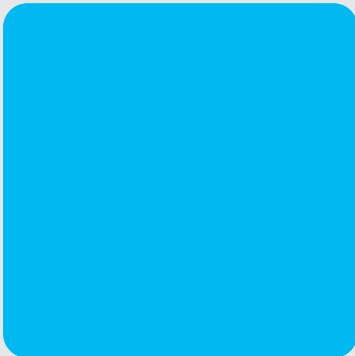
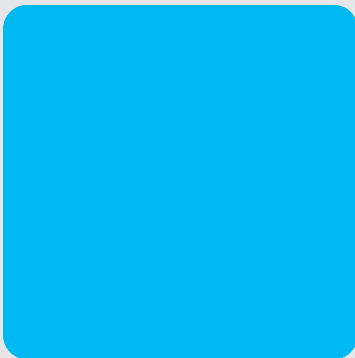


STRONG FOUNDATION. PROMISING FUTURE.



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Corporate Information

Chairman & Managing Director

Mr. G R K Reddy

Directors

Mrs. V P Rajini Reddy

Mr. Arun Kumar Gurtu

Mr. Karanjit Singh Jasuja

Company Secretary

Mr. Rabindra Kumar Samal

Auditors

M/s. K Ramkumar & Co.,

Chartered Accountants,

A-1, 7th Floor, Tower III, Sakthi Towers,

766, Anna Salai, Chennai – 600 002

Registered Office

'MARG Axis', 4/318, Rajiv Gandhi Salai, Kottivakkam,
Chennai – 600 041

Corporate Office

Anjali Towers, 392 & 393, Rajiv Gandhi Salai,
Kottivakkam, Chennai – 600 041

Website

www.marggroup.com

Stock Exchanges

Where the Company's shares are listed:

i) Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001

ii) Madras Stock Exchange Limited

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

Registrar & Share Transfer Agent

M/s. Cameo Corporate Services Limited

Subramanian Building, No. 1 Club House Road,
Chennai – 600 002



Directors' Report

To
The Members of
MARG Limited

Your Directors are presenting the 18th Annual Report together with the Audited Accounts for the financial year ended 31st March 2013.

1. FINANCIAL RESULTS:

(₹ in Crores)

Particulars	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Income from Operations	761.54	1,501.09
Non-Operating Income	72.00	78.91
Total Income	833.54	1,580.00
Profit before Depreciation, Finance Cost and Tax Expense (EBDIT)	40.66	214.64
Depreciation	11.58	12.34
Interest & Finance Charges	89.11	39.69
Profit/(Loss) before Tax	(60.03)	162.61
Tax Expense	(24.00)	52.12
Profit/(Loss) after Tax	(36.03)	110.49
Balance in Profit & Loss Account	341.92	231.43
Amount available for Appropriation	305.89	341.92
Dividend	Nil	Nil
Dividend Tax	Nil	Nil
Amount transferred to General Reserve	Nil	Nil
Balance in Profit and Loss Account	305.89	341.92

During the Financial Year 2012-13, total revenue of the Company stands at ₹ 833.54 Crores as against ₹ 1,580.00 Crores in the previous year. The EBDIT is ₹ 40.66 Crores, compared to previous year of ₹ 214.64 Crores. The Company incurred a loss before tax of ₹ 60.03 Crores and a net loss of ₹ 36.03 Crores during the financial year ended March 31, 2013 as compared to a profit before tax of ₹ 162.61 Crores and a net profit of ₹ 110.49 Crores in the previous year. This is primarily due to economic slowdown, depressed markets, increase in interest costs and cost of raw materials.



2. DIVIDEND

Due to losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2013.

3. BUSINESS HIGHLIGHTS 2012-13

- A. MARG** Revenue Stands at ₹762 Crores in FY12-13, including EPC revenue of ₹748 Crores, with Current order book at around ₹3,800 Crores.
- B. Karaikal Port Private Limited (KPPL)**, a subsidiary of your Company has successfully handled 6.61 MMT of multi-cargo in FY12-13 and reported a top line of ₹277 Crores and EBITDA ₹133 Crores. The Port has handled 19MMT of Cargo since its commencement.
- C. MARG Swarnabhoomi** has sold 402 apartments (0.4 million sqft) with sale value of ₹74 Crores during FY12-13, taking cumulative sale booking to 2042 apartments (2.02 million sqft) with sale value of ₹341 Crores.
- D. MARG ProperTies Limited**, the real estate arm of MARG has sold 369 units (0.4 million sq ft) in FY12-13, with sale value of ₹132 Crores, taking cumulative sale booking to 1966 apartments (2.12 million sqft) with sale value of ₹552 Crores.

4. AWARDS & RECOGNITIONS

The Company has received the following awards and recognitions in the FY12-13:

- * "MMA Award for Managerial Excellence 2012" at the 56th MMA Annual General Meeting held on 6th July 2012, Chennai.
- * MARG Parivarthan's "Knowledge Connectivity for Rural Empowerment" project was adjudged as the "Best Community Program" at the Responsible Business Summit held at Mumbai
- * MARG Karaikal Port Chosen as the 'Innovative Port of the Year' at South East CEO Conclave & Awards, 2012
- * Two awards at 'Construction Week Awards 2012' at Mumbai
 - Excellence in CSR (Winner)
 - Infrastructure Company of the year (Runner up)
- * MARG bagged a double at CIDC Vishwakarma Awards 2013: G R K Reddy, CMD – MARG Group chosen as 'Industry Doyen' & MARG Ltd, as 'Best Professionally Managed Company'

5. DIRECTORS

Mr. Karanjit Singh Jasuja, Director retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. G Raghava Reddy, Promoter Director and Mr. Saibaba Vutukuri, Independent Director, have resigned from the Directorship of the Company w.e.f. 20th July 2012. The Board placed on record its appreciation for the services provided by them during the tenure as Directors of the Company.

6. AUDITORS

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

7. COST ACCOUNTING RECORD

During the FY12-13, your Company has maintained cost accounting records in accordance with the provisions of Companies (Cost Accounting Record) Rules, 2011. The Company shall file the Compliance Report as certified by the Cost Accountant for the FY12-13 with Central Government as prescribed under Companies (Cost Accounting Record) Rules, 2011, in due course.

8. SUBSIDIARY COMPANIES

STATUS

Your Company has total of 58 Subsidiaries as on 31st March 2013, out of which 5 Non Wholly-Owned Companies and 53 Wholly-Owned Companies, including 25 Step-down Subsidiaries.

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



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

9. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements under Clause 49 of Listing Agreement. The Corporate Governance Report approved by the Board of Directors of the Company, forms part of this report and a certificate from the auditors of the Company is set out in the Annexure to this Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, forms part of this annual report is provided in a separate section as stipulated under Clause 49 of Listing Agreement.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

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

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

The information on Foreign Exchange Earnings and Outgo is contained in the Note 40 to the Notes on Account. A separate statement is also attached as Annexure I to this Report.

12. PARTICULARS OF EMPLOYEES U/S 217(2A)

Particulars of employees of the Company, who were in receipt of remuneration, which in aggregate exceeds the limit fixed under Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this Directors Report. However, as per the provisions of Sec.

219 (i) (b) (iv) of the Companies Act, 1956, the Annual Report and accounts excluding the aforesaid information are being sent to the shareholders of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company for the same.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the Annual Accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed and there were no material departures;
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss account of the Company for the year under review;
- iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) They have prepared the Annual Accounts for the financial year ended 31st March 2013 on a "going concern basis".

14. EXPLANATION TO THE OBSERVATIONS MADE IN AUDITORS' REPORT

The Directors submit their explanation to the Observations made by the Auditors in their report for the FY12-13. The relevant Paras. of the report and reply are as under:

- **Refer paragraph No. 4 under the heading 'Opinion' of the Standalone Auditors' report:** The Company has adequate resources and construction equipments and manpower to execute the projects in hand. The Management is confident that the company will be able to generate profit in future years and meet its financial obligations as they arise. Besides, the note 43 of the Accounts is self explanatory.
- **Refer point 9(a) of Annexure to Standalone Auditors' report:** The delay in the payment of Provident fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Cess, Sales Tax, Service Tax and other material statutory dues were due to lower cash inflows from the existing projects and the company is arranging to make the payments shortly.



- **Refer point 11 of Annexure to Standalone Auditors' report:** Due to slow down in the Infrastructure and Real estate sector and the resultant impact on the performance of your Company there were defaults in repayments of principle and interest dues to the Banks and Financial Institutions. However, the management opines that with improved business scenario, your Company will be able to meet its obligation.
- Refer to the paragraph No.6 & 7 of the Consolidated Auditors' Report on Consolidated Financial Statements relating to subsidiary Companies. In respect of M/s Mukta Infrastructure Private Limited, the respective company is of opinion that price of Land shall appreciate in future and hence no provision for impairment loss is made. In respect of M/s. Arohi Infrastructure Private Limited, the subscriber has not exercised the put option during the FY 2012-13, hence the respective company has not provided any premium on redemption during the FY 2012-13.

15. FIXED DEPOSITS

During the year under review, your Company has not invited or accepted fixed deposits from the public.

16. EMPLOYEE STOCK OPTION SCHEME

Your Company has implemented Employee Stock Option Scheme for the benefit of the employees of the Company and its Subsidiaries, and is being governed by the Compensation Committee of the Board of Directors. During the FY12-13, the Company has not granted any option under the Employee Stock Option Scheme. Further, no employee has exercised any option during the year.

The Disclosures required to be made under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is given as Annexure II to this report.

17. JOINT VENTURE

Your Company has following major joint venture companies:

- M/s. Future Parking Private Limited (in which MARG holds 51% of paid-up share capital), is a joint venture with M/s. Apollo Hospitals Enterprise Limited for the development of Multi Level Car Parking (MLCP) at Wallace Garden, Chennai on BOT basis, with a provision of right for development of commercial complex along with the MLCP facility for the entire BOT period.
- Signa Infrastructure India Limited (in which MARG holds 74% of paid –up share capital), is a joint venture with M/s. Housing and Urban Development Corporation Limited (HUDCO) for Techno-Financial collaboration.
- M/s. Rajakamangalam Thurai Fishing Harbour Private Limited (in which MARG holds 39% of paid-up share capital), is into joint venture with M/s. Rajakamangalam Thurai Development Trust to develop a fishing Harbour at Rajakamangalam Thurai in Kanyakumari District of Tamil Nadu.

18. CORPORATE SOCIAL RESPONSIBILITY – APPROACH TOWARDS SOCIETY

MARG PARIVARTHAN 2012 -13

Introduction

MARG has been making steady progress in the field of CSR and Societal interventions. During the reporting year, MARG has made significant progress in various fields such as health, education, women empowerment and welfare measures for the communities in and around our operational areas.

EDUCATION:

At MARG Swarnabhoomi, the company endeavors to make a positive contribution to the underprivileged people by supporting a wide range of educational and socio-economic initiatives. Community projects and programs are driven by active participation of MARG employees at the respective project sites.

MARG has supported an upgraded Govt High School by meeting the cost of salaries to PTA teachers. Govt has sanctioned only 3 teachers and MARG is supporting 5 additional teachers to handle subjects like English, Social Science, Life Skills, Environment Science and Office Admin.

MARG trained 60 children from Poonjeri village near Swarnabhoomi in Hindi and running evening study centres in villages around MARG Swarnabhoomi & Karaikal Port. This personalized coaching through well trained teachers caters to 250 children in 6 villages and School shuttle service is providing hassle free trips to 250 children. This service helps children to reach school on time as well as conserve energy for studies.

HEALTH:

MARG Parivarthan's efforts towards improving healthcare and its delivery systems enabled rural poor access to quality health services. Periodic health camps were conducted by doctors in collaboration with reputed hospitals. Rural health standards (especially among women) were improved through Karaikal Port's village health centres which provided free consultation and medicines through qualified doctors and para-medical staff. The First aid centre at MARG Swarnabhoomi helps people in and around the vicinity to reach out to emergency medical treatment. Pulse Polio Immunization camps have been arranged whenever the Govt announces.



WOMEN EMPOWERMENT:

Basic courses in Beautician and Tailoring Classes, Mehendi Course and Candle Making have been organized in collaboration with Jana Shikshan Shansthan, Kanchipuram. A total of 80 women were trained and successfully completed the course and received certificates issued by the Government. Seven Days Nutrition Preservation course has been organized for Kuvathur youth during their half yearly exam in co-ordination with Food & Nutrition Department, Govt of India. A self help group for women from Cheyur has received loan from Canara Bank for preparing Pickles, Jam and selling them to local shops.

Karaikal Port has been assisting women from the neighborhood villages by organizing them into Self Help Groups (SHG) and supports them in their endeavour towards self reliance. Over 100 women formed into 5 groups have taken up special training in SHG management and have been involved in small economic ventures like installation of coffee kiosks & photocopy shops inside the Port premises that generates supplementary income for their families.

INFRASTRUCTURE SUPPORT:

As part of Integrated Village Development Program (IVDP), total sanitation initiative was started at Keezhavanjore village near Karaikal Port. Through this initiative, so far constructions of 125 individual toilets have been completed. Madyambakam Road was constructed from Madhuban to Madyambakam for 700 meters and loan amount of ₹9 lakhs was given to Block Development Office for Road construction.

Ground leveling was done at ECR entrance for a Church and 7 huts, which met a fire accident at Kodur village. A Shed has also been built for Madyambakam Orphanage. Street lights and Motor well pumps have been provided to Seeknakuppam, Madyambakam and Kodur panchayat. Further 180 Street Lights to 3 Panchayats, 2 Motor Pumps to Madayambakam, 1 for Seeknakupam and 1 for Kodur Panchayat were provided.

RELIEF AND REHABILITATION:

The Company has always been informed and cautious during Cyclone and other natural calamities. During Cyclone, we have distributed food parcels and water to victims of Neelam and Thanne and have also supported 17 families during fire accident at Kodur village.

STRATEGIC PARTNERSHIP FOR COMMUNITY DEVELOPMENT:

“Knowledge Connectivity for providing Integrated Agricultural and Micro-Enterprises Advisories” is a joint initiative by MARG

Karaikal Port & MSSRF (MS Swaminathan Research Foundation) that aims at benefiting farmers, fisherfolk & women SHGs in Karaikal & Nagapattinam districts. The project provides need based locale-specific, demand-driven dynamic information to 20,000 farmers, fisherfolk & SHG women covering 32 villages in Karaikal & Nagapattinam districts. Since the launch of the project in November 2011, target population receives two audio advisories related to their livelihood on a daily basis. A help line set up at project office serves to provide more information and to clarify doubts to the audience based on the audio advisories. Phone-in programmes are being organized with subject experts to obtain further information, clarification and guidance. Based on the results of the need assessment study, awareness & training programmes are being conducted at village levels. In addition to this, a fortnight magazine “Namma Ooru Seithigal” that carries relevant information pertaining to their occupation & region were distributed.

Pilot Project on Rural Development - Veerabogam Panchayat, Lathur Block, Kancheepuram District

The project launched in January 2013, as a Pilot Project to Develop Veerabogam as a model Panchayat will be for a period of 15 months and is based on the concept of ‘Village Self-Governance’. The project aims to harness and synergize the key stake holders - Grampanchayat, farmers, women SHGs & youth for their own development. MARG has been playing the role of a facilitator to employ locally available knowledge, skills & resources optimally with stakeholders’ participation in the whole process thus converging the Government schemes & bank linkages. Krishi Vigyan Kendra as a resource partner has conducted several need based trainings in Agriculture, Micro-Small Enterprises and Environment that promotes sustainable livelihood activities.

19. EMPLOYEE RELATIONS

The Directors place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company at all levels to meet the company’s objectives. The employee relations at all projects and other locations continues to be cordial.

20. BUILDING A STRONG CUSTOMER CONNECT

Customer intimacy is one of your Company’s strategic priorities to reach its ambition of being the leading reference in Infrastructure and Real Estate.



ACKNOWLEDGEMENT

The Directors wish to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors, Employees and members during the year under review.

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 30th May, 2013

ANNEXURE TO THE DIRECTORS' REPORT

Annexure I

Activity in:-Foreign Currency Transactions

Expenditure:-

(₹ in Crores)

Particulars		2012-13	2011-12
a	Value of Imports Calculated on CIF Basis		
	i. Components, Embedded goods and spare-parts	2.33	0.76
	ii. Capital goods	-	-
b	Expenditure in Foreign Currencies		
	i. Travelling Expenses	0.06	0.05
	ii. Technical /Professional & Conference Expenses	-	1.19
	iii. Hire Charges	22.09	40.29
	Total	24.48	42.29

Income:-

(₹ in Crores)

Particulars		2012-13	2011-12
a	Income in foreign currencies		
	Dividend from Subsidiary	-	-
	Total	-	-

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 30th May, 2013



Annexure - II

ESOP Scheme 2006, pursuant to Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

SL. No.	Description
A	Options granted: During the year no options have been granted
B	Pricing formula: Options granted to Eligible Employees under this Scheme carry an Exercise Price at a discount of 20% - 50% to the Market price of the shares determined with respect to the date of Grant.
C	Options vested (including lapsed after vesting): 72,821
D	Options exercised: 107,278
E	Total number of Ordinary Shares arising as a result of exercise of Options: 107,278
F	Options lapsed: 307,086
G	Variation of terms of Options: Nil
H	Money realized by exercise of Options: ₹ 9,587,550 (During the year no money realized by exercise of Option)
I	Total number of Options in force: 72,821
J	Details of Options granted to a) Senior Management Personnel : Nil b) Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year: Nil c) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: Nil
K	Diluted Earnings per Share (EPS) pursuant to issue of Ordinary Shares on Exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share': ₹(9.45)
L	i) Method of calculation of employee compensation cost: Intrinsic Value ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options: If the Company had used fair value of options, the calculation of employee cost would have increased by ₹(0.11) crores.

SL. No.	Description
	iii) The impact of this difference on Profits and on EPS of the Company (on standalone financial statements): The effect of adopting the fair value method on the net income and earnings per share is presented below:
	(₹ In Crores)
	Net Income/(Loss) as reported (36.03)
	Add: Intrinsic Value Compensation Cost (0.25)
	Less: Fair Value Compensation Cost (Black Scholes Model) (0.36)
	Adjusted Net Income/(Loss) (35.92)
	Earning per share Basic (₹) Diluted (₹)
	As reported (9.45) (9.45)
	As adjusted (9.42) (9.42)
M	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price is less than the market price of the shares: NA
N	A description of the method and significant assumption used during the year to estimate the fair values of Options: The fair value of each options estimated using the Black Scholes Options Pricing Model for non-dividend paying stock after applying the following key assumptions (weighted values for options granted during the year)
	i) Risk free interest rate NA
	ii) Expected life NA
	iii) Expected volatility NA
	iv) Expected dividend NA
	v) The price of the underlying shares in market at the time of option grant NA

For and on Behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 30th May, 2013

Management Discussion and Analysis Report

MARG Limited is one of the leading Infrastructure & Real estate Company in south India. MARG was awarded with the prestigious "Excellence in Infrastructure" award at the Construction Industry Awards 2012, Chennai. MARG is focused on achieving holistic regional development, unlocking economic prosperity and creating inclusive & sustainable growth models. The Company, by itself and through its subsidiaries, is undertaking the development and operation of infrastructure projects in the areas of marine infrastructure, urban and industrial infrastructure, thereby pioneering the development of economic growth centers. It owns and operates a port at Karaikal, Puducherry with handling capacity of 28 MTPA and is also developing a 612 acre special economic zone (SEZ), as a part of MARG Swarnabhoomi - 'The Land of New Thinking' on the scenic East Coast Road between Chennai and Puducherry. MARG's EPC division provides integrated turnkey solutions by offering a plethora of services including integrated design, engineering, material procurement, field services and construction & project management services for infrastructure sector and real estate projects for its various subsidiaries as well as external customers. The Company also offers quality residential spaces, predominantly catering to the mid segment and affordable segment categories and commercial spaces as developing a multi-use commercial building, in the heart of Chennai's IT corridor, comprising retail space (mall & multiplex), office space, hotel and service apartments. Besides this, the Company is developing and executing various commercial & residential projects in other states, which have gained momentum in recent years.

Economic Environment

The Indian Economy has slowed down, as the GDP has further reduced drastically, which is the lowest in a decade. As a result 2012-13 has been a challenging year. Global contractionary headwinds, domestic macro-economic imbalances, policy reversals and low growth, macro-economic issues such as high

fiscal deficit, expansionary subsidies and worsening current account balance is primarily responsible for the slowdown of the economy. Concerns continue to exist over the current account deficit scenario, prevailing supply side constraints, inadequate infrastructure investments and long term policy directions.

The Government is expected to give greater impetus to infrastructure development and planning to double investments in the infrastructure sector, over the period of next five years, these measures will boost construction and infrastructure activities. The Government is focused to make major amendments to land acquisition laws, which is hoped to accelerate the process of Land acquisitions.

Business Verticals Overview, Business Segment Review and Outlook

EPC VERTICAL

The FY12-13 was a challenging phase and emerged as a year of consolidation for project execution and other business aspects. Despite, the Company faced the hurdles with grit and determination to realize the larger vision of the organization. Unexecuted EPC order book is at ₹ 3,800 Crores as of March 2013 constituted by 19% for Group assets like Port, Mall and others and 81% for external customers including 45% for civil work for group's projects for residential and external customers and 36% for Government, PSU and other Corporate EPC customers. Tenders worth around ₹ 2000 Crores are in bidding stage.

MARG EPC division has signed agreement with Momentum Group, an Irish-registered Company established in 1983 with its headquarters in Dubai, which qualifies MARG to foray into off and on-shore oil & gas sector. The Momentum Group actively markets well drilling and program engineering services providing total drilling operations management for jack-up, land drilling and pipeline projects all over the world. Some of their most



recent projects and services being in the Caspian region (Azerbaijan, Russia, Turkmenistan), Far East (Malaysia), Middle East (UAE, Iraq, Kuwait), Turkey and North Africa (Egypt).

MARG is in the process of building a healthy pipeline of additional EPC contracts - bidding for mega contracts in the specialized areas like marine, industrial projects, urban infrastructure and solar & alternate energy sector.

Apart from this, recent approvals obtained for residential projects, infusion of funds into MARG Junction; Launch of Service Apartments will increase the EPC division's turnover from MARG in the forthcoming year.

The EPC division which was catering to the need of in-house and external projects has successfully handed over Pushpadrum Residential Project and is in the process of handing over its other residential project MARG Vishwashakthi at Tirupathi. Twin Disk project is completed and full-fledged development of MARG Institute of Technology Science is being done in Swarnabhoomi. On completion of Berths & allied Infrastructure, Edible Oil & Molasses Tank farms, Marine Loading & Unloading arms, Truck loading system execution is now focused and is nearing completion on construction of break waters, Stacker Cum Reclaimer, Wagon Loading System, Ship Unloaders and Conveying System in Karaikal Port. The external project team has completed wagon fabrication work for Braithwaite Company Limited, Jhansi I & II for Northern Central Railways. Multi Storied Residential project for BHEL is completed & Residential project for HUDA in Rewari, Haryana, as well as 200 bedded Cardiothoracic Hospital for Military Engineering Services is nearing completion in Northern Region.

MARG EPC has been appreciated for safety practices, a notable achievement as the present accident frequency across all project sites is 0.25, as per Indian Standard: 3786-1983.

Some of the prestigious projects include construction of head quarters for Bureau of Police Research & Development (BPR&D), National Crime Records Bureau (NCRB) and allied works at Mahipalpur, New Delhi from NBCC. Other projects include medium format assignments like construction of a school and miscellaneous city beautification work at Mahe, awarded by Government of Puducherry and Construction of

Facilities for Research in Experimental Nuclear Astrophysics (FRENA) laboratories for Dept. of Atomic Energy, at Kolkata.

Port

Karaikal Port – a deep draft, all weather port is owned and operated by Karaikal Port Private Limited - a subsidiary of MARG Limited. The Port is now in the fifth successful year of operations. The Port has handled 6.61 MMT of cargo in Financial Year 2013 as against 6.01 MMT in Financial Year 2012, which is a straight 9.98 per cent increase. Revenue for the Financial Year 2013 went up by 25.14 per cent, from ₹ 221.35 crores to ₹ 277 Crores. EBIDTA for the Financial Year 2013 is ₹ 133 Crores and ₹ 100 crores for Financial Year 2012, recording a rise of 33 per cent. This year, the port successfully handled MV Yasa Fortune with a parcel size of 74,583 MT in July 2012, the largest vessel handled so far at the Port. During FY13, handled 1,231 rakes as against 1,087 rakes handled in FY12. A total of 3,090 rakes have been handled since the commencement of railway operations. The company has entered into contracts with many major cement companies like Chettinad Cement, Dalmia Cement, Madras Cements and The India Cements for handling their coal imports. Karaikal Port added new cargos to the portfolio like Fire clay, Lime Stone, Iron Ore, Wheat and Maize and efforts will continue to bring in additional cargos to the port. With the iron ore mining ban in Karnataka, JSW has started importing domestic iron ore in the forms of fines and lumps for its Mecheri Plant through Karaikal Port. The cargo is expected to continue through the next year as well. With the government's decision to export the surplus wheat, it has contributed a total volume of 172,000 MT in FY13 and significant volumes will flow in the next year as well. Maize is another significant addition to the cargo portfolio in the recent times and is expected to add traffic to the port in the coming year too. Terminalisation opportunities are being explored for Coal Terminal, Liquid cum General Cargo Terminal, LNG Terminal and Container Terminal. Port has created lot of interest among national and international bulk cargo traders.

Karaikal Port Chosen as the 'Innovative Port of the Year' at South East CEO Conclave & Awards, 2012.

Karaikal Port adjudged as the 'Best Project' under the Port Development category at the prestigious 'D&B – AXIS BANK INFRA AWARDS 2012', Mumbai.



Karaikal Port bagged the 'Most admired & emerging infrastructure company in transport sector' award at the 5th KPMG Infrastructure Today Awards' 2013.

SEZ

MARG is developing two special economic zones in the field of Engineering Services and Multi Services spread over 612 acres as part of 'MARG Swarnabhoomi – The Land of New Thinking'. This Project is developed by New Chennai Township Private Limited, a wholly owned subsidiary. MARG Swarnabhoomi is located on the scenic East Coast Road, midway between Chennai and Puducherry.

Engineering Services SEZ is promoted at MARG Swarnabhoomi with the objective of attracting clients in various segments like Auto Components, Fasteners, Valves, Pumps, Power components, Electronic components, Electronic meters, Renewable Energy, etc. M/s Grundfos Pumps, M/s Virgo Engineers, M/s P.H. Hydraulics and Pneumatics, M/s Eswari Electricals, M/s Kwik patch Ltd and M/s Twin Disc (Far East) Pte Ltd are operating in Engineering services SEZ. M/s Tecpro Energy Systems has registered lease deed and is in advanced stages of setting up their premises in MARG Swarnabhoomi. Total exports from the engineering SEZ in FY-12-13 was ₹52.69 Crores.

The Multi Services SEZ is promoted in MARG Swarnabhoomi to attract clients in various segments like IT/ITES, Knowledge Hub, BPO, KPO, Animation, Medical Tourism, R&D, Publishing etc. M/s Biophenolika Polymers Private Limited, an Indian unit of Italian firm Cimteclab, a research and development company with international manufacturing facilities specialized in the field of high performance polymers, biopolymers, protective coatings, and flame retardants have signed an agreement to set up their premises at the Multi Services SEZ. Swarnabhoomi Academy of Music (SAM) is the first professional college of music in India offering a range of programs in contemporary music that includes rock, jazz, classical and world music. Till Date 397 cumulative Diploma and Camp students from 6 countries have been in enrolled in SAM. SAM has signed the Initial twinning partner agreement with McNally Smith an international music school based out of Minnesota. SAM is also awaiting the international experience agreement from McNally. The construction of the Science & Technology Park with world class

amenities is in full swing and 60% of the project is completed.

On the education front, 'Swarnabhoomi Academic Institutions' (SAI) is functioning in MARG Swarnabhoomi. The Knowledge based ecosystem is a unique differentiator for MARG Swarnabhoomi wherein it houses institutions catering to basic education, higher education and vocational skills training institutes. MARG Navjyothi Vidyalaya School is operational in Swarnabhoomi with a count of 400 students. The school is affiliated with CBSE and fully equipped with Audio/Science and Math lab and offers courses up to 10th Std. MARG Institute of Design and Architecture Studies (MIDAS) operating in Swarnabhoomi offers two-five year undergraduate programs - Bachelor of Architecture and Bachelor of Architecture Interior Design and is affiliated to Anna University. 80 students have enrolled in the course offered by MIDAS in 2012-13 and the total number of students stands at 135. MOU with Central Institute of Technology, Australia and ITEES, Singapore is signed for multidisciplinary vocational and hospitality programs respectively. As part of 300 acres Educity- new institutions and programs will be introduced by 2014-15, which include a Management College, an AICTE approved engineering College and an Arts and Science degree college.

Real Estate Development

MARG ProperTies – residential arm of MARG, since its inception from October 2009 has emerged as one of the leading real estate developers in Chennai. MARG's residential development is moving forward as lot of infrastructure growth is happening in Tamilnadu and the company has a strong presence in Chennai where there is a huge demand for residential space. To cater to the housing demand and leverage the economic growth drivers, the company has a strong project pipeline and land bank near the suburban micro-markets. The company's project portfolio is primarily skewed towards mid and low income segment which forms the bulk of the residential demand.

As the South & West Chennai is getting developed rapidly, MARG ProperTies projects which are located in these areas are benefitted more. Second phase of Nemmeli Desalination Plant and the proposed Country's longest elevated corridor (45km) in OMR augurs well for South Chennai residents. The upcoming industrial parks and the proposal of doubling the Sriperumbudur – Guduvanchery rail line adds spur to the West Chennai



residents. Apart from this, Home-loan interest rate also favours home buyers. Planned satellite cities, improved connectivity and social infrastructure will further drive growth.

MARG ProperTies is consistently unique in its marketing and customer service approach. The company always reaches out to its customer in an innovative way by creating events like Connexions (customer meet), user-friendly website, quarterly communication newsletters on latest company and project updates.

MARG ProperTies has further created an avenue to get closer to its customers through ProperTies Shoppe at Kottivakkam, OMR and Ashok Nagar. It is the first of its kind in the real estate industry to create more touch points and offer the company's wide range of products to customers through experience and consultative selling. Interactive touch screen kiosk is another unique innovation from MARG ProperTies to touch base with its customers.

MARG ProperTies won the "Innovative Marketing Campaign of the Year" award during the 'Realty Plus Excellence Awards (REPA) 2012', acknowledging the iconic and path breaking "Mr Joy" campaign that created a stir in advertising circles. A special mention was made of the campaign for its two-fold innovation:

- A Real Estate marketing first in terms of a brand mascot – a thought innovation
- Innovation in media – capped by high impact outdoor innovations.

In FY2012-13 MARG ProperTies registered residential sales of 0.39 million sq ft (369 units) at a sale value of ₹ 132 Crores, total sales (ITD) till March 2013 was 1966 units (2.12 million sq ft) at sales value of ₹ 552 Crores.

With the revival of the Indian economy, the real estate sector is booming. Families are shrinking and relocating to cities, creating a demand for urban residential space. As per CMDA estimate, the demand for housing in Chennai is estimated to be at 4.0 lakhs in 2011 and it is expected to reach 6.6 lakhs by 2016. To capitalize the residential demand and with a clear understanding of the real estate business backed by scale, people, process and technology coupled with innovation, MARG

ProperTies is poised to garner a large market share across a wide product range.

Real Estate – Retail & Commercial, MARG Junction, a 1.8 million sqft. integrated mixed use commercial project comprising of a mall (6.76 lacs sqft), Serviced Apartments (2 towers - 3.2 lacs sqft with 295 keys) and Club (50,000 sq.ft) is being developed by the company's subsidiary, Riverside Infrastructure (India) Private Limited (RIPL).

As on 31st March 2013 around 267,705 sq.ft of mall space has been leased and received EOI's from brands for around 119,803 sqft. Over 57%(both signed & EOI's) of the Gross Leasable Area (GLA) is now finalized, Apart from the anchors signed in FY10-11, EOI's were obtained from key mini-anchor brands like Blu-O, Time zone, Reliance Trends & Reliance Digital during the year, Top Vanilla brands like Levis, Titan, Nike, Puma, Lee, Wrangler were signed. The average rental achieved of Signed & EOI agreements as on 31st March 2013 is ₹76/- psft p.m

The hotel component is now being converted to Serviced Apartments with 295 keys along with 50,000 sq.ft business center and 65,000 sq.ft of banquet facility.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Outlook

The infrastructure industry is expecting a marginal improvement in this year, after suffering a major setback. The Government of India has taken measures to stabilize the economy and revive the sentiments which are expected to have positive effects for the economy in medium to long term. The slow growth in the infrastructure sector was primarily driven by a range of sector-specific issues, such as land acquisition, environmental clearances, high interest rate regime and macro-economic factors. Your Company is prepared to capture the growth in the high end, focused to meet the challenges and is committed to deliver the best in adding value to the company.

Opportunities

Your Company, known for 'Innovative Thinking', enjoys strong brand image for the past performance which will act as a catalyst in ensuring a sustainable growth in future. In addition,



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

Threats

On the whole, the year FY12-13 was a year of economic uncertainties and weak sentiments. The infrastructure sector is still in its nascent stage and a lot of development is required in logistics, ports, railways, road connectivity, communications and power. This was a tough year for the industry, where only government action on the policy front as well as softening of interest rates will be the saviours that could make it a better year. The intense competition and pressure on the sale price of various products such as homes, malls, commercial buildings etc., may also affect the future performance of the Company.

Risks and concerns

High fluctuation rates, Policy constraints and low growth had an adverse impact on the performance of the company. The company is also subject to other types of risks such as operation risk, market risk, interest fluctuations, foreign exchange fluctuation and legal risks. All the risks are monitored at the senior management level in each of its business verticals and as far as reasonably and practically possible, systems and procedures and policies have been established to minimize or mitigate these risks.

Your Company is well aware of such adversities and continuously monitoring and taking measures to counter the adverse effects.

Internal Controls

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

Financial Performance

During the year, The financial highlights are:

- The income from operations was ₹ 761.54 Crores in FY 2012-2013
- The EBDIT was ₹ 40.66 Crores in FY 2012-13
- The Company incurred a Net Loss of ₹ 36.03 Crores in FY 2012-13

While the assets created by MARG are poised for growth and value creation in the long run, due to the present economic situation and allied reasons, there is a temporary cash-flow mismatch. This has put some pressure on the current liquidity situation in MARG and its ability to service debts. Managing this temporary cash-flow mismatch will go a long way in ensuring that the value creation envisaged by all the projects in the mid and longer term are intact.

As part of the initiatives to achieve this, the Company has discussed with all the bankers and bilaterally renegotiated most of the loans with principal / interest moratorium and extended repayment period, matching the cash flow generation capabilities of the Company. Further, Management has also tightened up more the cost monitoring initiatives by ensuring that optimum levels of resources are deployed, leveraging maximum efficiency. These measures have improved the cash flow position and has also allowed the Management to concentrate on the business development and execution.

EMPLOYEE WELLNESS

The Company believes that the employees are the valuable asset of the Company. MARG aims at creating inclusive working environment that attracts and retains the best employees which enhances their capability, flexibility and motivation. In view of this, Company has developed FAST TRACK & TOP 100 programs which identifies and Rewards high achievers and significant contributors of MARG. Employee related social objectives are met with programs, sports, NGO participation, employee CSR activities, seminars, health insurance, training to employees etc. MARG is committed to ensure safety, security, healthy environment at its facilities. The Company continues to enjoy healthy industrial relations during the year.



HUMAN RESOURCE DEVELOPMENT

Human Resource Management is an important function in MARG, in view of the large set up of organization, diverse lines and staff functions. MARG takes pride in the commitment, competence and dedication shown by its employees at all areas of business. Various initiatives are taken to align HR Policies to the growing requirements of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. MARG ensured that most of the leaders are trained on change management. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff. The Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organization Development interventions. The Company hires students from institutions like IIMs, IITs, and other schools of Management, CS/CA/CWA Institutions, National Law School – Bangalore, Anna University and like.

BRANDING

MARG brand has evolved over the past 2 decades weathering many business challenges in the process and enjoys a prominent place in the Indian infrastructure industry. 'Innovative Thinking' has been one of the salient ingredients of the MARG brand & represents the DNA of its brand personality.

Branding initiatives at MARG have gained momentum in recent years and are characterized by out-of-the-box thinking and non-conventional methods of marketing & advertising to achieve a high brand recall and sustain brand equity in an otherwise cluttered marketplace.

The brand & product marketing calendar at MARG characteristically features events & programs that have potential to spread large scale awareness on social responsibility issues. This association has driven the consumer perception of the MARG brand being socially driven, honest, transparent, value oriented, ethical and with the highest customer service standards & product quality.

With a rich customer base across business units and a bottom-line centric approach, the scale and depth of the MARG brand has of late increased dramatically even as the group re-engineers its operations towards business needs with an objective to enhance efficiency. The ethos and values that the MARG brand represents is aimed at providing value contribution to stakeholders and creating a MARG family replete with happy customers, employees and partners.

CAUTIONARY STATEMENT

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

For and on Behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 30th May, 2013

Report on Corporate Governance

1. Statement on Company's Philosophy on Code of Governance

A good Corporate Governance creates values through entrepreneurship, innovation, developments, exploration and provides accountability, transparency and meets its shareholders aspirations and social expectations.

MARG believes in good Corporate Governance, which is based on good corporate practices and guidelines issued by Government of India (GOI) from time to time. MARG is committed to focus on financial prudence, transparency, fairness and commitment to values. The Company is constantly

engaged in improving more value creation to its stakeholders, namely shareholders, customers, employees, lenders, Government, suppliers and the society.

2. Board of Directors

The Board is the supreme authority constituted by the shareholders of the Company for managing the entire affairs of the Company. The Board provides and evaluates the policies, targets and performance, and ensures the interests of all the stakeholders. The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors which includes independent professionals.

The Composition of the Board of Directors and the number of directorships and committee positions held by them during the year 2012-13 are as follows:

Sl. No	Name(s) of Director(s)	Executive - Non-Executive/ Independent	Number of Directorship in other Public Companies ¹		Number of Committee positions in other Public Companies ²	
			Member	Chairman	Member	Chairman
1	Mr. G R K Reddy	PD/ ED	14	1	Nil	2
2	Mrs. V P Rajini Reddy	PD/ NED	12	Nil	2	Nil
3	Mr. Arun Kumar Gurtu	ID/ NED	Nil	Nil	Nil	Nil
4	Mr. Karanjit Singh Jasuja	ID/ NED	3	Nil	2	1
5	Mr. G Raghava Reddy ³	PD/ NED	1	Nil	Nil	Nil
6	Mr. Saibaba Vutukuri ³	ID/ NED	1	Nil	Nil	Nil

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

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

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

3. Both Mr. G Raghava Reddy, Director and Mr. Saibaba Vutukuri, Director have resigned from the Board w.e.f. 20th July 2012.

Directors' Profile

Brief Resume of all the Directors are given below:

Mr. G R K Reddy, Chairman & Managing Director (Executive, Non-Independent) aged 53 years, is a Post-Graduate in Commerce and alumni of Kellogg School of Management. He started his career in 1985 as a Merchant Banker and gained rich experience in advising and structuring various financial instruments. Later in 1994, he moved to the Constructions & Infrastructure industry, and promoted 'MARG'. He made MARG among India's fastest growing infrastructure organisations and a premier group operating in South India providing Marine Infrastructure, Industrial Clusters, Real Estate, Power, Civil, Residential and Commercial Projects. GRK is actively involved with Confederation of Indian Industry (CII) and is a member on a number of prestigious committees like Steering Committee, City Connect Program – CII task force on Building Inclusive Cities; CII Tamil Nadu, CEO Forum, Indian Institute of Technology, Chennai, Rural Technology & Business Incubator (RTBI), Academic Council of the Anna University, Chennai. He is currently the President of Indo-Australian Chamber of Commerce.

Mrs. V P Rajini Reddy, Director (Non-Executive, Non-Independent) aged 46 years, AMP (Advanced Management Program) from Harvard Business School and she holds an Engineering Degree (Civil). Mrs. V P Rajini Reddy has an impressive 17 years of experience under her belt in high-caliber management. She is the Founder and Managing Director of Exemplarr Worldwide Limited. In 1999 she founded M/s. Exemplarr Worldwide Limited (Formerly RR Infotech Limited) an ITES (Information Technology Enabled Services) company with a vision of generating rural employment and initially the Company was offering services to health care in the US and later diversified into various other domains like e-publishing, e-learning, legal services and Architectural & Engineering services. She is one of the founding members of Empowering Women in IT – popularly referred as eWIT. She was invited to become one of the panel members for the CII-Publishing BPO Forum and has been a regular speaker in their annual conference. She was a steering committee member of the conclave on 'Women@75', a CII (Confederation of Indian Industry). She has been a keynote speaker on various conferences and forums and has been widely quoted in the media regarding IT, outsourcing, talent management, rural employment and women empowerment.

Mr. Arun Kumar Gurtu, Director (Non-Executive, Independent) aged 70 years is a Fellow Member of Institute of Chartered Accountants of India. He brings with him a rich experience of 33 years in Finance, Management and Taxation. He has held senior positions in various industries varying from Banking, Tea, Cable Paper, Construction and Real Estate. In past, he has held senior position in Construction and Real Estate companies. He has handled various projects from conception stage to commissioning stage. Presently he is carrying on profession of Advisory and Consultancy Services.

Mr. Karanjit Singh Jasuja, Director (Non-Executive, Independent) aged 52 years is a Fellow Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He is a practicing Chartered Accountant and has been authoring articles and delivering lectures on various professional topics. He acts as an Advisor to corporates and is an expert in taxation and finance.

***Mr. G Raghava Reddy, Director (Non-Executive, Non-Independent)** aged 81 years, is a B.E MIE, with over 41 years of experience in Infrastructure and Construction industry and involved in the construction of Nagarjuna Sagar Dam Diversion Tunnel, Nagarjuna Sagar Dam Right Canal at Gundlakamma River, Krishna Delta Regulation System, Godavari Barrage, Water Supply Canal to Visakapatnam Steel Plant, Spilway works for Yellashwaram Reservoir and Multistorey Commercial & Residential Complex in Vijayawada.

***Mr. Saibaba Vutukuri, Director (Non-Executive, Independent)** aged 50 years holds an MBA in International Business from Scandinavian International Management Institute, Copenhagen and is a graduate from National Dairy Research Institute. He has over 26 years of rich industrial experience in diverse industries both within and outside India with more than 11 years in the renewable energy. He has held top management positions in the areas of General Business Management, Business Development, Marketing, Project Construction and Execution, Manufacturing & Technology with multinational organisations such as Suzlon Energy Ltd, General Electric, Vestas (India) Pvt Ltd, APV Pasilac etc. Presently Mr. Saibaba is the CEO of Lanco Solar Pvt Ltd.

* Mr G Raghava Reddy and Mr. Saibaba Vutukuri have resigned from the Board w.e.f.20th July 2012

Attendance of Directors at Board Meetings and at Last Annual General Meeting (AGM)

During the financial year 2012-13, NINE meetings of Board of Directors were held on 14th May 2012, 12th June 2012, 14th August 2012, 4th September 2012, 29th September 2012, 10th October 2012, 2nd November 2012, 7th November 2012, and 14th February 2013.

Sl. No	Name(s) of Director (s)	Board Meetings attended	Attendance at Previous AGM
1	Mr. G R K Reddy	9	Yes
2	Mrs. V P Rajini Reddy	5	Yes
3	Mr. Arun Kumar Gurtu	8	Yes
4	Mr. Karanjit Singh Jasuja	9	Yes
5	Mr. G Raghava Reddy*	1	No
6	Mr. Saibaba Vutukuri*	-	No

* Mr G Raghava Reddy and Mr. Saibaba Vutukuri have resigned from the Board w.e.f.20th July 2012



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.marggroup.com). All Board Members and senior Management personnel have affirmed compliance to the Code of Conduct. A declaration signed by the Managing Director affirming the compliance with the Code of Conduct by the Board of Members and Senior Management Personnel of the Company is attached and forms part of this Report.

3. Committee of Directors

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

The Board has constituted the following SEVEN Committees namely:-

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

The Board is authorised to constitute additional functional Committees from time to time depending on the business needs.

I. Audit Committee

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

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

During the financial year 2012–13, FIVE meetings of Audit Committee were held on 14th May 2012, 14th August 2012, 4th September 2012, 7th November 2012 and 14th February 2013.

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

Terms of reference

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

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



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 issued by the statutory auditors
- l) To review internal audit reports relating to internal control
- m) To review appointment, removal and terms of remuneration of the Chief Internal Auditors; and
- n) To consider other matters, as may be referred to by the Board of Directors from time to time

II. Remuneration Committee

Pursuant to the provisions of Clause 49 of the Listing Agreement, Board has constituted Remuneration Committee. The Committee determines and recommends to the Board of Directors, the remuneration payable to the Board of Directors. The resolution for the appointment and remuneration payable to the Board of Directors are approved by the shareholders of the Company.

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

During the financial year 2012–13, ONE meeting was held on 14th May 2012.

Sl. No	Name(s) of Director (s)	Category/ Status	Meetings Attended
1	Mr. Arun Kumar Gurtu	NED/ID/Chairman	1
2	Mrs. V P Rajini Reddy	NED/PD/Member	-
3	Mr. Karanjit Singh Jasuja	NED/ID/Member	1
4	Mr. G Raghava Reddy*	NED/PD/Member	1

*Mr. G Raghava Reddy resigned w.e.f. 20th July 2012 and Mrs. V P Rajini Reddy was appointed in his place w.e.f. 20th July 2012.

Terms of reference

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

- (a) To decide on the remuneration policy of the managerial personnel
- (b) To approve the appointment/ reappointment of the managerial personnel for such tenure as they may decide
- (c) To approve the remuneration package to the managerial personnel within the limits provided in Schedule XIII of the Companies Act, 1956 read with other applicable provisions of the said Act
- (d) Other benefits entitlement viz., Accommodation, Insurance, Medical expenses reimbursement, Leave Travel Allowance, Company's Car and Telephone at residence, etc

- (e) Such other powers/ functions as may be delegated by the Board from time to time

Remuneration to Directors

Mr. G R K Reddy, Managing Director was paid a remuneration of ₹2.06 Crores (Salary of ₹2.06 Crores including PF contribution of ₹0.14 Crores) during the FY12-13 as managerial remuneration. Due to loss in the current year Mr. G R K Reddy has refunded to the Company all the remuneration paid to him during the financial year FY12-13. Mr. G R K Reddy preferred not to apply to Central Government for waiver.

Non-Executive Directors were entitled to a Commission upto 1% of the net profits of the Company, (calculated as per sec. 349 & 350 of the Companies Act, 1956) pursuant to the resolution passed by way of Postal Ballot dt. 18.02.2011 and the same were confirmed in the last AGM. However owing to the current year loss, no commission was paid to the Directors.

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

Shareholding of Directors

Details of Shares held by the Directors in the Company as on 31st March 2013 are as follows:

Name	Number of Shares
Mr. G R K Reddy	3,608,007
Mrs. V P Rajini Reddy	950,000
Mr. Arun Kumar Gurtu	Nil
Mr. Karanjit Singh Jasuja	Nil
Mr. G Raghava Reddy*	1,100,000
Mr. Saibaba Vutukuri*	Nil

*Mr. G Raghava Reddy and Mr. Saibaba Vutukuri resigned w.e.f. 20th July 2012

III. Shareholders'/Investors' Grievance Committee

The Committee oversees 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 Committee oversees performance of Registrars and Share Transfer Agents of the Company and recommends remedial measures to improve quality of investors services.



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

During the year FOUR meetings were held on 14th May 2012, 14th August 2012, 7th November 2012 and 14th February 2013.

Sl. No	Name(s) of Director(s)	Category/Status	Meetings Attended
1	Mrs. V P Rajini Reddy	NED/PD/Chairperson	3
2	Mr. Arun Kumar Gurtu	NED/ID/Member	3
3	Mr. Karanjit Singh Jasuja	NED/ID/ Member	4
4	Mr. G Raghava Reddy *	NED/PD/Chairman	1

*Mr. G Raghava Reddy resigned w.e.f. 20th July 2012 and Mrs. V P Rajini Reddy was appointed in his place w.e.f. 20th July 2012.

Compliance Officer

Mr. S Ramasundaram was the Company Secretary and Compliance Officer for the financial year ended 31st March 2013. He resigned from the Company w.e.f 30th April 2013. Mr. Rabindra Kumar Samal, was appointed as Company Secretary and Compliance Officer of the Company w.e.f 1st May 2013. He has been authorized to deal with all correspondence and complaints of the investors. He appraises the Committee about the status of Complaints/Grievances.

Investors' Grievance Redressal

During the year, a total of 10 complaints were received and all the complaints were resolved to the satisfaction of shareholders. There were no unresolved complaints as on 31st March 2013.

IV. Business Review Committee

This Committee presently consists of THREE Non-Executive Directors out of which TWO are Independent Directors. The Committee reviews the progress of various projects inter-alia operations, finances and execution.

The members of the Business Review Committee are

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

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

V. Capital Issues and Allotment Committee

The Capital Issues and Allotment Committee was constituted for issue of Capital and Allotment of Shares/Convertible Instruments and Allotment of Equity Shares upon conversion of such

instruments. The Committee consisted of ONE Executive and THREE Non- Executive Directors out of which TWO are Independent Directors.

The members of the Capital Issues and Allotment Committee are

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

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

VI. Banking and Legal Matters Committee

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

The members of the Banking and Legal Matters Committee are

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

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

VII. Compensation Committee

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

The members of the Compensation Committee are

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

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



4. Subsidiary Companies and its Management:

There are FIFTY EIGHT Subsidiary Companies of MARG Limited as on 31st March 2013. All the Subsidiaries are Board Managed Companies and the Company monitors the performance of the subsidiaries with reference to their functions, finance and management. Out of the above 58 Companies 5 are Non-wholly owned and balance 53 are wholly owned subsidiaries including 25 step down subsidiaries.

The details of shareholding of the subsidiary companies (non-wholly owned) are given below:

Name of the Subsidiary	Instrument	Face/Paid up Value in ₹	Paid - up Capital		MARG Ltd Shareholding	
			No.of. Shares	₹ in Crores	No.of. Shares	% of holding
Karaikal Port Private Limited	Equity Shares	10.00	313,539,883	313.54	211,893,530	67.58%
	Preference Shares	10.00	384,900,000	384.90	37,900,000	9.85%
Riverside Infrastructure (India) Private Limited	Equity Shares	10.00	163,000,000	163.00	120,500,000	73.93%
Future Parking Private Limited	Equity Shares	10.00	4,900,000	4.90	2,499,000	51.00%
Signa Infrastructure India Limited	Equity Shares	10.00	50,000	0.05	37,000	74.00%
MARG Swarnabhoomi Port Private Limited	Equity Shares	10.00	12,500	0.01	11,250	90.00%

5. General Body Meeting

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

Financial Year	Date	Time	No.of Special Resolution passed
2011-12	29.09.2012	3.00 PM	1
2010-11	29.09.2011	3.00 PM	1
2009-10	30.09.2010	3.00 PM	1

All the above three meetings were held at Hotel Fortune Select Palms, 142, Rajiv Gandhi Salai, Thoraipakkam, Chennai – 600 096.

6. Postal Ballot

No resolution was passed through Postal Ballot during the Financial Year 2012-13. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

7. Disclosures

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

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

- II. Company has complied with all the requirements of the Listing Agreement entered with Stock Exchanges as well as regulation and guidelines of SEBI. There has been no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Regulatory Authorities, on any matters related to capital markets during the last three years.
- III. Company has established Whistle Blower Policy and no personnel is denied the access to the Audit Committee.
- IV. The Company complies with the mandatory requirements and non-mandatory requirements of Corporate Governance as provided under Clause 49 of Listing Agreement. The Disclosure relating to the compliance has been provided separately in this report. The Company has obtained a certificate from its auditors regarding compliance of conditions of Corporate Governance and the certificate forms part of this report.



8. Insider Trading

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

9. Management Discussion and Analysis

A detailed Report on Management Discussion and Analysis forms part of the Director's Report.

10. Means of Communication

- I. The Un-audited Financial Results on quarterly basis along with Limited Review Report of the Auditors of the Company are approved by the Board of Directors at its meeting for every quarter, as per the Listing requirement and the same are furnished to all the Stock Exchanges where the Company's shares are listed within fifteen minutes of close of the meeting. The Un-audited Financial Results along with the Limited Review Report of the Auditors are placed before the Audit Committee. The same along with recommendation of the Audit Committee are forwarded to the Board of Directors for their consideration.
- II. The Financial results as per the requirement of Clause 41 of the Listing Agreement are published within 48 hours in two newspapers, one in English daily - News Today, and one in Regional (Tamil) Language daily - Malai Sudar. Additionally, it is also published in magazines and financial newspapers having national circulation.
- III. The quarterly results, shareholding pattern and other mandatory information are also available at the website of Company, i.e. www.marggroup.com. The Company's website provides all necessary information and contains news releases. The presentations made to Institutional Investors or to/by analysts are also put on the website of the Company.
- IV. In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website i.e. www.marggroup.com and contains 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, all necessary information and contains news releases and the presentations made to Institutional Investors or to/by analysts are also put on the website of the Company. The contents of the said website are updated from time to time.

V The shareholders can also write to this email id investor@marggroup.com about their issues and for correspondence.

11. CEO / CFO Certification

As required under Clause 49 of the Listing Agreement, a certificate duly signed by Mr. G R K Reddy, Chairman & Managing Director and Mr. R Suresh, CFO of the Company was placed at the meeting of the Board of Directors of the Company and is appended as an Annexure to this Report.

12. Report on Corporate Governance

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

13. Compliance

The Company is compliant with the requirements as prescribed in clause 49 of the listing Agreement. A certificate from the Statutory Auditors of the Company as stipulated in clause 49 of the Listing Agreement entered into with the Stock Exchange(s) is annexed and forms part of this Annual Report.

As far as adoption of non-mandatory requirements, No separate Chairman's Office is maintained since Chairman is Executive. The Company has set up the Remuneration Committee of the Board of Directors, the details of which have been provided under the section "Committee of the Directors", The Company has also formulated a comprehensive whistle blower policy for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. During the year under review, the Management had given its reply in the Directors' Report for the observations made by the Auditors in their report. The Company has not adopted any other non-mandatory requirement specified in Annexure 1 D of Clause 49 of the listing agreement.



14. General Shareholder Information:

I. Information about 18th Annual General Meeting

Date and Time : 27th September 2013 at 3.00 PM
 Venue : Auditorium of Exemplarr Worldwide Limited,
 141, Rajiv Gandhi Salai, Kottivakkam,
 Chennai - 600 041.

II. Financial Year

The financial year of the Company commences with 1st April every year and ends with 31st March in the succeeding year. 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 June 2013 : on or before 14th August 2013

Second Quarter 30th September 2013 : on or before 14th November 2013

Third Quarter 31st December 2013 : on or before 14th February 2014

Fourth Quarter 31st March 2014 : on or before 30th May 2014

III. Date of Book Closure

The Register of Members and Share Transfer Books shall be closed for a period of 7 days starting from 21st September 2013 to 27th September 2013 (Inclusive of Both Days) for the purpose of Annual General Meeting (AGM) to be held on 27th September 2013.

IV. Listing on Stock Exchanges

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

V. Stock Code/Symbol

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

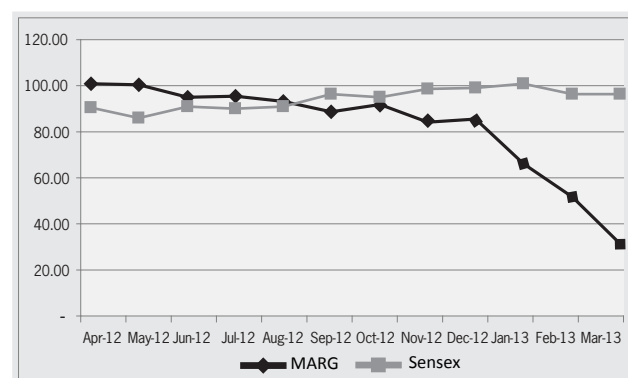
VI. Market Price Data

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

Year	Month	High (₹)	Low (₹)	Monthly Volume
2012	April	93.75	86.15	295,163
2012	May	93.30	84.05	306,573
2012	June	86.95	82.05	198,965
2012	July	87.30	78.05	156,991
2012	August	85.00	77.55	880,501
2012	September	79.85	76.25	414,827
2012	October	83.55	69.05	558,838
2012	November	74.35	57.05	536,681
2012	December	75.85	47.05	4,114,401
2013	January	53.30	31.10	1,296,547
2013	February	36.00	25.35	1,249,531
2013	March	29.65	18.20	486,282

VII. Performance vis a vis BSE SENSEX

The share prices of Equity Shares of Company vis a vis SENSEX has been provided in graphic presentation as below:



Note: The chart has share prices and indices indexed to 100 as on the first working day of 2012-13

VIII. Registrar and Share Transfer Agents

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

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



IX. Share Transfer System

As on 31st March 2013, shares representing 98.63% of total Paid-Up Capital of the Company are in electronic form. As regards transfer of shares in physical form, the transfer documents can be lodged with M/s. Cameo Corporate Services Limited at the above address. The physical transfers are normally processed within 7-10 days from the date of receipt of documents, complete in all respects.

X. Share holding as on 31st March 2013

Categories of Shareholding as on 31st March 2013

S. No	Category	No. of Shares Held	% of Shareholding
A	Promoter's Holding		
1	Promoters	19,011,843	49.88%
2	Persons acting in Concert	-	-
	Sub Total (A)	19,011,843	49.88%
B	Non Promoters Holding		
1	Mutual funds/ FIs/Banks	1,419,450	3.72%
2	FII's	130,000	0.34%
3	Bodies Corporate	5,663,614	14.85%
4	Indian Public (Individuals/HUF)	9,758,165	25.60%
5	NRI/FCB/Foreign Nationals/Foreign Corporate Bodies	1,828,945	4.80%
6	Trusts	224,000	0.59%
7	Others-(Clearing Members)	82,909	0.22%
	Sub Total (B)	19,107,083	50.12%
	Grand Total (A+B)	38,118,926	100.00%

Distribution of Shareholding as on 31st March 2013

No of Shares held between	No of Share holders	% of Total No of Share holders	Total Shares held in the category	% of Share holding
1 and 100	11,369	56.08%	593,672	1.56%
101 and 500	5,741	28.32%	1,614,520	4.24%
501 and 1000	1,439	7.10%	1,184,148	3.11%
1001 and 2000	736	3.63%	1,139,841	2.99%
2001 and 3000	277	1.37%	705,975	1.85%
3001 and 4000	146	0.72%	520,347	1.37%
4001 and 5000	125	0.62%	590,894	1.55%
5001 and 10000	215	1.06%	1,571,250	4.12%
> 10000	220	1.09%	30,198,279	79.22%
Total	20,268	100.00%	38,118,926	100.00%

XI. Dematerialization of Equity Shares and Liquidity

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

The Authorised Capital of the company as on 31st March 2013 is ₹500,000,000 (Rupees Fifty Crores only) comprising of 50,000,000 (Five Crores) equity shares of ₹10 each. The Paid Up Capital of the Company as on 31st March 2013 is ₹381,189,260 (Rupees Thirty Eight Crores Eleven lacs Eighty Nine Thousand Two Hundred and Sixty only) consists of 38,118,926 (Three Crores Eighty One Lacs Eighteen Thousand Nine Hundred and Twenty Six only) Equity shares of ₹10 each. Out of the above shares, 522,205 Equity Shares representing 1.37% are held in physical form and balance 37,596,721 Equity Shares representing 98.63% are held in dematerialised form.

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.

XII. ESOP

The Company has granted ESOP to employees of the Company and its subsidiaries as per the ESOP Scheme 2006. Under this scheme, a total of 487,185 options were granted to the employees. No options granted during the year and no employees exercised the options during the year. As on 31.03.2013, a total of 107,278 options have been converted into equity shares on exercise of options by employees and 72,821 options are in force.

XIII. Location of projects

The Company is engaged in business of Constructions and Infrastructure Development. Accordingly the activities are carried on at the concerned location where the projects are being undertaken.



XIV. Address for Correspondence

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

The Company Secretary
MARG Limited
'Marg Axis' No.4/318, Rajiv Gandhi Salai
Kottivakkam, Chennai – 600 041
Ph: +91 44 3221 1944. Fax: +91 44 2454 1123
Email: investor@marggroup.com

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

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

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 30th May, 2013

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I, G R K Reddy, Chairman and Managing Director of MARG Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel of MARG Limited have affirmed Compliance with Code of Conduct for the year ended 31st March, 2013.

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 30th May, 2013.

CEO and CFO Certification

To
The Board of Directors,
MARG Limited

We, G R K Reddy, Chairman & Managing Director and R Suresh, Chief Financial Officer 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 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 that:
 - (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
Date: 30th May, 2013

G R K Reddy
Chairman & Managing Director

R Suresh
Chief Financial Officer

Auditors' Certificate on Corporate Governance

To
The Members of
MARG Limited

1. We have examined the compliance of conditions of Corporate Governance by MARG Limited (the Company) for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that no investor grievances are pending for a period exceeding one month against the Company as on 31st March 2013 as per the records maintained by the Shareholders / Investors Grievances Committee of the Company.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For K RAMKUMAR & CO
Chartered Accountants
Firm Regn No. 02830S

Place : Chennai
Date : 30th May 2013

(R M V BALAJI)
Partner
Membership No. 27476

Independent Auditors' Report

To
The Members of MARG LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MARG Limited ("the Company"), which comprise the Balance Sheet as at 31-Mar-13, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 ("the Act"). 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 31-Mar-13;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 43 to the financial statements. The accompanying financial statements have been prepared on a going concern basis after giving due considerations to all matters more fully explained in aforesaid note.

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 31-Mar-13, and taken on record by the Board of Directors, none of the directors is disqualified as on 31-Mar-13, 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

Regn No: 02830S

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 6 OF OUR REPORT OF EVEN DATE TO THE SHAREHOLDERS OF MARG LIMITED

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The Company has a programme of Physical verification of Fixed assets over a period of three years which is, in our opinion, reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no serious discrepancies have been noticed on such verification.
c) During the year, the company has not disposed off substantial part of fixed assets.
2. a) As explained to us, physical verification of inventory has been conducted by the management, at the end of the year.
b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The company is maintaining proper records of inventory and the discrepancies noticed on verification between physical stocks and book stocks were not material.
3. a) The Company has taken unsecured loans from five parties, covered in the register maintained under section 301 of the Companies Act. The maximum amount involved during the year was ₹20.60 Crores and the year end balance of loans granted to such companies was ₹19.62 Crores.
b) The Company has granted unsecured loans to forty one parties, covered in the register maintained under section 301 of the Companies Act. The maximum amount involved during the year was ₹510.01 Crores and the yearend balance of loans granted to such companies was ₹456.27 Crores.
c) According to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given are not prima facie, prejudicial to the interests of the company.
d) According to the information and explanations given to us, the principal amount of the loan along with interest in respect of loan granted to the Subsidiary Companies, except three subsidiaries, is repayable on call. The Subsidiaries have made repayments during the year as and when calls were made by the Company. In respect of three subsidiaries, the loan given by the company is sub-ordinated to the secured loans from Banks and Financial Institutions availed by such subsidiaries and accordingly the obligation to repay does not arise during the pendency of said secured loans.
4. In our opinion and according to the explanation given to us there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us the transaction in pursuance of contracts or arrangements entered in the register maintained U/s 301 of The Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at rates or value which are reasonable having regard to the prevailing market rates or values at the relevant time.
6. The Company has not accepted any deposits from the public in terms of provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.
8. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 have been maintained. We have not carried out a detailed examination of such accounts and records, as we are required to conduct only a general review of the cost records.
9. a) *According to the records of the Company, the company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident*

Fund, Employee's State Insurance, Income Tax, Value added Tax, Service Tax, and other material statutory dues applicable to it.

b) According to the records of the company, undisputed amounts payable in respect of Income Tax, Service Tax, Value added Tax and Works Contract Tax, Provident fund and Professional Tax to the extent of ₹6.71 Crore, ₹18.55 Crore ₹3.92 Crore ₹0.20 Crore and ₹0.14 Crore respectively, were in arrears as at 31st March 2013, for a period of more than six months from the date they became payable.

c) According to the records of the Company and the information and explanation given to us, the dues of Income Tax/Customs Duty/Cess, that are in dispute are as follows:-

Tax on Income: (Amount in ₹)

Asst. Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-12	During 2012-13	Till 31-Mar-13	
2001 - 02	16,785,003	16,879,719	-	16,879,719	Madras High Court
2002 - 03	8,926,848	9,659,367	-	9,659,367	CIT(Appeal)
2008 - 09	5,276,990	5,276,990	-	5,276,990	CIT(Appeal)
2009 - 10	3,896,457	3,896,457	-	3,896,457	CIT(Appeal)

Income Tax Deducted At Source: (Amount in ₹)

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

10. The Company has no accumulated losses as on 31st March, 2013. The company has incurred cash loss of ₹48.45 Crores during the financial year covered by audit. There are no cash losses in the immediately preceding financial year.

11. a) According to the information and explanations given to us and as per the records produced by the company, the company has defaulted by delaying the repayment of principal/interest to Banks during the year to the extent of ₹30.32 Crores for a period less than 90 days and ₹25.31 Crores for a period exceeding 90 days. The outstanding defaults as on 31st March, 2013 was ₹30.70 Crores out of which ₹9.82 Crores was paid on or before the date of the audit report.

b) Devolved letters of credit of ₹419.48 Crores was converted into Working Capital Term Loan (WCTL) as part of the restructuring scheme.

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

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

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

15. According to the information and explanations given to us, the Company has given guarantees aggregating to ₹3170.22 Crores for loans raised by others from Banks. In our opinion, the terms and conditions of the guarantees are prima facie not prejudicial to the interests of the company.

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

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

18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained U/s 301 of the Companies Act, 1956 during the year.

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

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

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

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13



BALANCE SHEET

Particulars	Note	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	38.12	38.12
Reserves & Surplus	3	651.49	687.77
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	759.79	283.50
Deferred Tax Liability (Net)	5	-	5.49
Other Long-Term Liabilities	6	169.86	194.76
Long-Term Provisions	7	1.13	2.87
CURRENT LIABILITIES			
Short-Term Borrowings	8	180.35	293.86
Trade Payables	9	296.70	153.66
Other Current Liabilities	10	497.84	798.24
Short-Term Provisions	11	11.63	11.53
		<u>2,606.91</u>	<u>2,469.80</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	12		
Tangible Assets		159.95	164.31
Intangible Assets		1.77	2.52
Capital Work In Progress		12.57	12.43
Non-Current Investments	13	568.65	530.70
Deferred Tax Assets (Net)	5	18.51	-
Long-Term Loans & Advances	14	263.36	192.20
CURRENT ASSETS			
Current Investments	15	0.07	0.08
Inventories	16	207.91	234.95
Trade Receivables	17	493.55	600.62
Cash & Cash Equivalents	18	40.80	83.11
Short-Term Loans & Advances	19	839.77	648.88
		<u>2,606.91</u>	<u>2,469.80</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R SURESH

CFO

RABINDRA KUMAR SAMAL

Company Secretary



STATEMENT OF PROFIT & LOSS

Particulars	Note	Year Ended 31-Mar-13 (₹ In Crores)	Year Ended 31-Mar-12 (₹ In Crores)
INCOME			
Income from Operations	20	761.54	1,501.09
Other Income	21	72.00	78.91
		833.54	1,580.00
EXPENDITURE			
Cost of Projects / Operating Expenses	22	756.09	1,310.16
Personnel Expenses	23	9.38	18.28
Depreciation and Amortisation	12	11.58	12.34
Finance Cost	24	89.11	39.69
Other Expenses	25	27.41	36.92
		893.57	1,417.39
PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(60.03)	162.61
Exceptional Items		-	-
PROFIT (LOSS) BEFORE TAX		(60.03)	162.61
TAX EXPENSE			
Current Tax		-	49.70
Deferred Tax	26	(24.00)	2.42
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (A)		(36.03)	110.49
Profit from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
PROFIT FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)		-	-
PROFIT (LOSS) FOR THE PERIOD (A+B)		(36.03)	110.49
EARNINGS PER SHARE			
Basic (Face Value ₹ 10/-)		(9.45)	28.99
Diluted (Face Value ₹ 10/-)		(9.45)	28.97

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R SURESH

CFO

RABINDRA KUMAR SAMAL

Company Secretary



CASH FLOW STATEMENT

S No	Particulars	Year Ended 31-Mar-13 (₹ in Crores)	Year Ended 31-Mar-12 (₹ in Crores)
A	CASH FLOWS FROM OPERATING ACTIVITIES:		
	Net Profit (Loss) before Taxation and Extraordinary Items	(60.03)	162.61
	Adjustment for:		
	Depreciation	11.85	12.61
	Net Unrealised (Gain) Loss on Exchange Rate Difference	0.04	(0.52)
	Net Unrealised Loss (Profit) on Decline in Investments	-	0.01
	Dividend Income	(0.01)	-
	Profit on Sale of Investment	(69.39)	(77.19)
	Profit on Sale of Assets	(0.05)	(0.01)
	Loss on Sale of Fixed Assets	0.14	0.01
	Compensation for Employee Stock Options	(0.25)	0.21
	Finance Cost (Net)	89.11	39.69
	Operating Profit (Loss) before Working Capital Changes	(28.59)	137.42
	Decrease (Increase) in Inventories	27.04	(102.69)
	Decrease (Increase) in Trade Receivables	107.07	(172.72)
	Decrease (Increase) in Short-term Loans & Advances	(196.13)	(71.13)
	Decrease (Increase) in Long-term Loans & Advances	(71.40)	(8.52)
	Increase (Decrease) in Trade Payables	142.01	6.72
	Increase (Decrease) in Other Current Liabilities	(344.07)	265.89
	Increase (Decrease) in Short-Term Provisions	0.07	0.13
	Increase (Decrease) in Other Long-Term Liabilities	(24.90)	134.12
	Increase (Decrease) in Long-Term Provisions	(1.74)	0.57
	Cash Generated from Operations	(390.64)	189.79
	Income Tax	(19.60)	(42.51)
	Cash Flow before Extraordinary Items	(410.24)	147.28
	Adjustment for Extraordinary Items	-	-
	NET CASH FROM OPERATING ACTIVITIES (A)	(410.24)	147.28
B	CASH FLOWS FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(0.92)	(34.67)
	Investments made in Subsidiaries	(47.71)	(33.99)
	Share Application Money Advanced to Subsidiaries	(32.18)	-
	Refund of Share Application Money from Subsidiaries	-	2.69
	Dividend Received	0.01	0.40
	Sale of Investments in Subsidiaries	121.99	124.26
	Sale of Fixed Assets (Net)	0.17	0.17
	NET CASH FROM INVESTING ACTIVITIES (B)	41.36	58.86
C	CASH FLOWS FROM FINANCING ACTIVITIES:		
	Proceeds from Long Term Borrowings (Net)	512.46	(113.32)
	Proceed from Short Term Borrowings (Net)	(113.51)	12.33
	Finance Cost Paid (Net)	(72.39)	(70.23)
	Dividend & Dividend Tax Paid	-	(8.84)
	NET CASH USED IN FINANCING ACTIVITIES (C)	326.56	(180.06)
	Net Increase in Cash and Cash Equivalents (A+B+C)	(42.32)	26.08
	Cash and Cash Equivalents at beginning of Year	83.12	57.03
	Cash and Cash Equivalents at end of Year	40.80	83.11



Notes:

- 1 *Cash Flow Statement is prepared under the Indirect Method in accordance with Accounting Standard - 3.*
- 2 *Depreciation includes amount transferred to 'Cost of Projects'.*
- 3 *Cash and cash equivalents not available for immediate use as on the Balance Sheet date are shown in Note 36 of Notes to the Financial Statements.*
- 4 *For non cash transactions refer Note 35 of Notes to the Financial Statements.*

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R SURESH

CFO

RABINDRA KUMAR SAMAL

Company Secretary



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 and expenses during the reporting period. Examples of such estimates includes provisions for doubtful debts, employee retirement benefit plans, provisions for income taxes, useful life of fixed assets, accounting for work executed etc.

1.2 REVENUE RECOGNITION

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

1.3 FIXED ASSETS, DEPRECIATION & IMPAIRMENT

- 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. In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalised.
- c. Depreciation is provided on fixed assets, on straight-line method, on pro-rata basis as per the rates specified in Schedule XIV of the Companies Act, 1956.
- d. All assets individually costing ₹ 5,000/- or below are fully depreciated in the year it is put to use.
- e. Cost of assets not put to use before the year end are show under capital work in progress.
- f. Intangible assets comprising SAP software and other computer software are stated at cost of acquisition less accumulated amortisation. The SAP software cost is amortised over a period of five years on a pro-rata basis.



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

1.4 OPERATING LEASES

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

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

1.5 VALUATION OF CLOSING STOCK

- a. Raw Materials: Materials, Stores, Spares and Loose tools are valued at Weighted Average 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

i) 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.

ii) 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.

iii) 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 TAX ON INCOME

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



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

1.9 FOREIGN CURRENCY TRANSACTIONS

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

1.10 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.

1.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when:

- i) The Company has a present obligation as a result of a past event;
- ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) 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.

1.12 EMPLOYEE STOCK OPTIONS COMPENSATION COST

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

1.13 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.



Particulars	As At 31-Mar-13 Nos	As At 31-Mar-12 Nos	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 2 : SHARE CAPITAL				
2.1 Authorised, Issued, Subscribed and Paid up Capital:				
Authorised Capital				
Equity Shares of ₹ 10/- each	50,000,000	50,000,000	50.00	50.00
Issued, Subscribed and Paid up Capital				
Equity Shares of ₹ 10/- each	38,118,926	38,118,926	38.12	38.12
2.2 Reconciliation of number of Equity Shares Outstanding:				
Shares Outstanding at the beginning of the year	38,118,926	38,118,926		
Add: Shares Allotted during the year	-	-		
Shares Outstanding at the end of the year	38,118,926	38,118,926		

2.3 Shareholders holding more than 5% Equity Shares:

Sl No	Name of the Shareholders	As At 31-Mar-13		As At 31-Mar-12	
		Nos	%	Nos	%
1	G R K Reddy	3,608,007	9.47%	4,800,000	12.59%
2	Akshya Infrastructure Private Limited	3,897,836	10.23%	3,995,736	10.48%
3	Global Infoserv Limited	2,927,000	7.68%	3,000,000	7.87%
4	MARG Capital Markets Limited	2,513,000	6.59%	2,640,000	6.93%
5	G R K Reddy & Sons (HUF)	2,266,000	5.94%	2,500,000	6.56%
6	Reliance Capital Trustee Co Ltd -Reliance Infrastructure Fund	1,155,400	3.03%	2,357,000	6.18%

2.4 Shares Reserved for Issue of Options:

Details of share reserved for issue under the Employees Stock Options plans (ESOPs) of the company are given in Note 37.

Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 3 : RESERVES & SURPLUS		
3.1 Securities Premium Account:		
Opening Balance	319.90	319.90
Add: Addition during the year	-	-
	319.90	319.90
3.2 General Reserve:		
Opening Balance	25.16	25.16
Add: Transferred from the Profit and Loss Account	-	-
	25.16	25.16



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
3.3 Employees Stock Options Outstanding:		
Employees Stock Options Outstanding	0.54	0.97
Less: Deferred Employees Stock Options Compensation	-	0.18
	0.54	0.79
3.4 Profit & Loss Account:		
Balance at the beginning of the Year	341.92	231.43
Add: Profit (Loss) for the Year	(36.03)	110.49
Balance at the end of the Year	305.89	341.92
	651.49	687.77
NOTE 4 : LONG-TERM BORROWINGS		
4.1 Secured Loans:		
Term Loans:		
From Banks & Financial Institutions:		
Secured by way of charge on rentals, mortgage / hypothecation of movable & immovable properties*	704.70	250.13
From Others:		
Secured by way of charge on movable & immovable properties*	43.94	33.37
	748.64	283.50
4.2 Unsecured Loans:		
From Others:		
Loans From Other Companies**	11.15	-
	11.15	-
	759.79	283.50

* Loans Guaranteed by Directors.

** Brought in as promoter's contribution of sacrifice on restructuring of working capital limits for EPC Division of the company from consortium of the bank and sub-ordinate to such limits.

4.3 Repayment Terms (including current maturities) of Secured Loans:

Term Loans from Banks & Financial Institutions:

- a) Loan of ₹ 35.80 crores payable in 18 quarterly instalments ending Mar-18
- b) Loan of ₹ 2.61 crores payable in 18 quarterly instalments ending Mar-18
- c) Loan of ₹ 20.81 crores payable in 36 monthly instalments ending Dec-16
- d) Loan of ₹ 3.11 crores payable in 51 monthly instalments ending Jul-17
- e) Loan of ₹ 65.14 crores payable in 13 quarterly instalments ending Jul-16
- f) Loan of ₹ 7.72 crores payable in 7 monthly instalments ending Sep-13
- g) Loan of ₹ 113.57 crores payable in 16 quarterly instalments ending Sep-17
- h) Loan of ₹ 8.65 crores payable in 16 quarterly instalments ending Sep-17
- i) Loan of ₹ 166.54 crores payable in 18 quarterly instalments ending Mar-18
- j) Loan of ₹ 10.99 crores payable in 18 quarterly instalments ending Mar-18
- k) Loan of ₹ 197.98 crores payable in 18 quarterly instalments ending Mar-18
- l) Loan of ₹ 9.75 crores payable in 18 quarterly instalments ending Mar-18
- m) Loan of ₹ 72.65 crores payable in 16 quarterly instalments ending Sep-17
- n) Loan of ₹ 1.29 crores payable in 16 quarterly instalments ending Sep-17



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
o) Loan of ₹ 69.51 crores payable in 108 monthly instalments ending Mar-22		
p) Loan of ₹ 38.26 crores payable in 12 monthly instalments ending Mar-14		
q) Loan of ₹ 18.31 crores payable in 18 monthly instalments ending Apr-15		
Term Loans from Others:		
a) Loan of ₹ 58.09 crores payable in 38 monthly instalments ending May-16		
b) Loan of ₹ 2.70 crores payable in 30 monthly instalments ending Sep-15		
c) Loan of ₹ 5.59 crores payable in 10 monthly instalments ending June-15		
d) Loan of ₹ 5.31 crores payable in 10 monthly instalments ending June-15		
e) Loan of ₹ 10 crores payable in 1 instalment ending Dec-13		
f) Vehicle Loan of ₹ 0.64 crores payable in monthly instalments ending June-16		
4.4 Repayment Terms (including current maturities) of unsecured Loans:		
a) Loan of ₹ 10.87 crores payable in 1 instalment ending Mar-18		
b) Loan of ₹ 0.28 crores payable in 1 instalment ending Mar-18		
c) Loan of ₹ 0.25 crores payable in 1 instalment ending Apr-13		
d) Loan of ₹ 0.75 crores payable in 1 instalment ending Apr-13		
e) Loan of ₹ 0.40 crores payable in 1 instalment ending Apr-13		
f) Loan of ₹ 0.05 crores payable in 1 instalment ending Apr-13		
g) Loan of ₹ 0.14 crores payable in 1 instalment ending Apr-13		
h) Loan of ₹ 1.95 crores payable in 1 instalment ending Apr-13		
4.5 Defaults on repayment of Long-term Loans and Interest thereof:		
Long-term loans and interest thereof aggregating to ₹ 18.90 Crores (Previous year ₹ 21.83 Crores) and ₹ 10.84 Crores (Previous year Nil) were overdue for a period of less than 90 days and more than 90 days respectively.		
NOTE 5 : DEFERRED TAX LIABILITY (ASSET) [NET]		
Deferred Tax Liability	8.05	6.05
Less : Deferred Tax Asset	26.56	0.56
Net Deferred Tax Liability (Asset)	(18.51)	5.49
NOTE 6 : OTHER LONG-TERM LIABILITIES		
Others		
Mobilisation Deposits	164.85	190.23
Lease Deposits	5.01	4.53
	169.86	194.76
NOTE 7 : LONG-TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	0.77	1.72
Leave Encashment	0.36	1.15
	1.13	2.87



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 8 : SHORT-TERM BORROWINGS		
8.1 Secured Loans:		
Loans Repayable on Demand:		
From Banks & Financial Institutions:		
Secured by way of charge / hypothecation of inventories, advances, receivables and other current assets of specified projects, fixed deposit receipts and immovable properties*	163.13	293.86
	163.13	293.86
* Loans Guaranteed by Directors.		
8.2 Unsecured Short-term Loans:		
From Others:		
Loans From Other Companies	8.48	-
Loans From Directors	8.74	-
	17.22	-
	180.35	293.86
8.3 Defaults on repayment of Short-term Loans and Interest thereof:		
Short-term loans and interest thereof aggregating to ₹ 0.67 Crores (Previous year ₹ 3.44 Crores) and ₹ 15.67 Crores (Previous year Nil) were overdue for a period of less than 90 days and more than 90 days respectively.		
NOTE 9 : TRADE PAYABLES		
Trade Payables	296.70	153.66
	296.70	153.66
NOTE 10 : OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Debts	179.95	136.51
Interest Accrued but Not Due on Borrowings	1.07	0.67
Interest Accrued and Due on Borrowings	12.56	11.19
Other Payables:		
Advances from Customers	81.20	92.98
Expenses Payable	87.64	60.44
LC Payable	9.98	405.57
Statutory Dues	51.53	45.17
Unclaimed Dividend	0.22	0.23
Due to Directors	3.69	1.83
Mobilisation Deposits	67.84	39.94
Creditors for Capital Goods	2.16	3.71
	497.84	798.24
NOTE 11 : SHORT-TERM PROVISIONS		
Provision for employee benefits:		
Bonus	0.06	0.54
Gratuity	0.25	0.04
Leave Encashment	0.38	0.05
Others:		
Income Tax	10.94	10.90
	11.63	11.53



NOTE 12 : FIXED ASSETS

Particulars	GROSS BLOCK						DEPRECIATION			NET BLOCK	
	As At 31-Mar-12	Additions	Deletions	As At 31-Mar-13	Up to 31-Mar-12	For the year	Deletions	Up to 31-Mar-13	As At 31-Mar-13	As At 31-Mar-12	
TANGIBLE ASSETS											
LEASED ASSETS											
Digital Zone - I											
Land	5.23	-	-	5.23	-	-	-	-	5.23	5.23	
Building	22.63	-	-	22.63	2.72	0.37	-	3.09	19.54	19.91	
Plant & Machinery	5.25	-	-	5.25	1.82	0.25	-	2.07	3.18	3.34	
Electrical Equipment & Fittings	10.99	-	-	10.99	3.82	0.52	-	4.34	6.65	7.17	
Furniture & Fixtures	9.34	-	-	9.34	4.28	0.59	-	4.87	4.47	5.06	
Thiruvanniyur											
Land & Building	0.45	-	-	0.45	-	-	-	-	0.45	0.45	
OTHER ASSETS											
Land	1.13	-	-	1.13	-	-	-	-	1.13	1.13	
Building	4.23	5.20	0.07	9.36	2.19	0.18	0.07	2.30	7.06	2.04	
Computers	7.43	0.05	0.14	7.34	3.36	1.08	0.13	4.31	3.03	4.07	
Office Equipment	4.60	0.06	0.01	4.65	0.74	0.22	-	0.96	3.69	3.86	
Furniture & Fittings	13.80	0.05	0.01	13.84	2.09	0.88	-	2.97	10.87	11.71	
Motor Vehicles	6.34	0.22	0.43	6.13	1.39	0.59	0.20	1.78	4.35	4.95	
Plant & Machinery	101.37	1.40	0.01	102.76	8.56	6.26	-	14.82	87.94	92.81	
Electrical Equipment & Fittings	2.83	0.03	-	2.86	0.34	0.16	-	0.50	2.36	2.49	
Total Tangible Assets	195.62	7.01	0.67	201.96	31.31	11.10	0.40	42.01	159.95	164.31	
Previous Year	143.78	52.09	0.25	195.62	19.42	11.94	0.05	31.31	164.31	124.36	
INTANGIBLE ASSETS											
Computer Software*	3.82	-	-	3.82	1.30	0.75	-	2.05	1.77	2.52	
Total Intangible Assets	3.82	-	-	3.82	1.30	0.75	-	2.05	1.77	2.52	
Previous Year	3.15	0.67	-	3.82	0.64	0.66	-	1.30	2.52	2.51	
CAPITAL WORK IN PROGRESS											
Total Capital Work in Progress	12.43	0.18	0.04	12.57	-	-	-	-	12.57	12.43	
Previous Year	10.10	3.23	0.90	12.43	-	-	-	-	12.43	10.10	

*Note: - Other than internally Generated



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 13 : NON-CURRENT INVESTMENTS		
13.1 Investments in Equity Shares (Non-Quoted, Non-Trade, Stated at Cost)		
(As per Annexure - A)		
In Subsidiaries	566.81	527.27
In Associates*	-	-
In Other Companies	-	1.59
	566.81	528.86
13.2 Investments in Properties (Non-Quoted, Stated at Cost)		
Building	0.84	0.84
	0.84	0.84
Total of Unquoted Investments	567.65	529.70
13.3 Investments in Debentures (Quoted)		
Srei Equipment Finance Pvt Ltd		
Unsecured Subordinated Non-convertible Perpetual Debentures	1.00	1.00
[10 units (Previous year 10 units) of Face Value of ₹ 1,000,000/- each (Previous year ₹ 1,000,000/- each)] [Not traded Stated at Cost]		
Less : Provision for Decline in Investments	-	-
	1.00	1.00
Total of Quoted Investments	1.00	1.00
Grand Total of Quoted and Unquoted Investments	568.65	530.70
<i>*Includes ₹ 39,000/- as at 31-Mar-13 and 31-Mar-12.</i>		
NOTE 14 : LONG-TERM LOANS & ADVANCES		
Unsecured and Considered Good		
Capital Advances	0.74	0.99
Security Deposits	4.69	4.40
Advances to Subsidiaries	257.93	186.81
	263.36	192.20
NOTE 15 : CURRENT INVESTMENTS		
Investments in Mutual Funds (Quoted)		
UTI Infrastructure Advantage Fund Series	0.09	0.09
[25,462.687 units (Previous year 25,462.687 units) of Face Value of ₹ 33.50 each (Previous year ₹ 33.50 each)] [NAV as on 31-Mar-13 ₹ 26.46 each (Previous year ₹ 27.75 each)]		
Less : Provision for Decline in Investments	0.02	0.01
	0.07	0.08



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 16 : INVENTORIES		
Inventories		
Stock of Materials, Stores, Spares and Loose Tools at Site	40.24	65.23
Projects in Progress	167.67	169.72
	207.91	234.95
NOTE 17 : TRADE RECEIVABLES		
Unsecured and Considered Good		
Outstanding for more than 6 months	364.31	125.26
Others	129.24	475.36
	493.55	600.62
NOTE 18 : CASH & CASH EQUIVALENTS		
Cash Balance	0.18	0.29
Balances with Scheduled Banks		
In Current Accounts	6.52	8.66
In Current Accounts for Unclaimed Dividend	0.22	0.23
In Margin Money Accounts	28.58	73.46
In Deposit Accounts		
Deposit maturing after 12 months	-	0.44
Others	5.30	0.03
	40.80	83.11
NOTE 19 : SHORT-TERM LOANS & ADVANCES		
Unsecured and Considered Good		
Advances to Subsidiaries	195.60	233.87
Others		
Advances to Suppliers	431.60	303.87
Advances to Staff	1.77	2.22
Other Advances Recoverable	5.45	5.40
Prepaid Expenses	3.23	16.29
Share Application Money	135.39	47.04
Prepaid Taxes	63.29	36.44
Security Deposits	2.97	3.31
Dividend Receivable	0.47	0.44
	839.77	648.88



Particulars	Year Ended 31-Mar-13 (₹ In Crores)	Year Ended 31-Mar-12 (₹ In Crores)
NOTE 20 : INCOME FROM OPERATIONS		
Income from Projects / Operations	747.97	1,488.41
Income from Leasing	13.57	12.68
	761.54	1,501.09
NOTE 21 : OTHER INCOME		
Profit on Sale of Investment	69.39	77.19
Dividend Received	0.01	-
Prior Period Income	0.54	0.41
Profit on Sale of Assets	0.05	0.01
Exchange Rate Difference (Net)	-	0.48
Miscellaneous Income	2.01	0.82
	72.00	78.91
NOTE 22 : COST OF PROJECTS/OPERATING EXPENSES		
COST OF PROJECTS / OPERATING EXPENSES		
Opening Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	65.23	51.65
Projects in Progress	169.72	80.62
	234.95	132.27
Expenditure During the year		
Expenditure on Projects / Operating Expenses	728.27	1,412.67
Closing Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	40.24	65.23
Projects in Progress	167.67	169.72
	207.91	234.95
Cost of Projects / Operating Expenses	755.31	1,309.99
Repairs & Maintenance-Leased Properties	0.78	0.17
	756.09	1,310.16
NOTE 23 : PERSONNEL EXPENSES		
Salaries & Allowances	6.98	10.08
Remuneration to Managing Director	-	1.89
Contribution to Funds	1.46	1.99
Recruitment & Training Expenses	0.01	0.18
Staff Welfare Expenses	1.84	3.17
Retirement Benefits	(0.66)	0.76
Employee Compensation Expense	(0.25)	0.21
	9.38	18.28
NOTE 24 : FINANCE COST		
Interest Expenses	138.54	107.78
Less : Interest Recovered	58.58	74.27
Net Interest	79.96	33.51
Bank & Finance Charges	9.15	6.18
	89.11	39.69



Particulars	Year Ended 31-Mar-13 (₹ In Crores)	Year Ended 31-Mar-12 (₹ In Crores)
NOTE 25 : OTHER EXPENSES		
Rent	3.84	5.25
Rates & Taxes	0.19	0.22
Communication Cost	0.74	1.06
Electricity Charges	1.63	1.79
Travelling and Conveyance	3.11	4.44
IT Services	0.79	1.57
Repairs & Maintenance	0.50	0.41
Payment to Non-executive Directors		
- Sitting Fees for Board Meetings	0.05	0.05
- Sitting Fees for Committee Meetings	0.16	0.17
- Commission	-	0.46
Secretarial Expenses	0.17	0.12
Advertisement & Business Promotion	0.45	1.82
Printing & Stationery	0.45	0.97
Postage and Courier Charges	0.04	0.08
Payment to Auditors		
- Statutory Audit Fee	0.09	0.09
- Other Services	0.05	0.03
Insurance Premium	0.97	1.21
Legal & Professional Charges	6.71	7.14
General Expenses	0.31	0.91
Exchange Rate Difference (Net)	0.04	-
Office Maintenance	6.38	7.88
Donation	0.03	0.26
Vehicle Maintenance	0.57	0.71
Loss on Sale of Assets	0.14	0.03
Prior Period Expenses	-	0.25
	27.41	36.92
NOTE 26 : DEFERRED TAX EXPENSE (INCOME)		
Deferred Tax Liability net off Deferred Tax Asset for the year	(24.00)	2.42
	(24.00)	2.42
NOTE 27 : CONTINGENT LIABILITIES		
a. Estimated amount of liability on capital contracts: ₹ 2.92 Crores (Previous year ₹ 1.36 Crores)		
b. Corporate Guarantees given to Banks in respect of loans taken by other Companies: ₹ 3,170.22 Crores (Previous year ₹ 3,101.31 Crores)		
c. Corporate Guarantees given to Banks in respect of performance bank guarantees issued by them: ₹ 175.58 Crores (Previous year ₹ 182.79 Crores)		



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

As at		As at		Due date of Obligation
31-Mar-13		31-Mar-12		
Duty Saved	Export Obligation	Duty Saved	Export Obligation	
-	-	0.14	0.64	17-Feb-13
0.12	0.95	0.12	0.95	3-Jan-15
0.14	1.13	0.14	1.13	27-Feb-15
1.73	13.83	1.73	13.83	20-May-18
0.31	2.47	0.31	2.47	20-May-18

- e. Claims not acknowledged as debts by the Company: ₹ 78.15 Crores (Previous year ₹ 1.02 Crores)

- f. Income Tax Demand

Tax on Income

₹

Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-12	During 2012-13	Till 31-Mar-13	
2001 - 02	16,785,003	16,879,719	-	16,879,719	Madras High Court
2002 - 03	8,926,848	9,659,367	-	9,659,367	CIT(Appeal)
2008 - 09	5,276,990	5,276,990	-	5,276,990	CIT(Appeal)
2009 - 10	3,896,457	3,896,457	-	3,896,457	CIT(Appeal)

Tax Deducted at Source

₹

Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-12	During 2012-13	Till 31-Mar-13	
1996 - 97	21,503	4,931	-	4,931	ITO – TDS
1997 - 98	2,368,619	2,317,682	-	2,317,682	ITO – TDS
1998 - 99	1,628,830	842,934	-	842,934	ITO – TDS
1999 - 00	1,857,640	581,282	-	581,282	ITO – TDS
2000 - 01	442,820	65,440	-	65,440	ITO – TDS

NOTE 28 : DEFERRED TAX LIABILITY

(₹ In Crores)

Particulars	As At 31-Mar-13	As At 31-Mar-12
Outstanding Deferred Tax Liability (Asset) [Net] as at the beginning of the year (A)	5.49	3.07
Add : Provision for Current Year Liabilities (Assets)		
Timing difference on account of Depreciation	2.00	2.56
Reversal of Timing difference on account of Employee Benefits	0.56	-
Timing difference on account of Employee Benefits	(0.02)	(0.14)
Timing difference on account of Business Loss	(20.71)	-
Timing difference on account of Unabsorbed Depreciation	(5.83)	-
Sub-total (B)	(24.00)	2.42
Outstanding Deferred Tax Liability (Asset) [Net] as at the end of the year (A+B)	(18.51)	5.49



NOTE 29 : 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 30 :

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

NOTE 31 : RELATED PARTY DISCLOSURES

A. Subsidiaries, where control existed during the year - Annexure A

B. Step-down subsidiary, where control existed for part of the year:

Wisdom Constructions Private Limited

C. Associates:

Rajakamanglam Thurai Fishing Harbour Private Limited

D. Key Management Personnel (KMP)

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

E. Relative of Key Management Personnel

1. V P Rajini Reddy-wife of the CMD
2. G Raghava Reddy-father of the CMD

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

1. Akshya Infrastructure Private Limited
2. Avinash Constructions Private Limited
3. Exemplar Worldwide Limited
4. Jeevan Habitat Private Limited
5. Marg Capital Markets Limited
6. Marg Foundation
7. Noble Habitat Private Limited
8. Swarnabhoomi Academic Institutions

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

1. Global Infoserv Limited
2. Marg Digital Infrastructure Private Limited
3. Marg Projects and Infrastructure Limited
4. Marg Realities Limited



H. Transactions with the related parties during the year in the ordinary course of the business: (₹ In Crores)

Particulars	Subsidiaries		Step Down Subsidiaries		Associates		KMP and Relatives		Entities over which KMP and Relatives have control / significant influence		
	Year Ended 31-Mar-13	Year Ended 31-Mar-12	Year Ended 31-Mar-13	Year Ended 31-Mar-12	Year Ended 31-Mar-13	Year Ended 31-Mar-12	Year Ended 31-Mar-13	Year Ended 31-Mar-12	Year Ended 31-Mar-13	Year Ended 31-Mar-12	
Services Rendered	234.55	878.52	-	-	-	-	-	-	-	1.33	0.87
Sale of Land	0.71	-	-	-	-	-	-	-	-	-	-
Lease Rental Income	1.39	1.63	-	-	-	-	-	-	-	-	-
Dividend Received	0.01	-	-	-	-	-	-	-	-	-	-
Interest Received	43.09	39.81	6.69	7.70	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	0.07	-	-	0.20	-
Contracts and Services Received	24.64	44.55	-	-	-	-	-	-	-	4.14	4.86
Allocation of Common Expenses	14.08	18.65	-	-	-	-	-	-	-	-	-
Contract Advances Received (Net)	55.92	204.81	-	-	-	-	-	-	-	-	-
Advance to Supplier	-	-	0.60	-	-	-	-	-	-	-	-
Remuneration, Commission & Sitting Fee	-	-	-	-	-	-	0.12	2.23	-	-	-
Due on account of Share Invoked	-	-	-	-	-	-	3.36	-	-	1.13	-
Purchase of Fixed Assets	5.09	-	-	-	-	-	-	-	-	-	-
Share Application Money Given	88.35	-	-	-	-	-	-	-	-	-	-
Investments Made in Equity	80.45	18.56	-	-	-	-	-	-	-	-	-
Investments Made in CCPS	-	37.90	-	-	-	-	-	-	-	-	-
Purchase of CCPS Shares	10.50	-	-	-	-	-	-	-	-	-	-
Sale of Equity Shares	10.50	-	-	-	-	-	-	-	-	-	-
Loans & Advances Made [Net]	47.83	62.03	0.85	4.28	-	-	-	-	-	-	-
Loans Received (Net)	-	-	-	-	-	-	8.74	-	-	5.10	-
Guarantees and Collaterals Issued	315.68	766.35	-	-	-	-	-	-	-	6.00	74.00
Guarantees and Collaterals Received	41.28	65.50	25.16	38.46	-	-	-	-	-	59.82	900.00



Particulars	(₹ In Crores)												
	Subsidiaries			Step Down Subsidiaries			Associates		KMP and Relatives		Entities over which KMP and Relatives have control / significant influence		
	As At		As At		As At		As At		As At		As At		
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13
Investments in Equity	528.91	489.37	-	-	-*	-*	-	-	-	-	-	-	1.59
Investments in CCPS	37.90	37.90	-	-	-	-	-	-	-	-	-	-	-
Share Application Money	135.39	47.04	-	-	-	-	-	-	-	-	-	-	-
Dividend Receivable	0.47	0.44	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	287.55	322.04	4.38	4.62	-	-	-	-	-	-	-	-	0.25
Trade Payables	32.79	25.05	-	-	-	-	-	-	-	-	-	-	1.45
Loans & Advances Receivable	400.95	358.93	52.59	61.76	1.10	1.10	-	-	-	-	-	-	1.38
Loans Payable	-	-	-	-	-	-	8.81	-	-	-	-	-	5.28
Remuneration, Commission & Sitting Fee Payable	-	-	-	-	-	-	0.09	1.42	-	-	-	-	-
Due on account of Share Invoked	-	-	-	-	-	-	3.36	-	-	-	-	-	1.13
Advance to Suppliers	-	-	0.26	-	-	-	-	-	-	-	-	-	-
Contract Advances Received (Net)	223.58	217.20	-	-	-	-	-	-	-	-	-	-	-
Guarantees Issued	3,088.42	3,025.51	1.80	1.80	-	-	-	-	-	-	-	-	80.00
Guarantees and Collaterals Received	295.46	269.15	130.91	115.75	-	-	-	-	-	-	-	-	1,024.82
													965.00

* Includes ₹ 39,000/-



NOTE 32 : SEGMENT REPORTING

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

NOTE 33 : REMUNERATION TO DIRECTORS:

(₹ In Crores)

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
Remuneration to Managing Director:		
Salaries & Allowances	-	1.20
Commission	-	0.60
Contribution to Provident Fund	-	0.09
Sub-total	-	1.89
Commission to Non executive Directors	-	0.46
Total	-	2.35

*Due to loss incurred during the current year, remuneration of ₹ 2.06 Crores paid to Managing Director during the year has been recovered from the Unsecured Loan given by him.

NOTE 34 : EMPLOYEE BENEFITS

A. GRATUITY

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

(₹ In Crores)

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
Current Service Cost	0.30	0.73
Interest Cost	0.14	0.12
Expected Return on Plan Assets	-	-
Net actuarial (Gain) Loss Recognised in the Year	(1.05)	(0.62)
Transitional Liability Recognised in the Year	-	-
Past Service Cost - Non-vested Benefits	-	-
Past Service Cost - Vested Benefits	-	-
Expenses Recognised in Profit and Loss Account	(0.61)	0.23

- iii) Movement in the liability recognised in the Balance Sheet during the year:

(₹ In Crores)

Particulars	As At 31-Mar-13	As At 31-Mar-12
Opening Net Liability	1.76	1.53
Expense as above	(0.62)	0.24
Contribution Paid	(0.13)	(0.01)
Closing Net Liability	1.01	1.76

- iv) Net Assets / Liability in Balance Sheet as at the year end:

(₹ In Crores)

Particulars	As At 31-Mar-13	As At 31-Mar-12
Present Value of the Obligation	1.01	1.76
Fair Value of Plan Assets	-	-
Difference	1.01	1.76
Unrecognised Transitional Liability	-	-
Unrecognised Past Service Cost - Non vested Benefits	-	-
Liability Recognised in the Balance Sheet	1.01	1.76



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

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	8.50%	8.00%
Salary Escalation Rate	2.00%	8.00%
Attrition Rate	30.00%	4.00%

B. LEAVE ENCASHMENT

i) The company does not maintain any fund to pay for leave encashment

ii) Amount recognised in the Profit and Loss A/c is as under:

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
(₹ In Crores)		
Current Service Cost	0.18	0.47
Interest Cost	0.10	0.06
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised in the Year	(0.33)	(0.04)
Transitional Liability Recognised in the Year	-	-
Past Service Cost - Non-vested Benefits	-	-
Past Service Cost - Vested Benefits	-	-
Expenses Recognised in Profit and Loss Account	(0.05)	0.49

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

Particulars	As At 31-Mar-13	As At 31-Mar-12
(₹ In Crores)		
Opening Net Liability	1.21	0.83
Expense as above	(0.06)	0.49
Contribution Paid	(0.41)	(0.12)
Closing Net Liability	0.74	1.20

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

Particulars	As At 31-Mar-13	As At 31-Mar-12
(₹ In Crores)		
Present Value of the Obligation	0.74	1.20
Fair Value of Plan Assets	-	-
Difference	0.74	1.20
Unrecognised Transitional Liability	-	-
Unrecognised Past Service Cost - Non-vested Benefits	-	-
Liability Recognised in the Balance Sheet	0.74	1.20

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

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	8.50%	8.00%
Salary Escalation Rate	2.00%	8.00%
Attrition Rate	30.00%	4.00%



NOTE 35 : NON-CASH TRANSACTIONS

During the year loan of ₹ 121.95 Crores (Previous year ₹ 27.39 Crores) given to subsidiaries of the company was converted into Share Application Money and out of which ₹ 22.95 Crores (Previous year ₹ 27.39 Crores) were allotted to equity shares.

NOTE 36 : CASH & CASH EQUIVALENTS

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

(₹ In Crores)

Particulars	As At 31-Mar-13	As At 31-Mar-12
Margin money	28.58	73.46
Fixed Deposit with Bank	5.30	0.47
Unclaimed Dividend with bank	0.22	0.23
	<u>34.10</u>	<u>74.16</u>

NOTE 37 : EMPLOYEES STOCK OPTIONS SCHEME(ESOP)

a) The company has Employee Stock Option Scheme (the "Scheme") for all eligible employees of the company and its subsidiaries. Options are issued at a price of not less than 50% of the prevailing market price of the shares on the date of the grant of options and the same will vest over a period of three years as under:

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

b) Options are to be exercised within 2 years from date of vesting. 500,000 equity shares have been earmarked to be granted under the scheme and against the same options as under were granted:-

Grant No.	Date of Grant	No of Options Granted	Grant Price ₹	Outstanding Options as on 31-Mar-13
I	15-Oct-07	1,97,006	100	-
II	23-Oct-07	2,100	100	-
III	8-Nov-07	3,475	120	-
IV	12-Nov-07	3,000	130	-
V	17-Nov-07	4,500	160	-
VI	8-Dec-07	6,370	200	-
VII	19-Feb-08	19,890	200	-
VIII	3-Oct-09	250,844	75	72,821

c) Shares Reserved for Issue of Options:

Particulars	Date of Issue	Grant Price (₹)	As At 31-Mar-13 Nos	As At 31-Mar-12 Nos	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
1 Equity Shares of ₹ 10/- each	3-Oct-09	75	72,821	129,748	0.07	0.13
2 Equity Shares of ₹ 10/- each*	15-Oct-07	100	-	1,244	-	-
			<u>72,821</u>	<u>130,992</u>	<u>0.07</u>	<u>0.13</u>

* includes ₹ 12,440/- as on 31-Mar-12.



NOTE 38: OPERATING LEASES

a) Cancelable Lease:

Total rental charges under cancelable operating lease was ₹ 1.13 Crores and ₹ 3.10 Crores for the 4th quarter and year ended 31-Mar-13 respectively (Previous year ₹ 1.14 Crores and ₹ 4.23 Crores).

b) Non Cancelable lease:

The Company has taken office building under non-cancelable operating lease. The lease rental expense during the year was ₹ 2.76 Crores (Previous year ₹ 4.06 Crores). The future minimum lease payments in respect of this lease as at 31-Mar-13 are as follows:

Particulars	(₹ In Crores)	
	As At 31-Mar-13	As At 31-Mar-12
Future Obligations:		
Not Later than One Year	0.22	3.11
Later than One Year not Later than Five Years	-	1.93
Later than Five Years	-	-
Total	0.22	5.04

NOTE 39 : AUDITORS' REMUNERATION

Following are the details of Auditors' remuneration:

Particulars	(₹ In Crores)	
	Year Ended 31-Mar-13	Year Ended 31-Mar-12
Statutory Audit Fee	0.09	0.09
Tax Audit Fee	0.02	0.01
Certification	0.03	0.02
Reimbursement of Expenses	0.01	-
Total	0.15	0.12

NOTE 40 : FOREIGN CURRENCY TRANSACTIONS

Particulars	(₹ In Crores)	
	Year Ended 31-Mar-13	Year Ended 31-Mar-12
a) Value of Imports calculated on CIF Basis :		
i) Components, embedded goods and spare-parts	2.33	0.76
b) Expenditure in foreign currencies:		
i) Traveling expenses	0.06	0.05
ii) Technical / Professional & Conference Expenses	-	1.19
iii) Hire Charges	22.09	40.29

NOTE 41 : EARNINGS PER SHARE (EPS)

Particulars	(₹ In Crores)	
	Year Ended 31-Mar-13	Year Ended 31-Mar-12
a. Profit After Tax		
For Basic EPS	(36.03)	110.49
For Diluted EPS	(36.03)	110.49
b. Weighted average number of equity shares (Nos in Lacs)		
For Basic EPS	381.19	381.19
Adjustment for Diluted EPS		
Add: Weighted average number of potential shares on account of Employee Stock Options	0.32	0.28
Add: Weighted average number of potential shares on account of Preferential allotment of shares / Warrants	-	-
For Diluted EPS	381.51	381.47



Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
c. Earning Per Share (₹)		
Basic	(9.45)	28.99
Diluted	(9.45)	28.97
d. Nominal Value Per Share (₹)	10.00	10.00

NOTE 42 : DEBT RESTRUCTURING:

The Fund based and Non-fund based Working Capital facilities of EPC Division of the Company have been restructured by Consortium of banks lead by Indian Bank by sanction of:

- a) Working Capital Term Loan (WCTL) of ₹ 556.69 Crores by converting the devolved Letters of Credit and part of Cash Credit.
- b) Funded Interest Term Loan (FITL) of ₹ 30.94 Crores to fund the interest from Oct-12 to Mar-13.
- c) WCTL and FITL are repayable in 18 quarterly installment commencing Dec-13.

Further to above the Corporate term loans availed by the company from the following banks have been restructured as under:

- a) Term Loan from Punjab National Bank for ₹ 35.80 crores payable in 4 and ½ years commencing from Dec-13.
- b) Funded Interest Term Loan from Punjab National Bank for ₹ 5.33 crores payable in 4 and ½ years commencing from Dec-13.
- c) Term Loan from State Bank of Mauritius Ltd for ₹ 20.83 crores payable in 3 years commencing from Jan-14.
- d) Vendor Bills Discounting Facility from Sicom Ltd has been restructured into a term loan for ₹ 40 crores out of which ₹ 20 crores payable in 12 instalments commencing from Dec-12 and balance of ₹ 20 crores payable in 2 quarters from Dec-13.
- e) Short Term Loan from IFCI Venture Capital Funds Ltd for ₹ 18 crores payable in 18 instalments commencing from Nov-13.

NOTE 43 : GOING CONCERN:

The Company has recorded a Net Loss for the Year and has defaulted in the payments due to Banks / Financial Institution towards principal and interest and statutory dues. Further there were lower cash inflows from existing projects. Management is confident that the Company will be able to generate profit and cash in future years and meet its financial obligation as they arise. The financial statements have been prepared on a going concern basis based on cumulative input of the following business potential and mitigating factors:

- a) The EPC division of the Company has an order book of ₹ 3221 Crores. Further local and international bids are being planned leveraging the experience gained through execution of Marine, Infrastructure and Industrial EPC.
- b) The business of the Company was appraised and due diligence done by Dun & Bradstreet.
- c) The Working Capital and other Loans of the Company have been restructured by Banks with moratorium for interest and principal.
- d) The Company has adequate resources and construction equipments and manpower to execute the projects on hand and with the work experience to its credit is eligible to undertake new projects.
- e) The Company is also in the process of generating cash through equity disinvestment in operating SPVs and realisation of advances given to subsidiaries which have commenced new residential and plotted development projects.

NOTE 44 : INFORMATIONS PERSUANT TO SECTION 212(8) OF COMPANIES ACT:

Information of (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investments (except in case of investment in subsidiaries) (f) turnover (g) profit (loss) before taxation (h) provision for taxation (i) profit (loss) after taxation and (j) proposed dividend for each subsidiary is furnished in Annexure B to the accounts.

NOTE 45 : INFORMATIONS PERSUANT TO CLAUSE 32 OF LISTING AGREEMENT:

Disclosure as required by Clause 32 of listing agreement with stock exchanges for loans and advances given by the company are given in Annexure A.

**NOTE 46 : INFORMATIONS PERSUANT TO PART II OF SCHEDULE VI OF COMPANIES ACT:**

The activities of the company are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under Paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act 1956.

NOTE 47 : FOREIGN CURRENCY EXPOSURES

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

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

Particulars	As At 31-Mar-13		As At 31-Mar-12	
	USD in Crores	INR in Crores	USD in Crores	INR in Crores
Creditors for Services	(0.56)	(30.66)	(0.47)	(23.97)
Advance to Creditors for Spares import	0.04	2.37	0.04	2.23
Loan given to Subsidiary	0.30	16.58	0.30	15.59
Dividend Receivable	0.01	0.47	0.01	0.44
Total	(0.21)	(11.24)	(0.12)	(5.71)

Conversion rate applied:

1 USD = ₹ 54.3893 (Previous year ₹ 51.1565)

NOTE 48 : 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.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R SURESH

CFO

RABINDRA KUMAR SAMAL

Company Secretary

Annexure A

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

Name of the Company	Investments in Equity						Loans & Advances Given	
	Face Value (₹)	As At 31-Mar-13 No of Shares (Lacs)	As At 31-Mar-12 No of Shares (Lacs)	As At 31-Mar-13 (₹ in Crores)	As At 31-Mar-12 (₹ in Crores)	Amount Outstanding As at 31-Mar-13 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)	
Name of the Subsidiary Company								
Amir Constructions Private Limited	10	0.10	0.10	0.01	0.01	3.22	3.22	
Anumanthai Beachside Resorts Private Limited	10	0.10	0.10	0.01	0.01	0.00	0.00	
Anuttam Constructions Private Limited	10	0.10	0.10	0.01	0.01	0.17	5.42	
Arohi Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	10.08	14.82	
Atul Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	3.64	3.64	
Avatar Constructions Private Limited	10	0.10	0.10	0.01	0.01	2.18	2.18	
Bharani Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.40	0.40	
Darpan Houses Private Limited	10	0.10	0.10	0.01	0.01	1.92	1.92	
Dasha Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	7.56	7.56	
Future Parking Private Limited	10	24.99	24.99	2.50	2.50	-	0.38	
Hilary Constructions Private Limited	10	0.10	0.10	0.01	0.01	0.09	0.34	
Karaikal Port Private Limited	10	2,497.94	2,907.07	249.79	290.71	0.19	0.19	
Karaikal Power Company Private Limited	10	0.10	0.10	0.01	0.01	2.98	2.98	
Kirtidhara Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.01	4.43	
Marg Aviations Private Limited	10	0.10	0.10	0.01	0.01	2.51	2.51	
Marg Industrial Clusters Limited	10	0.50	0.50	0.05	0.05	0.01	0.01	
Marg Infrastructure Developers Limited	10	0.50	0.50	0.05	0.05	0.01	0.01	
Marg Marine Infrastructure Limited	10	0.50	0.50	0.05	0.05	0.01	0.01	
Marg International Dredging PTE Ltd	SIG \$ 1	173.52	173.52	57.33	57.33	16.54	16.54	
Marg Sri Krishnadevaraya Airport Private Limited	10	0.10	0.10	0.01	0.01	1.33	1.33	
Marg Logistics Private Limited	10	0.10	0.10	0.01	0.01	0.17	13.47	
Marg Properties Limited	10	0.50	0.50	0.05	0.05	63.52	63.52	
Marg Swarnabhoomi Port Private Limited	10	0.11	0.11	0.01	0.01	2.06	2.24	
Marg Trading PTE Ltd	SIG \$ 1	0.01	0.01	0.00	0.00	0.04	6.58	
Mukta Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	12.95	12.95	
Navrang Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	1.97	1.97	
New Chennai Township Private Limited	10	1,200.00	625.00	120.00	62.50	234.55	235.50	
Parivar Apartments Private Limited	10	0.10	0.10	0.01	0.01	0.95	0.95	
Riverside Infrastructure (India) Private Limited	10	1,367.25	1,137.75	136.73	113.78	23.20	23.20	
Shubham Vihar Private Limited	10	0.10	0.10	0.01	0.01	2.48	11.20	
Signa Infrastructure India Limited	10	0.37	0.37	0.04	0.04	-	-	
Swatantra Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	6.21	6.21	
Yuva Constructions Private Limited	10	0.10	0.10	0.01	0.01	-	-	
Total				566.81	527.27	400.95	445.67	

Annexure A

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

Name of the Company	Investments in Equity				Loans & Advances Given		
	Face Value (₹)	As At 31-Mar-13 No of Shares (Lacs)	As At 31-Mar-12 No of Shares (Lacs)	As At 31-Mar-13 (₹ in Crores)	As At 31-Mar-12 (₹ in Crores)	Amount Outstanding As at 31-Mar-13 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)
Fellow Subsidiaries / Step down Subsidiaries of Marg Properties Ltd							
Aprati Constructions Private Limited	-	-	-	-	-	2.53	2.53
Aroopa Infradevelopers Private Limited	-	-	-	-	-	4.15	4.15
Magnumopus Infrastructure Private Limited	-	-	-	-	-	14.60	14.60
Marg Business Park Private Limited	-	-	-	-	-	2.36	5.81
O M R Developers Private Limited	-	-	-	-	-	4.97	4.97
Sarang Infradevelopers Private Limited	-	-	-	-	-	23.97	23.97
MARG Hotels and Service Apartments Private Limited	-	-	-	-	-	-	-
Total	-	-	-	-	-	52.58	56.03
Fellow Subsidiaries / Step down Subsidiaries of Marg Logistics Pvt Ltd							
Advance Infradevelopers Private Limited	-	-	-	-	-	-	-
Agni Infradevelopers Private Limited	-	-	-	-	-	-	-
Akhil Infrastructure Private Limited	-	-	-	-	-	-	-
Ambar Nivas Private Limited	-	-	-	-	-	-	-
Archana Infradevelopers Private Limited	-	-	-	-	-	-	-
Ashram Infradevelopers Private Limited	-	-	-	-	-	-	-
Comex Infrastructure Private Limited	-	-	-	-	-	-	-
Darshan Homes Private Limited	-	-	-	-	-	-	-
Guiding Infradevelopers Private Limited	-	-	-	-	-	-	-
Kanchanajunga Infradevelopers Private Limited	-	-	-	-	-	-	-
Navita Estates Private Limited	-	-	-	-	-	-	-
Rainbow Habitat Private Limited	-	-	-	-	-	-	-
Saptajit Projects Private Limited	-	-	-	-	-	-	-
Shikha Infrastructure Private Limited	-	-	-	-	-	-	-
Sulekh Constructions Private Limited	-	-	-	-	-	-	-
Talin Infradevelopers Private Limited	-	-	-	-	-	-	-
Uttarak Infradevelopers Private Limited	-	-	-	-	-	-	-
Vyan Infraprojects Private Limited	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Annexure A

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

Name of the Company	Investments in Equity				Loans & Advances Given		
	Face Value (₹)	As At 31-Mar-13 No of Shares (Lacs)	As At 31-Mar-12 No of Shares (Lacs)	As At 31-Mar-13 (₹ in Crores)	As At 31-Mar-12 (₹ in Crores)	Amount Outstanding As at 31-Mar-13 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)
Name of the Associate Company							
Rajakamangalam Thurai Fishing Harbour Private Limited*	10	0.04	0.04	0.00	0.00	1.10	1.10
Total				0.00	0.00	1.10	1.10
Name of the Other Company							
Marg Foundation	-	-	-	-	-	1.38	1.38
Total						1.38	1.38

*Investments includes ₹ 39,000/- as at 31-Mar-13 & 31-Mar-12

Annexure B

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Sl No	Name of the Subsidiary Company	Capital	Reserves	Share / Warrant Application Money Pending For Allotment	Total Assets	Total Liabilities	Investments	Turnover *	Profit (Loss) before Taxation	Provision for Taxation	Profit (Loss) After Taxation	Proposed/ Interim Dividend
	Subsidiary Company											
1	Amir Constructions Private Limited	1.00	244.13	-	585.30	340.17	-	-	(0.38)	-	(0.38)	-
2	Anumanthai Beachside Resorts Private Limited	1.00	(1.48)	-	0.35	0.83	-	-	(0.33)	-	(0.33)	-
3	Anuttam Constructions Private Limited	1.00	288.64	-	1,214.32	924.68	-	-	(3.26)	(0.04)	(3.22)	-
4	Arohi Infrastructure Private Limited	1.00	(748.66)	-	288.13	6,035.79	5,000.00	-	(404.78)	-	(404.78)	-
5	Atul Infrastructure Private Limited	1.00	164.31	-	535.51	370.20	-	-	(2.63)	-	(2.63)	-
6	Avatar Constructions Private Limited	1.00	230.04	-	1,248.47	1,017.43	-	-	(0.92)	(0.20)	(0.72)	-
7	Bharani Infrastructure Private Limited	1.00	3.72	-	696.50	691.78	-	2.00	1.55	0.36	1.19	-
8	Darpan Houses Private Limited	1.00	181.86	-	387.57	204.71	-	-	(1.04)	-	(1.04)	-
9	Dasha Infradevelopers Private Limited	1.00	249.98	-	1,024.56	773.57	-	-	(0.63)	-	(0.63)	-
10	Future Parking Private Limited	490.00	18.64	-	1,465.90	957.26	-	19.03	18.49	5.89	12.60	-
11	Hilary Constructions Private Limited	1.00	150.00	-	2,984.59	2,833.59	-	-	(0.60)	0.11	(0.70)	-
12	Karaikal Port Private Limited	69,483.99	2350.33	-	240,018.28	167,823.96	-	27,714.50	(3,298.01)	(412.47)	(2,885.54)	-
13	Karaikal Power Company Private Limited	1.00	(0.70)	-	311.15	310.85	-	-	(0.13)	-	(0.13)	-
14	Kirtidhara Infrastructure Private Limited	1.00	361.83	-	809.85	447.03	-	-	0.33	0.10	0.23	-
15	MARG Aviations Private Limited	1.00	(2.20)	-	986.77	987.97	-	-	(1.29)	-	(1.29)	-
16	MARG Industrial Clusters Limited	5.00	0.29	-	7.01	1.72	-	0.66	0.44	0.12	0.33	-
17	MARG Infrastructure Developers Limited	5.00	0.30	-	7.03	1.72	-	0.67	0.46	0.12	0.33	-
18	MARG Marine Infrastructure Limited	5.00	0.30	-	7.01	1.72	-	0.66	0.44	0.12	0.33	-
19	MARG International Dredging PTE Ltd **	5,733.00	1819.97	-	20,763.51	13,210.55	-	2,209.05	(245.87)	233.86	(479.73)	-
20	MARG Sri Krishnadevaraya Airport Private Limited	1.00	(0.83)	-	2,253.10	2,252.93	-	-	(0.29)	-	(0.29)	-
21	MARG Logistics Private Limited	1.00	352.07	-	7,625.91	7,290.84	18.00	5,730.91	211.36	46.87	164.48	-
22	MARG Properties Limited	5.00	27.27	5,400.00	25,407.21	19,981.94	7.00	5,525.10	32.72	10.40	22.32	-
23	MARG Swarnabhoomi Port Private Limited	1.25	(1.08)	-	5,938.75	5,938.58	-	-	(0.14)	-	(0.14)	-
24	MARG Trading PTE Ltd **	0.33	(17.93)	2.23	3.17	18.54	-	-	(2.54)	-	(2.54)	-
25	Mukta Infrastructure Private Limited	1.00	(194.46)	-	1,168.34	1,361.80	-	-	(502.47)	-	(502.47)	-
26	Navrang Infrastructure Private Limited	1.00	(2.11)	-	203.66	204.77	-	-	(0.90)	-	(0.90)	-
27	New Chennai Township Private Limited	12,000.00	6422.49	-	115,052.85	96,630.36	-	9,086.08	(5,423.87)	335.28	(5,759.15)	-
28	Pavir Apartments Private Limited	1.00	(1.60)	-	98.04	98.63	-	-	(0.47)	-	(0.47)	-
29	Riverside Infrastructure (India) Private Limited	16,300.00	1,516.76	-	54,025.38	36,208.62	-	3.74	(10.99)	1.14	(12.13)	-
30	Shubham Vihar Private Limited	1.00	643.70	-	1,165.61	520.91	-	-	(1.98)	-	(1.98)	-
31	Sigma Infrastructure India Limited	5.00	35.31	-	68.16	27.85	-	30.18	3.78	1.74	2.05	-
32	Swatantra Infrastructure Private Limited	1.00	919.68	-	1,563.27	642.59	-	6.32	5.98	1.85	4.13	-
33	Yuva Constructions Private Limited	1.00	23.81	-	25.74	0.93	-	-	(0.37)	-	(0.37)	-

(₹ in lacs)

Annexure B

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Sl No	Name of the Subsidiary Company	Capital	Reserves	Share / Warrant Application Money Pending For Allotment	Total Assets	Total Liabilities	Investments	Turnover *	Profit (Loss) before Taxation	Provision for Taxation	Profit (Loss) After Taxation	Proposed / Interim Dividend
	Fellow Subsidiaries / Step down Subsidiaries											
1	Aprati Constructions Private Limited	1.00	16.34 (0.69)	-	387.49	370.15	-	-	(9.83)	-	(9.83)	-
2	Advance Infradevelopers Private Limited	1.00	(0.69)	-	257.51	257.20	-	-	(0.29)	-	(0.29)	-
3	Agni Infradevelopers Private Limited	1.00	(0.63)	-	339.56	339.19	-	-	(0.39)	-	(0.39)	-
4	Akhil Infrastructure Private Limited	1.00	(1.75)	-	1,112.98	1,113.73	-	-	(0.23)	-	(0.23)	-
5	Ambar Nivas Private Limited	1.00	(1.85)	-	540.01	540.85	-	-	(0.33)	-	(0.33)	-
6	Archana Infradevelopers Private Limited	1.00	(0.95)	-	369.89	369.84	-	-	(0.34)	-	(0.34)	-
7	Aroopa Infradevelopers Private Limited	1.00	19.04	-	447.33	427.28	-	-	(0.68)	-	(0.68)	-
8	Ashram Infradevelopers Private Limited	1.00	(0.77)	-	5.17	4.94	-	-	(0.20)	-	(0.20)	-
9	Comex Infrastructure Private Limited	1.00	4.31	-	39.48	34.17	-	20.67	2.53	0.67	1.86	-
10	Darshan Homes Private Limited	1.00	(0.95)	-	246.35	246.30	-	0.24	(0.13)	-	(0.13)	-
11	Guiding Infradevelopers Private Limited	1.00	4.38	-	193.31	187.93	-	-	(0.33)	-	(0.33)	-
12	Kanchanajunga Infradevelopers Private Limited	1.00	(1.82)	-	358.64	359.46	-	1.25	0.98	0.30	0.68	-
13	Magnumopus Infrastructure Private Limited	1.00	(0.65)	-	1,572.26	1,571.91	-	-	(3.77)	-	(3.77)	-
14	Marg Business Park Private Limited	1.00	60.46	-	2,300.23	2,238.78	-	90.05	67.60	12.88	54.72	-
15	MARG Hotels and Service Apartments Private Limited	1.00	(0.45)	-	1.01	0.46	-	-	(0.24)	-	(0.24)	-
16	Navita Estates Private Limited	1.00	(1.57)	-	1,724.21	1,724.78	-	-	(0.33)	-	(0.33)	-
17	O M R Developers Private Limited	1.00	4.26	-	982.18	976.93	-	-	(11.19)	-	(11.19)	-
18	Rainbow Habitat Private Limited	1.00	(1.21)	-	940.27	940.48	-	-	(0.26)	-	(0.26)	-
19	Saptajit Projects Private Limited	1.00	(1.09)	-	16.51	16.60	-	-	(0.13)	-	(0.13)	-
20	Sarang Infradevelopers Private Limited	1.00	(0.43)	-	4,143.11	4,142.68	0.14	11.40	2.66	0.22	2.45	-
21	Shikha Infrastructure Private Limited	1.00	(0.63)	-	5.22	4.85	-	-	(0.14)	-	(0.14)	-
22	Sulekh Constructions Private Limited	1.00	(0.68)	-	27.18	26.87	-	-	(0.15)	-	(0.15)	-
23	Talin Infradevelopers Private Limited	1.00	(2.54)	-	11.52	13.06	-	-	(0.13)	-	(0.13)	-
24	Uttarak Infradevelopers Private Limited	1.00	(0.71)	-	30.00	29.71	-	-	(0.17)	-	(0.17)	-
25	Vyan Infraprojects Private Limited	1.00	(0.70)	-	36.10	35.79	-	-	(0.16)	-	(0.16)	-

* Turnover includes Other Income

** Unaudited & certified by Management

Independent Auditors' Report

To

The Board of Directors of MARG Limited

We have audited the accompanying consolidated financial statements of MARG Limited ("the Company") and its subsidiaries and associates (hereinafter referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31-Mar-13, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view 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 consolidated financial statements.

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

Basis of Qualified Opinion:

The Audit report of Mukta Infrastructure Private Limited, subsidiary company, has been qualified by us as the company has not provided for impairment loss of ₹ 7.70 Crores on land held as on 31-Mar-13, which is not in accordance with Accounting Standard (AS 28) "Impairment of assets" and for non provision of prior period tax of ₹ 0.19 Crores. Consequently the assets are overstated by ₹ 7.70 Crores and liabilities are understated ₹ 0.19 Crores and loss for the year and the accumulated losses are understated by ₹ 7.89 Crores as on 31-Mar-13.

The Audit report of Arohi Infrastructure Private Limited, subsidiary company, has been qualified by us as the Company has not provided for premium payable on redemption of debentures which is ₹ 4.93 Crores as on 31-Mar-13 which is not in accordance with Accounting Standard 16 "Borrowing Costs". This resulted in understatement of losses for the year and understatement of liabilities and accumulated losses as on 31-Mar-13 by ₹ 4.93 Crores.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the financial statements of the subsidiaries, *except for the effects of the matters described in the Basis of Qualified Opinion paragraph*, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31-Mar-13;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 43 to the financial statements. The accompanying financial

statements have been prepared on a going concern basis after giving due considerations to all matters more fully explained in aforesaid note.

Other Matters

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of ₹ 730.78 Crores as at 31-Mar-13, total revenues of ₹ 277.67 Crores and net cash inflows amounting to ₹ 47.95 Crores for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

The financial statements of Marg International Dredging Pte Limited and Marg Trading Pte Limited, subsidiaries, incorporated outside India whose financial statements reflect total assets (net) of ₹ 75.38 Crores as at 31-Mar-13, total revenues of ₹ 22.09 Crores and net cash outflows of ₹ 6.05 Crores for the year ended 31-Mar-13, have not been audited and have been certified by the management and have been furnished to us, and our report, in so far as it relates to the amounts included in respect these companies are based solely on certified financial statements.

For K RAMKUMAR & CO.,

Chartered Accountants

Regn No: 02830S

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13



CONSOLIDATED BALANCE SHEET

Particulars	Note	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	3	38.12	38.12
Reserves & Surplus	4	199.14	360.10
MINORITY INTEREST		468.84	296.09
NON-CURRENT LIABILITIES			
Long-Term Borrowings	5	3,126.87	2,331.10
Deferred Tax Liability (Net)	6	-	12.11
Other Long-Term Liabilities	7	17.57	19.42
Long-Term Provisions	8	3.34	4.49
CURRENT LIABILITIES			
Short-Term Borrowings	9	206.51	385.20
Trade Payables	10	309.76	162.38
Other Current Liabilities	11	896.23	1,106.60
Short-Term Provisions	12	11.94	12.23
		5,278.32	4,727.84
ASSETS			
NON-CURRENT ASSETS			
Goodwill (on Consolidation)		16.54	11.51
Fixed Assets:	13		
Tangible Assets		1,762.43	1,637.18
Intangible Assets		2.91	3.79
Capital Work In Progress		1,354.74	1,183.19
Non-Current Investments	14	1.84	3.49
Deferred Tax Assets (Net)	6	13.09	-
Long-Term Loans and Advances	15	26.24	16.58
Other Non-Current Assets	16	50.53	89.95
CURRENT ASSETS			
Current Investments	17	0.07	0.08
Inventories	18	716.52	672.55
Trade Receivables	19	481.39	535.01
Cash & Cash Equivalents	20	137.65	137.39
Short-Term Loans & Advances	21	713.39	436.76
Other Current Assets	22	0.98	0.36
		5,278.32	4,727.84

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R SURESH

CFO

RABINDRA KUMAR SAMAL

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT & LOSS

Particulars	Note	Year Ended 31-Mar-13 (₹ In Crores)	Year Ended 31-Mar-12 (₹ In Crores)
INCOME			
Income from Operations	23	941.40	1,007.43
Other Income	24	66.30	120.03
		1,007.70	1,127.46
EXPENDITURE			
Cost of Projects / Operating Expenses	25	747.07	793.04
Personnel Expenses	26	32.42	37.14
Depreciation and Amortisation	13	68.23	42.24
Finance Cost	27	266.62	99.96
Other Expenses	28	68.54	78.21
		1,182.88	1,050.59
PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(175.18)	76.87
Exceptional Items		(3.44)	(5.20)
PROFIT (LOSS) BEFORE TAX		(178.62)	71.67
TAX EXPENSES			
Current Tax		3.19	62.29
Taxes - Prior Period		0.40	-
Deferred Tax	29	(25.20)	8.32
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (A)		(157.01)	1.06
Profit (Loss) from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)		-	-
PROFIT (LOSS) FOR THE PERIOD (A+B)		(157.01)	1.06
EARNINGS PER SHARE			
Basic (Face Value ₹ 10/-)		(41.18)	0.29
Diluted (Face Value ₹ 10/-)		(41.15)	0.29

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R SURESH

CFO

RABINDRA KUMAR SAMAL

Company Secretary



CONSOLIDATED CASH FLOW STATEMENT

S No	Particulars	Year Ended 31-Mar-13 (₹ in Crores)	Year Ended 31-Mar-12 (₹ in Crores)
A	CASH FLOWS FROM OPERATING ACTIVITIES:		
	Net Profit (Loss) before Taxation and Extraordinary Item	(178.62)	71.67
	Adjustment for:		
	Depreciation	68.50	42.51
	Net Unrealised (Gain) Loss on Exchange Rate Fluctuations	(0.14)	(0.33)
	Exchange (Gain) Loss on Translation of Foreign Subsidiaries	6.69	15.31
	Net Unrealised Loss (Profit) Decline in Investments	0.05	0.01
	Net Unrealised Loss (Profit) on transaction in earlier years	(2.76)	-
	Dividend Income	(0.01)	-
	Profit on Sale of Assets	(0.38)	(39.86)
	Profit on Sale of Investment	(62.69)	(77.84)
	Loss on Sale of Assets	5.46	-
	Charges for Employee Stock Option	(0.25)	0.21
	Finance Cost (Net)	266.62	99.96
	Operating Profit before Working Capital Changes	102.47	111.64
	Decrease (Increase) in Inventories	(38.45)	(171.96)
	Decrease (Increase) in Trade Receivables	55.26	(59.17)
	Decrease (Increase) in Other Non-Current Assets	39.42	18.44
	Decrease (Increase) in Short-term Loans & Advances	(254.27)	(181.71)
	Decrease (Increase) in Long-term Loans & Advances	(0.65)	7.76
	Increase (Decrease) in Trade Payables	147.37	9.91
	Increase (Decrease) in Other Current Liabilities	(285.88)	377.68
	Increase (Decrease) in Short-term Provisions	0.09	0.25
	Increase (Decrease) in Other Long-term Liabilities	(1.85)	(4.49)
	Increase (Decrease) in Long-term Provisions	(1.21)	0.84
	Cash Generated from Operations	(237.70)	109.19
	Income Tax	(30.73)	(56.92)
	Cash Flow before Extraordinary items	(268.43)	52.27
	Adjustment for Extraordinary Items	-	-
	NET CASH FROM OPERATING ACTIVITIES (A)	(268.43)	52.27
B	CASH FLOWS FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(383.41)	(855.92)
	Purchase of Investments	-	(1.00)
	Goodwill on Consolidation	(4.95)	(2.77)
	Dividend Received	0.01	-
	Sale of Investments in Subsidiaries and Others	64.28	78.38
	Proceeds from Sale of Fixed Assets (Net)	2.19	87.11
	NET CASH FROM INVESTING ACTIVITIES (B)	(321.88)	(694.20)
C	CASH FLOWS FROM FINANCING ACTIVITIES:		
	Proceeds from Share Premium	4.95	2.78
	Proceeds from Issue of Share to Minorities	166.85	143.71
	Proceeds from Long Term Borrowings (Net)	829.11	490.99
	Proceeds from Short Term Borrowings (Net)	(178.68)	93.02
	Finance Cost Paid (Net)	(231.65)	(88.79)
	Dividend & Dividend Tax Paid	(0.01)	(8.81)
	NET CASH USED IN FINANCING ACTIVITIES (C)	590.57	632.90
	Net Increase in Cash and Cash Equivalents (A+B+C)	0.26	(9.03)
	Cash and Cash Equivalents at beginning of Year	137.39	146.42
	Cash and Cash Equivalents at end of Year	137.65	137.39



Note:

- 1 Cash Flow Statement is prepared under the Indirect Method in accordance with Accounting Standard - 3.
- 2 Depreciation includes amount transferred to 'Cost of Projects'.
- 3 Cash and cash equivalents not available for immediate use as on the Balance Sheet date are shown in Note 34 of Notes to the Financial Statements.

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R SURESH

CFO

RABINDRA KUMAR SAMAL

Company Secretary

**NOTE 1 : PRINCIPLES OF CONSOLIDATION**

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

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

NOTE 2 : SIGNIFICANT GROUP ACCOUNTING POLICIES**2.1 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. Use of Estimates: The preparation of financial statements requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statement & reported income and expenses during the reporting period. Examples of such estimates includes provisions for doubtful debts, employee retirement benefit plans, provisions for income taxes, useful life of fixed assets, accounting for work executed etc.



2.2. REVENUE RECOGNITION

- a. In respect of property development and / or Construction contracts, the Company follows percentage completion method as per Accounting Standard 7 issued by the Institute of Chartered Accountants of India. The percentage of completion is stated on the basis of physical measurement of work actually completed / actual cost incurred as compared to total estimated cost, at the balance sheet date, taking into account the contractual price and revision thereto. Losses on contracts are fully accounted for as and when incurred. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Expenditure incurred in respect of additional costs / delays are accounted in the year in which they are incurred. Claims made in respect thereof are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client. Project Development Income is the fee charged to the customers on transfer of property in consideration of various services rendered by the Company for promoting the respective projects.
- b. Revenue from Port operation services is recognised as and when the services are rendered.
- c. In cases of long term leases of land where land lease / sub-lease transactions are non-cancellable in nature, the income is recognised at the inception of lease / sub-lease agreement or when the Memorandum of Understanding takes effect. The entire income being the non-refundable upfront premium is recognised. In respect of these lands, the corresponding cost of the land is expensed off in the Statement of Profit & Loss.
- d. Dividend income is recognised when the right to receive the payment is established.
- e. In respect of other incomes, accrual system of accounting is followed.

2.3 FIXED ASSETS, DEPRECIATION & IMPAIRMENT

- 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. In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalised.
- c. Depreciation is provided on fixed assets, on straight-line method, on pro-rata basis as per the rates specified in Schedule XIV of the Companies Act, 1956.
- d. Cost of port assets, viz., Buildings, Marine structures and Dredged Channel is amortized over the initial period of the Concession Agreement of 30 years commencing from "Commercial date of Operations" (COD), 01-Jun-09.
- e. All assets individually costing ₹ 5,000/- or below are fully depreciated in the year it is put to use.
- f. Cost of assets not put to use before the year end are shown under capital work in progress.
- g. Intangible assets comprising SAP software and other computer software are stated at cost of acquisition less accumulated amortisation. The SAP software cost is amortised over a period of five years on a pro-rata basis.
- h. The Company assesses at each balance sheet date whether there is any indication that a non-land 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 Statement of Profit & Loss.



2.4 LEASES

Operating Leases:

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

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

Finance Leases:

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

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

2.5 VALUATION OF CLOSING STOCK

- a. Raw Material: Raw Material, Stores and Spares are valued at Weighted Average Cost. Cost comprises all costs of purchase.
- b. Project Land: The land not yet transferred to any project cost is valued at lower of cost / estimated cost, and net realisable value.
- c. Work-in-progress: Work-in-progress is valued at cost or the contract rates whichever is lower.
- d. Completed projects: Completed Projects are valued at cost or net realizable value, whichever is less.

2.6 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.

2.7 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 recognised in the period in which the employee renders service.

b. Post employment benefits

(i) 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.

(ii) 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.

(iii) 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.



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

2.9 FOREIGN CURRENCY TRANSACTIONS

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

2.10 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 Statement of Profit & Loss in the year in which they are incurred.

2.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when:

- i) The Company has a present obligation as a result of a past event;
- ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) 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 recognised nor disclosed.

2.12 EMPLOYEE STOCK COMPENSATION COST

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

2.13 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.



Particulars	As At	As At	As At	As At
	31-Mar-13 Nos	31-Mar-12 Nos	31-Mar-13 (₹ In Crores)	31-Mar-12 (₹ In Crores)

NOTE 3 : SHARE CAPITAL

3.1 Authorised, Issued, Subscribed and Paid up Capital:

Authorised Capital

Equity Shares face value of ₹ 10/- each	50,000,000	50,000,000	50.00	50.00
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Issued, Subscribed and Paid up Capital

Equity Shares face value of ₹ 10/- each	38,118,926	38,118,926	38.12	38.12
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3.2 Reconciliation of number of Equity Shares Outstanding:

Shares Outstanding at the beginning of the year	38,118,926	38,118,926
Add: Shares Allotted during the year	-	-
Shares Outstanding at the end of the year	38,118,926	38,118,926

3.3 Shareholders holding more than 5% Equity Shares:

Sl Name of the Shareholders	As At 31-Mar-13		As At 31-Mar-12	
	Nos	%	Nos	%
1 G R K Reddy	3,608,007	9.47%	48,00,000	12.59%
2 Akshya Infrastructure Private Limited	3,897,836	10.23%	3,995,736	10.48%
3 Global Infoserv Limited	2,927,000	7.68%	3,000,000	7.87%
4 MARG Capital Markets Limited	2,513,000	6.59%	2,640,000	6.93%
5 G R K Reddy & Sons (HUF)	2,266,000	5.94%	2,500,000	6.56%
6 Reliance Capital Trustee Co Ltd - Reliance Infrastructure Fund	1,155,400	3.03%	2,357,000	6.18%

3.4 Shares Reserved for Issue of Option:

Details of share reserved for issue under the Employees Stock Options plans (ESOPs) of the company are given in Note 35.

Particulars	As At	As At
	31-Mar-13 (₹ In Crores)	31-Mar-12 (₹ In Crores)

NOTE 4 : RESERVES & SURPLUS

4.1 Securities Premium Account:

Opening Balance	345.99	343.78
Add: Addition during the year	4.31	2.22
Less: Transferred to Minority Interest	8.65	6.17
	341.65	339.83

4.2 General Reserve:

Opening Balance	28.69	28.67
Add: Transferred from the Profit and Loss Account*	-	0.01
Less: Transferred to Minority Interest	0.01	0.01
	28.68	28.67

*Includes ₹ 20,000/- as at 31-Mar-13.



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
4.3 Employees Stock Options Outstanding:		
Employees Stock Option Outstanding	0.54	0.97
Less: Deferred Employees Stock Options Compensation	-	0.18
	0.54	0.79
4.4 Profit & Loss Account:		
Balance at the beginning of the year	(9.19)	(3.52)
Add: Profit (Loss) for the Year	(157.01)	1.06
Less: Proposed Dividend on Preference Shares	0.03	0.02
Less: Dividend Tax*	0.01	-
Less: Transferred to General Reserve**	-	0.01
Less: Transfer to Cost of Control (on Consolidation)	(0.08)	(0.07)
Less: Transferred to Minority Interest	2.81	6.77
Less: Unrealised Profit on transaction in earlier years	2.76	-
Less: Share of Profit (Loss) in Associates***	-	-
Balance at the end of the year	(171.73)	(9.19)
	199.14	360.10

*Includes ₹ 16,223/- as at 31-Mar-12.

**Includes ₹ 20,000/- as at 31-Mar-13.

***Includes ₹ 5,737/- and ₹ 2,151/- as at 31-Mar-13 and 31-Mar-12 respectively.

NOTE 5 : LONG-TERM BORROWINGS

5.1 Secured Loans:

8% Optionally Convertible Debentures	23.84	50.00
Secured by way of charge on movable & immovable properties and also charge on hypothecation of inventories, advances, receivables and other current assets* [5,000,000 units (Previous year 5,000,000 units) of Face Value of ₹ 100/- each (Previous year ₹ 100)]		

Term Loans:

From Banks & Financial Institutions:

Secured by way of charge on rentals, mortgage / hypothecation of movable & immovable properties*	3,026.32	2,244.55
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From Others:

Secured by way of charge on movable & immovable properties*	58.76	36.55
	3,108.92	2,331.10

* Loans Guaranteed by Directors

5.2 Unsecured Loans:

From Banks & Financial Institutions:

Loans From Bank	6.80	-
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From Others:

Loans From Other Companies**	11.15	-
	17.95	-
	3,126.87	2,331.10

**Brought in as promoter's contribution of sacrifice on restructuring of working capital limits for EPC Division of the Holding Company from consortium of the bank and sub-ordinate to such limits.



5.3 Repayment Terms (including current maturities) of Optionally Convertible Debentures:

Arohi Infrastructure Private Limited (Subsidiary) has issued Optionally Convertible Debenture (OCD) to Tata Capital Financial Services Ltd (Subscriber) for Rs 50 crores for a tenure of 48 months.

The repayment or partial repayment of the OCD facility arises on exercise of Call Option by the company or put option by the Subscriber (Tata Capital Financial Services Ltd) by giving 30 days advance notice in writing as under:

- On any Date falling on or after expiry of 18 month after the closing date in respect of Debenture having face value of 16.67% of the issued debentures.
- On any Date falling on or after expiry of 24 month after the closing date in respect of Debenture having face value of 16.67% of the issued debentures.
- On any Date falling on or after expiry of 30 month after the closing date in respect of Debenture having face value of 16.67% of the issued debentures.
- On any Date falling on or after expiry of 36 month after the closing date in respect of Debenture having face value of 16.67% of the issued debentures.
- On any Date falling on or after expiry of 42 month after the closing date in respect of Debenture having face value of 33.32% of the issued debentures.

On non exercise of the Call Option or Put Option by the Issuer or the Subscriber respectively either fully or partially on any of the dates mentioned above, the balance shall be cumulated and exercisable on any of the subsequent Call Option or Put Option dates.

5.4 Repayment Terms (including current maturities) of Secured Loans:

Term Loans from Banks & Financial Institutions:

- 1) Loan of ₹ 35.80 crores payable in 18 quarterly instalments ending Mar-18
- 2) Loan of ₹ 2.61 crores payable in 18 quarterly instalments ending Mar-18
- 3) Loan of ₹ 20.81 crores payable in 36 monthly instalments ending Dec-16
- 4) Loan of ₹ 3.11 crores payable in 51 monthly instalments ending Jul-17
- 5) Loan of ₹ 65.14 crores payable in 13 quarterly instalments ending Jul-16
- 6) Loan of ₹ 7.72 crores payable in 7 monthly instalments ending Sep-13
- 7) Loan of ₹ 113.57 crores payable in 16 quarterly instalments ending Sep-17
- 8) Loan of ₹ 8.65 crores payable in 16 quarterly instalments ending Sep-17
- 9) Loan of ₹ 166.54 crores payable in 18 quarterly instalments ending Mar-18
- 10) Loan of ₹ 10.99 crores payable in 18 quarterly instalments ending Mar-18
- 11) Loan of ₹ 197.98 crores payable in 18 quarterly instalments ending Mar-18
- 12) Loan of ₹ 9.75 crores payable in 18 quarterly instalments ending Mar-18
- 13) Loan of ₹ 72.65 crores payable in 16 quarterly instalments ending Sep-17
- 14) Loan of ₹ 1.29 crores payable in 16 quarterly instalments ending Sep-17
- 15) Loan of ₹ 69.51 crores payable in 108 monthly instalments ending Mar-22
- 16) Loan of ₹ 38.26 crores payable in 12 monthly instalments ending Mar-14
- 17) Loan of ₹ 18.31 crores payable in 18 monthly instalments ending Apr-15
- 18) Loan of ₹ 5.59 crores payable in 10 monthly instalments ending June-15
- 19) Loan of ₹ 5.31 crores payable in 10 monthly instalments ending June-15
- 20) Loan of ₹ 6.00 crores repayable in 12 monthly instalments ending Feb-15
- 21) Loan of ₹ 35.95 crores repayable in 6 monthly instalments ending Sep-13
- 22) Loan of ₹ 15.00 crores repayable latest by Mar-14
- 23) Loan of ₹ 18.35 crores repayable in 6 monthly instalments ending Feb-14
- 24) Loan of ₹ 184.46 crores repayable in 10 Quarterly instalments ending Sep-20
- 25) Loan of ₹ 41.38 crores repayable in 28 Quarterly instalments ending June-19
- 26) Loan of ₹ 43.03 crores repayable in 103 Monthly instalments ending Oct-21
- 27) Loan of ₹ 100.21 crores repayable in 8 Quarterly instalments ending Sep-15
- 28) Loan of ₹ 48.94 crores repayable in 116 Monthly instalments ending Nov-22
- 29) Loan of ₹ 60.00 crores repayable in 8 Quarterly instalments ending Sep-14
- 30) Loan of ₹ 16.20 crores repayable in 24 Quarterly instalments ending Sep-20
- 31) Loan of ₹ 146.97 crores repayable by conversion into rent securitisation Loan



- 32) Loan of ₹ 67.00 crores repayable in 108 Monthly instalments ending Apr-20
- 33) Loan of ₹ 89.42 crores repayable in 18 Quartely instalments ending Oct-16
- 34) Loan of ₹ 17.45 crores repayable in 8 Quartely instalments ending Aug-14
- 35) Loan of ₹ 197.04 crores repayable in 44 Quarterly instalments ending Mar-25
- 36) Loan of ₹ 17.39 crores repayable in 44 Quarterly instalments ending Mar-25
- 37) Loan of ₹ 229.93 crores repayable in 44 Quarterly instalments ending Mar-25
- 38) Loan of ₹ 34.67 crores repayable in 44 Quarterly instalments ending Mar-25
- 39) Loan of ₹ 54.66 crores repayable in 44 Quarterly instalments ending Mar-25
- 40) Loan of ₹ 202.71 crores repayable in 44 Quarterly instalments ending Mar-25
- 41) Loan of ₹ 180.08 crores repayable in 44 Quarterly instalments ending Mar-25
- 42) Loan of ₹ 101.34 crores repayable in 44 Quarterly instalments ending Mar-25
- 43) Loan of ₹ 101.42 crores repayable in 44 Quarterly instalments ending Mar-25
- 44) Loan of ₹ 152.03 crores repayable in 44 Quarterly instalments ending Mar-25
- 45) Loan of ₹ 119.93 crores repayable in 38 Quarterly instalments ending Mar-25
- 46) Loan of ₹ 44.61 crores repayable in 38 Quarterly instalments ending Mar-25
- 47) Loan of ₹ 55.01 crores repayable in 38 Quarterly instalments ending Mar-25
- 48) Loan of ₹ 13.55 crores repayable in 38 Quarterly instalments ending Mar-25
- 49) Loan of ₹ 35.09 crores repayable in 28 Quarterly instalments ending Mar-20
- 50) Loan of ₹ 78.00 crores repayable in 24 Quarterly instalments ending Mar-19
- 51) Vehicle Loans of ₹ 1.69 crores payable in monthly instalments ending Oct-17

Term Loans from Others:

- 1) Loan of ₹ 58.09 crores payable in 38 monthly instalments ending May-16
- 2) Loan of ₹ 2.70 crores payable in 30 monthly instalments ending Sep-15
- 3) Loan of ₹ 10 crores payable in 1 instalment ending Dec-13
- 4) Loan of ₹ 7.52 crores payable in monthly instalments ending Jun-16
- 5) Loan of ₹ 13.00 crores payable in monthly instalments ending Dec-16

5.5 Repayment Terms (including current maturities) of Unsecured Loan:

Term Loans from Banks & Financial Institutions:

Loan of ₹ 21.00 crores (amount disbursed of ₹ 6.80 crores) is repayable in 34 Quarterly instalments ending Mar-23.

Term Loans from Others:

- 1) Loan of ₹ 10.87 crores payable in 1 instalment ending Mar-18
- 2) Loan of ₹ 0.28 crore payable in 1 instalment ending Mar-18
- 3) Loan of ₹ 0.25 crore payable in 1 instalment ending Apr-13
- 4) Loan of ₹ 0.75 crore payable in 1 instalment ending Apr-13
- 5) Loan of ₹ 0.40 crore payable in 1 instalment ending Apr-13
- 6) Loan of ₹ 0.05 crore payable in 1 instalment ending Apr-13
- 7) Loan of ₹ 0.14 crore payable in 1 instalment ending Apr-13
- 8) Loan of ₹ 1.95 crores payable in 1 instalment ending Apr-13



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 6 : DEFERRED TAX LIABILITY (ASSET) [NET]		
Deferred Tax Liability	13.61	12.73
Less : Deferred Tax Asset	26.70	0.62
Net Deferred Tax Liability (Asset)	<u>(13.09)</u>	<u>12.11</u>
NOTE 7 : OTHER LONG-TERM LIABILITIES		
Others		
Mobilisation Deposit	8.76	13.50
Lease Deposits	8.81	5.92
	<u>17.57</u>	<u>19.42</u>
NOTE 8 : LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	2.02	2.67
Leave Encashment	1.25	1.82
Others		
Proposed Dividend	0.06	-
Tax on Proposed Dividend*	0.01	-
	<u>3.34</u>	<u>4.49</u>
<i>*Includes ₹ 19,944/- as at 31-Mar-12.</i>		
NOTE 9 : SHORT-TERM BORROWINGS		
9.1 Secured Short-term Loans:		
Loans Repayable on Demand:		
From Banks & Financial Institutions:		
Secured by way of charge / hypothecation of inventories, advances, receivables and other current assets of specified projects, fixed deposit receipts and immovable properties*	182.65	319.66
Term Loans:		
From Others:		
Secured by way of charge on immovable properties*	4.50	45.00
	<u>187.15</u>	<u>364.66</u>
<i>* Loans Guaranteed by Directors</i>		
9.2 Unsecured Short-term Loans:		
From Others:		
Loans From Other Companies	10.62	20.54
Loans From Directors	8.74	-
	<u>19.36</u>	<u>20.54</u>
	<u>206.51</u>	<u>385.20</u>
9.3 Repayment Terms of Short Term-Loan Secured Loans:		
Term Loans from Others:		
1) Loan of ₹ 1.00 crore payable at the end of Apr-13		
2) Loan of ₹ 1.00 crore payable at the end of Feb-14		
3) Loan of ₹ 1.50 crores payable at the end of Jul-13		
4) Loan of ₹ 1.00 crore payable at the end of Feb-14		



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 10 : TRADE PAYABLES		
Trade Payables	309.76	162.38
	309.76	162.38
NOTE 11 : OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Debts	397.93	364.23
Interest Accrued but Not Due on Borrowings	5.15	1.78
Interest Accrued and Due on Borrowings	59.31	26.59
Other Payables		
Advances from Customers	211.76	153.32
Expenses Payable	123.95	86.43
LC Payable	9.98	407.61
Statutory Dues	75.17	59.15
Unclaimed Dividend	0.22	0.23
Due to Directors	3.69	1.84
Mobilisation Deposit	4.50	-
Creditors for Capital Goods	3.89	4.84
Others	0.68	0.58
	896.23	1,106.60
NOTE 12 : SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
Bonus	0.24	0.70
Gratuity	0.27	0.04
Leave Encashment	0.40	0.08
Others:		
Income Tax	11.03	11.41
Tax on Proposed Dividend*	-	-
	11.94	12.23

*Includes ₹ 16,223/- as at 31-Mar-13 and 31-Mar-12.



NOTE 13 : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 31-Mar-12	Additions	Deductions / Transfers	As At 31-Mar-13	As At 31-Mar-12	For the year	Deletions	As At 31-Mar-13	As At 31-Mar-12
TANGIBLE ASSETS									
LEASED ASSETS									
Digital Zone - I									
Land	5.23	-	-	5.23	-	-	-	5.23	5.23
Building	22.63	-	-	22.63	2.72	0.37	-	19.54	19.91
Plant & Machinery	5.25	-	-	5.25	1.82	0.25	-	3.18	3.43
Electrical Equipment & Fittings	10.99	-	-	10.99	3.82	0.52	-	6.65	7.17
Furniture & Fixtures	9.34	-	-	9.34	4.28	0.59	-	4.47	5.06
Thiruvanniyur									
Land & Building	0.45	-	-	0.45	-	-	-	0.45	0.45
Swarnabhoomi - SEZ									
Land	3.47	2.75	-	6.22	-	-	-	6.22	3.47
Building	83.60	59.46	-	143.06	0.71	1.84	-	140.51	82.89
PORT ASSETS									
Buildings	225.47	0.30	-	225.77	3.94	8.25	-	213.58	221.53
Dredged Channels	359.01	-	-	359.01	12.97	12.80	-	333.24	346.04
Marine Structures	383.86	121.43	-	505.29	15.30	16.68	-	473.31	368.56
Plant and Machinery	88.59	0.99	-	89.58	7.58	3.92	-	78.08	81.01
OTHER ASSETS									
Land	160.75	14.51	14.18	161.08	-	-	-	161.08	160.75
Building	3.90	4.37	0.07	8.20	2.26	0.10	0.07	5.91	1.64
Computers	10.19	0.09	0.14	10.14	4.25	1.54	0.13	4.48	5.94
Office Equipment	6.08	0.26	0.01	6.33	0.87	0.31	-	5.15	5.21
Furniture & Fittings	18.86	0.41	0.01	19.26	2.74	1.33	-	15.19	16.12
Motor Vehicles	18.98	1.08	0.43	19.63	4.50	1.96	0.20	13.37	14.48
Plant & Machinery	108.77	1.56	0.01	110.32	9.39	6.69	-	94.24	99.38
Electrical Equipment & Fittings	5.28	0.06	-	5.34	0.65	0.26	-	4.43	4.63
Dredger	203.24	-	-	203.24	18.96	10.16	-	174.12	184.28
Live Stock*	-	-	-	-	-	-	-	-	-
Total Tangible Assets	1,733.94	207.27	14.85	1,926.36	96.76	67.57	0.40	1,762.43	1,637.18
Previous Year	937.55	843.69	47.30	1,733.94	54.51	42.30	0.05	1,637.18	883.04
INTANGIBLE ASSETS									
Computer Software**	4.46	0.04	-	4.50	1.36	0.89	-	2.25	3.10
Port License	0.76	-	-	0.76	0.07	0.03	-	0.66	0.69
Total Intangible Assets	5.22	0.04	-	5.26	1.43	0.92	-	2.91	3.79
Previous Year	3.99	1.23	-	5.22	0.69	0.74	-	3.79	3.30
CAPITAL WORK IN PROGRESS									
Total Capital work in Progress	1,183.19	179.76	8.21	1,354.74	-	-	-	1,354.74	1,183.19
Previous Year	1,183.19	179.76	8.21	1,354.74	-	-	-	1,354.74	1,183.19
Previous Year	1,196.04	21.91	34.76	1,183.19	-	-	-	1,183.19	1,196.04

* Gross and Net Block includes of ₹ 11,700/- as on 31-Mar-13 and 31-Mar-12

** Other than Internally Generated



Particulars			As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 14 : NON-CURRENT INVESTMENTS				
14.1 Investments in Equity Shares (Non-Quoted, Non-Trade, Stated at Cost)				
	Face value ₹	No of Shares 31-Mar-13 31-Mar-12		
Investments in Associate (Non-Quoted)				
Rajakamangalam Thurai Fishing Harbour Pvt Ltd*	10	3,900	3,900	-
Add/Less: Profit (Loss) in Associates**				-
				-
In Other Companies				
Marg Digital Infrastructure Pvt Ltd	10	-	595,000	0.60
Marg Realities Ltd	10	-	995,000	-
Catholic Syrian Bank Ltd***	10	100	20,100	0.05
				1.65
14.2 Investments in Properties (Non-Quoted, Stated at Cost)				
Building			0.84	0.84
			0.84	0.84
Total of Unquoted Investments				
			0.84	2.49
14.3 Investments in Debentures (Quoted)				
Srei Equipment Finance Pvt Ltd			1.00	1.00
Unsecured Subordinated Non-convertible Perpetual Debentures [10 units (Previous year 10 units) of Face Value of ₹ 1,000,000/- each (Previous year ₹ 1,000,000/- each)] [Market Price: Not traded stated at cost]				
Less : Provision for Decline in Investments			-	-
			1.00	1.00
Total of Quoted Investments				
			1.00	1.00
Grand Total of Quoted and Unquoted Investments				
			1.84	3.49
<i>*Includes ₹ 39,000/- as at 31-Mar-13 and 31-Mar-12.</i>				
<i>**Includes ₹ (29,525)/- and ₹ (23,788)/- as at 31-Mar-13 and 31-Mar-12 respectively.</i>				
<i>***Includes ₹ 13,500/- as at 31-Mar-13.</i>				
NOTE 15 : LONG-TERM LOANS AND ADVANCES				
15.1 Secured and Considered Good				
Capital Advance			1.30	-
			1.30	-
15.2 Unsecured and Considered Good				
Capital Advance			7.65	4.98
Security Deposits			10.22	9.67
Prepaid Taxes			6.97	1.93
Other Loans and Advances			0.10	-
			24.94	16.58
			26.24	16.58
NOTE 16 : OTHER NON-CURRENT ASSETS				
Unsecured and Considered Good				
Long-term Trade Receivables			50.53	89.95
			50.53	89.95



Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
NOTE 17 : CURRENT INVESTMENTS		
Investments in Mutual Funds (Quoted)		
UTI Infrastructure Advantage Fund Series [25,462.687 units (Previous year 25,462.687 units) of Face Value of ₹ 33.50 each (Previous year ₹ 33.50 each)] [NAV as on 31-Mar-13 ₹ 26.461 each (Previous year ₹ 27.750 each)]	0.09	0.09
Less : Provision for Decline in Investments	0.02	0.01
	<u>0.07</u>	<u>0.08</u>
NOTE 18 : INVENTORIES		
Inventories		
Stock of Materials, Stores, Spares and Loose Tools at Site	43.36	67.09
Projects in Progress	673.16	605.46
	<u>716.52</u>	<u>672.55</u>
NOTE 19 : TRADE RECEIVABLES		
Unsecured and Considered Good		
Outstanding for more than 6 months	185.73	85.97
Others	295.66	449.04
Doubtful		
Outstanding for more than 6 months	0.21	0.16
	481.60	535.17
Less: Provision for Bad Debts	0.21	0.16
	<u>481.39</u>	<u>535.01</u>
NOTE 20 : CASH & CASH EQUIVALENTS		
Cash Balance	0.43	0.67
Balances with Scheduled Banks		
In Current Accounts	27.06	45.51
In Current Accounts for Unclaimed Dividend	0.22	0.23
In Margin Money Accounts	43.20	81.88
In Deposit Accounts		
Deposit maturing after 12 months	61.40	8.71
Others	5.34	0.39
	<u>137.65</u>	<u>137.39</u>
NOTE 21 : SHORT-TERM LOANS & ADVANCES		
Unsecured and Considered Good		
Others		
Advances to Suppliers	575.79	325.89
Advances to Staff	2.55	2.50
Other Advances Recoverable	30.52	12.39
Prepaid Expenses	8.22	17.86
Prepaid Taxes	91.03	71.52
Security Deposits	5.40	6.60
	713.51	436.76
Less: Provision for Bad Debts	0.12	-
	<u>713.39</u>	<u>436.76</u>
NOTE 22 : OTHER CURRENT ASSETS		
Interest Accrued on Deposits	0.98	0.36
	<u>0.98</u>	<u>0.36</u>



Particulars	Year Ended 31-Mar-13 (₹ In Crores)	Year Ended 31-Mar-12 (₹ In Crores)
NOTE 23 : INCOME FROM OPERATIONS		
Income from Projects / Operations	915.57	991.08
Income from Leasing	25.83	16.35
	941.40	1,007.43
NOTE 24 : OTHER INCOME		
Profit on Sale of Investment	62.69	77.82
Dividend Received	0.01	-
Prior Period Income	0.54	0.43
Agricultural Income	0.10	0.13
Profit on Sale of Assets	0.38	39.86
Exchange Rate Difference*	-	0.53
Miscellaneous Income	2.58	1.26
	66.30	120.03
<i>*Includes ₹ 7,477/- for the FY 31-Mar-13.</i>		
NOTE 25 : COST OF PROJECTS / OPERATING EXPENSES		
COST OF PROJECTS / OPERATING EXPENSES		
Opening Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	67.09	53.62
Projects in Progress	605.46	446.95
	672.55	500.57
Expenditure During the year		
Expenditure on Projects / Operating Expenses	790.25	964.85
Closing Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	43.36	67.09
Projects in Progress	673.16	605.46
	716.52	672.55
Cost of Projects / Operating Expenses	746.28	792.87
Repairs & Maintenance-Leased Properties	0.79	0.17
	747.07	793.04
NOTE 26 : PERSONNEL EXPENSES		
Salaries & Allowances	26.33	25.25
Remuneration to Managing Director	-	1.89
Contribution to Funds	2.35	3.07
Recruitment & Training Expenses	0.05	0.43
Staff Welfare Expenses	3.93	5.16
Retirement Benefits	0.01	1.13
Employee Compensation Expense	(0.25)	0.21
	32.42	37.14
NOTE 27 : FINANCE COST		
Interest Expenses	264.89	119.54
Less : Interest Recovered	11.75	27.79
Net Interest	253.14	91.75
Bank & Finance Charges	13.48	8.21
	266.62	99.96



Particulars	Year Ended 31-Mar-13 (₹ In Crores)	Year Ended 31-Mar-12 (₹ In Crores)
NOTE 28 : OTHER EXPENSES		
Rent	5.37	5.99
Rates & Taxes	0.39	0.39
Communication Cost	1.39	1.67
Electricity Charges	3.72	2.82
Travelling and Conveyance	7.45	7.95
IT Services	1.59	2.06
Repairs & Maintenance	2.40	1.67
Payment to Non-executive Directors		
- Sitting Fees for Board Meeting	0.10	0.12
- Sitting Fees for Committee Meeting	0.19	0.18
- Commission	-	0.46
Secretarial Expenses	0.35	0.23
Advertisement & Business Promotion	4.55	8.63
Printing & Stationery	0.68	1.25
Postage and Courier Charges	0.06	0.15
Payment to Auditors		
- Statutory Audit Fee	0.38	0.39
- Other Services	0.12	0.07
Insurance Premium	2.52	2.55
Legal & Professional Charges	10.06	12.84
General Expenses	0.63	1.14
Exchange Rate Fluctuation	6.78	15.39
Office Maintenance	12.74	10.20
Donation	0.03	0.26
Vehicle Maintenance	1.34	1.17
Loss on Sale of Assets	5.51	0.16
Prior Period Expenses	-	0.26
Bad Debts	0.19	0.21
	68.54	78.21
NOTE 29 : DEFERRED TAX EXPENSE (INCOME)		
Deferred Tax Liability net off Deferred Tax Asset for the year	(25.20)	8.32
	(25.20)	8.32
NOTE 30 : CONTINGENT LIABILITIES		
a. Estimated amount of liability on capital contracts : ₹ 1,281.96 Crores (Previous year ₹ 1,269.49 Crores)		
b. Other contingent liabilities : ₹ 0.20 Crore (Previous year ₹ 0.20 Crore)		
c. Corporate Guarantees given to Banks in respect of loans taken by other Companies : ₹ 3,684.29 Crores (Previous year ₹ 3,486.21 Crores)		
d. Corporate Guarantees given to Banks in respect of performance bank guarantees issued by them : ₹ 185.38 Crores (Previous year ₹ 190.62 Crores)		



(₹ In Crores)

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

As At 31-Mar-13		As At 31-Mar-12		Due Date of Obligation
Duty Saved	Export Obligation	Duty Saved	Export Obligation	
-	-	0.14	0.64	17-Feb-13
0.12	0.95	0.12	0.95	03-Jan-15
0.14	1.13	0.14	1.13	27-Feb-15
1.73	13.83	1.73	13.83	20-May-18
0.31	2.47	0.31	2.47	20-May-18
0.32	2.55	0.32	2.55	25-Aug-17
0.80	6.37	0.80	6.37	25-Aug-17
0.07	0.57	0.07	0.57	30-Jun-18
0.04	0.30	0.04	0.30	09-Feb-18
0.06	0.52	0.06	0.52	09-Feb-18
0.10	0.80	0.10	0.80	20-Jul-19
0.14	1.10	0.14	1.10	30-Nov-19
0.09	0.70	0.09	0.70	16-Jun-20
0.09	0.76	0.09	0.76	25-Jan-20
0.04	0.30	0.04	0.30	27-Feb-20
7.71	61.71	-	-	04-Apr-17
0.61	4.88	-	-	03-Dec-19

f. Claims not acknowledged as debts by the company: ₹ 78.15 Crores (Previous year ₹ 1.02 Crores)

g. Income Tax Demand

Tax on Income

₹

Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-12	During 2012-13	Till 31-Mar-13	
2001 - 02	16,785,003	16,879,719	-	16,879,719	Madras High Court
2002 - 03	8,926,848	9,659,367	-	9,659,367	CIT(Appeal)
2008 - 09	5,276,990	5,276,990	-	5,276,990	CIT(Appeal)
2009 - 10	18,240,521	6,896,457	-	6,896,457	CIT(Appeal)

Income Tax Deducted at Source

₹

Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-12	During 2012-13	Till 31-Mar-13	
1996 - 97	21,503	4,931	-	4,931	ITO - TDS
1997 - 98	2,368,619	2,317,682	-	2,317,682	ITO - TDS
1998 - 99	1,628,830	842,934	-	842,934	ITO - TDS
1999 - 00	1,857,640	581,282	-	581,282	ITO - TDS
2000 - 01	442,820	65,440	-	65,440	ITO - TDS



NOTE 31 : DEFERRED TAX LIABILITY

Particulars	As At 31-Mar-13 (₹ In Crores)	As At 31-Mar-12 (₹ In Crores)
Outstanding Deferred Tax Liability (Asset) [Net] as at the beginning of the year (A)	12.11	3.79
Add: Provision for Current Year Liabilities (Assets)		
Timing difference on account of Depreciation	45.94	8.25
Timing difference on account of Business Loss	(20.71)	-
Timing difference on account of Unabsorbed Depreciation	(50.89)	-
Reversal of Timing difference on account of Employee Benefits	0.57	-
Timing difference on account of Employee Benefits	(0.11)	0.07
Timing difference on account of others*	-	-
Sub-total (B)	(25.20)	8.32
Outstanding Deferred Tax Liability (Asset) [Net] as at the end of the year (A+B)	(13.09)	12.11

* includes ₹ (2554)- and ₹ (503)- as on 31-Mar-13 and 31-Mar-12 respectively

In case of the Subsidiary Karaikal Port Private Limited, the deferred tax asset is recognised to the extent of the Deferred Tax Liability of ₹ 79.84 Crores.

NOTE 32 : EMPLOYEE BENEFITS

A. GRATUITY

i) The Company does not maintain any fund to pay for Gratuity

ii) Amount recognised in the Profit and Loss A/c is as under:

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
Current Service Cost	1.00	1.22
Interest Cost	0.23	0.20
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) Loss Recognised in the Year	(1.50)	(1.09)
Transitional Liability Recognised in the year	-	-
Past Service Cost - Non-vested Benefits	-	-
Past Service Cost - Vested Benefits	(0.02)	(0.02)
Expenses Recognised in the Statement of Profit and Loss Account	(0.29)	0.31

iii) Movement in the liability recognised in the Balance Sheet during the year

Particulars	As at 31-Mar-13	As at 31-Mar-12
Opening Net Liability	2.71	2.42
Expense as above	(0.29)	0.31
Contribution Paid	(0.13)	(0.02)
Closing Net Liability	2.29	2.71

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

Particulars	As at 31-Mar-13	As at 31-Mar-12
Present Value of the Obligation	2.29	2.71
Fair Value of Plan Assets	-	-
Difference	2.29	2.71
Unrecognised Transitional Liability	-	-
Unrecognised Past Service Cost - Non-vested Benefits	-	-
Liability Recognised in the Balance Sheet	2.29	2.71



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

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	8.50%	8.00%
Salary Escalation Rate	2.00%	8.00%
Attrition Rate	30.00%	4.00%

B. LEAVE ENCASHMENT

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

ii) Amount recognised in the Profit and Loss A/c is as under:

(₹ In Crores)

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
Current Service Cost	0.61	0.74
Interest Cost	0.15	0.09
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) Loss Recognised in the Year	(0.47)	(0.07)
Transitional Liability Recognised in the Year	-	-
Past Service Cost - Non-vested Benefits	-	-
Past Service Cost - Vested Benefits	-	-
Expenses Recognised in the Statement of Profit and Loss Account	0.29	0.76

iii) Movement in the liability recognised in Balance Sheet is as under:

(₹ In Crores)

Particulars	As at 31-Mar-13	As at 31-Mar-12
Opening Net Liability	1.82	1.31
Expense as above	0.29	0.76
Contribution Paid	(0.63)	(0.25)
Closing Net Liability	1.48	1.82

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

(₹ In Crores)

Particulars	As At 31-Mar-13	As At 31-Mar-12
Present value of the Obligation	1.48	1.82
Fair value of Plan Assets	-	-
Difference	1.48	1.82
Unrecognised Transitional Liability	-	-
Unrecognised Past Service Cost - Non-vested Benefits	-	-
Liability Recognised in the Balance Sheet	1.48	1.82

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

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	8.50%	8.00%
Salary escalation rate	2.00%	8.00%
Attrition rate	30.00%	4.00%



NOTE 33 : NON-CASH TRANSACTIONS

During the year loan of ₹ 121.95 Crores (Previous year ₹ 27.39 Crores) given to subsidiaries of the company was converted into Share Application Money and out of which ₹ 22.95 Crores (Previous year ₹ 27.39 Crores) were allotted to equity shares.

NOTE 34 : CASH & CASH EQUIVALENTS

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

Particulars	(₹ In Crores)	
	As At 31-Mar-13	As At 31-Mar-12
Margin money	43.20	81.88
Fixed Deposit with Bank	66.74	9.10
Unclaimed Dividend with bank	0.22	0.23
	110.16	91.21

NOTE 35 : EMPLOYEES STOCK OPTION SCHEME(ESOP)

a. The company has Employee Stock Option Scheme (the "Scheme") for all eligible employees of the company and its subsidiaries. Options are issued at a price of not less than 50% of the prevailing market price of the shares on the date of the grant of options and the same will vest over a period of three years as under:

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

b. Options are to be exercised within 2 years from date of vesting. 500,000 equity shares have been earmarked to be granted under the scheme and against the same options as under were granted:-

Grant No.	Date of Grant	No of Options Granted	Grant Price ₹	Outstanding Options as on 31-Mar-13
I	15-Oct-07	1,97,006	100	-
II	23-Oct-07	2,100	100	-
III	08-Nov-07	3,475	120	-
IV	12-Nov-07	3,000	130	-
V	17-Nov-07	4,500	160	-
VI	08-Dec-07	6,370	200	-
VII	19-Feb-08	19,890	200	-
VIII	03-Oct-09	250,844	75	72,821

c. Shares Reserved for Issue of Options:

Particulars	Date of Issue	Grant Price ₹	As At	As At	As At	As At
			31-Mar-13 Nos	31-Mar-12 Nos	31-Mar-13 (₹ In Crores)	31-Mar-12 (₹ In Crores)
1 Equity Shares of ₹ 10/- each	03-Oct-09	75	72,821	129,748	0.07	0.13
2 Equity Shares of ₹ 10/- each*	15-Oct-07	100	-	1,244	-	-
			72,821	130,992	0.07	0.13

* includes ₹ 12,440/- as at 31-Mar-12.



NOTE 36 : RELATED PARTY DISCLOSURES

A. Associates:

Rajakamanglam Thurai Fishing Harbour Private Limited

B. Key Management Personnel (KMP)

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

C. Relative of Key Management Personnel

1. V P Rajini Reddy - wife of the CMD
2. G Raghava Reddy - father of the CMD

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

1. Akshya Infrastructure Private Limited
2. Avinash Constructions Private Limited
3. Exemplarr Worldwide Limited
4. Jeevan Habitat Private Limited
5. Marg Capital Markets Limited
5. Marg Foundation
7. Noble Habitat Private Limited
8. Swarnabhoomi Academic Institutions

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

1. Global Infoserv Limited
2. Marg Digital Infrastructure Private Limited
3. Marg Projects and Infrastructure Limited
4. Marg Realities Limited

F. Transactions with the related parties during the year in the ordinary course of the business:

Particulars	(₹ In Crores)					
	Associates		KMP and Relatives		Entities over which KMP and Relatives have control / significant influence	
	Transactions					
	Year Ended		Year Ended		Year Ended	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Services Rendered	-	-	-	-	2.50	0.87
Lease Rental Income	-	-	-	-	13.14	4.08
Interest Received	-	-	-	-	0.58	-
Interest Paid	-	-	0.07	-	0.20	-
Contracts and Services Received	-	-	-	-	18.56	9.72
Remuneration, Commission & Sitting Fee	-	-	0.12	2.23	-	-
Due on account of Share Invoked	-	-	3.36	-	1.13	-
Loans & Advances made / (Repaid) [Net]	-	-	-	-	5.94	-
Loans Received (Net)	-	-	8.74	-	5.10	-
Guarantees and Collaterals Issued	-	-	-	-	6.00	74.00
Guarantees and Collaterals Received	-	-	-	-	59.82	900.00



Particulars	(₹ In Crores)					
	Associates		KMP and Relatives		Entities over which KMP and Relatives have control / significant influence	
	Balances					
	As At		As At		As At	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Investments in Equity	-*	-*	-	-	-	1.59
Trade Receivables	-	-	-	-	27.02	0.92
Trade Payables	-	-	-	-	13.57	9.49
Loans & Advances Receivable	1.10	1.10	1.87	-	1.57	1.38
Loans Payable	-	-	8.81	-	5.28	-
Remuneration ,Commission & Sitting Fee payable	-	-	0.09	1.42	-	-
Due on account of Share Invoked	-	-	3.36	-	1.13	-
Guarantees Issued	-	-	-	-	80.00	74.00
Guarantees and Collaterals Received	-	-	-	-	1,024.82	965.00

* Includes ₹ 39,000/-

NOTE 37 : SEGMENT REPORTING

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

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

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

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

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



(₹ In Crores)

Particulars	EPC		URBAN INFRASTRUCTURE DEVELOPMENT		PORT & LOGISTICS		LEASING		UN ALLOCABLE		TOTAL	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1 Segment Revenue												
External Turnover	494.97	562.10	140.47	203.54	279.27	225.44	25.82	16.35	-	-	941.40	1,007.43
Inter Segment Turnover	238.29	878.52	5.09	-	1.39	1.14	1.41	1.65	-	-	246.18	881.31
Total Turnover	733.26	1,440.62	145.56	203.54	280.66	226.58	27.23	18.00	0.87	-	1,187.58	1,888.74
2 Segment Result before Interest & Taxes												
Segment Result before Interest & Taxes	(5.51)	174.39	(14.24)	17.18	84.82	80.13	26.30	17.84	-	-	91.37	289.54
Less: Inter Segment Result											18.42	122.75
Less: Unallocable Expenses											72.95	166.79
Less: Interest and Finance Charges											(18.49)	(10.31)
Add: Interest Income											278.36	127.75
Less: Prior period / Exceptional Items											11.75	27.79
Profit Before Tax											3.44	5.47
Current Tax											(178.61)	71.67
Deferred Tax											3.60	62.29
Profit after Tax											(157.01)	1.06
3 Other Information												
Segment Assets	1,136.05	1,262.20	976.59	831.35	2,127.74	1,919.20	661.60	553.83	346.72	149.47	5,248.70	4,716.05
Segment Liabilities	1,514.67	1,165.37	671.43	682.43	1,770.01	1,719.06	427.55	324.76	175.48	141.64	4,559.14	4,033.25
Capital Expenditure / (Sale) - Net	6.22	47.28	3.58	12.55	197.97	663.06	108.36	230.65	47.88	(168.74)	364.01	784.80
Depreciation for the year	19.91	20.70	1.24	0.96	43.49	18.15	3.59	2.44	-	(0.01)	68.23	42.24
Non Cash Expenses (Income) (other than depreciation)	(0.14)	(0.57)	0.12	-	0.07	-	-	-	-	-	0.05	(0.57)

SECONDARY SEGMENT INFORMATION:

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



NOTE 38 : OPERATING LEASES

• **Operating Leases**

a) **Cancelable Lease:**

Total rental charges under cancelable operating lease was ₹ 1.18 Crores and ₹ 3.27 Crores for the 4th quarter and year ended 31-Mar-13 respectively (Previous year ₹ 1.18 Crores and ₹ 4.40 Crores).

b) **Non cancelable lease:**

As Lessee:

The Holding Company Marg Limited has taken office building under non-cancelable operating lease during the year from November 2010. The lease rental expense during the year was ₹ 10.11 Crores. The future minimum lease payments in respect of this lease as at 31-Mar-13 are as follows:

Particulars	(₹ In Crores)	
	As At 31-Mar-13	As At 31-Mar-12
Future Obligations:		
Not later than one year	2.67	3.11
Later than one year not later than five years	-	1.93
Later than five years	-	-
Total	2.67	5.04

As Lessor:

The Subsidiary New Chennai Township Private Limited has leased out facilities under non-cancellable operating leases. The future minimum lease payments receivables in respect of these leases as at 31-Mar-13 are:

Particulars	(₹ In Crores)	
	As At 31-Mar-13	As At 31-Mar-12
Future Obligations:		
Not later than one year	9.53	9.46
Later than one year not later than five years	43.06	52.57
Later than five years	45.56	45.56
Total	98.15	107.59

• **Finance Leases**

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

Particulars	As At 31-Mar-13		As At 31-Mar-12	
	Minimum Lease Payments (₹ In Crores)	Present Value (₹ In Crores)	Minimum Lease Payments (₹ In Crores)	Present Value (₹ In Crores)
Not later than one year	0.18	0.11	0.03	0.03
Later than one year not later than five years	0.64	0.52	-	-
Total	0.82	0.63	0.03	0.03



NOTE 39 : AUDITORS' REMUNERATION

Following are the details of Auditors' remuneration:

Particulars	(₹ In Crores)	
	Year Ended 31-Mar-13	Year Ended 31-Mar-12
Statutory Audit Fee	0.38	0.39
Tax Audit Fee	0.03	0.04
Certification	0.09	0.05
Reimbursement of Expenses	0.01	-
Other Services	-	0.28
Total	0.51	0.76

NOTE 40 : FOREIGN CURRENCY TRANSACTIONS

(₹ In Crores)

Particulars	(₹ In Crores)	
	Year Ended 31-Mar-13	Year Ended 31-Mar-12
a) Value of Imports calculated on CIF Basis :		
i) Components, embedded goods and spare-parts	2.33	0.76
ii) Capital goods	0.58	1.27
b) Expenditure in foreign currencies:		
i) Travelling expenses	0.06	0.27
ii) Professional / Consultancy Fees	0.20	2.47
iii) Hire Charges	22.09	40.29

NOTE 41 : EARNINGS PER SHARE (EPS)

Particulars	(₹ In Crores)	
	Year Ended 31-Mar-13	Year Ended 31-Mar-12
a. Profit After Tax		
For Basic EPS	(156.99)	1.09
For Diluted EPS	(156.99)	1.09
b. Weighted average number of equity shares (Nos in Lacs)		
For Basic EPS	381.19	381.19
Adjustment for Diluted EPS		
Add: Weighted average number of potential shares on account of Employee Stock Options	0.32	0.28
Add: Weighted average number of potential shares on account of Preferential allotment of shares / Warrants	-	-
For Diluted EPS	381.51	381.47
c. Earning Per Share (₹)		
Basic	(41.18)	0.29
Diluted	(41.15)	0.29
d. Nominal Value Per Share (₹)	10.00	10.00

**NOTE 42 : DEBT RESTRUCTURING:**

The Fund based and Non-fund based Working Capital facilities of EPC Division of the Holding Company have been restructured by Consortium of banks lead by Indian Bank by sanction of:

- a) Working Capital Term Loan (WCTL) of ₹ 556.69 Crores by converting the devolved Letters of Credit and part of Cash Credit
- b) Funded Interest Term Loan (FITL) of ₹ 30.94 Crores to fund the interest from Oct-12 to Mar-13.
- c) WCTL and FITL are repayable in 18 quarterly installment commencing Dec-13.

Further to above the Corporate term loans availed by the company from the following banks have been restructured as under:

- a) Term Loan from Punjab National Bank for ₹ 35.80 crores payable in 4 and ½ years commencing from Dec-13.
- b) Funded Interest Term Loan from Punjab National Bank for ₹ 5.33 crores payable in 4 and ½ years commencing from Dec-13.
- c) Term Loan from State Bank of Mauritius Ltd for ₹ 20.83 crores payable in 3 years commencing from Jan-14.
- d) Vendor Bills Discounting Facility from Sicom Ltd has been restructured into a term loan for ₹ 40 crores payable in one year for ₹ 20 crores commencing from Dec-12 and for ₹ 20 crores payable in 2 quarters from Dec-13.
- e) Short Term Loan from IFCI Venture Capital Funds Ltd for ₹ 18 crores payable in 18 instalments commencing from Nov-13.

Further term loans availed by Karaikal Port Private Limited (Subsidiary) from consortium of banks have been restructured as under:

- a) The Quarterly repayment of term loans in phase 1, phase 2A, OSV and warehouse have been restructured and the revised repayment commences from June 2014 in 44 instalments.
- b) Quarterly repayment of phase 2A extension loans commence from December 2015 in 38 instalments.

The Infrastructure term loan of Rs. 184.45 Crores availed by New Chennai Township Private Limited (Subsidiary) from consortium of banks lead by Indian bank has been restructured during the year. The restructured loan is payable in Quarterly installments commencing from Dec-14 with holiday period of 2 years from 01-Oct-12 to 30-Sep-14.

The unpaid interest as on 01-Oct-12 is converted into Funded Interest Term Loan (FITL). The interest on FITL is to be serviced on monthly basis including during initial repayment holiday period.

NOTE 43 : GOING CONCERN:

The Holding Company has recorded a Net Loss for the Year and has defaulted in the payments due to Banks / Financial Institution towards principal and interest and statutory dues. Further there were lower cash inflows from existing projects. Management is confident that the Company will be able to generate profit and cash in future years and meet its financial obligation as they arise. The financial statements have been prepared on a going concern basis based on cumulative input of the following business potential and mitigating factors:

- a) The EPC division of the Company has an order book of ₹ 3221 Crores. Further local and international bids are being planned leveraging the experience gained through execution of Marine, Infrastructure and Industrial EPC.
- b) The business of the Company was appraised and due diligence done by Dun & Bradstreet.
- c) The Working Capital and other Loans of the Company have been restructured by Banks with moratorium for interest and principal.
- d) The Company has adequate resources and construction equipments and manpower to execute the projects on hand and with the work experience to its credit is eligible to undertake new projects.
- e) The Company is also in the process of generating cash through equity disinvestment in operating SPVs and realisation of advances given to subsidiaries which have commenced new residential and plotted development projects.



NOTE 44 : FOREIGN CURRENCY EXPOSURES

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

Particulars	As At 31-Mar-13		As At 31-Mar-12	
	USD in Crores	INR in Crores	USD in Crores	INR in Crores
Creditors for Services	(0.56)	(30.66)	(0.47)	(23.97)
Advance to Creditors for Spares import	0.04	2.37	0.04	2.23
Loan given to Subsidiary	0.30	16.58	0.30	15.59
Dividend Receivable	0.01	0.47	0.01	0.44
Total	(0.21)	(11.24)	(0.12)	(5.71)

Conversion rate applied:
1 USD = ₹ 54.3893 (Previous year ₹ 51.1565)

NOTE 45 :

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 46 :

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

Particulars	(₹ In Crores)	
	As At 31-Mar-13	As At 31-Mar-12
Goodwill	16.54	11.51
Capital Reserve*	-	-
Goodwill (Net of capital reserve) on consolidation	16.54	11.51

* include ₹ (2,330)/- as on 31-Mar-13 and 31-Mar-12

NOTE 47 : EXCEPTIONAL ITEMS

Exceptional Expenditure of ₹ 3.44 Crores and previous year ₹ 5.20 Crores represents loss on reversal of Multi Services land sale and sale of IT Park respectively.

NOTE 48 : 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's figures.

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 30-May-13

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R SURESH

CFO

RABINDRA KUMAR SAMAL

Company Secretary



Subsidiaries of Marg Limited

SL No	Name of the Company	Country of Incorporation	%age of voting power as at 31-Mar-13
1	Amir Constructions Private Limited	India	100.00%
2	Anumanthai Beachside Resorts Private Limited	India	100.00%
3	Anuttam Constructions Private Limited	India	100.00%
4	Arohi Infrastructure Private Limited	India	100.00%
5	Atul Infrastructure Private Limited	India	100.00%
6	Avatar Constructions Private Limited	India	100.00%
7	Bharani Infrastructure Private Limited	India	100.00%
8	Darpan Houses Private Limited	India	100.00%
9	Dasha Infradevelopers Private Limited	India	100.00%
10	Future Parking Private Limited	India	51.00%
11	Hilary Constructions Private Limited	India	100.00%
12	Karaikal Port Private Limited	India	68.83%
13	Karaikal Power Company Private Limited	India	100.00%
14	Kirtidhara Infrastructure Private Limited	India	100.00%
15	Marg Aviations Private Limited	India	100.00%
16	Marg Industrial Clusters Limited	India	100.00%
17	Marg Infrastructure Developers Limited	India	100.00%
18	Marg Marine Infrastructure Limited	India	100.00%
19	Marg International Dredging PTE Ltd	Singapore	100.00%
20	Marg Sri Krishnadevaraya Airport Private Limited	India	100.00%
21	Marg Logistics Private Limited	India	100.00%
22	Marg Properties Limited	India	100.00%
23	Marg Swarnabhoomi Port Private Limited	India	90.00%
24	Marg Trading PTE Ltd	Singapore	100.00%
25	Mukta Infrastructure Private Limited	India	100.00%
26	Navrang Infrastructure Private Limited	India	100.00%
27	New Chennai Township Private Limited	India	100.00%
28	Parivar Apartments Private Limited	India	100.00%
29	Riverside Infrastructure (India) Private Limited	India	73.93%
30	Shubham Vihar Private Limited	India	100.00%
31	Signa Infrastructure India Limited	India	74.00%
32	Swatantra Infrastructure Private Limited	India	100.00%
33	Yuva Constructions Private Limited	India	100.00%



Stepdown Subsidiaries of Marg Limited

SL No	Name of the Company	Country of Incorporation	%age of voting power as at 31-Mar-13
1	Advance Infradevelopers Private Limited	India	100.00%
2	Agni Infradevelopers Private Limited	India	100.00%
3	Akhil Infrastructure Private Limited	India	100.00%
4	Ambar Nivas Private Limited	India	100.00%
5	Aprati Constructions Private Limited	India	100.00%
6	Archana Infradevelopers Private Limited	India	100.00%
7	Aroopa Infradevelopers Private Limited	India	100.00%
8	Ashram Infradevelopers Private Limited	India	100.00%
9	Comex Infrastructure Private Limited	India	100.00%
10	Darshan Homes Private Limited	India	100.00%
11	Guiding Infradevelopers Private Limited	India	100.00%
12	Kanchanajunga Infradevelopers Private Limited	India	100.00%
13	Magnumopus Infrastructure Private Limited	India	100.00%
14	Marg Business Park Private Limited	India	100.00%
15	MargHotels and Service Apartments Private Limited	India	100.00%
16	Navita Estates Private Limited	India	100.00%
17	OMR Developers Private Limited	India	100.00%
18	Rainbow Habitat Private Limited	India	100.00%
19	Saptajit Projects Private Limited	India	100.00%
20	Sarang Infradevelopers Private Limited	India	100.00%
21	Shikha Infrastructure Private Limited	India	100.00%
22	Sulekh Constructions Private Limited	India	100.00%
23	Talin Infradevelopers Private Limited	India	100.00%
24	Uttarak Infradevelopers Private Limited	India	100.00%
25	Vyan Infraprojects Private Limited	India	100.00%

Balance Sheet Abstract

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. L45201TN1994PLC029561 State Code 18
 Balance Sheet Date 31 - 03 - 2013

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

Public Issue NIL Right Issue NIL
 ESOP NIL Conversion of Warrants NIL
 QIB NIL

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

Total Liabilities 26069201.66 Total Assets 26069201.66

Equity & Liabilities

Paid up Capital 381189.26 Non-current Liabilities 9307840.12
 Reserve & Surplus 6514810.28 Current Liabilities 9865362.00

Assets

Net Fixed Assets 1742896.43 Current Assets 15821126.19
 Non-current Investment 5686490.61 Deferred Tax Assets (Net) 185088.03
 Long term Loans and Advances 2633600.40

IV. Performance of Company (Amount in ₹ Thousand)

Turnover* 8335378.29 Total Expenditure 8935762.03
 Profit/(Loss) before Tax (600383.75) Profit/(Loss) after Tax (360417.84)
 Earning per Share in ₹ (9.45) Dividend Rate % NIL

*Includes other income

V. Generic names of Three Principal Products of the Company

Item Code No. (ITC Code) DIVISION45
 Product Description CONSTRUCTION

Notes:



MARG Limited

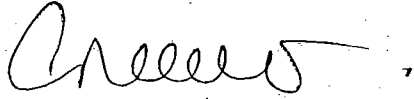

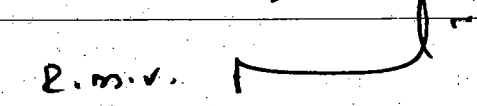
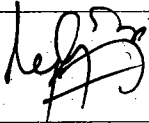
Regd.Off : 'Marg Axis', 4/318, Rajiv Gandhi Salai (OMR), Kottivakkam, Chennai – 600 041, India.

Phone : + 91 44 2454 1111 (9lines) | Fax : +91 44 2454 1123 | www.marggroup.com

FORM A

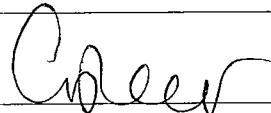
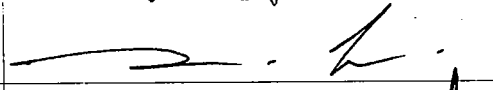
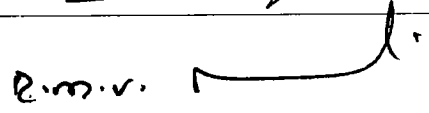
Covering letter of the Annual Audit Report to be filed with the stock exchanges

1.	Name of the Company:	MARG Limited
2.	Annual financial statements for the year ended:	31 st March 2013
3.	Type of Audit observation:	The following 'Matter of Emphasis' has been reported in the Auditors' Report on Standalone Financial Statements
		We draw attention to Paragraph no: 4 under the heading "Opinion" of the Standalone Auditor's Report and Note: 43 of the financial Statement, wherein the Company has adequate resources and construction equipments and manpower to execute the projects in hand. The Management is confident that the company will be able to generate profit in future years and meet its financial obligations as they arise. Besides, the note 43 of the Accounts is self explanatory.
		We draw attention to the point 9(a) of the Standalone Auditors' report, in respect of the delay in the payment of Provident fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Cess, Sales Tax, Service Tax and other material statutory dues were due to lower cash inflows from the existing projects and the company is arranging to make the payments shortly.
		We Draw attention to point no. 11 of the Auditors' report: Due to slow down in the Infrastructure and Real estate sector and the resultant impact on the performance of your Company there were defaults in repayments of principle and interest dues to the Banks and Financial Institutions. However, the management opines that with improved business scenario, your Company will be able to meet its obligation.

4.	Frequency of observation	Appeared first time
5.	Signed by-	
	Mr. G R K Reddy Chairman & Managing Director	
	Mr. R Suresh Chief Financial Officer	
	Mr. R M V Balaji, Partner M/s. Ramkumar & Co Auditor of the company	
	Mr. Karanjit Singh Jasuja Audit Committee Chairman	

FORM B

Covering letter of the Annual Audit Report to be filed with the stock exchanges

1.	Name of the Company:	MARG Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit qualification	Qualified Opinion in the Auditors' Report on Consolidated Financial Statements.
4.	Frequency of qualification	Appeared first time
5.		We Draw attention to the paragraph No. 6 & 7 of the Consolidated Auditors' Report on Consolidated Financial Statements relating to subsidiary Companies. In respect of M/s Mukta Infrastructure Private Limited, the respective company is of opinion that price of Land shall appreciate in future and hence no provision for impairment loss is made. In respect of M/s. Arohi Infrastructure Private Limited, the subscriber has not exercised the put option during the FY 2012-13, hence the respective company has not provided any premium on redemption during the FY 2012-13.
6.	Additional comments from the Board/Audit Committee Chair :	None.
7.	Signed by-	
	Mr. G R K Reddy Managing Director	
	Mr. R Suresh Chief Financial Officer	
	Mr. R M V Balaji, Partner M/s. Ramkumar & Co Auditor of the company	
	Mr. Karanjit Singh Jasuja Audit Committee Chairman	