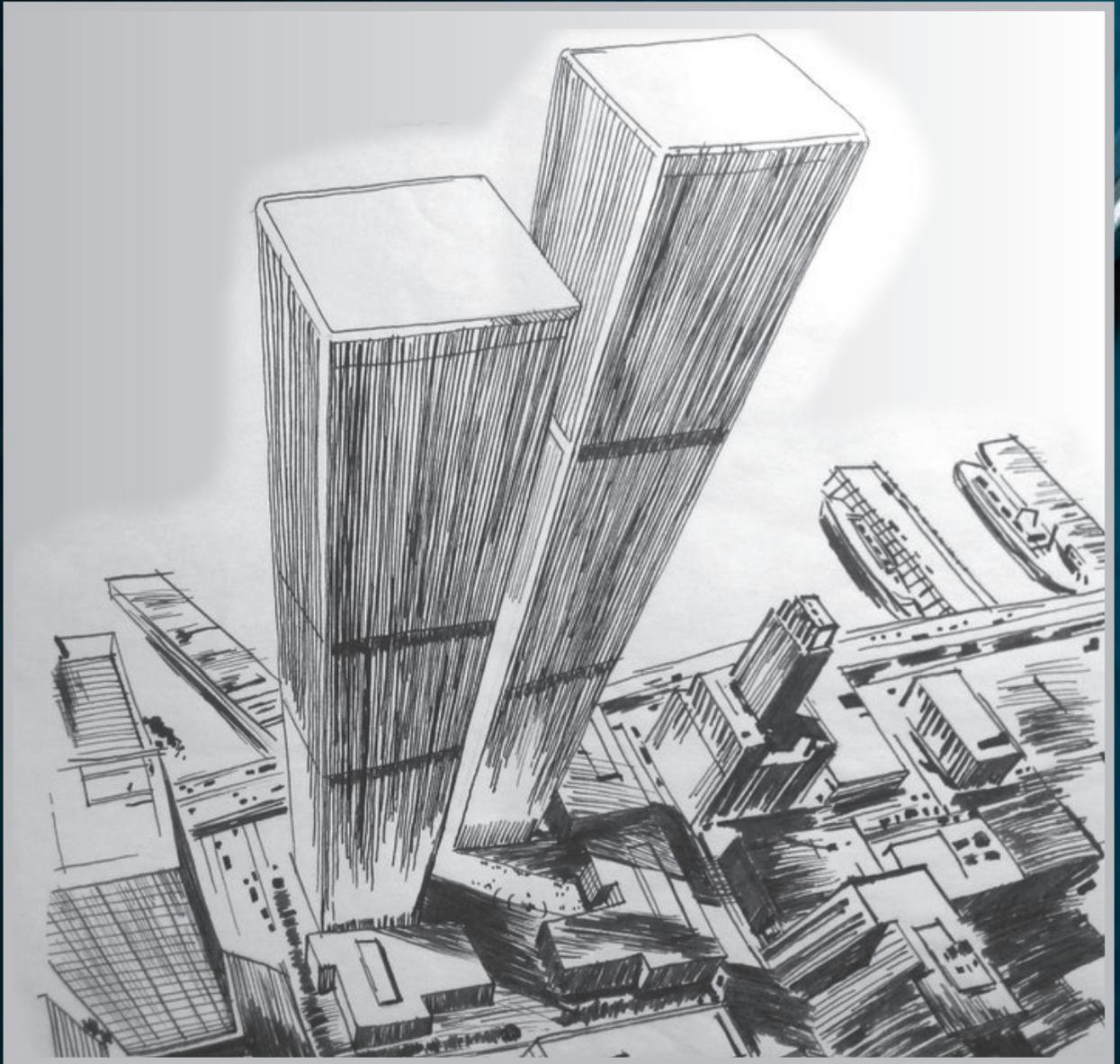


MARG Projects and Infrastructure Limited



**Annual Report
2012-13**

BOARD OF DIRECTORS

Mr. G Srinivasa Reddy
Mr. M Abdul Hakeem
Mr. Gouri Shanker Mishra

COMPLIANCE OFFICER

Mr. G Srinivasa Reddy

AUDITORS

M/s. K. Ramkumar & Co
Chartered Accountants
A-1, 7th Floor, Tower III,
Sakthi Towers, 766, Anna Salai,
Chennai - 600 002.

REGISTERED OFFICE

501, Apex Chambers, 5th Floor
No. 20, Thyagaraya Road
T. Nagar, Chennai – 600 017
Phone: 044 – 3221 1955
E-mail : mpil@marggroup.com

REGISTRAR AND SHARE TRANSFER AGENT

M/s GNSA Infotech Limited
STA Department
Nelson Chambers, F Block, 4th Floor,
115 Nelson Manickam Road,
Aminjikarai,
Chennai – 600 029
Phone: 044 – 4296 2025
E-mail: sta@gnsaindia.com

WEBSITE

www.margprojects.com

CONTENTS

Directors Report.....	1
Management Discussion and Analysis Report.....	3
Report on Corporate Governance.....	4
Auditors Certificate on Corporate Governance.....	12
Auditors' Report to the Share Holders	13
Balance Sheet	18
Statement of Profit & Loss	19
Notes to the Financial Statements	20
Cash Flow Statement	32
Balance Sheet Abstract	33

DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2013.

Financial Highlights

The financial results of the Company for the year ended 31st March 2013 is summarized as below:

Description	₹ in lakhs	
	Year Ended 31.03.2013	Year Ended 31.03.2012
Income from Operations	66.49	208.46
Non-operating Income	46.64	26.46
Total Income	113.13	234.92
Expenditure	34.27	135.42
Gross Profit (before depreciation, Finance Costs and tax)	78.86	99.50
Finance Costs	0.15	0.95
Depreciation	54.13	67.30
Profit before Tax	24.58	31.25
Provision for Income Tax	4.17	4.15
Profit after Tax	20.41	27.10
Brought Forward Profit	1126.75	1099.65
Balance Carried to Balance Sheet	1147.16	1126.75

Business Operations Overview and Future Prospects

The income from operation of the Company has reduced to 66.49 lacs from 208.46 lacs in the previous year. The general market conditions and high input cost is the main reason for such fall in the turnover. Your Company envisages in taking up diversified projects. Owing to adverse market conditions, your Company has not taken up any new contract during the period of review. However, the Company has utilised the assets and equipments by giving them on hire. The Board is taking up steps to take up more projects in near future.

Dividend

To conserve the resources, your Board do not recommend any dividend for the year under review.

Subsidiary Companies

Your Company does not have any subsidiary Companies.

Fixed Deposits

Your Company has not accepted any deposits from the public.

Directors

Mr. Gouri Shanker Mishra, Director retires at this Annual General Meeting and being eligible offers himself for reappointment.

Mr. Sudhir N Shenoy, Director Independent Director has resigned from the Directorship of the Company w.e.f. 14th February 2013. The Board placed on record its appreciation for the services provided by him during the tenure of his office as Director of the Company.

Directors Responsibility Statement

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

- i. in the preparation of the Annual Accounts for the Financial Year 2012-13, the applicable Accounting Standards have been followed and that there are no material departures;
- ii. they have selected such accounting policies in consultation with the statutory auditors 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 of the Company for the year;
- iii. they have taken proper and sufficient care to the best of their knowledge for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the Annual Accounts on a going concern basis.

Auditors

M/s K Ramkumar & Co, Chartered Accountants, the Auditors of the Company hold office upto the conclusion of the forthcoming Annual General Meeting and have given their consent for re-appointment. Company has received a certificate under Section 224(1B) from the retiring auditors regarding their eligibility for reappointment as the Company's Auditors for the year 2013-14.

Particulars of Employees

None of the employees of the Company were in receipt of remuneration, which in aggregate exceeded the limits fixed under sub-section (2A) of Section 217 of the

Companies Act, 1956 and Rules made thereunder Companies (Particulars of Employees) Rules 1975 for the year 2012-13.

Industrial Relations

Your Company enjoyed cordial industrial relations with the employees and workers at all project sites.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

Your company is not an industrial undertaking. Accordingly, particulars with regard to conservation of energy and technology absorption and adaptation required to be given under these heads in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

There are no Foreign Exchange earnings or outgo during the financial year 2012-13.

The Management Discussion & Analysis Report

The Management Discussion & Analysis Report for the year ended under review, as stipulated under Clause 49 of the Listing Agreements is presented in a separate section forming part of the Directors Report.

Corporate Governance

Your Directors adhere to the requirements set out by the Securities Exchange Board of India's, Corporate Governance practices and have implemented all the stipulations prescribed. Report on Corporate Governance as per Clause 49 of the Listing Agreement has been provided in a separate section forming part of the Directors Report.

Acknowledgement

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders – Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued cooperation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board of Directors

G Srinivasa Reddy
Director

Abdul Hakeem
Director

Place: Chennai

Date: 30th May 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Scenario and Economic Overview

The financial year 2012-13 had continued to be in despair for the global economy. The Government of India realizes the importance of accelerating investments in infrastructure to boost the country's slowing economy. Therefore, it has set a massive target for doubling investment in infrastructure, The Twelfth Five Year Plan lays special emphasis on development of the infrastructure sector including energy, as the availability of quality infrastructure is important not only for sustaining high growth but also ensuring that the growth is inclusive. This step up in investment will be feasible primarily because of enlarged private-sector participation that is envisaged. Unbundling of infrastructure projects, public private partnerships (PPP), and more transparent regulatory mechanisms have induced private investors to increase their participation in infrastructure sectors.

Financial Performance

MARG Projects and Infrastructure Limited Company ('MPIL' or 'the Company') is focussing primarily on medium scale projects. It has always looked to adopt class operational processes and trying to promote responsibility in infrastructure development. This is a reason for dip in turnover of the Company from ₹ 2.35 Crores last year to ₹ 1.13 Cores in the Current year.

Opportunity, Risks and Concerns

The 12th Five Year plan envisages an investment in the infrastructure sector of which major portion is expected to come from private sector. The significant increase in plan outlay for power, roads, oil & gas, urban infrastructure and ports will give major boost to the inflow of funds into various segments and consequently provide abundant opportunities for sustaining growth in coming years. The majority of new road projects are expected to be awarded on EPC basis. There will be enormous spending through Public Private Partnership on revamping of existing / development of urban infrastructure over a period of next five years which will provide major opportunities for growth of Construction Industry.

Prices of the construction materials such as steel, cement, sand, aggregates and diesel have increased substantially due to inflationary pressures. Shortage of labor for construction industry in urban area, abnormal increase in labour costs due to major gap in demand and supply of skilled / unskilled labour.

Outlook

Engineering and Construction is the Company's core business of executing construction work on contract

basis. The business has been extended to include complete engineering, procurement and construction (EPC) services.

Segmentwise / Productwise Performance

Your Company was operating only in one segment both in terms of business and geographical operations in the year 2012-13. Accordingly, segmental reporting in terms of Accounting Standard 17 is not applicable to the Company.

Internal Control System and Adequacy

The Company has adequate system of internal control in place. This is to ensure that assets are safeguarded and all transactions are authorized, recorded and correctly reported. The internal audit function is empowered to examine the adequacy, relevance and effective control system, compliance with policies, plans and statutory requirements.

Material Developments in Human Resources and Industrial Relation

During the year there is no significant increase in the manpower due to adverse market condition and slowdown of company's business.

Cautionary Statement

The statements in report of the Board of Directors and the Management Discussion and Analysis Report describe the Company's outlook, estimates, performance or predictions with a forward perspective considering the applicable business and economic regulations affecting the industry. Actual results could differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Management. The Management takes no responsibility for keeping the members updated on changes in these factors stated above apart from those, which may statutorily be required to be reported from time to time.

For and on behalf of the Board of Directors

G Srinivasa Reddy
Director

Abdul Hakeem
Director

Place: Chennai

Date: 30th May 2013

REPORT ON CORPORATE GOVERNANCE**1. Philosophy on Code of Governance**

The Company believes in transparency, empowerment, accountability, motivation and fair business and corporate practices with all its stakeholders. As the Company grows, it continues to focus on raising the standards of corporate governance and adopting best systems and procedures. In India, Corporate Governance standards for listed Companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has complied with all the norms of Corporate Governance as provided by Clause 49 of the Listing Agreement.

2. Board of Directors

Board is consisting of three directors and all directors are Non-Executive out of them two directors are Independent directors. The Directors on the Board are senior, competent and experienced people from different fields. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Board elects the Chairman at every meeting.

The compositions and Category of Board of Directors during the year ended 31st March 2013 are given below. The details of other directorship have been taken as on 31st March 2013.

Sl. No	Name(s) of Director (s)	Executive/ Non-Executive/ Independent	Number of Directorship in other Public Companies*		No. of Committee Chairmanship in other Companies**	
			Member	Chairman	Member	Chairman
1	Mr.G Srinivasa Reddy	NED/NID	NIL	Nil	Nil	Nil
2	Mr.M Abdul Hakeem	NED/ID	3	Nil	Nil	Nil
3	Mr.Gouri Shanker Mishra	NED/ID	Nil	Nil	Nil	Nil
4	Mr.Sudhir N Shenoy #	NED/ID	Nil	Nil	Nil	Nil

NED - Non Executive Director; ID – Independent Director; NID – Non Independent Director.

#Resigned from the Board on 14th February 2013

*Other directorship does not include directorship in Private Limited Company which are not Subsidiary of any Public Company, Section 25 Companies and Companies incorporated outside India.

**In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanship of only Audit and Shareholders & Investor Grievance Committee has been considered.

Directors' Profile:

Brief Resume of all Directors given below

Mr. G Srinivasa Reddy, Non-Executive Director, is a B.E. Civil Engineer by qualification. He has over 29 years of experience in the areas of project execution. He has executed grass-root level projects of Nagarjuna Fertilisers & Chemicals Limited Ph-I & II, Oswal Chemicals & Fertilisers, Shahjahanpur unit. He has also worked in oil and gas exploration units of ONGC, BPCL and IOCL.

Mr. M Abdul Hakeem, Director, is a Challenger Award Winner banker with more than 32 years of Experience. He is also a CAIIB. He has served in various capacities including management of Portfolio. His last working was with ING Vysya Bank Limited as Assistant Vice President.

Mr. Gouri Shanker Mishra, Director is a fellow member of Institute of Company Secretaries of India having 11 years of experience in the Secretarial field and legal domain. Along with FCS, he also holds qualification of L.L.B. and MBA.

Mr. Sudhir N Shenoy, Director is a Chartered Accountant and Cost Accountant having more than 17 years of experience and vast knowledge in accounting system, system security and implementation of SAP.

Attendance of Directors at Board Meetings and at Annual General Meeting

The attendance record of the Directors at the Board Meetings during the year ended on 31st March 2013 and at the last Annual General Meeting (AGM) is as under:

Name(s) of Director(s)	No of Board Meetings held	Board Meetings Attended	Attendance at last AGM
Mr. G Srinivasa Reddy	6	6	Present
Mr. M Abdul Hakeem	6	6	Present
Mr. Gouri Shanker Mishra	6	6	Present
Mr. Sudhir N Shenoy*	6	5	Present

*Resigned from the Board on 14th February 2013

During the financial year 2012-13, SIX Board meetings were held on 30th May 2012, 14th August 2012, 29th September 2012, 12th November 2012, 28th December 2012 and 14th February 2013. As mandated by Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

3. Committee of Directors

The Board has constituted three Committees of Directors as per the requirement of the Companies Act, 1956 and Listing Agreement. Following are the committees of the Board:-

1. Audit Committee
2. Shareholders' / Investors' Grievance Committee
3. Remuneration Committee

All decisions pertaining to the creation and composition of committees and fixing of terms of service for committee members is taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the year 2012-13 and related attendance, are provided below;

I. Audit Committee

Pursuant to provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Board has constituted an Audit Committee comprising of three Non-Executive directors out of them two are Independent Directors. All the members of the Committee are financially literate and Mr. Sudhir N Shenoy and Mr. Gouri Shanker Mishra have accounting expertise. Mr. Sudhir N Shenoy, Director was the Chairman of the Committee due to is resignation Mr. Gouri Shanker Mishra was appointed as Chairman for the Audit Committee.

Composition of the Audit Committee and attendance of each member of the Committee are given below:

Name(s) of Director(s)	Category/Status	No. of Committee Meetings held	No. of Meetings Attended
Mr. Sudhir N Shenoy*	NED/ID/Chairman	4	3
Mr. M Abdul Hakeem	NED/ID/Member	4	4
Mr. Gouri Shanker Mishra	NED/ID/Member	4	4

*Resigned from the Board on 14th February 2013 and Mr. Gouri Shanker Mishra was appointed Chairman in his place w.e.f. 14th February 2013

Mr. G. Srinivasa Reddy was inducted as member of the committee

Number of Meetings held and the dates on which held:

During the financial year 2012-13 FOUR meetings of Audit Committee were held on 30th May 2012, 14th August 2012, 12th November 2012 and 14th February 2013. The time gap between any two meetings was less than four months.

Terms of reference

Following are the main terms of reference given by Board of Directors to 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 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) Director's Responsibility Statement in terms of section 217 (2A) of the Companies Act, 1956.
 - vii) Major accounting entries involving estimates based on the exercise of judgment by Management.
 - viii) Disclosure of any related party transactions
 - ix) Qualifications in the draft audit report.
- b) To recommend to the Board the appointment, re-appointment and if required, the replacement or removal of Statutory Auditor and fixing of audit fees.
- c) To approve of 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 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.

- k) To review Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- l) To review Internal audit reports relating to internal control weaknesses.
- 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 a Remuneration Committee. The Remuneration Committee presently consists of Three Non- Executive Independent Directors. The Committee determines and recommends to the Board of Directors, the remuneration payable to the Executive Directors. The resolution for the appointment and remuneration payable to the Whole Time Director is approved by the Shareholders of the Company.

Composition of the Remuneration Committee is given below.

Name(s) of Director(s)	Category/ Status	No. of Committee Meetings held	No. of Meetings Attended
Mr. M Abdul Hakeem	NED/ID/ Chairman	-	-
Mr. Gouri Shanker Mishra	NED/ID/ Member	-	-
Mr. Sudhir N Shenoy*	NED/ID/ Member	-	-

**Resigned from the Board on 14th February 2013 and Mr. G Srinivasa Reddy was appointed in his place w.e.f. 14th February 2013.*

Number of Meetings held and the dates on which held:

During the Financial Year 2012-13, No meeting was held.

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 of 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) Such other powers/functions as may be delegated by the Board from time to time.

Remuneration Policy

Company is at par with industry standard in terms of remuneration. The Company provides competitive salary in accordance with the Industry standard.

Remuneration to Non-Executive Directors

None of the Directors are in receipt of any remuneration during the Financial Year 2012-13.

Remunerations to Executive Director

Mr. G Srinivasa Reddy, Whole Time Director was paid a remuneration upto 31st July 2012 thereafter he has become Non Executive Director.

Remuneration paid to the Whole Time Director during the year 2012 - 13 is as follows:

₹ in lakhs

Name (s) of Director(s)	Total Remuneration
Mr. G Srinivasa Reddy	9.95

Shareholding of Directors

None of the Directors hold any shares in the Company.

III. Shareholders' / Investors' Grievance Committee

The Board has constituted Shareholders'/ Investors' Grievance committee. The Committee approves the issue of duplicate share certificates and oversees and reviews all matters connected with transfer of securities, non receipt of balance sheet and attending the grievances of the Share holders. The Committee oversees performance of Registrars and Transfer Agents of the Company, and recommends measures for overall improvements in the quality of investor services.

The composition of the Committee and Attendance of each Committee member is given under:

Name(s) of Director(s)	Category/ Status	No. of Meetings held	No. of Attended
Mr. M Abdul Hakeem	NED/ID/ Chairman	4	4
Mr. Gouri Shanker Mishra	NED/ID/ Member	4	4
Mr. Sudhir N Shenoy*	NED/ID/ Member	4	3

*Resigned from the Board on 14th February 2013

Mr. G. Srinivasa Reddy was inducted as member of the committee

Number of Meetings held and the dates on which held:

During the financial year 2012-13 FOUR meetings were held on 30th May 2012, 14th August 2012, 12th November 2012 and 14th February 2013.

Compliance Officer

Mr. G Srinivasa Reddy, Non Executive Director is the Compliance Officer of the Company till the appointment of a new Company Secretary.

Investors' Grievance Redressal

As per the certificate received from the Registrar and Share Transfer Agent, during the year there were 4 complaints received from the shareholders and all the 4 Complaints were resolved to the satisfaction of the shareholders and no complaints were pending at the end of the financial year.

4. Subsidiaries

The Company does not have any subsidiary.

5. General Body Meeting

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

Year	Date	Time	Venue	No. of Special Resolutions passed
2011-12	29 th September 2012	11.00 A.M.	Auditorium of Exemplarr Worldwide Limited, 141, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041.	Nil
2010-11	30 th September 2011	3.00 P.M.	Auditorium of Exemplarr Worldwide Limited, 141, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041.	1
2009-10	30 th September 2010	11.00 A.M.	Auditorium of Exemplarr Worldwide Limited, 141, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041.	Nil

6. Postal Ballot

No resolutions were passed by postal ballot during the Financial Year ended 31st March 2013 under review. Further, at present your directors do not foresee any special resolution proposed to be conducted through Postal Ballot. We would be complying with procedural requirements set out below in case we propose for passing any resolution.

Procedure for Postal Ballot

The Board appoints a Company Secretary in Whole Time Practice, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The printed postal ballot form, instructions regarding postal ballot, resolutions and explanatory statements along with prepaid business reply envelope are sent to the shareholders. Shareholders are given minimum 30 days time to reply regarding their consent for dissent from the date of dispatch of the postal ballot notice. Any receipt subsequent to the specified date are treated as not having been received.

All the postal ballots received back are handed over to the Scrutinizer. The scrutinizer shall maintain a register to record the consent or otherwise received, providing the particulars of name, address, folio number, number of shares, nominal value of shares etc. The Scrutinizer also maintains a record for postal ballots which are received in defaced or mutilated form.

The Scrutinizer forwards his report to the Chairman or any Director of the Company after the completion of the scrutiny of the postal ballots. The result is announced by the Chairman or any Director of the Company either on any General Meeting or the same is displayed on the notice board of the Company. Company also releases the outcome of the Postal ballot in two newspapers, one in English and one in local vernacular language.

The resolution relating to the item being Ordinary Resolutions is declared as passed if votes cast in favour of the resolution are not less than votes cast against the resolution. The resolution relating to the items being Special Resolutions is declared as passed if votes cast in favour of the resolution are not less than three times the number of the votes cast against the resolution.

7. Disclosures

- I. None of the transactions with any of the related parties viz., Promoters, Directors or the Senior Management 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.

- 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 Statutory Authority, on any matter 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 entire mandatory requirements of Corporate Governance as provided under Clause 49 of the Listing Agreement. The Company has also adopted the non-mandatory requirements of 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 the Directors' Report.

8. Means of Communication

- I. In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at www.margprojects.com containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.
- II. The un-audited Financial Results on quarterly basis along with Limited Review Report by the Auditors of the Company are taken on record by the Board of Directors at its meeting as per the Listing requirement for every quarter 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 same is also updated to the website of the Company as information of shareholders. The un-audited Financial Results along with the Limited Review Report by the Auditors are first placed before the Audit Committee. The same along with recommendation of the Committee are forwarded to the Board of Directors for their consideration.
- III. The quarterly results and audited results as per the requirement of Clause 41 are also published within 48 hours in two newspapers, one in English daily, News Today and one in Regional (Tamil) Language, Maalai Sudar.

- IV. The quarterly results, shareholding pattern and other mandatory information are available at the website of Company i.e www.margprojects.com for the benefit of the public at large.
- V. The Company places all its official news release on the website of the Company www.margprojects.com.
- VI. Any presentations made to Investors are also uploaded on the website of the Company www.margprojects.com.
- VII. The shareholders can also write to this email id mpil@marggroup.com about their issues also for correspondence.

9. General Shareholder Information:

I. Information about Twentieth Annual General Meeting

Date and Time : **30th September 2013 at 9.00 A.M.**

Venue :

**Auditorium of Exemplarr Worldwide Limited
141, Rajiv Gandhi Salai, Kottivakkam,
Chennai – 600 041.**

II. Financial Year

The Financial Year of the Company each year starts with 1st April and ends with 31st March. The Financial Year 2012-13 started on 1st April 2012 and ended on 31st March 2013. The current Financial Year 2013-14 started on 1st April 2013 and would end on 31st March 2014.

Financial Calendar (Tentative)

First Quarter

30th Jun 2013 : on or before 14th Aug 2013

Second Quarter

30th Sep 2013 : on or before 14th Nov 2013

Third Quarter

31st Dec 2013 : on or before 14th Feb 2014

Fourth Quarter

31st Mar 2014 : on or before 30th May 2014

III. Date of Book Closure

The Register of Member and Share Transfer Books shall be closed for a period of three days starting from 27th September 2013 to 30th September 2013 (Inclusive of Both Days).

IV. Dividend Payment Date

No dividend has been recommended by the Board of Directors for the financial year ended 31st March 2013.

V. Listing on Stock Exchange

The Equity Shares of the Company are listed at Bombay Stock Exchange Limited, Madras Stock Exchange Limited. Though the Company is also listed with The Hyderabad Stock Exchange Limited and Coimbatore Stock Exchange Limited, both the Exchanges had been derecognized by SEBI.

VI. Delisting of Shares from Bangalore Stock Exchange Limited

Pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 the Company has Voluntarily Delisted the Shares listed in Bangalore Stock Exchange Limited w.e.f. December 10, 2012.

VII. Stock Code

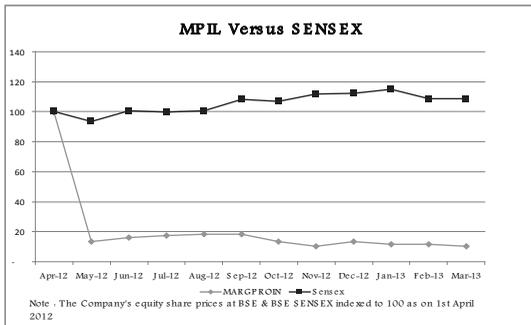
- i) Bombay Stock Exchange Limited
Stock Code: 513648 (For Equity Shares of the Company)
- ii) Madras Stock Exchange Limited
Stock Code: MARGSECUR (For Equity Shares of the Company)

VIII. Market Price Data

Year	Month	High (Rs.)	Low (Rs.)	Monthly Volume
2012	April	15.75	15.75	100
2012	May	16.50	13.60	900
2012	June	16.20	12.95	2,257
2012	July	23.70	16.55	5,718
2012	August	18.20	16.00	1,445
2012	September	20.00	17.25	2,292
2012	October	19.25	13.60	3,080
2012	November	14.20	10.47	3,574
2012	December	13.45	10.05	638
2013	January	12.78	11.52	801
2013	February	11.50	11.50	100
2013	March	10.95	10.50	700

IX. Performance vis a vis Sensex

The Performance of the Company's Shares in BSE in comparison to BSE Sensex during the year is provided below;



X. Registrar and Share Transfer Agents

SEBI vide its circular no. D&CC/FITTC/CIR-15/2002 dated December 27, 2002 has made it mandatory to maintain the Share Transfer & related books and Demat documents at single point, either at the registered office or with the Registrar and Share Transfer Agent. The registers and documents referred in Section 163 were already kept outside the registered office of the Company with M/s Knack Corporate Services Private Limited, a SEBI registered Registrar and Share Transfer Agent.

SEBI has suspended the M/s Knack Corporate Services Private Limited to function as R & TA for 3 months and it had become necessary to transfer the data and documents to some other R & TA. The Company approached M/s GNSA Infotech Limited to act as R & TA for the Company. Consequently M/s GNSA Infotech Limited was appointed as the Registrar and Share Transfer Agent of the Company w.e.f 12th January 2013. The said appointment was already intimated to Stock Exchanges, Depositories and other Statutory Authorities.

Registrar and Transfer Agents:

M/s GNSA Infotech Limited
STA Department
Nelson Chambers, F Block, 4th Floor,
115 Nelson Manickam Road, Aminjikarai,
Chennai – 600 029

Phone: 044 – 4296 2025 | E-mail: sta@gnsaindia.com

XII. Distribution of Shareholding as on 31st March 2013

No of Shares held	No of Shareholders	% of Total No of Shareholders	Total Shares held in the Category	% of Shareholding
Upto 500	7,760	94.31%	1,062,899	19.52%
501 and 1000	231	2.81%	182,767	3.36%
1001 and 2000	131	1.59%	191,970	3.53%
2001 and 3000	33	0.40%	80,130	1.47%
3001 and 4000	10	0.12%	35,150	0.65%
4001 and 5000	20	0.24%	94,955	1.74%
5001 and 10000	19	0.23%	137,800	2.53%
10001 & above	24	0.29%	3,659,329	67.21%
Total	8,228	100.00%	5,445,000	100.00%

XI. Share Transfer System

The physical transfers are normally processed within 10-15 days from the date of receipt of documents complete in all respect. Share Transfers in physical form have to be lodged with the Registrar and Transfer Agents.

XIII. Dematerialization of Equity Shares and Liquidity

DEMAT ISIN for equity shares is INE942E01017.

The Authorized Capital of the Company is ₹ 150,000,000 comprising of 15,000,000 equity shares of ₹ 10 each. The paid up Capital of the Company as on 31st March 2013 is ₹ 54,450,000 consists of 5,445,000 Equity shares of ₹ 10 each. Out of the above shares, 1,930,368 Equity Shares representing 35.45% are held in physical form and balance 3,514,632 Equity Shares representing 64.55% are held in dematerialised form.

XIV. Outstanding Convertible Instruments

There is no outstanding convertible instrument.

XV. Plant Location

The Company is not in industrial activity. Hence same is not applicable.

XVI. Address for Correspondence

The Registered Office of the Company is situated at following address. Further all correspondence with the Company can be done at following address:

The Compliance Officer

MARG Projects and Infrastructure Limited
501, Apex Chambers, 5th Floor, 20, Thyagaraya Road,
T. Nagar, Chennai – 600 017. Phone: 044 – 3221 1955.
E-mail: mpil@marggroup.com

For any correspondence in relation to shareholders' grievance the communication would be addressed to the Registrar and Transfer Agents

M/s GNSA Infotech Limited. STA Department
Nelson Chambers, F Block, 4th Floor, 115 Nelson Manickam Road, Aminjikarai, Chennai – 600 029

Categories of Shareholding as at 31st March 2013

S. No.	Category	No. of Shares Held	Percentage of Shareholding
A	Promoter's Holding		
a	Promoters	2,970,934	54.56
b	Persons acting in Concert	Nil	Nil
	Sub Total (A)	2,970,934	54.56
B	Non Promoters Holding		
a	FIs	Nil	Nil
b	Private Body Corporate	31,856	0.59
c	Banks/FIs	500	0.01
d	Indian Public	2,356,960	43.29
e	NRI/OCB	1,350	0.02
f	Others		
i	Clearing Members	Nil	Nil
ii	Hindu Undivided Family	83,400	1.53
g	Shares represented by GDRs	Nil	Nil
	Sub Total (B)	2,474,066	45.44
	Grand Total (A+B)	5,445,000	100.00

Insider Trading

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 the Company has prescribed a Code of Conduct for prevention of Insider Trading. Directors and employees of the Company comply with Insider Trading Regulations framed by the Company. None of the employee/ director has contravened the regulations during the year.

Reconciliation of Share Capital Audit

As per the requirement under SEBI (Depositories and Participants) Regulations, 1996 the Reconciliation is being done by a Practicing Company Secretary on quarterly basis for reconciling total admitted capital with NSDL and CDSL and total issued and listed capital. The Company has obtained a Reconciliation of Share Capital Audit Report for all the four quarters during the year ended 31st March 2013 and same has been forwarded to 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 Conduct

The Board of MARG Projects and Infrastructure Limited laid down a code of conduct for all the Board members and the Senior Management personnel. All the Board Members comply with the code of conduct.

CEO / CFO Certification

As required under the Clause 49 of the Listing Agreement a certificate duly signed by Mr. G Srinivasa Reddy, Non Executive Director, Mr. Gouri Shanker Mishra, Independent Director and Mr. M Abdul Hakeem Independent Director of the Company was placed at the meeting of the Board of Directors of the company and is appended as a Annexure to this report.

XVII. Non Mandatory Requirements**1. The Board:**

The Board of Directors of the Company has not appointed any Chairman. Hence no separate office is maintained.

2. Remuneration Committee:

The Company has constituted a Remuneration Committee; full details are furnished under in this Report.

3. Shareholders Communications:

The Company publishes its quarterly (unaudited), half yearly (unaudited) and annual (audited) result in English newspaper having a wide circulation and in Tamil newspapers having a wide circulation in Tamilnadu respectively.

4. Audit Qualifications:

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

5. Training of Board Members:

The Company's Board of Directors consists of professionals with expertise in their respective field and industry. They endeavor to keep themselves updated with changes in global economy & legislation. They attend various workshops and seminars to keep themselves abreast with the changing business environment. The company briefs its directors the risk profile of the business parameters of the company so as to make them effectively discharge their responsibilities as directors.

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 Policy:

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

For and on behalf of the Board of Directors

G Srinivasa Reddy
Director

Abdul Hakeem
Director

Place: Chennai
Date: 30th May 2013

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Executive Director. In addition, the Company has adopted the Code of Conduct for its Non- Executive Directors.

I confirm that the Company has in respect of the financial year ended 31st March 2013 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 and on behalf of the Board of Directors

G Srinivasa Reddy
Director

CERTIFICATION OF DIRECTORS

To

The Board of Directors,
MARG Projects and Infrastructure Limited

We, G Srinivasa Reddy, Director, Gouri Shanker Mishra, Director and M Abdul Hakeem, Director of the Company responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2013 and that to the best of our knowledge and belief :
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 2012-13 are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) There were no significant changes in internal controls during the year 2012-13;
 - (ii) There has not been any significant change in accounting policies during the year 2012-13; and
 - (iii) There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.

Place : Chennai,
Chennai : 30th May 2013

G Srinivasa Reddy
Director

Gouri Shanker Mishra
Director

M Abdul Hakeem
Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of MARG PROJECTS AND INFRASTRUCTURE LIMITED

1. We have examined the compliance of conditions of Corporate Governance of MARG Projects and Infrastructure Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with 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 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 Reg. No : 02830S

R M V BALAJI
Partner
Mem.No : 27476

Place : Chennai
Date : 30th May 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of

Marg Projects and Infrastructure Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Marg Projects and Infrastructure Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended 31st March 2013 and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended 31st March 2013.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **K RAMKUMAR & CO.**

Chartered Accountants

Firm Regn No: 02830S

R M V Balaji

(Partner)

Membership No. : 27476

Place: Chennai

Date : 30th May, 2013

ANNEXURE TO THE AUDITORS REPORT (Referred to in my report of even date to the members of MARG PROJECTS AND INFRASTRUCTURE LIMITED [UNDER THE COMPANIES (AUDITORS' REPORT) ORDER 2003] FOR THE YEAR ENDED 31ST MARCH, 2013.

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanation given to us the fixed assets have been physically verified by the management at the end of the financial year. No Material discrepancies were noticed on such verification.
- c) No substantial parts of fixed assets have been disposed off during the year.
2. The Company doesn't have any Inventory for the period under review, hence no comments are required to be given.
3. The Company has not taken/granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
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 fixed assets and for the sale of goods & services.
5. a) In our opinion and according to the information and explanation given to us, the transactions that need to be entered in the register maintained under Section 301, of the Companies Act, 1956 have been entered.
- b) In our opinion and according to the information and explanation given to us, these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits 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 thereunder.
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 information and explanation given to us and on the basis of our examination of the books of accounts, the company is irregular in depositing undisputed statutory dues including Provident Fund, Income Tax and other statutory dues during the year with the appropriate authorities.
- b) According to the records of the company, undisputed Service Tax to the extent of Rs. 12,66,170/-was payable as at 31st March 2013 which is outstanding for a period of more than six months from the date it became due.
- c) There are no disputed amount of statutory dues which have not been deposited with the concerned authorities.
10. The Company has not accumulated losses as at 31st March 2013. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. The Company has not taken loans from financial institutions/banks or issued debentures during the year covered by our audit. Hence, the question of reporting on defaults in repayment of dues to financial institutions/banks or debentures does not arise.
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 has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
14. The Company has not availed any term loan during the year under review.
15. The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.
16. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
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. No long term funds have been used to finance short term assets except permanent working capital.

- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the year and therefore paragraph 4(xix) of the Order is not applicable.
- 20 The Company did not raise any proceeds during the year through public issue of any of its securities.
- 21 According to the information and explanations given to us, there were no cases of fraud on or by the Company noticed or reported during the year.

**For K RAMKUMAR & Co.,
Chartered Accountants
Firm Reg. No : 02830S**

**R M V BALAJI
Partner
Mem.No : 27476**

Place : Chennai
Date : 30th May 2013

BALANCE SHEET

PARTICULARS	Note	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	54,450,000	54,450,000
Reserves & Surplus	3	142,901,062	140,859,513
NON-CURRENT LIABILITIES			
Deferred Tax Liability (Net)	4	724,387	777,839
Long-Term Provisions	5	-	471,957
CURRENT LIABILITIES			
Trade Payables	6	13,815,721	14,065,358
Other Current Liabilities	7	2,978,422	4,205,230
Short-Term Provisions	8	470,030	595,460
		215,339,622	215,425,357
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	9		
Tangible Assets		27,279,416	32,692,348
Non-Current Investments	10	16,480,100	16,480,100
CURRENT ASSETS			
Trade Receivables	11	1,629,725	40,606,445
Cash & Cash Equivalents	12	462,521	706,835
Short-Term Loans & Advances	13	169,487,860	124,939,629
		215,339,622	215,425,357

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached

For K RAMKUMAR & CO.,
Chartered Accountants
Firm Reg. No : 02830S

R M V BALAJI
Partner
Mem. No : 27476

Place : Chennai
Date : 30-May-2013

For and on behalf of Board of Directors

G SRINIVASA REDDY
Director

M ABDUL HAKEEM
Director

GOURI SHANKER MISHRA
Director

STATEMENT OF PROFIT & LOSS

PARTICULARS	Note	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
INCOME			
Revenue from Operations	14	6,648,964	20,845,847
Other Income	15	4,664,243	2,645,957
		<u>11,313,207</u>	<u>23,491,804</u>
EXPENDITURE			
Cost of Projects \ Operating Expenses	16	931,940	6,342,917
Employee Benefit Expenses	17	1,263,886	5,991,837
Finance Costs	18	14,903	95,248
Depreciation	9	5,412,932	6,729,854
Other Expenses	19	1,231,419	1,206,999
		<u>8,855,080</u>	<u>20,366,855</u>
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		2,458,127	3,124,949
Exceptional Items		-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		2,458,127	3,124,949
Extraordinary Items		-	-
PROFIT BEFORE TAX		2,458,127	3,124,949
TAX EXPENSE			
Current Tax		470,030	575,063
Deferred Tax	20	(53,452)	(159,933)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS (A)		<u>2,041,549</u>	<u>2,709,819</u>
Profit from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
PROFIT FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)		<u>-</u>	<u>-</u>
PROFIT FOR THE PERIOD (A+B)		<u>2,041,549</u>	<u>2,709,819</u>
EARNINGS PER SHARE			
Basic (Face Value ₹ 10/-)		0.37	0.50
Diluted (Face Value ₹ 10/-)		0.37	0.50

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached

For and on behalf of Board of Directors

For K RAMKUMAR & CO.,
Chartered Accountants
Firm Reg. No : 028305

G SRINIVASA REDDY
Director

R M V BALAJI
Partner
Mem. No : 27476

M ABDUL HAKEEM
Director

Place : Chennai
Date : 30-May-2013

GOURI SHANKER MISHRA
Director

NOTES TO THE FINANCIAL STATEMENTS**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES****1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

1.2. REVENUE RECOGNITION

All Income and Expenses have been recognized on accrual system of accounting.

1.3. FIXED ASSETS & DEPRECIATION

- a. 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.
- b. Depreciation is provided on fixed assets, on written down value method, on pro-rata basis as per the rates specified in Schedule XIV of the Companies Act, 1956.
- c. Cost of assets not put to use before the year end are shown under Capital Work - in - Progress.
- d. 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 statement of profit and loss.

1.4. OPERATING LEASES

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Leases of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are charged to statement of profit and loss on straight line basis over the lease term.

1.5. VALUATION OF CLOSING STOCK

- a. Raw Material: Raw Material, Stores and Spares are valued at 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.

1.6. 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.

1.7. 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.

1.8. 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.

1.9. 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.

1.10. 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.

1.11. 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.

NOTE 2 : SHARE CAPITAL**2.1 Authorised, Issued, Subscribed and Paid up Capital**

PARTICULARS	As At	As At	As At	As At
	31-Mar-13 Nos	31-Mar-12 Nos	31-Mar-13 ₹	31-Mar-12 ₹
(A) Authorised Capital				
Equity Shares of ` 10/- each	15,000,000	15,000,000	150,000,000	150,000,000
(B) Issued, Subscribed and Paid up Capital				
Equity Shares of ` 10/- each	5,445,000	5,445,000	54,450,000	54,450,000
2.2 Reconciliation of number of Equity Shares Outstanding				
Shares Outstanding at the beginning of the year	5,445,000	5,445,000		
Add: Shares Issued during the year	-	-		
Shares Outstanding at the end of the year	5,445,000	5,445,000		

2.3 Details of Shareholders holding more than 5 % Equity Shares

S. No.	Name of Shareholders	AsAt 31-Mar-13		AsAt 31-Mar-12	
		Nos	%	Nos	%
a.	Mr G R K Reddy	2,233,640	41.02%	2,233,640	41.02%
b.	Mrs V P Rajini Reddy	462,800	8.50%	462,800	8.50%
c.	Mr G Raghava Reddy	274,494	5.04%	274,494	5.04%

NOTE 3 : RESERVES & SURPLUS

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
3.1 Securities Premium Account:		
Opening Balance	27,639,795	27,639,795
Add: Addition during the year	-	-
Closing Balance	<u>27,639,795</u>	<u>27,639,795</u>
3.2 General Reserve:		
Opening Balance	545,000	545,000
Add: Transferred from the Profit and Loss Account	-	-
Closing Balance	<u>545,000</u>	<u>545,000</u>
3.3 Profit & Loss Account:		
Opening Balance	112,674,718	109,964,899
Add : Profit for the Year	2,041,549	2,709,819
Closing Balance	<u>114,716,267</u>	<u>112,674,718</u>
	<u>142,901,062</u>	<u>140,859,513</u>
NOTE 4 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability	724,387	777,839
	<u>724,387</u>	<u>777,839</u>
NOTE 5 : LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	-	334,082
Leave Encashment	-	137,875
	-	<u>471,957</u>
NOTE 6 : TRADE PAYABLE		
Trade Payables	13,815,721	14,065,358
	<u>13,815,721</u>	<u>14,065,358</u>
NOTE 7 : OTHER CURRENT LIABILITIES		
Other Payables		
Advances from Customers	344,019	96,880
Expenses Payable	871,641	1,662,851
Statutory Dues	1,283,691	2,227,053
Due to Directors	479,071	218,446
	<u>2,978,422</u>	<u>4,205,230</u>
NOTE 8 : SHORT-TERM PROVISIONS		
Others:		
Income Tax	470,030	595,460
	<u>470,030</u>	<u>595,460</u>

NOTE 9 : FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As At 31-Mar-12 ₹	Additions ₹	Deductions/ Transfers ₹	As At 31-Mar-13 ₹	Upto 31-Mar-12 ₹	For the Year ₹	Deductions/ Transfers ₹	Upto 31-Mar-13 ₹	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
TANGIBLE ASSETS										
Plant & Machinery	52,896,746	-	-	52,896,746	20,392,683	5,343,237	-	25,735,920	27,160,826	32,504,063
Computer	470,430	-	-	470,430	305,960	65,787	-	371,747	98,683	164,470
Office Equipments	12,000	-	-	12,000	2,442	1,329	-	3,771	8,229	9,558
Furnitures & Fittings	25,320	-	-	25,320	11,063	2,579	-	13,642	11,678	14,257
Total	53,404,496	-	-	53,404,496	20,712,148	5,412,932	-	26,125,080	27,279,416	32,692,348
<i>Previous Year</i>	<i>53,404,496</i>	-	-	<i>53,404,496</i>	<i>13,982,294</i>	<i>6,729,854</i>	-	<i>20,712,148</i>	<i>32,692,348</i>	<i>39,422,202</i>

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
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NOTE 10 : NON-CURRENT INVESTMENTS**Investments in Equity Instruments (Shares) (Non-Quoted, Non-Trade, Stated at Cost)**

In Other Companies	Face Value	No of Shares		1,000,000	1,000,000
		31-Mar-13	31-Mar-12		
MARG Capital Markets Ltd	10	100,000	100,000	1,000,000	1,000,000
MARG Realities Limited	10	963,010	963,010	9,630,100	9,630,100
MARG Digital Infrastructure Pvt Ltd	10	585,000	585,000	5,850,000	5,850,000
				16,480,100	16,480,100

NOTE 11 : TRADE RECEIVABLES**Unsecured and considered good**

Outstanding for more than 6 months	-	33,229,326
Others	1,629,725	7,377,119
	1,629,725	40,606,445

NOTE 12 : CASH & CASH EQUIVALENTS

Cash Balance	268,672	168,379
Balances with Banks		
In Current Accounts	193,849	538,456
	462,521	706,835

NOTE 13 : SHORT-TERM LOANS & ADVANCES**(Unsecured and considered good)****Others**

Advances to Suppliers	2,500,000	4,462,716
Other Advances Recoverable	151,202,431	104,817,169
Prepaid Expenses	61,858	3,608
Prepaid Taxes	12,812,238	12,744,803
Security Deposits	2,911,333	2,911,333
	169,487,860	124,939,629

Particulars	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
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NOTE 14 : REVENUE FROM OPERATIONS

Income from Operations	6,648,964	20,845,847
	6,648,964	20,845,847

NOTE 15 : OTHER INCOME

Interest Income	4,653,105	2,629,673
Miscellaneous Income	11,138	16,284
	4,664,243	2,645,957

Particulars	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
NOTE 16 : COST OF PROJECTS \ OPEARATING EXPENSES		
Opening Stock of Material at Site	-	434,583
Add : Expenditure on Projects \ Operating Expenses	931,940	5,908,334
Closing Stock of Material at site	-	-
	931,940	6,342,917
NOTE 17 : EMPLOYEE BENEFIT EXPENSES		
Salaries & Allowances	-	2,316,486
Remuneration to Director	995,016	2,980,044
Contribution to Funds	3,776	90,157
Recruitment & Training Expenses	-	3,500
Staff Welfare Expenses	247,170	440,031
Retirement Benefits	17,924	161,619
	1,263,886	5,991,837
NOTE 18 : FINANCE COSTS		
Interest Expenses	14,903	95,248
	14,903	95,248
NOTE 19 : OTHER EXPENSES		
Rates & Taxes	1,125	13,200
Communication Cost	17,080	44,347
Traveling and Conveyance	219,097	26,629
Repairs & Maintenance	18,818	31,424
Secretarial Expenses	168,476	219,353
Advertisement & Business Promotion	113,344	-
Printing & Stationery	176,921	266,807
Payment to Auditors		
- As Auditor	112,360	112,360
- Taxation Matters	28,090	27,575
- Other Services	36,208	19,560
Insurance Premium	84,905	88,426
Legal & Professional Charges	4,498	85,811
Listing Fee	174,861	76,107
General Expenses	73,970	71,808
Office Maintenance	28	-
Prior Period Items	-	120,000
Bank Charges	1,638	3,592
	1,231,419	1,206,999
NOTE 20 : DEFERRED TAX EXPENSE (INCOME)		
Deferred Tax Liability for the year	(53,452)	(159,933)
	(53,452)	(159,933)

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
NOTE 21 : CONTINGENT LIABILITIES :		
a. Estimated amount of liability on capital contracts	-	-
b. Other Contingent Liabilities	-	-
	-	-
	-	-

NOTE 22 : 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 ₹ 53,452 (Previous Year ₹ 1,59,933) has been written back for deferred tax assets from the profits of the current year. The deferred tax liability outstanding as on 31st March 2013 is ₹ 7,24,387 (Previous Year ₹ 7,77,839) the details of which are as follows:

Particulars	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Outstanding Deferred Tax Liability as at the beginning of the year	777,839	937,772
Timing Difference on account of Depreciation	(53,452)	(159,933)
Outstanding Deferred Tax Liability as at the end of the year	724,387	777,839

NOTE 23 : OPERATING LEASES:

Total rental charges under cancelable operating lease was ₹ 2,20,000/-(Previous year ₹ 2,40,000/-)

NOTE 24 : INFORMATION UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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.

NOTE 25 : EMPLOYEE BENEFITS**A. Gratuity**

- i) The Company does not maintain any fund to pay for Gratuity
- ii) Amount recognized in the Profit and Loss Account is as under:

Description	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
Current service cost	-	57,159
Interest Cost	-	31,936
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	-	(154,208)
Expenses recognized in the statement of profit and loss	-	(65,113)

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

Description	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Opening net liability	-	399,195
Expense as above	-	(65,113)
Contribution paid	-	-
Closing net liability	-	334,082

iv) Net Assets/Liability in the Balance Sheet as at 31st March, 2013

Description	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Present value of the obligation	-	334,082
Fair value of plan assets	-	-
Difference	-	334,082
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
Liability recognized in the balance sheet	-	334,082

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

Description	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
Discount Rate	-	8%
Salary escalation rate	-	8%
Attrition rate	-	4%
Expected rate of return on Plan Assets	-	0%

B. Leave Encashment

- i) The Company doesn't maintain any fund to pay for leave encashment
- ii) Amount recognized in the Profit and Loss Account is as under:

Description	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
Current service cost	-	33,875
Interest Cost	-	11,632
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	-	(53,038)
Transitional Liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost – vested benefits	-	-
Expenses recognized in the statement of profit and loss	-	(7,531)

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

Description	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Opening net liability	-	145,406
Expense as above	-	(7,531)
Contribution paid	-	-
Closing net liability	-	137,875

iv) Net Assets/Liability in the Balance Sheet during the year

Description	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Present value of the obligation	-	137,875
Fair value of plan assets	-	-
Difference	-	137,875
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
Liability recognized in the balance sheet	-	137,875

v) For determination of Leave encashment liability of the Company the following actuarial assumptions were used:

Description	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
Discount Rate	-	8%
Salary escalation rate	-	8%
Attrition rate	-	4%
Expected rate of return on Plan Assets	-	0%

Since there are no employees in the Company as at 31st March 2013, Gratuity and Leave Encashment provision is not required to be made.

NOTE 26 : SEGMENTAL REPORTING

As the Company has been operating only in one segment both in terms of business and geographical operations, segmental reporting in terms of Accounting Standard 17 is not applicable.

NOTE 27 : RELATED PARTIES DISCLOSURES

- a) Key Managerial Personnel (KMP)
G Srinivasa Reddy – Director
- b) Individuals having significant influence on the company
 - i.) G R K Reddy
 - ii.) V P Rajini Reddy
- c) Entities over which individual having significant influence exercise control
 - i) MARG Limited
- d) Particulars of transactions with the related parties during the year in the ordinary course of the business :

Particulars	KMP		Entities having Significant Influence Exercise control	
	Year Ended		Year Ended	
	2012-13	2011-12	2012-13	2011-12
Revenue from Operations	-	-	5,330,106	6,824,726
Remuneration	995,016	2,980,044	-	-
Balance as on				
Trade Receivable	-	-	1,629,725	7,377,119
Remuneration	479,071	218,446	-	-

NOTE 28 : EARNINGS PER SHARE (EPS)

S. No.	Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
a.	Profit After Tax (₹)		
	For Basic	2,041,549	2,709,819
	For Diluted	2,041,549	2,709,819
b.	Weighted average number of equity shares (Nos)		
	For Basic	5,445,000	5,445,000
	For Diluted	5,445,000	5,445,000
c.	Earning Per Share (₹)		
	Basic	0.37	0.50
	Diluted	0.37	0.50
d.	Nominal Value Per Share (₹)	10	10

NOTE 29 : PRESENTATION OF PREVIOUS YEAR'S FIGURES

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.,
Chartered Accountants
Firm Reg. No : 02830S

R M V BALAJI
Partner
Mem. No : 27476

Place : Chennai
Date : 30-May-2013

For and on behalf of Board of Directors

G SRINIVASA REDDY
Director

M ABDUL HAKEEM
Director

GOURI SHANKER MISHRA
Director

CASH FLOW STATEMENT

S. No.	Particulars	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
A	Cash Flows from Operating Activities:		
	Net Profit before Taxation and Extraordinary Item Adjustments for :	2,458,127	3,124,949
	Depreciation	5,412,932	6,729,854
	Finance Cost (Net)	-	95,248
	Operating Profit before Working Capital Changes	7,871,059	9,950,051
	(Increase) Decrease in Inventories	-	434,583
	(Increase) Decrease in Trade Receivables	38,976,720	18,733,354
	(Increase) Decrease in Short-term Loans & Advances	(44,307,291)	302,515,766
	Increase (Decrease) in Trade Payable	(249,637)	(28,894,060)
	Increase (Decrease) in Other Current Liabilities	(1,226,808)	(317,472,263)
	Increase (Decrease) in Short-Term Provisions	(125,430)	(59,033)
	Increase (Decrease) in Long-Term Provisions	(471,957)	(72,644)
	Cash Generated from Operations	466,656	(14,864,246)
	Income Tax (Paid) Refund	(710,970)	15,298,535
	Cash Flow before Extraordinary Items	(244,314)	434,289
	Adjustment for Extraordinary Items	-	-
	Net Cash from Operating Activities (A)	(244,314)	434,289
B	Cash Flows from Investing Activities:		
	Purchase of Fixed Assets	-	-
	Net Cash From Investing Activities (B)	-	-
C	Cash flow from Financing Activities:		
	Proceed from Short Term Borrowings (Net)	-	(3,829,176)
	Finance Cost Paid (Net)	-	(95,248)
	Net Cash Used In Financing Activities (C)	-	(3,924,424)
	Net Increase in Cash and Cash Equivalents (A+B+C)	(244,314)	(3,490,135)
	Cash and Cash Equivalents at beginning of Period	706,835	4,196,970
	Cash and Cash Equivalents at end of Period	462,521	706,835

As per our Report of even date attached

For K RAMKUMAR & CO.,
Chartered Accountants
Firm Reg. No : 02830S

R M V BALAJI
Partner
Mem. No : 27476

Place : Chennai
Date : 30-May-2013

For and on behalf of Board of Directors

G SRINIVASA REDDY
Director

M ABDUL HAKEEM
Director

GOURI SHANKER MISHRA
Director

BALANCE SHEET ABSTRACT

Information required under Part IV of schedule VI of the Companies Act, 1956 **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE** Information required under Part IV of the Companies Act, 1956

I. Registration Details

CIN No. L65991TN1993PLC025252 State Code: 18
Balance Sheet Date: 31st March 2013

II. Capital raised during the year (Amount in Rupees Thousands)

a) Public Issue: Nil b) Rights Issue: Nil
b) Bonus Issue: Nil d) Private Placement: Nil

III. Position of Mobilization and Deployment of funds (Amount in Rupees Thousands)

a) Total Liabilities: 215,339.62 b) Total Assets: 215,339.62

Equity & Liabilities (Amount in Rupees Thousands)

a) Paid up capital: 54,450.00 b) Reserves & Surplus: 142,901.06
c) Non Current Liabilities: 724.39 d) Current Liabilities: 17,264.17

Assets (Amount in Rupees Thousands)

a) Net Fixed Assets: 27,279.42 b) Non-Current Investments: 16,480.10
c) Current Assets: 171,580.10 d) Accumulated Losses: Nil

IV. Performance of Company (Amount in Rupees Thousands)

a) Turnover: 11,313.21 b) Total Expenditure: 8,855.08
c) Profit/Loss before Tax: 2,458.13 d) Profit /Loss after Tax : 2,041.55
e) Earning per Share in Rs: 0.37 f) Dividend rate: Nil

V. Generic Names of Three Principal Products/Services of Company (as per Monetary terms)

a) Item Code No: DIVISION 45 b) Product Description: Construction

