

MARG Projects and Infrastructure Limited

Annual Report 2013 - 14

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

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CONTENTS

Directors Report.....	1
Management Discussion and Analysis Report.....	3
Report on Corporate Governance.....	5
Auditors Certificate on Corporate Governance.....	15
Auditors' Report to the Share Holders.....	16
Balance Sheet.....	20
Statement of Profit & Loss.....	21
Notes to the Financial Statements.....	22
Cash Flow Statement.....	32
Balance Sheet Abstract.....	33

DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2014.

Financial Highlights

The financial results of the Company for the period ended 31st March 2014 is summarized as below:

Description	₹ in lakhs	
	Year Ended 31.03.2014	Year Ended 31.03.2013
Income from Operations	11.12	66.49
Non-operating Income	20.14	46.64
Total Income	31.26	113.13
Expenditure	84.65	34.27
Gross Profit / (Loss) (before depreciation, Finance Costs and tax)	(53.39)	78.86
Finance Costs	-	0.15
Depreciation	43.96	54.13
Profit /(Loss) before Tax	(97.35)	24.58
Provision for Income Tax	1.67	4.17
Profit /(Loss) after Tax	(99.02)	20.41
Brought Forward Profit	1,147.16	1,126.75
Balance Carried to Balance Sheet	1,048.14	1,147.16

Business Operations Overview and Future Prospects

The income from operation of the Company has reduced to ₹11.12 lacs from ₹66.49 lacs in the previous year. The general market conditions and high input cost is the main reason for such fall in the turnover. Your Directors 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. Your Company is willing to execute the engineering, procurement and construction (EPC) and operation and management (O&M) aspects. In near future, MPIL will develop a rich, in-house expertise in both EPC and O&M verticals. This experience helps the Company to manage the entire tolling and maintenance functions during operations phase. Further, the Board is taking up steps to take up more projects in near future.

Dividend

Owing to the loss incurred; your Board do not recommend any dividend for the year under review.

Subsidiary Companies

Your Company does not have any subsidiary Company.

Fixed Deposits

Your Company has not accepted any deposits from the public.

Directors

Mr. G Srinivasa Reddy, Director retires at this Annual General Meeting and being eligible offers himself for reappointment.

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) of the Companies Act, 1956 and Section 139(1) of the Companies Act, 2013 from the retiring auditors regarding their eligibility for reappointment as the Company's Auditors for the year 2014-15.

Directors Responsibility Statement

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

- in the preparation of the Annual Accounts for the Financial Year 2013-14, the applicable Accounting Standards have been followed and that there are no material departures;
- 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;
- 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;
- they have prepared the Annual Accounts on a going concern basis.

Reply to the Observation of the Auditor made in Auditors' Report

In respect of the Auditors' observation in para vii of the Annexure to the Auditors' Report with regard to internal audit system, your board explains that the Company due to financial constraints could not appoint an Internal Auditor. However, the management has followed the procedures and methods of Internal Audit and the inspections carried out by the management at regular intervals.

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 thereon under Companies (Particulars of Employees) Rules 1975 for the year 2013-14.

Industrial Relations

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

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 2013-14.

The Management Discussion and Analysis Report

The Management Discussion and 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.

For and on behalf of the Board of Directors

G. Srinivasa Reddy
Director

M. Abdul Hakeem
Director

Place: Chennai
Date: 30th May 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Scenario and Economic Overview**

Infrastructure development in India has been going through a very difficult phase over the last three years. While the Government of India's planning process clearly laid down the requirement for massive development in physical infrastructure to sustain economic growth, this has not translated to on-ground implementation. The slippages have been significant with the nodal agencies and departments responsible for developing the various infrastructure projects. Consequently, players in the construction space, especially those in business of building large infrastructure for the state and central governments, have had to face severe financial, operational and regulatory challenges, such as very tight liquidity conditions, serious stress on cash flows, problems in land acquisition, as well as sundry issues brought up in the ambit of environment and social displacement.

The Indian economy had been suffering from lower growth and various structural weaknesses as it entered 2013-14 and these continued throughout the fiscal year. The slowdown in growth over the last ten quarters has contributed to low business confidence which, in turn, has put a dampener on private sector investment in infrastructure projects. Moreover, the economy has been under serious fiscal pressure.

By the end of 2013-14, there have been some positive signals, although it is probably too early to make a call as to whether the nation is definitely getting back to a higher growth path.

Financial Performance

MARG Projects and Infrastructure Limited Company ('MPIL' or 'the Company') is focusing primarily on large 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 Rs.6.65 Crores last year to Rs.1.11 Crores in the Current year.

Opportunity, Risks and Concerns

India is the world's 19th largest exporter and 10th largest importer. With a trillion rupee investment envisaged for the next Five Year Plan (2012- 17), India's infrastructure investment is bound to grow significantly. To maintain its growth momentum, the provision of adequate infrastructural facilities is critical. Unreliable services or a disruption in infrastructure facilities may restrict output or hinder investments in productive capital. Moreover, infrastructural investment of about USD 1,025 Billion is necessary during the Twelfth Five Year Plan (2012-17) to achieve a share of 9.95% as a proportion of GDP.

Government of India is attempting to improve the country's infrastructure as a top policy priority and recently came out with measures to revive the activities in the road infrastructure sector.

The infrastructure and construction market in India is particularly affected in an atmosphere of lack of complete inertia in new project development and execution. Issues like environment clearances and financial difficulties for large developers have led to very little new opportunities in terms of infrastructure related development.

Raw materials, such as bitumen, stone aggregates, cement and steel, need to be supplied continuously to complete projects. There is also a risk of cost escalation or raw material shortage. The Company is operating in a highly competitive environment. However, during the year, the Company has observed that competition has diminished to larger extent. Hence, we will continue to bid for projects with financial, operational and execution viability. However, the Company believes that the competitive intensity may come back in FY 2015-16. This has led to risks related to order book growth and margins of the Company. MPIL continues to try and offset this risk by diversifying its sector base and client base.

A tough monetary policy adopted by Reserve bank of India (RBI) to tackle inflation. The lack of reforms and drop in growth in India in the last couple of years has led to an increase in its sovereign risk ratings and global capital flows into the country have also dried up. This gradual increase in the cost of servicing debt is a risk affecting the Company. Easing, inflation continues to be at a fairly high level. This results in increase in operating costs for the Company particularly in terms of input material and wage costs to meet this inflationary environment.

Outlook

Engineering and Construction is the Company's core business of executing construction work on contract basis. The Company has started the year 2014-15 with a not so healthy Order Book mainly because of lack of orders in the previous years. However, the order book position during this year is expected to be reasonably good particularly in the second half of the FY 2014-15 on account of likely thrust by the new government in the Infrastructure and power Sector. Further, the Company is mainly focusing on sectors in terms of transportation, power, water supply and industrial construction projects. 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

2013-14. 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 was no increase in manpower due to the adverse market condition and slowdown in 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

M. Abdul Hakeem
Director

Place: Chennai
Date: 30th May 2014

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 2014 are given below. The details of other directorship have been taken as on 31st March 2014.

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	1	Nil	Nil	Nil
3	Mr.Gouri Shanker Mishra	NED/ID	1	Nil	Nil	Nil

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

*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, (DIN No. : 01356350) is a B.E. Civil Engineer by qualification. He has over 30 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, (DIN No. : 01628335) is a Challenger Award Winner banker with more than 33 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 (DIN No. : 00636244) is a Fellow Member of Institute of Company Secretaries of India having 12 years of experience in the Secretarial field and legal domain. Along with FCS, he also holds qualification of L.L.B. and MBA.

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 2014 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	5	5	Present
Mr. M Abdul Hakeem	5	5	Present
Mr. Gouri Shanker Mishra	5	4	Absent

During the financial year 2013-14, FIVE Board meetings were held on 30th May 2013, 14th August 2013, 30th September 2013, 14th November 2013, and 14th February 2014. 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.

Appointment and Tenure of Independent Directors

As regard to the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013.

- The Independent Director will serve a maximum of two terms of five years each.
- In the transaction to the Companies Act, 2013, which is effective from 1st April 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years.
- With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment tenure will be governed by the provisions of the Companies Act, 2013 and Listing Agreement.

The Company shall follow the above policy as per the requirement of the Companies Act, 2013 and guidelines of SEBI as amended from time to time.

Code of Business Conduct

The Board of Directors have laid down the Code of Conduct for all the Board Members and Senior Management Personnel of the Company, which is also uploaded on the website of the company, (www.margprojects.com). All Board Members have affirmed compliance to the Code of Conduct. A declaration signed by one of the Directors affirming the compliance with the Code of Conduct by the Board of Members of the Company is attached and forms part of this Report.

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. Stakeholders Relationship Committee (Formerly Shareholders' / Investors' Grievance Committee)
3. Nomination and Remuneration Committee (Formerly 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 2013-14 and related attendance, are provided below;

I. Audit Committee

Pursuant to provisions of Section 292A of the Companies Act, 1956, Section 177 of the Companies Act, 2013 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. Gouri Shanker Mishra and Mr. M Abdul Hakeem have accounting expertise. Mr. Gouri Shanker Mishra, Director was the Chairman of the Committee.

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

Name(s) of Director(s)	Category/ Status	No. of Committee Meetings held	No. of Meetings Attended
Mr. Gouri Shanker Mishra	NED/ID/ Chairman	4	4
Mr. M Abdul Hakeem	NED/ID/ Member	4	4
Mr. G Srinivasa Reddy	NED/NID/ Member	4	4

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 30, 2014, have approved new terms of reference for the Audit Committee and thereupon the revised terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (III)(D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the Audit Committee has been granted powers as prescribed under Clause 49 (III)(C) of the Listing Agreement.

Number of Meetings held and the dates on which held:

During the financial year 2013-14 FOUR meetings of Audit Committee were held on 30th May 2013, 14th August 2013, 14th November 2013 and 14th February 2014. The time gap between any two meetings was less than four months.

Terms of reference

The terms of reference of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial

statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal

control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of Significant Related Party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

II. Nomination and Remuneration Committee (formerly termed as Remuneration Committee)

Pursuant to the Provisions of Clause 49 of the Listing Agreement, Board has constituted a Nomination and Remuneration Committee (Formerly termed as Remuneration Committee). The Committee presently consists of Three Non- Executive Directors out of which two are 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. G Srinivasa Reddy	NED/NID/ Member	-	-

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 30, 2014, have approved the change in nomenclature of the Remuneration Committee to Nomination and Remuneration Committee and have revised their role as under:

Number of Meetings held and the dates on which held:

During the Financial Year 2013-14, No meeting was held.

Terms of reference

The revised role of the Nomination and Remuneration Committee, inter-alia, includes the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity;

Remuneration to the Directors

The Company doesn't have any Executive Director and none of the Directors are in receipt of any remuneration during the Financial Year 2013-14.

Shareholding of Directors

None of the Directors hold any shares in the Company.

III. Stakeholders Relationship Committee (Formerly Termed As Shareholders'/ Investors' Grievance Committee)

In accordance with Section 178(5) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement

(which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 30, 2014, have approved the change in nomenclature of the Shareholders Grievances Committee to Stakeholders Relationship Committee and enhanced their role.

The Committee oversees performance of Registrars and Share Transfer Agents of the Company and recommends remedial measures to improve quality of Investors services and reviews all matters connected with transfer/transmission of securities of the Company and approves issue of duplicate certificates. The Committee also looks into redressal of shareholders'/ Investors' complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividend etc.

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

Name(s) of Director(s)	Category/ Status	No. of Committee Meetings held	No. of Meetings Attended
Mr. M Abdul Hakeem	NED/ID/ Chairman	3	3
Mr. Gouri Shanker Mishra	NED/ID/ Member	3	3
Mr. G Srinivasa Reddy	NED/ NID Member	3	3

Year	Date	Time	Venue	No. of Special Resolutions passed
2012-13	30 th September 2013	9.00 A.M.	Auditorium of Exemplarr Worldwide Limited, 141, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041.	2
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

6. Postal Ballot

No resolutions were passed by postal ballot during the Financial Year ended 31st March 2014 under review. Further, at present your directors do not foresee any special resolution proposed to be conducted through Postal Ballot.

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.

Number of Meetings held and the dates on which held:

During the financial year 2013-14 THREE meetings were held on 14th August 2013, 14th November 2013 and 14th February 2014.

Compliance Officer

Mr. G Srinivasa Reddy, 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 2 complaints received from the shareholders and all the 2 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:

- 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 21st Annual General Meeting

Date and Time : **30th September 2014 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 2013-14 started on 1st April 2013 and ended on 31st March 2014. The current Financial Year 2014-15 started on 1st April 2014 and would end on 31st March 2015.

Financial Calendar (Tentative)

First Quarter

30th June 2014 : on or before 14th Aug 2014

Second Quarter

30th September 2014 : on or before 14th Nov 2014

Third Quarter

31st December 2014 : on or before 14th Feb 2015

Fourth Quarter

31st March 2015 : on or before 30th May 2015

III. Date of Book Closure

The Register of Member and Share Transfer Books shall be closed for a period of three days starting from 28th September 2014 to 30th September 2014 (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 2014.

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 de recognized by SEBI.

VI. Stock Code

i) Bombay Stock Exchange Limited

Stock Code: 513648 (For Equity Shares of the Company)

ii) Madras Stock Exchange Limited

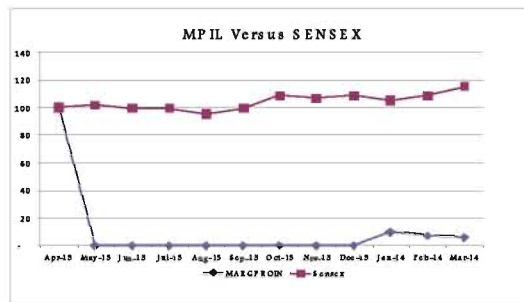
Stock Code: MARGSECUR (For Equity Shares of the Company)

VII. Market Price Data

Year	Month	High (Rs.)	Low (Rs.)	Monthly Volume
2013	April	-	-	-
2013	May	-	-	-
2013	June	-	-	-
2013	July	-	-	-
2013	August	-	-	-
2013	September	-	-	-
2013	October	-	-	-
2013	November	-	-	-
2013	December	-	-	-
2014	January	10.50	9.98	200
2014	February	9.49	7.01	2,550
2014	March	6.66	6.02	1,100

VIII. 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;



Note: The Company's equity share prices at BSE and BSE Sensex indexed to 100 as on 1st April 2013

IX. Registrar and Share Transfer Agents

The Company has appointed M/s. GNSA Infotech Limited as Registrar and Share Transfer Agent. Following is the address of 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

X. 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.

XI. Distribution of Shareholding as on 31st March 2014

No of Shares held	No of Shareholders	% of Total No of Shareholders	Total Shares held in the Category	% of Shareholding
Upto 500	7,694	94.37%	1055,904	19.39%
501 - 1000	230	2.82%	182,567	3.35%
1001 - 2000	124	1.53%	182,220	3.35%
2001 - 3000	32	0.39%	77,850	1.43%
3001 - 4000	11	0.14%	39,380	0.72%
4001 - 5000	19	0.23%	90,600	1.66%
5001 - 10000	19	0.23%	137,800	2.54%
10001 & above	24	0.29%	3,678,679	67.56%
Total	8,153	100.00%	5,445,000	100.00%

XII. Dematerialization of Equity Shares and Liquidity

DEMAT ISIN for equity shares is INE942E01017.

The Authorized Capital of the Company is Rs.150,000,000 comprising of 15,000,000 equity shares of Rs.10 each. The paid up Capital of the Company as on 31st March 2014 is Rs.54,450,000 consists of 5,445,000 Equity shares of Rs.10 each. Out of the above shares, 1,905,318 Equity Shares representing 34.99% are held in physical form and balance 3,539,682 Equity Shares representing 65.01% are held in dematerialised form.

XIII. Outstanding Convertible Instruments

There is no outstanding convertible instrument.

XIV. Plant Location

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

XV. 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

STADepartment
Nelson Chambers, F Block, 4th Floor,
115 Nelson Manickam Road,
Aminjikarai, Chennai – 600 029

Categories of Shareholding as of 31st March 2014

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	26,201	0.48
c	Banks/FIs	500	0.01
d	Indian Public	2,362,615	43.40
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 2014 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, Director was placed at the meeting of the Board of Directors of the company and is appended as an Annexure to this report

XVI. 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 an audit qualification regarding Internal Audit System in annexure to the Audit Report in the Company's financial statements. The Company has given suitable reply in Directors Report in this regard.

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 Board adopted the revised Whistleblower Policy that adopts global best practices. We have established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allow direct access to the Chairperson of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the audit committee during the financial year 2014.

For and on behalf of the Board of Directors

G Srinivasa Reddy
Director

M Abdul Hakeem
Director

Place: Chennai

Date: 30th May 2014

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. 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 2014 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

Place: Chennai

Date: 30th May 2014

Certification of Director

To
The Board of Directors,
MARG Projects and Infrastructure Limited

I, G Srinivasa Reddy, Director of the Company responsible for the finance function certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of my 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 my knowledge and belief, no transactions entered into by the company during the year ended 2013-14 are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and that I 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 I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - (i) There were no significant changes in internal controls during the year 2013-14;
 - (ii) There has not been any significant change in accounting policies during the year 2013-14; 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.

**For and on behalf of the Board of Directors
For MARG Projects and Infrastructure Limited**

**G Srinivasa Reddy
Director**

**Place : Chennai,
Chennai : 30th May 2014**

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 2014, 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**

**RMVBALAJI
Partner
Mem.No : 27476**

**Place : Chennai
Date : 30th May 2014**

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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2014, 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, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended 31st March 2014 and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended 31st March 2014.

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 sub-section(3C) of section 211 of the Companies Act, 1956.

e) on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 Reg. No : 02830S

R M V BALAJI
(Partner)
Mem.No : 27476

Place : Chennai
Date : 30th May, 2014

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, 2014.

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 and according to the information and explanation given to us, the Company's internal audit system is not 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 ₹ 6,17,151/- was payable as at 31st March 2014 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 does not have accumulated losses as at 31st March 2014. The Company has incurred cash losses of ₹ 53,39,788/- during the financial year covered by our audit and there is no cash loss in 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, 2014

BALANCE SHEET

PARTICULARS	Note	As At 31-Mar-14 ₹	As At 31-Mar-13 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	54,450,000	54,450,000
Reserves & Surplus	3	132,998,535	142,901,062
NON-CURRENT LIABILITIES			
Deferred Tax Liability (Net)	4	672,273	724,387
CURRENT LIABILITIES			
Trade Payables	5	407,306	13,815,721
Other Current Liabilities	6	1,993,350	2,978,422
Short-Term Provisions	7		470,030
		190,521,464	215,339,622
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	8		
Tangible Assets		22,883,185	27,279,416
Non-Current Investments	9	16,480,100	16,480,100
CURRENT ASSETS			
Trade Receivables	10	2,719,223	1,629,725
Cash & Cash Equivalents	11	492,548	462,521
Short-Term Loans & Advances	12	147,946,408	169,487,860
		190,521,464	215,339,622

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-2014

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-14 ₹	Year Ended 31-Mar-13 ₹
INCOME			
Revenue from Operations	13	1,111,733	6,648,964
Other Income	14	2,013,532	4,664,243
		<u>3,125,265</u>	<u>11,313,207</u>
EXPENDITURE			
Cost of Projects \ Operating Expenses	15	128,616	931,940
Employee Benefit Expenses	16	-	1,263,886
Finance Costs	17	341	14,903
Depreciation	8	4,396,231	5,412,932
Other Expenses	18	8,336,096	1,231,419
		<u>12,861,284</u>	<u>8,855,080</u>
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(9,736,019)	2,458,127
Exceptional Items		-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(9,736,019)	2,458,127
Extraordinary Items		-	-
PROFIT BEFORE TAX		(9,736,019)	2,458,127
TAX EXPENSE			
Taxes - Prior Period		218,622	470,030
Deferred Tax	19	(52,114)	(53,452)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS (A)		<u>(9,902,527)</u>	<u>2,041,549</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>(9,902,527)</u>	<u>2,041,549</u>
EARNINGS PER SHARE			
Basic (Face Value ₹ 10/-)		(1.82)	0.37
Diluted (Face Value ₹ 10/-)		(1.82)	0.37

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached

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

R M V BALAJI
Partner
Mem. No : 27476

Place : Chennai
Date : 30-May-2014

For and on behalf of Board of Directors

G SRINIVASA REDDY
Director

M ABDUL HAKEEM
Director

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 recognised 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 and 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 31-Mar-14 Nos	As At 31-Mar-13 Nos	As At 31-Mar-14 ₹	As At 31-Mar-13 ₹
(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 the Shareholders	As At 31-Mar-14		As At 31-Mar-13	
		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-14 ₹	As At 31-Mar-13 ₹
3.1 Securities Premium Account:		
Opening Balance	27,639,795	27,639,795
Add: Addition during the year	-	-
Closing Balance	27,639,795	27,639,795
3.2 General Reserve:		
Opening Balance	545,000	545,000
Add: Transferred from the Profit and Loss Account	-	-
Closing Balance	545,000	545,000
3.3 Profit & Loss Account:		
Opening Balance	114,716,267	112,674,718
Add : Profit for the Year	(9,902,527)	2,041,549
Closing Balance	104,813,740	114,716,267
	132,998,535	142,901,062
NOTE 4 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability	672,273	724,387
	672,273	724,387
NOTE 5 : TRADE PAYABLE		
Trade Payables	407,306	13,815,721
	407,306	13,815,721
NOTE 6 : OTHER CURRENT LIABILITIES		
Other Payables		
Advances from Customers	-	344,019
Expenses Payable	883,467	871,641
Statutory Dues	630,812	1,283,691
Due to Directors	479,071	479,071
	1,993,350	2,978,422
NOTE 7 : SHORT-TERM PROVISIONS		
Others:		
Income Tax	-	470,030
	-	470,030

NOTE 8 : FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As At 31-Mar-13 ₹	Additions ₹	Deductions/ Transfers ₹	As At 31-Mar-14 ₹	Upto 31-Mar-13 ₹	For the Year ₹	Deductions/ Transfers ₹	Upto 31-Mar-14 ₹	As At 31-Mar-14 ₹	As At 31-Mar-13 ₹
TANGIBLE ASSETS										
Plant & Machinery	52,896,746	-	-	52,896,746	25,735,920	4,353,499	-	30,089,419	22,807,327	27,160,826
Computer	470,430	-	-	470,430	371,747	39,473	-	411,220	59,210	98,683
Office Equipments	12,000	-	-	12,000	3,771	1,145	-	4,916	7,084	8,229
Furnitures & Fittings	25,320	-	-	25,320	13,642	2,114	-	15,756	9,564	11,678
Total	53,404,496	-	-	53,404,496	26,125,080	4,396,231	-	30,521,311	22,883,185	27,279,416
Previous Year	53,404,496	-	-	53,404,496	20,712,148	5,412,932	-	26,125,080	27,279,416	32,692,348

MARG Projects and Infrastructure Limited

Particulars	As At 31-Mar-14 ₹	As At 31-Mar-13 ₹
NOTE 9 : NON-CURRENT INVESTMENTS		
Investments in Equity Instruments (Shares) (Non-Quoted, Non-Trade, Stated at Cost)		
	No of Shares	
In Other Companies	Face Value	31-Mar-14
		31-Mar-13
MARG Capital Markets Ltd	10	100,000
		100,000
MARG Realities Limited	10	963,010
		963,010
MARG Digital Infrastructure Pvt Ltd	10	585,000
		585,000
		16,480,100
		16,480,100
NOTE 10 : TRADE RECEIVABLES		
Unsecured and considered good		
Others		2,719,223
		1,629,725
		2,719,223
		1,629,725
NOTE 11 : CASH & CASH EQUIVALENTS		
Cash Balance		181,988
		268,672
Balances with Banks		
In Current Accounts		310,560
		193,849
		492,548
		462,521
NOTE 12 : SHORT-TERM LOANS & ADVANCES		
(Unsecured and considered good)		
Others		
Advances to Suppliers		-
		2,500,000
Other Advances Recoverable		139,641,067
		151,202,431
Prepaid Expenses		2,862
		61,858
Prepaid Taxes		5,925,565
		12,812,238
Security Deposits		2,376,914
		2,911,333
		147,946,408
		169,487,860
Particulars	Year Ended 31-Mar-14 ₹	Year Ended 31-Mar-13 ₹
NOTE 13 : REVENUE FROM OPERATIONS		
Income from Operations	1,111,733	6,648,964
	1,111,733	6,648,964
NOTE 14 : OTHER INCOME		
Interest Income	2,013,532	4,653,105
Miscellaneous Income	-	11,138
	2,013,532	4,664,243

MARG Projects and Infrastructure Limited

Particulars	Year Ended 31-Mar-14 ₹	Year Ended 31-Mar-13 ₹
NOTE 15 : COST OF PROJECTS \ OPEARATING EXPENSES		
Expenditure on Projects \ Operating Expenses	128,616	931,940
	128,616	931,940
NOTE 16 : EMPLOYEE BENEFIT EXPENSES		
Remuneration to Director	-	995,016
Contribution to Funds	-	3,776
Staff Welfare Expenses	-	247,170
Retirement Benefits	-	17,924
	-	1,263,886
NOTE 17 : FINANCE COSTS		
Interest Expenses	341	14,903
	341	14,903
NOTE 18 : OTHER EXPENSES		
Rates & Taxes	5,894	1,125
Communication Cost	837	17,080
Traveling and Conveyance	6,338	219,097
Repairs & Maintenance	-	18,818
Secretarial Expenses	206,257	168,476
Advertisement & Business Promotion	-	113,344
Printing & Stationery	203,412	176,921
Payment to Auditors		
- As Auditor	112,360	112,360
- Taxation Matters	-	28,090
- Other Services	26,854	36,208
Insurance Premium	92,727	84,905
Legal & Professional Charges	25,270	4,498
Listing Fee	43,821	174,861
General Expenses	1,839	73,970
Office Maintenance	-	28
Bad Debts	7,606,916	-
Bank Charges	3,058	1,638
	8,336,096	1,231,419
NOTE 19 : DEFERRED TAX EXPENSE (INCOME)		
Deferred Tax Liability for the year	(52,114)	(53,452)
	(52,114)	(53,452)

MARG Projects and Infrastructure Limited

Particulars	As At 31-Mar-14 ₹	As At 31-Mar-13 ₹
NOTE 20 : CONTINGENT LIABILITIES :		
a. Estimated amount of liability on capital contracts	-	-
b. Other Contingent Liabilities	-	-
	<u>-</u>	<u>-</u>

NOTE 21 : 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 Rs. 52,114 (Previous Year Rs. 53,452) has been written back for deferred tax assets from the profits of the current year. The deferred tax liability outstanding as on 31st March 2014 is Rs.672,273 (Previous Year Rs. 724,387) the details of which are as follows:

Particulars	As At 31-Mar-14 ₹	As At 31-Mar-13 ₹
Outstanding Deferred Tax Liability as at the beginning of the year	724,387	777,839
Timing Difference on account of Depreciation	(52,114)	(53,452)
Outstanding Deferred Tax Liability as at the end of the year	672,273	724,387

NOTE 22 : OPERATING LEASES:

'Total rental charges under cancelable operating lease was Nil (Previous year Rs. 2,20,000/-)

NOTE 23 : INFORMATIONS 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 24 : EMPLOYEE BENEFIT

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 25 : 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 26 : 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 over which individual having Significant Influence Exercise control	
	Year Ended 2013-14	2012-13	Year Ended 2013-14	2012-13
Revenue from Operations	-	-	1,111,733	5,330,106
Remuneration	-	995,016	-	-
Balance as on				
Trade Receivable	-	-	2,719,223	1,629,725
Remuneration	479,071	479,071	-	-

NOTE 27 : EARNINGS PER SHARE (EPS)

S. No.	Particulars	Year Ended 31-Mar-14	Year Ended 31-Mar-13
a. Profit After Tax (₹)			
	For Basic	(9,902,527)	2,041,549
	For Diluted	(9,902,527)	2,041,549
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	(1.82)	0.37
	Diluted	(1.82)	0.37
d. Nominal Value Per Share (₹)		10	10

NOTE 28 : 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-2014

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-14 ₹	Year Ended 31-Mar-13 ₹
A	Cash Flows from Operating Activities:		
	Net Profit before Taxation and Extraordinary Item	(9,736,019)	2,458,127
	Adjustments for :		
	Depreciation	4,396,231	5,412,932
	Operating Profit before Working Capital Changes	(5,339,788)	7,871,059
	(Increase) Decrease in Inventories	-	-
	(Increase) Decrease in Trade Receivables	(1,089,498)	38,976,720
	(Increase) Decrease in Short-term Loans & Advances	15,383,496	(44,307,291)
	Increase (Decrease) in Trade Payable	(13,408,415)	(249,637)
	Increase (Decrease) in Other Current Liabilities	(985,072)	(1,226,808)
	Increase (Decrease) in Short-Term Provisions	(470,030)	(125,430)
	Increase (Decrease) in Long-Term Provisions	-	(471,957)
	Cash Generated from Operations	(5,909,307)	466,656
	Income Tax (Paid) Refund	5,939,334	(710,970)
	Cash Flow before Extraordinary Items	30,027	(244,314)
	Adjustment for Extraordinary Items	-	-
	Net Cash from Operating Activities (A)	30,027	(244,314)
B	Cash Flows from Investing Activities:	-	-
C	Cash flow from Financing Activities:	-	-
	Net Cash Used In Financing Activities (C)	-	-
	Net Increase in Cash and Cash Equivalents (A+B+C)	30,027	(244,314)
	Cash and Cash Equivalents at beginning of Period	462,521	706,835
	Cash and Cash Equivalents at end of Period	492,548	462,521

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-2014

For and on behalf of Board of Directors

G SRINIVASA REDDY
Director

M ABDUL HAKEEM
Director
GOURI SHANKER MISHRA
Director

BALANCE SHEET ABSTRACT**I. Registration Details**

No. L65991TN1993PLC025252 State Code: 18
Balance Sheet Date: 31st March 2014
CIN

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: 190,521.46 b) Total Assets: 190,521.46

Equity & Liabilities (Amount in Rupees Thousands)

a) Paid up capital: 54,450.00 b) Reserves & Surplus: 132,998.54
c) Non Current Liabilities: 672.27 d) Current Liabilities: 2,400.65

Assets (Amount in Rupees Thousands)

a) Net Fixed Assets: 22,883.19 b) Non-Current Investments: 16,480.10
c) Current Assets: 151,158.17 d) Accumulated Losses: Nil

IV. Performance of Company (Amount in Rupees Thousands)

a) Turnover : 3,125.27 b) Total Expenditure : 12,861.28
c) Profit(Loss) before Tax : (9,736.02) d) Profit (Loss) after Tax : (9,902.53)
e) Earning per Share in Rs: (1.82) 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

