarnabhoomi Power Private Limited
14	MARG Trading Pte Limited
15	Sathsang Constructions Private Limited
16	Shubham Vihar Private Limited
17	Siddhi Infradevelopers Private Limited
18	Signa Infrastructure India Limited
19	Singar Constructions Private Limited
20	Swarnabhoomi Port Private Limited
21	Veda Infradevelopers Private Limited

We report that the consolidated financial statements have been prepared by MARG LIMITED's management in accordance with the requirements of Accounting Standard 21-Consolidated Financial Statements, Accounting Standard 23-Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27-Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.

Based on our audit of the financial statements and the other financial information, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the State of Affairs of MARG LIMITED Group as at 31st March 2011;
- in the case of Consolidated Profit and Loss Account, of the Profit for the year ended 31st March 2011 and
- in the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended 31st March 2011.

For **K RAMKUMAR & Co.**  
**Reg no: 02830S**  
*Chartered Accountants*

**R M V BALAJI**  
**Partner**  
Membership No. 27476

Place : Chennai  
Date : 29th August 2011

## Annexure A

Sl. No	Name of the Company	Sl. No	Name of the Company
1	Akarsh Constructions Private Limited	32	MARG Infrastucture Developers Limited
2	Akhil Infrastructure Private Limited	33	MARG Logistics Private Limited
3	Ambar Nivas Private Limited	34	MARG Marine Infrastructure Limited
4	Amir Constructions Private Limited	35	MARG Port Management Services Private Limited
5	Anumanthai Beachside Resorts Private Limited	36	MARG Power Projects Private Limited
6	Anuttam Constructions Private Limited	37	MARG ProperTies Private Limited
7	Aparajitha Infrastructure Private Limited	38	MARG Renewable Power Projects Private Limited
8	Aprati Constructions Private Limited	39	MARG Sri Krishnadevaraya Airport
9	Arogya Constructions Private Limited	40	Marigold Villas private Limited
10	Arohi Infrastructure Private Limited	41	Mayur Habitat Private Limited
11	Aroopa Infradevelopers Private Limited	42	Mukta Infrastructure Private Limited
12	Atul Infrastructure Private Limited	43	Navita Estates Private Limited
13	Avatar Constructions Private Limited	44	Navrang Infrastructure Private Limited
14	Bay Infradevelopers Private Limited	45	New Chennai Township Private Limited
15	Dasha Infradevelopers Private Limited	46	New Era Land Developers Private Limited
16	Future Parking Private Limited	47	O M R Developers Private Limited
17	Giri Infradevelopers Private Limited	48	Parivar Apartments Private Limited
18	Goldenview Nivas Private Limited	49	Pathang Constructions Private Limited
19	Highrise Housing Projects Private Limited	50	Prospective Constructions Private Limited
20	Hilary Constructions Private Limited	51	Rainbow Habitat Private Limited
21	Jai Ganesh Infradevelopers Private Limited	52	Riverside Infrastructure (India) Private Limited.
22	Kanchanajunga Infradevelopers Private Limited	53	Rupak Constructions Private Limited
23	Karaikal Infradevelopers Private Limited	54	Sanjog Infrastructure Private Limited
24	Karaikal Power Company Private Limited	55	Saptarishi Projects Private Limited
25	Kirtidhara Infrastructure Private Limited	56	Saral Homes Private Limited
26	Kripa Infrastructure Private Limited	57	Sarang Infradevelopers Private Limited
27	Magnumopus Infrastructure Private Limited	58	Swatantra Infrastructure Private Limited
28	MARG Swarnabhoomi Port Private Limited	59	Viswadhara Constructions Private Limited
29	MARG Aviations Private Limited	60	Wisdom Constructions Private Limited
30	MARG Business Park Private Limited	61	Yuva Constructions Private Limited
31	MARG Industrial Clusters Limited		

## Consolidated balance sheet

PARTICULARS	Schedule	As At 31-Mar-11 (₹in Crores)	As At 31-Mar-10 (₹in Crores)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	38.12	27.21
Employee Stock Option	2	0.58	0.80
Share / Warrant Application Money		-	78.30
Reserves & Surplus	3	365.52	210.28
<b>MINORITY INTEREST</b>		142.24	42.55
<b>LOAN FUNDS</b>			
Secured Loans	4	2,497.61	1,714.95
Unsecured Loans	5	0.62	9.58
<b>DEFERRED TAX LIABILITY ( Net )</b>	6	3.79	-
		<b><u>3,048.48</u></b>	<b><u>2,083.67</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>GOODWILL (on Consolidation)*</b>		8.67	-
<b>FIXED ASSETS</b>			
Gross Block	7	941.52	627.23
Less : Depreciation		55.20	26.53
Net Block		<b><u>886.32</u></b>	<b><u>600.70</u></b>
Capital Work In Progress		1,212.53	734.55
		<b><u>2,098.85</u></b>	<b><u>1,335.25</u></b>
<b>INVESTMENTS</b>	8	2.58	2.58
<b>DEFERRED TAX ASSET ( Net )</b>	6	-	2.54
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	9	500.57	329.99
Sundry Debtors		584.78	419.08
Cash & Bank Balances		146.42	141.46
Loans & Advances		276.43	214.80
		<b><u>1,508.20</u></b>	<b><u>1,105.33</u></b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	10	548.28	348.57
Lease Deposits/ Rental Advances		5.41	4.90
Provisions		16.13	8.56
		<b><u>569.82</u></b>	<b><u>362.03</u></b>
<b>NET CURRENT ASSETS</b>		<b><u>938.38</u></b>	<b><u>743.30</u></b>
<b>NOTES ON ACCOUNTS</b>	18	<b><u>3,048.48</u></b>	<b><u>2,083.67</u></b>

\*Note: - Includes ₹ 21,079/- for the FY 2009-10

As per our Report of even date attached  
**For K RAMKUMAR & CO.,**  
**Regn No: 02830S**  
Chartered Accountants

**R M V BALAJI**  
**Partner**  
Membership No. 27476

Place : Chennai  
Date : 29th Aug 2011

For and on behalf of Board of Directors

**G R K REDDY**  
**Chairman & Managing Director**

**ARUN KUMAR GURTU**  
**Director**

**R SURESH**  
**CFO**

**S SIVARAMAN**  
**Company Secretary**

## Consolidated Profit & Loss Account

PARTICULARS	Schedule	Year Ended 31-Mar-11 (₹in Crores)	Year Ended 31-Mar-10 (₹in Crores)
<b>INCOME</b>			
Income from Operations	11	941.84	364.44
Other Income	12	10.20	24.21
		<b>952.04</b>	<b>388.65</b>
<b>EXPENDITURE</b>			
Cost of Projects / Operating Expenses	13	707.96	233.95
Personnel Expenses	14	33.74	16.62
Administrative Expenses	15	50.05	31.16
		<b>791.75</b>	<b>281.73</b>
<b>PROFIT BEFORE DEPRECIATION, INTEREST &amp; TAX</b>			
		<b>160.29</b>	<b>106.92</b>
Depreciation	7	28.17	18.03
<b>PROFIT BEFORE INTEREST &amp; TAX</b>			
		<b>132.12</b>	<b>88.89</b>
Interest & Finance Charges	16	63.19	44.50
<b>PROFIT BEFORE TAX</b>			
		<b>68.93</b>	<b>44.39</b>
<b>TAX EXPENSE</b>			
Current Tax		43.70	41.20
Taxes - Prior Period		0.13	-
Deferred Tax	17	6.33	(8.71)
<b>PROFIT AFTER TAX BEFORE PRIOR PERIOD ITEMS</b>			
		<b>18.77</b>	<b>11.90</b>
Prior Period Items (Net)		0.54	0.47
<b>PROFIT AFTER TAX</b>			
		<b>18.23</b>	<b>11.43</b>
Balance brought forward from Previous Year		(8.07)	(3.93)
Transfer to Cost of Control (on Consolidation)		0.17	-
Minority Interest*		(0.45)	-
Share of Profit/(Loss) in Associates**		-	-
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>			
		<b>9.88</b>	<b>7.50</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		7.63	7.43
Dividend Tax		1.27	1.13
General Reserve		4.51	7.01
Balance carried to Balance Sheet		(3.53)	(8.07)
		<b>9.88</b>	<b>7.50</b>
<b>EARNINGS PER SHARE</b>			
Basic (Face Value ₹ 10/-)		<b>5.51</b>	<b>4.33</b>
Diluted (Face Value ₹ 10/-)		<b>4.83</b>	<b>3.84</b>
<b>NOTES ON ACCOUNTS</b>	18		

\*Includes ₹ 3,148/- for the FY 2009-10.

\*\*Includes ₹ (18,445)/- and ₹ (3,191)/- for the FY 2009-10 and FY 2010-11 respectively.

As per our Report of even date attached  
**For K RAMKUMAR & CO.,**  
**Regn No: 02830S**  
Chartered Accountants

**R M V BALAJI**  
**Partner**  
Membership No. 27476

Place : Chennai  
Date : 29th Aug 2011

For and on behalf of Board of Directors

**G R K REDDY**  
**Chairman & Managing Director**

**ARUN KUMAR GURTU**  
**Director**

**R SURESH**  
**CFO**

**S SIVARAMAN**  
**Company Secretary**



## Schedules forming part of Accounts

PARTICULARS	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
50,000,000 Equity Shares of ₹10 each (Previous year 50,000,000 Equity Shares of ₹10 each)	50.00	50.00
<b>Issued, Subscribed and Paid up Capital</b>		
38,118,926 Equity Shares of ₹10 each (Previous year 27,208,369 Equity Shares of ₹10 each)	38.12	27.21
	<b>38.12</b>	<b>27.21</b>
<b>SCHEDULE 2 : EMPLOYEE STOCK OPTION</b>		
Employee Stock Option Outstanding	1.11	2.15
Less: Deferred Employee Compensation Expense	0.53	1.35
	<b>0.58</b>	<b>0.80</b>
<b>SCHEDULE 3 : RESERVES &amp; SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	194.18	185.59
Add: Addition during the year	152.80	8.61
Less: Securities issue expenses written-off	3.21	0.02
Less: Transferred to Minority Interest	3.39	-
	<b>340.38</b>	<b>194.18</b>
<b>General Reserve</b>		
Opening Balance	24.17	17.16
Less: Minority Interest	0.01	-
Add: Transferred from the Profit and Loss Account	4.51	7.01
	<b>28.67</b>	<b>24.17</b>
<b>Profit &amp; Loss Account</b>		
	(3.53)	(8.07)
	<b>(3.53)</b>	<b>(8.07)</b>
	<b>365.52</b>	<b>210.28</b>
<b>SCHEDULE 4 : SECURED LOANS</b>		
<b>From Banks &amp; Financial Institutions:</b>		
Secured by way of charge on rentals, mortgage / hypothecation of movable & immovable properties	2,166.43	1,521.29
Secured by way of charge on hypothecation of inventories, advances and receivables of specified projects and fixed deposit receipts	279.31	171.52
<b>From Others:</b>		
Secured by way of charge on movable & immovable properties	51.87	22.14
(Loans for ₹ 2,452 Crores (Previous Year ₹ 1,797 Crores) are guaranteed by some of the directors)		
	<b>2,497.61</b>	<b>1,714.95</b>
<b>SCHEDULE 5 : UNSECURED LOANS</b>		
Loans From Companies	0.62	9.58
	<b>0.62</b>	<b>9.58</b>
<b>SCHEDULE 6 : DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability	4.47	1.91
Less : Deferred Tax Asset	0.68	4.45
	<b>3.79</b>	<b>(2.54)</b>

Schedules forming part of Accounts (Contd.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31-Mar-10	Additions	Deductions/ Transfers	As At 31-Mar-11	Up to 31-Mar-10	For the year	Deletions	Up to 31-Mar-11	As At 31-Mar-11	As At 31-Mar-10
<b>INTANGIBLE ASSETS</b>										
Computer Software*	2.22	0.93	-	3.15	0.11	0.53	-	0.64	2.51	2.11
Port License	0.75	-	-	0.75	0.02	0.03	-	0.05	0.70	0.73
<b>TANGIBLE ASSETS</b>										
<b>LEASED ASSETS</b>										
Digital Zone - I										
Land	5.23	-	-	5.23	-	-	-	-	5.23	5.23
Building	22.63	-	-	22.63	1.98	0.37	-	2.35	20.28	20.65
Plant & Machinery	5.25	-	-	5.25	1.32	0.25	-	1.57	3.68	3.93
Electrical Equipment & Fittings	10.99	-	-	10.99	2.78	0.52	-	3.30	7.69	8.21
Furniture & Fixtures	9.34	-	-	9.34	3.10	0.59	-	3.69	5.65	6.24
<b>Thiruvanniyur</b>										
Land & Building	0.45	-	-	0.45	-	-	-	-	0.45	0.45
<b>Swarnabhoomi - SEZ</b>										
Land	-	0.87	-	0.87	-	-	-	-	0.87	-
Building	-	3.31	-	3.31	-	0.02	-	0.02	3.29	-
<b>PORT ASSETS</b>										
Buildings	29.38	0.02	-	29.40	0.76	1.00	-	1.76	27.64	28.62
Dredged Channels	122.00	-	-	122.00	3.39	4.07	-	7.46	114.54	118.61
Marine Structures	146.69	-	-	146.69	4.07	4.89	-	8.96	137.73	142.62
Plant and Machinery	55.09	2.00	-	57.09	2.07	2.66	-	4.73	52.36	53.02
<b>OTHER ASSETS</b>										
Land	120.48	86.76	-	207.24	-	-	-	-	207.24	120.48
Building	0.31	2.01	-	2.32	0.31	0.35	-	0.66	1.66	-
Computers	5.41	3.88	-	9.29	1.68	1.06	-	2.74	6.55	3.73
Office Equipment	2.34	3.36	-	5.70	0.36	0.23	-	0.59	5.11	1.98
Furniture & Fittings	3.25	11.36	-	14.61	0.80	0.67	-	1.47	13.14	2.45
Motor Vehicles	13.41	2.91	-	16.22	1.11	1.56	0.05	2.62	13.60	12.30
Plant & Machinery	12.09	49.48	0.10	61.57	0.68	2.79	-	3.47	58.10	11.41
Electrical Equipment & Fittings	1.42	2.76	-	4.18	0.16	0.16	-	0.32	3.86	1.26
Dredger	58.50	144.74	-	203.24	1.83	6.97	-	8.80	194.44	56.67
Live Stock**	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>627.23</b>	<b>314.39</b>	<b>0.10</b>	<b>941.52</b>	<b>26.53</b>	<b>28.72</b>	<b>0.05</b>	<b>55.20</b>	<b>886.32</b>	<b>600.70</b>
<b>Previous Year</b>	<b>264.28</b>	<b>462.68</b>	<b>99.73</b>	<b>627.23</b>	<b>14.66</b>	<b>18.27</b>	<b>6.40</b>	<b>26.53</b>	<b>600.70</b>	<b>249.62</b>
<b>Capital Work in Progress</b>	<b>734.55</b>	<b>480.15</b>	<b>2.17</b>	<b>1,212.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,212.53</b>	<b>734.55</b>
<b>Previous Year</b>	<b>556.43</b>	<b>493.42</b>	<b>315.30</b>	<b>734.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>734.55</b>	<b>556.43</b>

\*Note: - Other than internally generated

\*\* Includes ₹ 11,700/-

Capital work-in-progress includes:

- Construction costs
- Borrowing cost
- Pre-operative expenses
- Capital advances

861.62	571.87
214.55	98.30
119.47	53.51
16.89	10.87
<b>1,212.53</b>	<b>734.55</b>

## Schedules forming part of Accounts (Contd.)

PARTICULARS			As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)	
<b>SCHEDULE 8 : INVESTMENTS</b>					
<b>Long Term Investments</b>					
<b>Investments in Shares ( Non-Quoted, Stated at Cost )</b>					
<b>Company</b>	<b>Face value (₹)</b>	<b>No of Shares</b>			
		<b>31-Mar-11</b>	<b>31-Mar-10</b>		
MARG Digital Infrastructure Pvt Ltd	10	595,000	595,000	0.59	0.59
MARG Realities Ltd	10	995,000	995,000	1.00	1.00
Catholic Syrian Bank Ltd	10	20,100	20,100	0.06	0.06
				<u>1.65</u>	<u>1.65</u>
<b>Investments in Associate ( Non-Quoted )</b>					
Rajakamangalam Thurai Fishing Harbour Pvt Ltd*	10	3,900	3,900	-	-
Add/Less: Profit/(Loss) in Associates**				-	-
				<u>-</u>	<u>-</u>
<b>Investments in Properties ( Non-Quoted, Stated at Cost )</b>					
Building				0.84	0.84
				<u>0.84</u>	<u>0.84</u>
<b>Short Term Investments</b>					
<b>Investments in Mutual Funds (Quoted)</b>					
UTI Infrastructure Advantage Fund Series				0.09	0.10
[25,462.687 units (Previous year 100,000 units) of Face Value of ₹ 33.50 each (Previous year ₹10/- each)]					
[NAV as on 31st March 2011 ₹32.96 each (Previous year ₹9.20 each)]					
Less : Provision for Decline in Investments***				-	0.01
				<u>0.09</u>	<u>0.09</u>
				<u>2.58</u>	<u>2.58</u>

\*Includes ₹39,000/- as at 31st March 2011 and 31st March 2010

\*\*Includes ₹(18,445)/- and ₹(21,637)/- as at 31st March 2010 and 31st March 2011 respectively

\*\*\*Includes ₹(13,750)/- as at 31st March 2011

## Schedules forming part of Accounts (Contd.)

PARTICULARS	As At 31-Mar-11 (₹ in Crores)	As At 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 9 : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>Inventories</b>		
Stock of Completed Projects	-	6.13
Projects in Progress	446.95	300.95
Stock of Materials and Spares at Site	53.62	22.91
	<b>500.57</b>	<b>329.99</b>
<b>Sundry Debtors</b>		
(Unsecured and considered good)		
Outstanding for more than 6 months	53.57	33.87
Others	531.21	385.21
	<b>584.78</b>	<b>419.08</b>
<b>Cash and Bank Balances</b>		
Cash Balance	1.20	0.72
Balances with Scheduled Banks		
In Current Accounts	68.23	99.14
In Deposit Accounts	13.28	9.86
In Margin Money Accounts	63.71	31.74
	<b>146.42</b>	<b>141.46</b>
<b>Loans &amp; Advances</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advances to Suppliers	166.15	137.11
Advances to Staff	1.39	0.95
Other Advances Recoverable	25.38	30.23
Prepaid Expenses	10.85	3.45
Prepaid Taxes	62.00	35.69
Security Deposits	10.66	7.37
	<b>276.43</b>	<b>214.80</b>
	<b>1,508.20</b>	<b>1,105.33</b>
<b>SCHEDULE 10 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors	207.01	130.23
Advances from Customers	64.95	17.20
Expenses Payable	96.71	69.06
Bills Payable	131.05	95.85
Statutory Dues	28.43	16.96
Unclaimed Dividend	0.17	0.13
Due to Directors	1.06	0.64
Mobilisation Deposit	18.50	18.50
Other Current Liabilities	0.40	-
	<b>548.28</b>	<b>348.57</b>
<b>Lease Deposits / Rental Advances</b>	<b>5.41</b>	<b>4.90</b>
	<b>5.41</b>	<b>4.90</b>
<b>Provisions</b>		
Income Tax	7.24	-
Proposed Dividend	7.62	7.43
Tax on Dividend	1.27	1.13
	<b>16.13</b>	<b>8.56</b>
	<b>569.82</b>	<b>362.03</b>



## Schedules forming part of Accounts (Contd.)

PARTICULARS	Year Ended 31-Mar-11 (₹ in Crores)	Year Ended 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 11 : INCOME FROM OPERATIONS</b>		
Income from Projects / Operations	930.00	353.75
Income from Leasing	11.84	10.69
	<b><u>941.84</u></b>	<b><u>364.44</u></b>
<b>SCHEDULE 12 : OTHER INCOME</b>		
Profit on Sale of Investment	2.71	11.69
Dividend Received	0.83	0.01
Agricultural Income	0.12	0.10
Profit on Sale of Assets	-	8.32
Exchange Rate Difference	5.98	2.26
Miscellaneous Income	0.56	1.83
	<b><u>10.20</u></b>	<b><u>24.21</u></b>
<b>SCHEDULE 13 : COST OF PROJECTS/OPERATING EXPENSES</b>		
<b>COST OF PROJECTS / OPERATING EXPENSES</b>		
<b>Opening Stock</b>		
Stock of Completed Projects	6.13	-
Projects in Progress	300.95	203.22
Stock of Materials and Spares at Site	22.91	17.81
	<b><u>329.99</u></b>	<b><u>221.03</u></b>
<b>Expenditure During the year</b>		
Cost of Projects / Operating Expenses	876.82	341.85
<b>Closing Stock</b>		
Stock of Completed Projects	-	6.13
Projects in Progress	446.95	300.95
Stock of Materials and Spares at Site	53.62	22.91
	<b><u>500.57</u></b>	<b><u>329.99</u></b>
<b>Cost of Projects / Operating Expenses</b>	<b>706.24</b>	<b>232.89</b>
<b>Repairs &amp; Maintenance-Leased Properties</b>	<b>1.72</b>	<b>1.06</b>
	<b><u>707.96</u></b>	<b><u>233.95</u></b>
<b>SCHEDULE 14 : PERSONNEL EXPENSES</b>		
Salaries & Allowances	21.50	10.82
Remuneration to Managing Director	1.89	1.63
Rent Staff	-	0.09
Contribution to Funds	3.01	1.09
Recruitment & Training Expenses	1.22	0.35
Staff Welfare Expenses	3.92	1.09
Retirement Benefits	1.88	0.43
Employee Compensation Expense	0.32	1.12
	<b><u>33.74</u></b>	<b><u>16.62</u></b>



## Schedules forming part of Accounts (Contd.)

PARTICULARS	Year Ended 31-Mar-11 (₹ in Crores)	Year Ended 31-Mar-10 (₹ in Crores)
<b>SCHEDULE 15 : ADMINISTRATIVE EXPENSES</b>		
Rent	3.96	3.03
Rates & Taxes	0.51	0.23
Communication Cost	1.32	0.95
Electricity Charges	2.35	0.74
Traveling and Conveyance	7.64	4.21
IT Services	1.72	0.67
Repairs & Maintenance	1.31	2.22
Payment to Non-executive Directors		
- Sitting Fees for Board Meeting	0.12	0.11
- Sitting Fees for Committee Meeting	0.20	0.12
- Commission	0.50	-
Secretarial Expenses	0.54	1.45
Advertisement & Business Promotion	9.55	6.80
Printing & Stationery	1.00	0.68
Postage and Courier Charges	0.14	0.10
Payment to Auditors		
- Statutory Audit Fee	0.26	0.25
- Other Services	0.03	0.02
Insurance Premium	1.66	0.70
Legal & Professional Charges	8.00	4.25
General Expenses	0.90	0.87
Exchange Rate Fluctuation	0.69	0.06
Office Maintenance	6.44	2.79
Donation	0.55	0.22
Vehicle Maintenance	0.63	0.50
Loss on Sale of Assets	0.03	0.17
Preliminary Expenses Written off	-	0.02
	<b>50.05</b>	<b>31.16</b>
<b>SCHEDULE 16 : INTEREST &amp; FINANCE CHARGES</b>		
Interest on Loans	68.27	52.18
Less : Interest Recovered	8.82	10.86
Net Interest	59.45	41.32
Bank & Finance Charges	3.74	3.18
	<b>63.19</b>	<b>44.50</b>
<b>SCHEDULE 17 : DEFERRED TAX EXPENSE (INCOME)</b>		
Deferred Tax Liability for the year	6.33	(8.71)
	<b>6.33</b>	<b>(8.71)</b>



## **SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS**

### **SCHEDULE 18: NOTES ON ACCOUNTS**

#### **PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relate to MARG Limited (“The Company”), its subsidiaries and Associates. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 “Consolidated Financial Statements” and Accounting Standard AS-23, “Accounting for Investment in Associates in Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India and notified pursuant to the Companies (Accounting Standard) Rules 2006, as applicable on the following basis:

- a. The Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income & expenses as per the respective financial statements duly certified by the Auditors of the respective Companies after fully eliminating intra group balances and also transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- b. Minority Interests’ share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from the liabilities and equity of the Company’s shareholders.
- c. The difference between the cost of investment in subsidiaries and the proportionate share in the equity of the investee Company as at the date of acquisition is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.
- d. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of Profit and Loss account being the profit or loss on disposal of investment in subsidiary.
- e. Investments in Associates are accounted under the Equity Method. The excess of cost of investment over the proportionate share in equity of the Associate as on the date of acquisition of stake is identified as Goodwill and is disclosed in the Consolidated Financial Statements. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of associate. However, share of losses is accounted for only to the extent of the cost of investment. Subsequent profits if such associates are not accounted for unless the accumulated losses(not accounted for by the group) are recouped.
- f. “The Consolidated Financial Statements” have been prepared using the uniform accounting policies for the like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s individual financial statements.
- g. In case of foreign subsidiaries, being Integral foreign operations, Income and Expenditure items are consolidated by using monthly average rates. The Monetary items are translated using the rate prevailing at the balance sheet date. Non monetary items are translated at the rates prevailing on the date of transaction. The resultant exchange gain or loss is recognised in the consolidated profit and loss account.
- h. The details of the Subsidiary Companies considered in the consolidated financial statements are listed in the Annexure.

## **SIGNIFICANT GROUP ACCOUNTING POLICIES**

### **A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

(i) The Financial Statements are prepared under historical cost convention on accrual basis and going concern concept and materially comply with Accounting Standards (AS) as mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable

(ii) Use of Estimates: The preparation of financial statements requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statement & reported income & expenses during the reporting period. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provisions for income taxes, useful life of fixed assets, accounting for work executed etc.

### **B. REVENUE RECOGNITION**

1. In respect of property development and / or Construction contracts, the Company follows percentage completion method as per Accounting Standard 7 issued by the Institute of Chartered Accountants of India. The percentage of completion is stated on the basis of physical measurement of work actually completed/ actual cost incurred as compared to total estimated cost, at the balance sheet date, taking into account the contractual price and revision thereto. Losses on contracts are fully accounted for as and when incurred. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Expenditure incurred in respect of additional costs / delays are accounted in the year in which they are incurred. Claims made in respect thereof are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client. Project Development Income is the fee charged to the customers on transfer of property in consideration of various services rendered by the Company for promoting the respective projects.

2. Revenue from Port operation services is recognized as and when the services are rendered.

3. In cases of long term leases of land where land lease/sub-lease transactions are non-cancellable in nature, the income is recognized at the inception of lease / sub-lease agreement or when the Memorandum of Understanding takes effect. The entire income being the non-refundable upfront premium is recognized. In respect of these lands, the corresponding cost of the land is expensed off in the Profit and Loss Account.

4. Dividend income is recognized when the right to receive the payment is established.

5. In respect of other incomes, accrual system of accounting is followed.

### **C. FIXED ASSETS, DEPRECIATION & IMPAIRMENT**

(i) The Fixed Assets are stated at cost of acquisition including interest paid on specific borrowings up to the date of acquisition / installation of the assets and improvement thereon less depreciation.

(ii) In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalised.

(iii) Depreciation is provided on fixed assets, on straight-line method, on pro-rata basis as per the rates specified in Schedule XIV of the Companies Act, 1956.

(iv) Cost of port assets, viz., Buildings, Marine structures and Dredged Channel is amortized over the initial period of the Concession Agreement of 30 years commencing from "Commercial date of Operations" (COD), June 1, 2009.



(v) All assets individually costing ₹ 5,000 or below are fully depreciated in the year it is put to use.

(vi) Advances paid towards acquisition of fixed assets and cost of assets not put to use before the year end are shown under Capital Work - in - Progress.

#### **(vii) Intangible assets**

SAP software and other computer software are stated at cost of acquisition less accumulated amortization. The SAP software cost is amortized over a period of five years on a pro-rata basis.

(viii) The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating divisions which the assets belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and recognized in the profit and loss account.

### **D. VALUATION OF CLOSING STOCK**

(i) Raw Material: Raw Material, Stores and Spares are valued at weighted average Cost. Cost comprises all costs of purchase.

(ii) Project Land: The land not yet transferred to any project cost is valued at lower of cost/ estimated cost, and net realisable value.

(iii) Work-in-progress: Work-in-progress is valued at cost or the contract rates whichever is lower.

(iv) Completed projects: Completed Projects are valued at cost or net realizable value, whichever is less.

### **E. INVESTMENTS**

Investments are classified as Long-term and Current investments. Long-term investments are shown at cost or written down value (in case of other than temporary diminution) and current Investments are shown at cost or market value whichever is lower.

### **F. EMPLOYEE BENEFITS**

#### **1. Short Term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the bonus, exgratia are recognized in the period in which the employee renders service.

#### **2. Post employment benefits**

- **Provident Fund**

The Company's contribution to Provident Fund is deposited with the Regional Provident Fund Commissioner and is charged to Profit and Loss account every year.

- **Gratuity**

The Company is having Defined Benefit plan for the Gratuity and the provision is made based on actuarial valuation in accordance with the AS-15 of The Institute of Chartered Accountants of India.

- **Leave Encashment**

Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on actuarial basis in accordance with AS-15 of The Institute of Chartered Accountants of India.

## **G. TAX ON INCOME**

(i) The accounting treatment for Income Tax in respect of Company's income is based on the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax on income for the current period is determined on the basis of Taxable Income computed in accordance with the provisions of the Income Tax Act 1961.

(ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. In respect of Companies availing tax deduction under Section 80 of the Income Tax Act, 1961, deferred tax has been recognized in respect of timing difference, which originates during the tax holiday period but reverse after the tax holiday period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each Balance Sheet date unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

## **H. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are accounted on the exchange rate prevailing at the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit and Loss Account.

## **I. BORROWING COSTS:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of the asset/project. All the other borrowing costs are treated as period cost and charged to Profit and Loss account in the year in which they are incurred.

## **J. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed.

## **K. EMPLOYEE STOCK COMPENSATION COST**

In respect of the stock options granted by the Company, the intrinsic value of the options (excess of market price over the exercise price) of the shares is treated as employee compensation cost and is amortised over the vesting period, in accordance with Guidelines issued by SEBI in this regard.

## L. LEASES

### • Operating Leases

The Company is obligated under cancelable and non-cancelable leases for office, residential space and Land. Lease expenses are charged to the profit and loss account on a straight line basis over the lease term.

The Company leases office facilities and residential space/facilities under cancelable operating lease agreements. Assets subject to operating leases are included under fixed assets or current assets as appropriate. Lease income is recognized in the profit and loss account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the profit and loss account.

### • Finance Leases

Assets acquired on Finance Lease, which transfers risks and rewards of ownership to the Company are capitalized as assets by the Company at the lower of Fair value of leased property or the Present value of the related lease payments.

Lease rental payable is apportioned between principal and finance charge using the internal rate of return method. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on remaining balance of liability.

## M. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

## NOTES ON ACCOUNTS

### 1. CONTINGENT LIABILITIES

a. Estimated amount of liability on capital contracts as on 31st March 2011 is ₹ 674.88 Crores  
(Previous Year ₹ 1094.10 Crores)

b. Corporate Guarantees and collateral securities given to Banks in respect of loans taken by other Companies :  
₹ 2753.70 Crores (Previous Year ₹ 2300.85 Crores)

c. Corporate Guarantees given to Bank in respect of performance bank guarantees issued by them : ₹ 126.56 Crores  
(Previous Year ₹ 65.33 Crores)

d. The company has imported capital goods at concessional rate of customs duty under the Export Promotion Credit Guarantee (EPCG) scheme against submission of bank guarantees. In terms of the scheme, the company is obliged to export goods/services of certain FOB value as specified in the said scheme. As at the year end, the company has the following unfulfilled export obligations under the scheme:

(₹ in crores)

As at 31 <sup>st</sup> Mar 2011		As at 31 <sup>st</sup> Mar 2010		Due date of Obligation
Duty saved	Export obligation	Duty saved	Export obligation	
0.14	1.14	0.14	1.14	17-Feb-12
0.12	0.95	0.12	0.95	3-Jan-15
0.14	1.11	0.14	1.11	27-Feb-15
1.73	13.83	Nil	Nil	20-May-18
0.31	2.47	Nil	Nil	20-May-18
0.32	2.55	Nil	Nil	25-Aug-17
0.80	6.37	Nil	Nil	25-Aug-17
0.07	0.57	Nil	Nil	30-Jun-18
0.04	0.30	Nil	Nil	9-Feb-18
0.06	0.52	Nil	Nil	9-Feb-18

e. Claims not acknowledged as debts by the Company: ₹ 1.02 Crore (Previous Year ₹ 0.04 Crore)

#### f. Income Tax Demand:

##### Tax on Income

Assessment Year	Details of Demand (₹)				Forum Where Dispute is Pending
	Demand Raised By Dept.	Amount Paid under Protest			
		Till 31st March 2010	During 2010-11	Total	
2001 - 02	16,785,003	16,879,719	-	16,879,719	Madras High Court
2002 - 03	8,926,848	9,659,367	-	9,659,367	CIT
2007 - 08	13,40,625	13,40,625	-	13,40,625	ITAT, Chennai
2008 - 09	5,276,990	-	52,76,990	52,76,990	CIT(Appeal)

##### Tax Deducted at Source

Assessment Year	Details of Demand (₹)				Forum Where Dispute is Pending
	Demand Raised By Dept.	Amount Paid under Protest			
		Till 31st March 2010	During 2010-11	Total	
1996 - 97	21,503	4,931	-	4,931	ITO – TDS
1997 - 98	2,368,619	2,317,682	-	2,317,682	ITO – TDS
1998 - 99	1,628,830	842,934	-	842,934	ITO – TDS
1999 - 00	1,857,640	581,282	-	581,282	ITO – TDS
2000 - 01	442,820	65,440	-	65,440	ITO – TDS

## 2. DEFERRED TAX ASSETS / LIABILITY

As per the Accounting Standard (AS-22) laid down by the Institute of Chartered Accountants of India, the Company is required to make a provision for deferred tax Assets / liability.

During the year an amount of ₹ 6.33 Crores has been charged as deferred tax expense. The deferred tax liability outstanding as on 31st March 2011 is ₹ 3.79 Crores the details of which are as follows:

(₹ in crores)

Particulars	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Outstanding Deferred Tax Liability/(asset) as at the beginning of the year	(2.54)	6.17
Timing difference on account of Depreciation	(17.33)	17.35
Timing difference on account of Business Loss	20.12	(21.49)
Timing difference on account of Employee Benefits	(0.28)	(0.28)
Reversal of Deferred Tax Liability for Dredger Depreciation	-	(4.29)
Reversal of Deferred Tax asset on account of Business Loss	3.82	-
Outstanding Deferred Tax Liability/(asset) as at the end of the year	3.79	(2.54)

In case of the Subsidiary Karaikal Port Private Limited, the deferred tax asset is recognized to the extent of the Deferred Tax Liability of ₹ 19.89 crore and the Deferred Tax asset of ₹ 3.82 crore recognized in FY 2009-10 is reversed during the year.

## 3. SEGMENT REPORTING

a. The company has identified four reportable segments as follows:

- 1) Engineering, Procurement and Construction (EPC)
- 2) Urban Infrastructure Development
- 3) Port and Logistics
- 4) Leasing

b. Segments have been identified and reported taking into account nature of services, the differing risks and returns and the internal business reporting segments. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with the following additional policies for Segment Reporting:

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

## Primary Segment Information:

(₹ in crores)

	Particulars	EPC	URBAN INFRASTRUCTURE DEVELOPMENT	PORT & LOGISTICS	LEASING	UNALLOCABLE	TOTAL
1	<b>Segment Revenue</b>						
	External Turnover	472.73	264.81	191.50	12.09	0.71	941.84
	Inter Segment Turnover	531.25	2.03	7.51	0.62	-	541.41
	<b>Total Turnover</b>	<b>1,003.98</b>	<b>266.84</b>	<b>199.01</b>	<b>12.71</b>	<b>0.71</b>	<b>1,483.25</b>
2	<b>Segment Result before Interest &amp; Taxes</b>						
	Segment Result before Interest & Taxes	150.21	63.45	64.89	10.78	-	289.33
	Less: Inter Segment Result						108.28
							181.05
	Less: Unallocable Expenses						48.93
	Less: Interest and Finance Charges						72.01
	Add: Interest Income						8.82
	Less: Prior period / Exceptional Items						0.54
	<b>Profit Before Tax</b>						<b>68.39</b>
	Current Tax						43.83
	Deferred Tax						6.33
	<b>Profit after Tax</b>						<b>18.23</b>
3	<b>Other Information</b>						
	Segment Assets	851.45	758.42	1,330.28	322.00	347.49	3,609.64
	Segment Liabilities	712.13	640.33	1,180.46	214.72	324.20	3,071.84
	Capital Expenditure	220.87	5.53	381.72	56.00	128.25	792.37
	Depreciation for the year	12.07	0.52	13.73	1.75	0.10	28.17
	Non Cash Expenses (Income) (other than depreciation)	0.34	-	-	-	-	0.34

As per Accounting Standard on Segment Reporting (AS 17), "Segment Reporting", the Company has reported segment information on the basis of Consolidated accounts including businesses conducted through its Subsidiaries.

The reportable segments are further described below:

- **EPC segment:** EPC division provides integrated turnkey solutions. It provides integrated design, engineering, material procurement, field services and construction & project management services for infrastructure sector and real estate projects.
- **Urban Infrastructure Development:** Urban Infrastructure Development segment includes "MARG Swarnabhoomi" the SEZ developed by New Chennai Township Private Limited, a wholly owned subsidiary of MARG Limited, MARG ProperTies, and other residential projects of the Holding Company MARG Limited.
- **Port and Logistics:** Port and Logistics division includes the MARG Karaikal Port and MARG Logistics. MARG Karaikal Port is a Private Port engaged in the development and operation of the port in Karaikal. MARG Logistics, a fully owned subsidiary of MARG Ltd, presently offers total integrated logistics services to the EXIM customers of Karaikal Port.
- **Leasing:** Leasing segment includes MARG Junction Mall which is under construction, proposing to lease the commercial spaces for business, leisure and entertainment, Hotel etc and the Leasing of Digital Zones by the Holding Company.

## Secondary Segment Information:

The group is primarily operating in India which is considered as a single geographical segment and hence the Secondary segment information is not given.

#### 4. RELATED PARTY DISCLOSURES

##### A. Associates:

The Company holds 39% shares in Rajakamanglam Thurai Fishing Harbour Private Limited.

##### B. Key Management Personnel: (KMP)

G R K Reddy-Chairman & Managing Director

##### C. Relative of Key Management Personnel:

V P Rajini Reddy-Director and wife of the MD

G Raghava Reddy-Director and father of the CMD

##### D. Entities over which KMP and/or their relatives exercise control:

- i) Avinash Constructions Private Limited
- ii) Noble Habitat Private Limited
- iii) Jeevan Habitat Private Limited
- iv) Akshya Infrastructure Private Limited
- v) Marg Foundation
- vi) Swarnabhoomi Academic Institutions

##### E. Entities over which KMP and/or their relatives exercise significant influence:

- i) Exemplarr Worldwide Limited
- ii) Marg Digital Infrastructure Private Limited
- iii) Marg Realities Limited

Particulars of transactions with the related parties in the ordinary course of the business (₹ in Crores)

Particulars	Associates		KMP and Relatives		Entities over which KMP and/or their relatives exercise control/significant influence	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Contract & Service received	-	-	-	-	2.49	1.29
Services rendered	-	-	-	-	14.99	-
Loans & Advances made (Net)	-	0.14	-	-	0.19	0.69
Interest Received	-	-	-	-	..**	-
Remuneration & Commission, Director Sitting fee	-	-	2.23	1.71	-	-
Guarantees and Collaterals received	-	-	-	-	399.00	121.00
<b>Balance as on 31<sup>st</sup> March 2011</b>						
Investments	..*	..*	-	-	1.59	1.59
Sundry Debtors	-	-	-	-	30.00	-
Sundry Creditors	-	-	-	-	0.12	0.07
Loans & Advances	1.10	1.10	-	-	0.84	-
Remuneration & Commission	-	-	0.78	0.60	-	-
Guarantees issued	-	-	-	-	11.20	11.20
Guarantees received	-	-	-	-	525.00	126.00

\* includes ₹ 39,000/-

\*\* includes ₹ 13,508/-

## 5. EMPLOYEE BENEFITS

### A. GRATUITY

The Company does not maintain any fund to pay for Gratuity

i) Amount recognized in the Profit and Loss Account is as under:

( ₹ in crores)

Description	Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
Current service cost	1.03	0.50
Interest Cost	0.07	0.04
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	0.18	(0.07)
Transitional Liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost – vested benefits	0.23	-
<b>Expenses recognized in the statement of profit and loss</b>	<b>1.51</b>	<b>0.47</b>

ii) Movement in the liability recognized in the Balance Sheet during the year:

( ₹ in crores)

Description	As At 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Opening net liability	0.91	0.49
Expense as above	1.51	0.47
Contribution paid	-	(0.02)
<b>Closing net liability</b>	<b>2.42</b>	<b>0.94</b>

iii) Net Assets/Liability in the Balance Sheet as at the year end

( ₹ in crores)

Description	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Present value of the obligation	2.42	0.94
Fair value of plan assets	-	-
Difference	2.42	0.94
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
<b>Liability recognized in the balance sheet</b>	<b>2.42</b>	<b>0.94</b>



iv) For determination of Gratuity liability of the Company the following actuarial assumptions were used:

Description	Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
Discount Rate	8%	8%
Salary escalation rate	8%	8%
Attrition rate	4%	4%

## B. Leave Encashment

The Company doesn't maintain any fund to pay for leave encashment

i) Amount recognized in the Profit and Loss Account is as under:

( ₹ in crores)

Description	Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
Current service cost	0.44	0.25
Interest Cost	0.05	0.03
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	0.34	0.10
Transitional Liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	-	-
<b>Expenses recognized in the statement of profit and loss</b>	<b>0.83</b>	<b>0.38</b>

ii) Movement in the liability recognized in the Balance Sheet during the year:

( ₹ in crores)

Description	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Opening net liability	0.68	0.36
Expense as above	0.82	0.38
Contribution paid	(0.19)	(0.04)
<b>Closing net liability</b>	<b>1.31</b>	<b>0.70</b>

iii) Net Assets/Liabilities in the Balance Sheet as at the year end

( ₹ in crores)

Description	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Present value of the obligation	1.31	0.70
Fair value of plan assets	-	-
Difference	1.31	0.70
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
<b>Liability recognized in the balance sheet</b>	<b>1.31</b>	<b>0.70</b>

iv) For determination of Leave Encashment liability of the Company the following actuarial assumptions were used:

Description	Year ended 31st March 2011	Year ended 31st March 2010
Discount Rate	8%	8%
Salary escalation rate	8%	8%
Attrition rate	4%	4%

## 6. CASH & CASH EQUIVALENTS

Cash & Cash Equivalents include the following which are not available for ready use by the Company:

( ₹ in crores)

Particulars	Year ended 31 <sup>st</sup> March 2011	Year ended 31 <sup>st</sup> March 2010
Margin money	63.71	31.66
Fixed Deposit with Bank	13.28	5.39
Unclaimed Dividend with bank	0.17	0.13

## 7. NON CASH TRANSACTIONS

During the year loan of ₹ 48.13 crore given to subsidiaries of the company was converted into Share application money.

## 8. QUALIFIED INSTITUTIONAL PLACEMENT (QIP) AND PREFERENTIAL ISSUE OF WARRANTS:

- Consequent to Qualified Institutional Placement (QIP), the Company issued and allotted 56,31,648 Equity Shares of ₹ 10 each at a premium of ₹ 179.88 per share on 3rd May 2010 to Qualified Institutional Buyers (QIB) under Chapter VIII of SEBI's Issue of Capital & Disclosure Regulations, 2009. The entire proceeds of ₹ 106.93 crores received under the QIP issue was utilized in 2010-11.

- During 2009-10 the Company issued 67, 71, 619 warrants convertible into equity shares at the option of the holders, on preferential basis. Out of the above, the Company upon conversion of 15,62,100 warrants allotted equal number of 15,62,100 equity shares in 2009-10 and balance of 52,09,519 warrants were converted into equal number of 52,09,519 equity shares in 2010-11 and the issue price of warrants convertible into equity shares was at ₹ 10 each at a premium of ₹ 51 per share. This includes 49,00,000 equity shares allotted to the promoters. Out of the total Preferential warrant proceeds of ₹ 23.48 crores received during the year, the company utilized ₹ 23.83 crores in the year, including the balance carried forward from last year.

## 9. EMPLOYEES STOCK OPTION SCHEME(ESOP)

a) The Company has granted options to the eligible employees of the Company under the MARG Constructions Limited Employees Stock Option Plan 2006 (the "Scheme"). Under the Scheme, 500,000 equity shares have been earmarked to be granted and the same will vest as follows:

Block I	Block II	Block III
Year 1	Year 2	Year 3
30%	30%	40%

Pursuant to the above Scheme, the employee will have the option to exercise the right within 2 years from the date of vesting of shares at the exercise price.

b) As per the Scheme, the Compensation Committee has granted Options as per details below:-

Grant No.	Date of Grant	Number of Options Granted	Grant Price (₹)	Outstanding Options as on 31 <sup>st</sup> March 2011
I	15-Oct-07	1,97,006	100	3,762
II	23-Oct-07	2,100	100	Nil
III	8-Nov-07	3,475	120	Nil
IV	12-Nov-07	3,000	130	Nil
V	17-Nov-07	4,500	160	Nil
VI	8-Dec-07	6,370	200	Nil
VII	19-Feb-08	19,890	200	Nil
VIII	3-Oct-09	2,50,844	75	1,45,722

c) During the year 69,390 equity shares were allotted to such employees who exercised the option.

## 10. EARNINGS PER SHARE (EPS):

Particulars		2010-11	2009-10
a.	Profit After Tax (₹ Crores) For Basic EPS For Diluted EPS	18.23 18.23	11.43 11.43
b.	Weighted average number of equity shares (Nos lacs) For Basic EPS  <b>Add:</b> Weighted average number of potential shares on account of Employee Stock Options  <b>Add:</b> Weighted average number of potential shares on account of Preferential allotment of warrants For Diluted EPS	330.55 1.34 45.31 377.20	264.11 1.04 32.76 297.91
c.	Earning Per Share (₹) Basic Diluted	5.51 4.83	4.33 3.84
d.	Nominal Value Per Share (₹)	10.00	10.00

## 11. LEASES

### • Operating Leases

#### a. Cancelable lease

Total rental charges under cancelable operating lease was ₹ 1.24 crores and ₹ 3.83 crores for the quarter and year ended 31<sup>st</sup> March 2011 respectively. (Previous year ₹ 0.42 crore and ₹ 1.98 crores)

#### b. Non cancelable lease

##### As Lessee:

The Holding Company Marg Limited has taken office building under non-cancelable operating lease during the year from November 2010. The lease rental expense during the year was ₹ 1.45 crore. The future minimum lease payments in respect of this lease as at March 31, 2011 are as follows:

( ₹ in crores)

<b>Future Obligations:</b>	<b>As at 31<sup>st</sup> March 2011</b>	<b>As at 31<sup>st</sup> March 2010</b>
Not later than one year	4.27	-
Later than one year not later than five years	6.76	-
Later than five years	-	-
<b>Total</b>	<b>11.03</b>	<b>-</b>

#### As Lessor:

The Subsidiary New Chennai Township Limited has leased out facilities under non-cancellable operating leases. The future minimum lease payments receivables in respect of these leases as at 31st March 2011 are:

( ₹ in crores)

<b>Future Receivables:</b>	<b>As at 31<sup>st</sup> March 2011</b>	<b>As at 31<sup>st</sup> March 2010</b>
Not later than one year	0.72	-
Later than one year not later than five years	2.50	-
Later than five years	-	-
<b>Total</b>	<b>3.22</b>	<b>-</b>

c. The lease rent for the leasehold land awarded through the concession agreement by Government of Pondicherry (GoP) to the subsidiary Karaikal Port Private Limited is treated as a non-cancellable lease for a period of 30 years (with an option to renew for a further two periods of 10 years each). During the year the Company has incurred ₹.0.11 crore (Previous Year ₹.0.05 crore) as lease rentals.

( ₹ in crores)

<b>Future Obligations:</b>	<b>As at 31<sup>st</sup> March 2011</b>	<b>As at 31<sup>st</sup> March 2010</b>
Not later than one year	0.23	0.05
Later than one year not later than five years	1.09	0.20
Later than five years	12.30	1.05
<b>Total</b>	<b>13.62</b>	<b>1.30</b>

#### • Finance Leases

During the year, the Company had taken certain vehicles on Finance Lease. The reconciliation between the total minimum lease payments at the Balance Sheet date and their present value is as below:

( ₹ in crores)

<b>Particulars</b>	<b>Minimum Lease Payments</b>	<b>Future Finance Charges</b>	<b>Present Value</b>
Not later than one year	0.05	0.01	0.04
Later than one year not later than five years	0.03	-*	0.03
<b>Total</b>	<b>0.08</b>	<b>0.01</b>	<b>0.07</b>

\*includes ₹ 15,155

## 12. EXPENDITURE IN FOREIGN CURRENCY

( ₹ in crores)

Particulars	Year Ended 31 <sup>st</sup> March, 2011	Year Ended 31 <sup>st</sup> March, 2010
Foreign Travel	0.22	0.28
Professional/Consultancy Fees	2.01	0.19
Hire Charges	35.42	6.80
Others	0.20	0.07
<b>Total</b>	<b>37.85</b>	<b>7.34</b>

## 13. CIF VALUE OF IMPORTS

( ₹ in crores)

Particulars	Year Ended 31 <sup>st</sup> March, 2011	Year Ended 31 <sup>st</sup> March, 2010
Spares	0.81	1.40
Materials	-	1.65
Capital Goods	9.31	45.51
<b>Total</b>	<b>10.12</b>	<b>48.56</b>

## 14. AUDITORS' REMUNERATION

( ₹ in crores)

Particulars	Year Ended 31 <sup>st</sup> March, 2011	Year Ended 31 <sup>st</sup> March, 2010
Statutory Audit Fees	0.26	0.25
Tax Audit Fee	0.02	0.01
Certification	0.05	0.02
Reimbursement of Expenses	0.00*	-
Other Services	0.02	-
<b>Total</b>	<b>0.35</b>	<b>0.28</b>

\*includes ₹ 24,908

## 15. CONSUMPTION OF SPARES AND CONSUMABLES – IMPORTED AND INDIGENOUS

( ₹ in crores)

Particulars	Consumption		% of Total Consumption	
	2010-11	2009-10	2010-11	2009-10
Imported	-	-	-	-
Indigenous	10.59	2.19	100	100
<b>Total</b>	<b>10.59</b>	<b>2.19</b>	<b>100</b>	<b>100</b>

## 16. FOREIGN CURRENCY EXPOSURES

The Company does not use any derivative instruments to hedge its foreign currency exposures. The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

(in crores)

Particulars	As at 31st Mar 2011		As at 31st Mar 2010	
	USD	₹	USD	₹
Creditors for Services	0.24	10.74	-	-
Creditors for Spares import	0.04	1.95	0.03	1.30
Creditors for Import of capital goods	0.06	2.51	-	-
Loan given to Subsidiaries	0.30	13.61	-*	0.07
<b>Total</b>	<b>0.64</b>	<b>28.81</b>	<b>0.03</b>	<b>1.37</b>
	<b>GBP</b>	<b>₹</b>	<b>GBP</b>	<b>₹</b>
Creditors for Services	0.01	0.61	-	-

Conversion rate applied:

1 USD = ₹ 44.65 (Previous year ₹ 45.14)

1 GBP = ₹ 71.9289 (Previous year ₹ 68.032)

\*15,325 USD in 09-10

17. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

18. The details of Capital Reserve and Goodwill on consolidation are as under:

(₹ in crores)

Particulars	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Goodwill	8.67	-*
Capital Reserve	.**	.**
<b>Goodwill (Net of capital reserve) on consolidation</b>	<b>8.67</b>	<b>.**</b>

\*includes ₹ 23,409 in FY 09-10

\*\*includes ₹ 2,330 for FY 10-11 and FY 09-10

\*\*\* includes ₹ 21,079 FY 2009-10

19. Previous Year's figures have been regrouped / reclassified / rearranged wherever necessary to bring them in conformity with the current year figures.

As per our Report of even date attached

**For K RAMKUMAR & CO.,**

**Regn No: 02830S**

Chartered Accountants

**R M V BALAJI**

**Partner**

Membership No. 27476

Place : Chennai

Date : 29th Aug 2011

For and on behalf of Board of Directors

**G R K REDDY**

*Chairman & Managing Director*

**ARUN KUMAR GURTU**

*Director*

**R SURESH**

*CFO*

**S SIVARAMAN**

*Company Secretary*



## **AUDITOR'S REPORT ON CONSOLIDATED CASH FLOW STATEMENT**

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We have examined the Consolidated Cash Flow Statement of MARG Limited for the year ended 31st March 2011. The Statement has been prepared by the Company in accordance with the requirement of clause 32 of the listing agreement entered with Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the Board of Directors of the Company.

**For K RAMKUMAR & CO.,**  
**Regn No: 02830S**  
Chartered Accountants

**R M V BALAJI**  
**Partner**  
**Membership No. 27476**

Place : Chennai  
Date : 29th Aug 2011

## Consolidated cash flow statement

S No	Particulars	Year Ended 31-Mar-2011 (₹ in Crores)	Year Ended 31-Mar-2010 (₹ in Crores)
<b>A</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
	Net Profit before Taxation and extraordinary Item	68.92	44.39
	Adjustment for:		
	Depreciation	28.20	18.07
	Net Unrealised (Gain) / Loss on Exchange Rate Fluctuations	0.34	(0.08)
	Exchange (Gain) / Loss on Translation of Foreign Subsidiaries	(5.68)	(2.12)
	Net Unrealised Loss / (Profit) Decline in Investments	0.01	(0.03)
	Dividend Income	(0.83)	(0.01)
	Profit on sale of Assets	-	(8.28)
	Profit on Sale of Investment	(2.71)	(11.69)
	Loss on sale of Fixed Assets	0.02	0.17
	Charges for Employee Stock option	0.32	1.12
	Prior Period Items (Net)	(0.54)	(0.47)
	Interest and Finance Charges (Net)	63.19	44.49
	<b>Operating Profit before Working Capital Changes</b>	<b>151.24</b>	<b>85.56</b>
	Decrease / (Increase) in Sundry Debtors	(250.21)	(229.11)
	Decrease / (Increase) in Inventories	(170.60)	(108.95)
	Decrease / (Increase) in Loans & Advances	(51.46)	(27.77)
	Increase / (Decrease) in Current Liabilities	144.45	196.32
	<b>Cash Generated from Operations</b>	<b>(176.58)</b>	<b>(83.95)</b>
	Income Tax	(55.75)	(48.62)
	<b>Cash Flow before extraordinary items</b>	<b>(232.33)</b>	<b>(132.57)</b>
	Adjustment for extraordinary Items	-	-
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(232.33)</b>	<b>(132.57)</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets	(605.55)	(546.48)
	Goodwill on Consolidation*	(8.49)	-
	Dividend Received	-	0.01
	Sale of Investments in Subsidiaries	13.58	-
	Proceeds from Sale of Fixed Assets (Net)	30.34	38.95
	<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(570.12)</b>	<b>(507.52)</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
	Proceeds from Issue of Share Capital	9.55	1.60
	Proceeds from Share Premium	126.73	8.61
	Proceeds from Issue of Share to Minorities**	83.72	-
	Proceeds from Warrant / Shares Application Money	-	78.30
	Proceeds from Long Term Borrowings (Net)	553.52	592.76
	Proceeds from Short Term Borrowings (Net)	98.54	104.33
	Interest and Finance Charges Paid (Net)	(56.99)	(51.13)
	Dividend & Dividend Tax Paid	(7.66)	(5.96)
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>807.41</b>	<b>728.51</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>4.96</b>	<b>88.42</b>
	<b>Cash and Cash Equivalents at beginning of Period</b>	<b>141.46</b>	<b>53.04</b>
	<b>Cash and Cash Equivalents at end of Period</b>	<b>146.42</b>	<b>141.46</b>

Notes:

- Cash Flow statement is prepared under the Indirect Method in accordance with Accounting Standard AS-3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- Depreciation includes amount transferred to 'Cost of Projects'.
- For cash and cash equivalents not available for immediate use as on the Balance Sheet date, refer Note No 6 of Notes forming part of Accounts.
- For non cash transactions refer Note 7 of Notes forming part of Accounts.
- Previous year's figures have been regrouped/reclassified wherever necessary.

\*Includes Rs (23,409)/- for the FY 2009-10.

\*\*Includes Rs 49,000/- for the FY 2009-10.

As per our Report of even date attached

**For K RAMKUMAR & CO.,**

**Regn No: 02830S**

Chartered Accountants

**R M V BALAJI**

**Partner**

Membership No. 27476

Place : Chennai

Date : 29th Aug 2011

For and on behalf of Board of Directors

**G R K REDDY**

**Chairman & Managing Director**

**ARUN KUMAR GURTU**

**Director**

**R SURESH**

**CFO**

**S SIVARAMAN**

**Company Secretary**



## Annexure

### Subsidiaries of MARG Limited

Sl. No	Name of the Company	Country of Incorporation	% of voting power held as at 31st March 2011	Sl. No	Name of the Company	Country of Incorporation	% of voting power held as at 31st March 2011
1	Aaram Constructions Private Limited	India	100.00%	42	MARG Marine Infrastructure Limited	India	100.00%
2	Abhinaya Infradevelopers Private Limited	India	100.00%	43	MARG International Dredging Pte Limited	Singapore	100.00%
3	Ajani Constructions Private Limited	India	100.00%	44	MARG Sri Krishnadevaraya Airport Private Limited	India	100.00%
4	Akarsh Constructions Private Limited	India	100.00%	45	MARG Logistics Private Limited	India	100.00%
5	Akhil Infrastructure Private Limited	India	100.00%	46	MARG Port Management Services Private Limited	India	100.00%
6	Ambar Nivas Private Limited	India	100.00%	47	MARG Power projects Private Limited	India	100.00%
7	Amir Constructions Private Limited	India	100.00%	48	MARG Properties Limited	India	100.00%
8	Anumanthai Beachside Resorts Private Limited	India	100.00%	49	MARG Renewable Power Projects Private Limited	India	100.00%
9	Anuttam Constructions Private Limited	India	100.00%	50	MARG Swarnabhoomi Logistics Private Limited	India	100.00%
10	Aparajitha Infrastructure Private Limited	India	100.00%	51	MARG Swarnabhoomi Port Private Limited	India	90.00%
11	Aprati Constructions Private Limited	India	100.00%	52	MARG Swarnabhoomi Power Private Limited	India	100.00%
12	Arogya Constructions Private Limited	India	100.00%	53	MARG Trading Pte Limited	Singapore	100.00%
13	Arohi Infrastructure Private Limited	India	100.00%	54	Marigold Villas Private Limited	India	100.00%
14	Aroopa Infradevelopers Private Limited	India	100.00%	55	Mayur Habitat Private Limited	India	100.00%
15	Atul Infrastructure Private Limited	India	100.00%	56	Mukta Infrastructure Private Limited	India	100.00%
16	Avatar Constructions Private Limited	India	100.00%	57	Navita Estates Private Limited	India	100.00%
17	Bay Infradevelopers Private Limited	India	100.00%	58	Navrang Infrastructure Private Limited	India	100.00%
18	Bharani Infrastructure Private Limited	India	100.00%	59	New Chennai Township Private Limited	India	100.00%
19	Bhushan Tradelinks Private Limited	India	100.00%	60	New Era Land Developers Private Limited	India	100.00%
20	Darpan Houses Private Limited	India	100.00%	61	O M R Developers Private Limited	India	100.00%
21	Dasha Infradevelopers Private Limited	India	100.00%	62	Parivar Apartments Private Limited	India	100.00%
22	Future Parking Private Limited	India	51.00%	63	Pathang Constructions Private Limited	India	100.00%
23	Giri Infradevelopers Private Limited	India	100.00%	64	Prospective Constructions Private Limited	India	100.00%
24	Goldenview Nivas Private Limited	India	100.00%	65	Rainbow Habitat Private Limited	India	100.00%
25	Highrise Housing Projects Private Limited	India	100.00%	66	Riverside Infrastructure (India) Private Limited	India	68.49%
26	Hilary Constructions Private Limited	India	100.00%	67	Rupak Constructions Private Limited	India	100.00%
27	Indraprastha Homes Private Limited	India	100.00%	68	Sanjog Infrastructure Private Limited	India	100.00%
28	Jai Ganesh Infradevelopers Private Limited	India	100.00%	69	Saptarishi Projects Private Limited	India	100.00%
29	Kanchanajunga Infradevelopers Private Limited	India	100.00%	70	Saral Homes Private Limited	India	100.00%
30	Karaikal Infradevelopers Private Limited	India	100.00%	71	Sarang Infradevelopers Private Limited	India	100.00%
31	Karaikal Port Private Limited	India	95.34%	72	Sathsang Constructions Private Limited	India	100.00%
32	Karaikal Power Company Private Limited	India	100.00%	73	Shubham Vihar Private Limited	India	100.00%
33	Kirtidhara Infrastructure Private Limited	India	100.00%	74	Siddhi Infradevelopers Private Limited	India	100.00%
34	Kripa Infrastructure Private Limited	India	100.00%	75	Signa Infrastructure India Limited	India	74.00%
35	Magnumopus Infrastructure Private Limited	India	100.00%	76	Singar Constructions Private Limited	India	100.00%
36	MARG Aviations Private Limited	India	100.00%	77	Swarnabhoomi Port Private Limited	India	100.00%
37	MARG Business Park Private Limited	India	100.00%	78	Swatantra Infrastructure Private Limited	India	100.00%
38	MARG Communications Private Limited	India	100.00%	79	Veda infradevelopers Private Limited	India	100.00%
39	MARG Constructions (Chennai) Private Limited	India	100.00%	80	Viswadhara Constructions Private Limited	India	100.00%
40	MARG Industrial Clusters Limited	India	100.00%	81	Wisdom Constructions Private Limited	India	100.00%
41	MARG Infrastructure Developers Limited	India	100.00%	82	Yuva Constructions Private Limited	India	100.00%

# Balance Sheet Abstract

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration No. L45201TN1994PLC029561 State Code 1 8  
 Balance Sheet Date 3 1 - 0 3 - 2 0 1 1

### II. Capital Raised during the year (Amount in Rs Thousand)

Public Issue NIL Right Issue NIL  
 ESOP 6 9 3 Conversion of Warrants 5 2 0 9 5  
 QIB 5 6 3 1 6

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousand)

Total Liabilities 1 4 2 2 7 4 6 2 Total Assets 1 4 2 2 7 4 6 2

#### Source of Funds

Paid up Capital 3 8 1 1 8 9 . 2 6 Employee Stock Option 5 8 4 8 . 3 3  
 Reserve & Surplus 5 7 6 4 8 4 3 . 9 4 Warrant Application Money NIL  
 Secured Loans 8 0 4 4 8 5 9 . 4 1 Unsecured Loans NIL  
 Deferred Tax Liability 3 0 7 2 2 . 0 0

#### Application of Funds

Net Fixed Assets 1 4 1 9 6 3 9 . 3 1 Investment 5 1 9 9 2 5 5 . 8 9  
 Net Current Assets 7 6 0 8 5 6 7 . 7 4 Accumulated Loss NIL

### IV. Performance of Company (Amount in Rs Thousand)

Turnover 1 0 8 6 3 8 3 7 . 8 5 Total Expenditure 9 5 7 0 1 4 4 . 8 5  
 Profit/Loss before Tax 9 4 8 7 5 7 . 4 4 Profit/Loss after Tax 5 9 8 7 4 9 . 7 8  
 Earning per Share in Rs. 1 8 . 1 1 Dividend Rate % 2 0 . 0 0 %

### V. Generic names of Three Principal Products of the Company

Item Code No. (ITC Code) D I V I S I O N 4 5  
 Product Description C O N S T R U C T I O N



**MARG Limited,**

# 334, Futura Tech Park, Block B,

Rajiv Gandhi Salai (OMR), Sholinganallur, Chennai - 600 119, India.

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