

**MARG Projects and Infrastructure Limited**



## **BOARD OF DIRECTORS**

Mr. G Srinivasa Reddy  
Mr. M Abdul Hakeem  
Mr. Gouri Shanker Mishra  
Mr. Sudhir N Shenoy

## **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mr. Satyaki Praharaj

## **AUDITORS**

M/s. K. Ramkumar & Co  
Chartered Accountants  
E-7, III Floor, Gemini Parsn Apartments  
Cathedral Garden Road  
Chennai - 600 006

## **BANKERS**

State Bank of India  
Axis Bank Limited

## **REGISTERED OFFICE**

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

## **REGISTRAR AND SHARE TRANSFER AGENTS**

M/s Knack Corporate Services Private Limited  
17/9, Thiruvengadam Street  
Mandaveli, Chennai – 600 028  
Phone : 044-2461 4424  
E-mail : knackcorp@gmail.com



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**DIRECTORS' REPORT**

To  
The Shareholders,

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2011.

**Financial Highlights**

The financial results of the Company for the period ended 31<sup>st</sup> March 2011 is summarized as below:

*(Rs In Lakhs)*

Description	Year Ended 31.03.2011	Year Ended 31.03.2010
Income from Operations	2456.87	7387.99
Non-operating Income	1.02	45.03
Total Income	2457.89	7433.02
Expenditure	2320.33	7019.12
Gross Profit (before depreciation, interest and tax)	137.56	413.90
Interest & Finance Charges	19.68	30.05
Depreciation	83.68	55.73
Profit before Tax	34.20	328.12
Provision for Income Tax	6.29	62.39
Profit after Tax	26.31	265.73
Brought Forward Profit	1073.34	807.61
Balance Carried to Balance Sheet	1099.65	1073.34

**Business Operations Overview and Future Prospects**

The Company has successfully completed prestigious residential projects in Swarnabhoomi SEZ. With this the Company has completed the Residential Contract. The Company has not taken up any further Residential or Commercial Projects, as the Company envisages diversifying into more value added jobs. To enable the company to diversify in such fields, the Company is chalking out a marketing approach and plan up action to get the required technical know-how and joint ventures in place.

**Dividend**

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

**Subsidiary Companies**

Your Company does not have any subsidiary. However the Board has decided to venture into

Marine related projects and the Company proposes to have suitable venture/project Company.

**Fixed Deposits**

Your Company has not accepted any deposits from the public.

**Directors**

Mr. Sudhir N Shenoy, Director retires at this Annual General Meeting and being eligible offers himself for reappointment.

**Green Initiative**

The Company in spirit supports the National Mission for Green India. As a part of "green initiative" in Corporate Governance, Ministry of Corporate Affairs (MCA) vide circular no.18/2011 dated 29.04.2011 has permitted paperless compliances regarding sending of Annual Reports / Notices by recognized communications through electronic mode (email) to the shareholders under the Companies Act, 1956. The Company has taken steps in writing letters to the shareholders to update their e mail ids with the Company in order to enable the Company to dispatch Annual Report and Notice by e mail. The Board has decided that as this is a new initiation and complete awareness is yet to be created among shareholders, this year the Company will send the above documents in physical mode and from next Annual General Meeting the Company will be sending the Annual Report, Notices and other communications to shareholders in electronic mode also.

**Directors Responsibility Statement**

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

- i. in the preparation of the Annual Accounts for the Financial Year 2010-11, the applicable Accounting Standards have been followed and that there are no material departures;
- ii. they have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;

- iii. they have taken proper and sufficient care to the best of their knowledge for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the Annual Accounts on a going concern basis.

#### **Auditors**

M/s K Ramkumar & Co, Chartered Accountants the Auditors of the Company holds office upto the conclusion of the forthcoming Annual General Meeting and has given their consent for re-appointment. Company has received a certificate under Section 224(1B) from the retiring auditors regarding their eligibility for re-appointment as the Company's Auditors for the year 2011-12.

#### **Particulars of Employees**

Information in accordance with the provisions of Sec.217 (2A) of the Companies Act, 1956 read along with the Companies (Particulars of Employees) Rules 1975 as amended, forms part of this Directors' Report. However, as per provisions of Sec. 219(1)(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.

#### **Industrial Relations**

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

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

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

There are no Foreign Exchange earnings or outgo during the financial year 2010-11.

#### **The Management Discussion & Analysis Report**

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

#### **Corporate Governance**

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

#### **Acknowledgement**

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

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

#### **For and on behalf of the Board of Directors**

**G Srinivasa Reddy**  
Whole Time Director

**Sudhir N Shenoy**  
Director

Place: Chennai  
Date: 30<sup>th</sup> May 2011

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Scenario and Economic Overview & Opportunities**

The year 2010 saw the economy robustly from the global financial crisis – in large part because of strong domestic demand and as a result, growth exceeded 8% year –on –year in real terms. The Strong level of economic growth achieved in India in recent years has led to an expansion of Industry, commerce and per-capita income. This in turn has fuelled demand for Infrastructure services including energy, transportation, telecom, water and other urban Infrastructure.

The Indian Infrastructure has to play a key role in the nation's progress towards achieving the status of "developed nation" from developing nation". However, Inadequacies have hitherto been a constraint in realizing the growth potential of the GDP of the nation. The Government has realized this and embarked upon an ambitious programme of Infrastructure development and Investment for strengthening and consolidating recent Infrastructure Initiatives. Initiatives have been taken to enhance the Investments at all levels i.e Central Government, State Government as well as Private sector in each major Infrastructure Sector. The programmes that ensure strengthening and consolidating recent Infrastructure related horizontal Initiatives, as well as sectoral Initiatives and strategies.

The Company has opportunities in urban infrastructure, Industrial Infrastructure and other infrastructure projects. We shall selectively foray in these segments.

### **Financial Performance**

The Company has successfully completed prestigious residential projects in Swarnabhoomi SEZ. With this the Company has completed the Residential Contract. The Company has not taken up any further Residential or Commercial Projects, as the Company envisages diversifying into more value added jobs. This is a reason for dip in turnover of the Company from Rs. 73.88 Crores last year to Rs. 24.57 Crores in the current year.

### **Opportunity, Threats, Risks and Concerns**

The Industry is marked with low entry barriers with several regional and national players dotting the competitive landscape as a result, despite the strong demand scenario and a definite surge in flow of orders. The margins in the sector have remained low that apart, the working capital cycle has elongated significantly for many companies over a period of time. Thus, the industry has lacked the bargaining power not only in terms of pricing but also in negotiating payment terms in the contracts.

The Key risks for this sector are increasing commodity prices, increasing interest rates and funding constraints. While infrastructure spending will accelerate, tighter credit conditions may result in a slowdown of private sector activity.

The Company has established a risk management framework. Under this framework, risks are identified across business processes of the Company on continuous basis. Once identified, these risks are systematically categorised as strategic risks, business risks or reporting risks. The former looks at all risks associated with the longer term interests of the Company. To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action.

### **Outlook**

The immense opportunities are available in the core competency area of the Company. A higher growth business plan is being adopted by the Company. The Company is in process of bidding for tender for getting new contracts.

### **Segmentwise / Productwise Performance**

Your Company was operating only in one segment both in terms of business and geographical operations in the year 2010-11. Accordingly, segmental reporting in terms of Accounting Standard 17 is not applicable to the Company.



**Internal Control System and Adequacy**

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

**Material Developments in Human Resources and Industrial Relation**

Your Company has a well-qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver at the time of need. Labour relations at all work site and at the headquarters of the Company continued to remain cordial throughout the year. During the year the Company has engaged 70 persons.

**Cautionary Statement**

The statements in report of the Board of Directors and the Management Discussion and Analysis Report describe the Company's outlook,

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

**For and on behalf of the Board of Directors**

**G Srinivasa Reddy**  
**Whole Time Director**

**Sudhir N Shenoy**  
**Director**

Place: Chennai  
Date: 30<sup>th</sup> May 2011

## REPORT ON CORPORATE GOVERNANCE

### 1. Philosophy on Code of Governance

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

### 2. Board of Directors

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

The compositions and Category of Board of Directors during the year ended 31<sup>st</sup> March 2011 are given below. The details of other directorship have been taken as on 31<sup>st</sup> March 2011.

Sl. No.	Name(s) of Director (s)	Executive/ Non-Executive/ Independent	Number of Directorships in other Public Companies*		No. of Committee Chairmanship in other Companies**	
			Member	Chairman	Member	Chairman
1	Mr. G Srinivasa Reddy	WTD	Nil	Nil	Nil	Nil
2	Mr. M Abdul Hakeem	NED/ID	10	Nil	Nil	Nil
3	Mr. Gouri Shanker Mishra	NED/ID	Nil	Nil	Nil	Nil
4	Mr. Sudhir N Shenoy	NED/ID	Nil	Nil	Nil	Nil

WTD – Whole Time Director; ED – Executive Director; NED - Non Executive Director; ID – Independent Director; NID – Non Independent Director.

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

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

**Directors' Profile:**

Brief Resume of all Directors given below

**Mr. G Srinivasa Reddy, Whole Time Director**, is a B.E. Civil Engineer by qualification. He has over 27 years of experience in the areas of project execution. He has executed grass-root level projects of Nagarjuna Fertilisers & Chemicals Limited Ph-I & II, Oswal Chemicals & Fertilisers, Shahjahanpur unit. He has also worked in oil and gas exploration units of ONGC, BPCL and IOCL.

**Mr. M Abdul Hakeem, Director**, is a Challenger Award Winner banker with more than 31 years of Experience. He is also a CAIIB. He has served in various capacities including management of Portfolio. His last working was with ING Vysya Bank Limited as Assistant Vice President.

**Mr. Gouri Shanker Mishra, Director** is a member of Institute of Company Secretaries of India having 10 years of experience in the Secretarial field and legal domain. Along with ACS, he also holds qualification of L.L.B. and MBA. He also holds directorship in companies engaged in infrastructure development, fishing harbour etc.

**Mr. Sudhir N Shenoy, Director** is a Chartered Accountant and Cost Accountant having more than 16 years of experience and vast knowledge in accounting system, system security and implementation of SAP.

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

The attendance record of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March 2011 and at the last Annual General Meeting (AGM) is as under:

Name(s) of Director(s)	No of Board Meetings held	Board Meetings Attended	Attendance at last AGM
Mr. G Srinivasa Reddy	5	5	Present
Mr. M Abdul Hakeem	5	5	Present
Mr. Gouri Shanker Mishra	5	4	Absent
Mr. Sudhir N Shenoy	5	5	Present

During the financial year 2010-11, Five Board meetings were held on 29<sup>th</sup> May 2010, 14<sup>th</sup> August 2010, 30<sup>th</sup> September 2010, 13<sup>th</sup> November 2010 and 14<sup>th</sup> February 2011.

As mandated by Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

**3. Committee of Directors**

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

Following are the Committees of the Board:-

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

All decisions pertaining to the creation and composition of committees and fixing of terms of service for committee members is taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during year 2010-11 and related attendance, are provided below;

**I. Audit Committee**

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

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

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

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

During the financial year 2010-11 Four meetings of Audit Committee were held on 29<sup>th</sup> May 2010, 14<sup>th</sup> August 2010, 13<sup>th</sup> November 2010 and 14<sup>th</sup> February 2011. The time gap between any two meetings was less than four months.

**Terms of reference**

**Following are the terms of reference given by Board of Directors:**

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

- a) To review the quarterly, half-yearly and annual financial statements before submission to the Board, focusing particularly on:
  - i) Any changes in accounting policies.
  - ii) Significant adjustments made in the financial statements arising out of audit findings.
  - iii) Compliance with listing and other legal requirements relating to financial statements.
  - iv) Limited Review Report of Auditors.
  - v) Compliance with applicable accounting standards.
  - vi) Director's Responsibility Statement in terms of section 217 (2A) of the Companies Act, 1956.
  - vii) Major accounting entries involving estimates based on the exercise of judgment by Management.

- viii) Disclosure of any related party transactions.
- ix) Qualifications in the draft audit report.
- b) To recommend to the Board the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixing of audit fees.
- c) To approve of payment to statutory auditors for audit or other services rendered by them.
- d) To discuss with the statutory auditor before the audit commences, the nature and scope of the audit.
- e) To discuss with internal auditors any significant findings and follow up thereon.
- f) To review the statutory auditors report and presentations and management's response.
- g) To review with the management, application of funds raised through issue of shares.
- h) To review the adequacy of internal audit programme and the major findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- i) To review the functioning of the Whistle Blower mechanism.
- j) To review management discussion and analysis of financial condition and results of operations.
- k) To review Management letters / letters of internal control weaknesses issued by the statutory auditors.
- l) To review Internal audit reports relating to internal control weaknesses.
- m) To review appointment, removal and terms of remuneration of the Chief internal auditors and
- n) To consider other matters, as may be referred to by the Board of Directors from time to time.

**II. Remuneration Committee**

Pursuant to the Provisions of Clause 49 of the Listing Agreement, Board has constituted a Remuneration Committee. The Remuneration Committee presently consists of Three Non-Executive Independent Directors. The

Committee determiners and recommends to the Board of Directors, the remuneration payable to the Executive Directors. The resolution for the appointment and remuneration payable to the Whole Time Director is approved by the Shareholders of the Company.

Composition of the Remuneration Committee is given below.

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

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

During the Financial Year 2010-11, No meeting was held.

**Terms of reference**

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

- (a) To decide on the remuneration policy of the managerial personnel.
- (b) To approve of the appointment / reappointment of the managerial personnel for such tenure as they may decide.
- (c) To approve the remuneration package to the managerial personnel within the limits provided in schedule XIII of the Companies Act, 1956 read with other applicable provisions of the said act.
- (d) Other benefits entitlement viz., accommodation, Insurance, medical expenses reimbursement, Leave Travel Allowance, Company's Car and telephone at residence etc.,
- (e) Such other powers/functions as may be delegated by the Board from time to time.

**Remuneration Policy**

Company is at par with industry standard in terms of remuneration. The Company provides very

competitive salary in accordance with the Industry standard.

**Remuneration to Non-Executive Directors**

None of the Directors are in receipt of any remuneration during this Financial Year 2010-11.

**Remuneration to Executive Director**

Mr. G Srinivasa Reddy, Whole Time Director and holds office upto 31<sup>st</sup> July 2012.

**The Company has paid following Remuneration:**

**Rs. In Lacs**

Name(s) of Directors(s)	Remuneration	Perquisites	Contribution to PF	Total
Mr. G S Reddy	26.93	-	1.15	28.08

**Shareholding of Directors**

None of the Directors hold any shares in the Company.

**II. Shareholders' / Investors' Grievance Committee**

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

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

Name(s) of Director(s)	Category/ Status	No. of Meetings held	Meetings attended
Mr. M Abdul Hakeem	NED/ID/ Chairman	3	3
Mr. Gouri Shanker Mishra	NED/ID/ Member	3	1
Mr. Sudhir N Shenoy	NED/ID/ Member	3	3

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

During the financial year 2010-11 Three meetings were held on 29<sup>th</sup> May 2010, 30<sup>th</sup> September 2010 and 15<sup>th</sup> February 2011.

**Compliance Officer**

Mr. Satyaki Praharaj, Company Secretary of the Company is Compliance Officer and is responsible for the Compliance. Further, Company Secretary has been authorized to deal with all correspondence and complaints from the investors. He informs the Committee about status of Complaints.

**5. General Body Meeting**

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

Year	Date	Time	Venue	No. of Special Resolutions passed
2009 - 10	30 <sup>th</sup> September 2010	11.00 A.M.	Auditorium of Exemplarr, Worldwide Ltd., 141, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041.	Nil
2008 - 09	30 <sup>th</sup> September 2009	2.00 P.M.	No.501, Apex Chambers, No.20, Thyagaraya Road, T. Nagar, Chennai – 600 017.	1
2007 - 08	30 <sup>th</sup> September 2008	2.00 P.M.	No.501, Apex Chambers, No.20, Thyagaraya Road, T. Nagar, Chennai – 600 017.	3

**6. Postal Ballot**

No resolutions were passed by postal ballot during the Financial Year ended 31<sup>st</sup> March 2011 under review. Further, at present your directors do not foresee any special Resolution proposed to be conducted through Postal Ballot. We would be complying with procedural requirements set out below in case we propose for passing any Resolution.

**Procedure for Postal Ballot**

The Board appoints a Company Secretary in Whole Time Practice, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The printed postal ballot form, instructions regarding postal ballot, resolutions and explanatory statements along with prepaid business reply envelope are sent to

**Investors' Grievance Redressal**

As per the certificate received from the Registrar and Share Transfer Agent, during the year there were 14 complaints received from the shareholders and all the 14 Complaints were resolved to the satisfaction of the shareholders and no complaints were pending at the end of the financial year.

**4. Subsidiaries**

During the year of review, the Company had no Subsidiary Company.

the shareholders. Shareholders are given minimum 30 days time to reply regarding their consent for dissent from the date of dispatch of the postal ballot notice. Any receipt subsequent to the specified date are treated as not having been received.

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

The Scrutinizer forwards his report to the Chairman or any Director of the Company after the completion of the scrutiny of the postal ballots. The result is announced by the Chairman

or any Director of the Company either on any General Meeting or the same is displayed on the notice board of the Company. Company also releases the outcome of the Postal ballot in two newspapers, one in English and one in local vernacular language.

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

## **7. Disclosures**

- I. None of the transactions with any of the related parties viz., Promoters, Directors or the Senior Management or relatives were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standard (AS 18) relating to "Related Party Transactions" have been made separately in the Annual Report.
- II. Company has complied with all the requirements of the Listing Agreement entered with Stock Exchanges as well as regulation and guidelines of SEBI. There has been no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years.
- III. Company has established Whistle Blower Policy and no personnel is denied the access to the Audit Committee.
- IV. The Company complies with the entire mandatory requirements of Corporate Governance as provided under Clause 49 of the Listing Agreement. The Company has also adopted the non-mandatory requirements of Clause 49 of Listing Agreement. The Disclosure relating to the compliance has been provided separately in this report. The Company has obtained a certificate from its auditors regarding compliance of conditions of Corporate Governance and the certificate is annexed to the Directors' Report.

## **8. Means of Communication**

- I. In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at [www.margprojects.com](http://www.margprojects.com) containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.
- II. The un-audited Financial Results on quarterly basis along with Limited Review Report by the Auditors of the Company are taken on record by the Board of Directors at its meeting as per the Listing requirement for every quarter and the same are furnished to all the Stock Exchanges where the Company's Shares are listed within fifteen minutes of Close of the Meeting. The same is also updated to website of the Company as information of shareholders. The un-audited Financial Results along with the Limited Review Report by the Auditors are first placed before the Audit Committee. The same along with recommendation of the Committee are forwarded to the Board of Directors for their consideration.
- III. The quarterly results and audited results as per the requirement of Clause 41 are also published within 48 hours in two newspapers, one in English daily, News Today and one in Regional (Tamil) Language, Malai Sudar.
- IV. The quarterly results, shareholding pattern and other mandatory information are available at the website of Company i.e [www.margprojects.com](http://www.margprojects.com) for the benefit of the public at large.
- V. The Company places all its official news release on the website of the Company [www.margprojects.com](http://www.margprojects.com).
- VI. Any presentations made to Investors are also uploaded on the website of the Company [www.margprojects.com](http://www.margprojects.com).

VII. The shareholders can also write to this email id mpil@marggroup.com about their issues also for correspondence.

**9. General Shareholder Information:**

**I. Information about Eighteenth Annual General Meeting**

Date and Time: **30<sup>th</sup> September 2011 at 3:00 P. M.**

Venue:

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

**II. Financial Year**

The Financial Year of the Company each year starts with 1<sup>st</sup> April and ends with 31<sup>st</sup> March. The Financial Year 2010-11 started on 1<sup>st</sup> April 2010 and ended on 31<sup>st</sup> March 2011. The current Financial Year 2011-12 started on 1<sup>st</sup> April 2011 and would end on 31<sup>st</sup> March 2012.

**Financial Calendar (Tentative)**

First Quarter

30<sup>th</sup> June 2011 : on or before 14<sup>th</sup> Aug. 2011

Second Quarter

30<sup>th</sup> Sep 2011 : on or before 14<sup>th</sup> Nov. 2011

Third Quarter

31<sup>st</sup> Dec. 2011 : on or before 14<sup>th</sup> Feb. 2012

Fourth Quarter

31<sup>st</sup> March 2012 : on or before 30<sup>th</sup> May 2012  
(if Audited Results will be published)  
: on or before 15<sup>th</sup> May 2012  
(if Unaudited Results will be published)

**III. Date of Book Closure**

The Register of Member and Share Transfer Books shall be closed for a period of three days starting from 28<sup>th</sup> September 2011 to 30<sup>th</sup> September 2011 (Inclusive of Both Days).

**IV. Dividend Payment Date**

No dividend has been recommend by the Board of Directors for the financial year ended 31<sup>st</sup> March 2011.

**V. Listing on Stock Exchange**

The Equity Shares of the Company are listed at Bombay Stock Exchange Limited, Madras Stock Exchange Limited and Bangalore Stock Exchange Limited. Though the Company is also listed with The Hyderabad Stock Exchange Limited and Coimbatore Stock Exchange Limited, both the Exchanges had been de recognized by SEBI. The Company is taking steps to delist shares at Bangalore Stock Exchange Limited as per the approval of shareholders in AGM.

**VI. Stock Code**

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

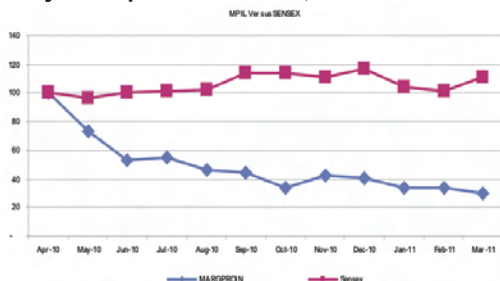
**VII. Market Price Data**

Year	Month	High(Rs.)	Low(Rs.)	Monthly Volume
2010	April	133.35	93.35	6,500
2010	May	107.45	64.65	6,200
2010	June	74.00	50.00	4,800
2010	July	66.00	47.00	8,500
2010	August	62.65	43.50	3,600
2010	September	56.30	42.85	2,100
2010	October	41.50	32.60	3,100
2010	November	44.95	32.10	4,700
2010	December	42.00	40.00	300
2011	January	39.00	33.30	900
2011	February	33.50	33.50	200
2011	March	33.50	29.40	1,300



**VIII. Performance vis a vis Sensex**

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



Note: The Company's equity share prices at BSE and BSE Sensex indexed to 100 as on 1<sup>st</sup> April 2010

**IX. Registrar and Share Transfer Agents**

The Company has appointed M/s Knack Corporate Services Private Limited as Registrar and Share Transfer Agent. Following is the address of Registrar and Transfer Agents:

M/s Knack Corporate Services Private Limited  
 17/9, Thiruvengadam Street  
 Mandaveli  
 Chennai – 600 028  
 Phone : 044 – 2461 4424  
 E-Mail : [knackcorp@gmail.com](mailto:knackcorp@gmail.com)

**X. Share Transfer System**

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

**XI. Distribution of Shareholding as on 31<sup>st</sup> March 2011**

No of Shares held	No of Shareholders	% of Total No of Shareholders	Total Shares held in the Category	% of Shareholding
Upto 500	7,872	95.95%	1,039,066	19.08%
501 and 1000	187	2.28%	137,700	2.53%
1001 and 2000	30	0.37%	42,700	0.78%
2001 and 3000	16	0.20%	36,800	0.68%
3001 and 4000	2	0.02%	7,400	0.14%
4001 and 5000	20	0.24%	95,700	1.76%
5001 and 10000	52	0.63%	433,800	7.97%
10001 & above	25	0.30%	3,651,834	67.07%
<b>Total</b>	<b>8,204</b>	<b>100.00%</b>	<b>5,445,000</b>	<b>100.00%</b>

**XII. Dematerialization of Equity Shares and Liquidity**

DEMAT ISIN for equity shares is INE942E01017.

The Authorized Capital of the Company is Rs.15,00,00,000 comprising of 1,50,00,000 equity shares of Rs.10 each. The paid up Capital of the Company as on 31<sup>st</sup> March 2011 is Rs.5,44,50,000 consists of 54,45,000 Equity shares of Rs.10 each. Out of the above shares, 2,252,968 Equity Shares representing 41.38% are held in physical form and balance 3,192,032 Equity Shares representing 58.62% are held in dematerialised form.

**XIII. Outstanding Convertible Instruments**

There is no outstanding convertible instrument.

**XIV. Plant Location**

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

**XV. Address for Correspondence**

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

The Company Secretary  
 MARG Projects and Infrastructure Limited  
 501, Apex Chambers, 5<sup>th</sup> Floor  
 20, Thyagaraya Road,  
 T. Nagar, Chennai – 600 017  
 Phone: 044 – 3221 1955  
 E-Mail: [mpil@marggroup.com](mailto:mpil@marggroup.com)

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

M/s Knack Corporate Services Private Limited  
17/9, Thiruvengadam Street  
Mandaveli  
Chennai – 600 028  
Phone: 044 – 2461 4424  
E-Mail: [knackcorp@gmail.com](mailto:knackcorp@gmail.com)

**Categories of Shareholding as at 31<sup>st</sup> March 2011**

S. No.	Category	No. of Shares Held	Percentage of Shareholding
<b>A</b>	<b>Promoter's Holding</b>		
a	Promoters	2,970,934	54.56
b	Persons acting in Concert	Nil	Nil
	<b>Sub Total</b>	<b>2,970,934</b>	<b>54.56</b>
<b>B</b>	<b>Non Promoters Holding</b>		
a	FII's	Nil	Nil
b	Private Body Corporate	21,050	0.39
c	Indian Public	2,371,066	43.54
d	NRI/OCB	850	0.02
e	Others		
	Clearing Members	Nil	Nil
	Hindu Undivided Family	81,100	1.49
f	Shares represented by GDRs	Nil	Nil
	<b>Sub Total</b>	<b>2,474,066</b>	<b>45.44</b>
	<b>Grand Total</b>	<b>5,445,000</b>	<b>100.00</b>

❖ **Insider Trading**

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

❖ **Reconciliation of Share Capital Audit**

SEBI has modified the terminology 'Secretarial Audit' as mentioned in the Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 to 'Reconciliation of Share Capital Audit'

vide Circular No. CIR/MRD/DP/ 30 /2010 dated September 06, 2010. 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 31<sup>st</sup> March 2011 and same has been forwarded to Stock Exchanges. The audit confirms that the total issued/ paid up Capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

❖ **Code of Conduct**

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

❖ **CEO / CFO Certification**

As required under the Clause 49 of the Listing Agreement a certificate duly signed by Mr.G Srinivasa Reddy, Whole time Director of the Company was placed at the meeting of the Board of Directors.

**XVI. Non Mandatory Requirements**

1. The Board:

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

2. Remuneration Committee:

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

3. Shareholders Communications:

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

**4. Audit Qualifications:**

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

**5. Training of Board Members:**

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

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

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

**7. Whistle Blower Policy:**

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

**For and on behalf of the Board of Directors**

**G Srinivasa Reddy**  
**Whole Time Director**

**Sudhir N Shenoy**  
**Director**

Place: Chennai  
Date: 30<sup>th</sup> May 2011

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

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

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

**For and on behalf of the Board of Directors**

**G Srinivasa Reddy**  
**Whole Time Director**

Place: Chennai  
Date: 30<sup>th</sup> May 2011

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

**The Members of MARG PROJECTS AND INFRASTRUCTURE LIMITED**

1. We have examined the compliance of conditions of Corporate Governance of MARG Projects and Infrastructure Limited, for the year ended 31<sup>st</sup> March 2011, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.
2. The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

Place : Chennai  
Date : 30<sup>th</sup> May 2011

**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
MARG PROJECTS AND INFRASTRUCTURE LIMITED**

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

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

**R M V Balaji  
Partner  
M.No : 27476**

Place : Chennai  
Date : 30<sup>th</sup> May 2011

**ANNEXURE TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 3  
OF OUR REPORT OF EVEN DATE TO THE SHAREHOLDERS OF  
MARG PROJECTS AND INFRASTRUCTURE LIMITED**

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) According to the information and explanation given to us the fixed assets have been physically verified by the management at the end of the financial year. No Material discrepancies were noticed on such verification.  
c) No substantial parts of fixed assets have been disposed off during the year.
2. 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. The Company has not taken/granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the explanation given to us there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of goods & services.
5. a) 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 thereunder.
7. In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.
8. We have been informed that the Central Government has not prescribed the maintenance of Cost Records under the provisions of Section 209(1)(d) of the Companies Act, 1956.
9. a) According to the information and explanation given to us and on the basis of our examination of the books of accounts, the company has been generally, regular in depositing undisputed statutory dues including Provident Fund, Income Tax and other statutory dues during the year with the appropriate authorities excepting a few instances of delay. There were no undisputed dues as at 31<sup>st</sup> March 2011, payable for a period of more than six months from the date they become payable.  
b) There are no disputed amount of statutory dues which have not been deposited with the concerned authorities.
10. The Company does not have accumulated losses exceeding fifty percent of its net worth. The Company has not incurred cash

losses during the financial year covered by our audit and the immediately preceding financial year.

11. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
14. 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.
15. The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.
16. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
17. According to the information and explanations and on an overall examination of the Balance Sheet of the Company we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.

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

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

**R M V Balaji**  
**Partner**  
**M.No : 27476**

Place : Chennai  
Date : 30<sup>th</sup> May 2011

**BALANCE SHEET**

PARTICULARS	Schedule	As At 31-Mar-2011 Rs	As At 31-Mar-2010 Rs
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	5,44,50,000	5,44,50,000
Reserves & Surplus	2	13,81,49,694	13,55,18,342
<b>LOAN FUNDS</b>			
Secured Loan	3	38,29,176	2,83,07,241
DEFERRED TAX LIABILITY		9,37,772	9,42,683
		<u>19,73,66,642</u>	<u>21,92,18,266</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	5,34,04,496	5,18,85,856
Less : Depreciation		<u>1,39,82,294</u>	<u>56,14,491</u>
Net Block		<u>3,94,22,202</u>	<u>4,62,71,365</u>
<b>INVESTMENTS</b>	5	<b>1,64,80,100</b>	<b>1,64,80,100</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	6	4,34,583	2,29,75,200
Sundry Debtors		5,93,39,799	-
Cash & Bank Balances		41,96,970	16,77,313
Loans & Advances		<u>44,33,28,993</u>	<u>72,54,41,207</u>
		<u>50,73,00,345</u>	<u>75,00,93,720</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	7	36,46,36,911	58,62,05,343
Provisions		<u>11,99,094</u>	<u>74,21,576</u>
		<u>36,58,36,005</u>	<u>59,36,26,919</u>
<b>NET CURRENT ASSETS</b>		<u>14,14,64,340</u>	<u>15,64,66,801</u>
		<u>19,73,66,642</u>	<u>21,92,18,266</u>
<b>NOTES ON ACCOUNTS</b>	14	-	-

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

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

Place : Chennai  
 Date : 30-May-2011

**For and on behalf of BOARD OF DIRECTORS**

**G SRINIVASA REDDY**      **SUDHIR N SHENOY**  
 Whole Time Director      Director

**SATYAKI PRAHARAJ**  
 Company Secretary



**PROFIT & LOSS ACCOUNT**

PARTICULARS	Schedule	Year Ended 31-Mar-2011 Rs	Year Ended 31-Mar-2010 Rs
<b>INCOME</b>			
Income from Operations	8	24,56,87,289	73,87,98,735
Other Income	9	1,01,663	45,03,278
		<u>24,57,88,952</u>	<u>74,33,02,013</u>
<b>EXPENDITURE</b>			
Cost of Operations	10	21,32,05,103	65,87,10,088
Personnel Expenses	11	1,61,83,985	3,90,67,286
Administrative Expenses	12	26,44,108	41,34,692
		<u>23,20,33,196</u>	<u>70,19,12,066</u>
<b>PROFIT BEFORE DEPRECIATION, INTEREST &amp; TAX</b>		<b>1,37,55,756</b>	<b>4,13,89,947</b>
Depreciation	4	<u>83,67,803</u>	<u>55,73,407</u>
<b>PROFIT BEFORE INTEREST &amp; TAX</b>		<b>53,87,953</b>	<b>3,58,16,540</b>
Interest & Finance Charges	13	<u>19,67,802</u>	<u>30,04,945</u>
<b>PROFIT BEFORE TAX</b>		<b>34,20,151</b>	<b>3,28,11,595</b>
<b>TAX EXPENSE</b>			
Income Tax		6,34,096	55,76,331
Deferred Tax		(4,911)	6,43,301
Prior Period Tax		-	19,546
<b>PROFIT AFTER TAX BEFORE PRIOR PERIOD ITEM</b>		<b>27,90,966</b>	<b>2,65,72,417</b>
Prior Period Expenditure		1,59,614	-
<b>PROFIT AFTER TAX</b>		<b>26,31,352</b>	<b>2,65,72,417</b>
<b>PROFIT BROUGHT FORWARD</b>		<b>10,73,33,547</b>	<b>8,07,61,130</b>
<b>PROFIT CARRIED TO BALANCE SHEET</b>		<b>10,99,64,899</b>	<b>10,73,33,547</b>
<b>EARNINGS PER SHARE</b>			
Basic (Face Value Rs.10/-)		0.51	4.88
Diluted (Face Value Rs.10/-)		0.51	4.88
<b>NOTES ON ACCOUNTS</b>		14	

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

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

Place : Chennai  
 Date : 30-May-2011

**For and on behalf of BOARD OF DIRECTORS**

**G SRINIVASA REDDY**  
**Whole Time Director**

**SUDHIR N SHENOY**  
**Director**

**SATYAKI PRAHARAJ**  
**Company Secretary**

**SCHEDULES FORMING PART OF ACCOUNTS**

PARTICULARS	As At 31-Mar-2011 Rs	As At 31-Mar-2010 Rs
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
15,000,000 Equity Shares of Rs.10 each (Previous Year 15,000,000 Equity Shares of Rs.10 each)	<u>15,00,00,000</u>	<u>15,00,00,000</u>
<b>Issued, Subscribed and Paid up Capital</b>		
5,445,000 Equity Shares of Rs.10 each (Previous Year 5,445,000 Equity Shares of Rs.10 each)	<u>5,44,50,000</u>	<u>5,44,50,000</u>
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
Securities Premium	2,76,39,795	2,76,39,795
General Reserve	5,45,000	5,45,000
Profit & Loss Account	<u>10,99,64,899</u>	<u>1 0,73,33,547</u>
	<b><u>13,81,49,694</u></b>	<b><u>13,55,18,342</u></b>
<b>SCHEDULE 3 : SECURED LOAN</b>		
Term Loan from Banks (Secured by way of movable & immovable property, Personal Guarantee and corporate guarantee)	<u>38,29,176</u>	<u>2,83,07,241</u>
	<b><u>38,29,176</u></b>	<b><u>2,83,07,241</u></b>

## SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE 4 : FIXED ASSETS Rs.

Particulars	Gross Block			Depreciation			Net Block			
	As At 31-Mar-10	Additions	Deductions/ Transfers	As At 31-Mar-11	Upto 31-Mar-10	For the Year	Deductions/ Transfers	Upto 31-Mar-11	As At 31-Mar-11	As At 31-Mar-10
Plant & Machinery	5,16,14,746	12,82,000	-	5,28,96,746	55,90,017	81,87,154	-	1,37,77,171	3,91,19,575	4,60,24,729
Computer	2,45,790	2,24,640	-	4,70,430	20,407	1,75,905	-	1,96,312	2,74,118	2,25,383
Office Equipments	-	12,000	-	12,000	-	898	-	898	11,102	-
Furnitures & Fittings	25,320	-	-	25,320	4,067	3,846	-	7,913	17,407	21,253
<b>Total</b>	<b>5,18,85,856</b>	<b>15,18,640</b>	<b>-</b>	<b>5,34,04,496</b>	<b>56,14,491</b>	<b>83,67,803</b>	<b>-</b>	<b>1,39,82,294</b>	<b>3,94,22,202</b>	<b>4,62,71,365</b>
<b>Previous Year</b>	<b>1,22,91,700</b>	<b>3,95,94,156</b>	<b>-</b>	<b>5,18,85,856</b>	<b>41,084</b>	<b>55,73,407</b>	<b>-</b>	<b>56,14,491</b>	<b>4,62,71,365</b>	<b>1,22,50,616</b>

**SCHEDULES FORMING PART OF ACCOUNTS**

PARTICULARS	As At 31-Mar-2011 Rs	As At 31-Mar-2010 Rs
<b>SCHEDULE 5 : INVESTMENTS</b>		
<b>Investments in Shares</b>		
<b>(Long Term, Non-Quoted, Non-Trade &amp; Stated at Cost)</b>		
Marg Capital Markets Limited (10,000 Equity Shares of Rs. 10 each fully paid up)	10,00,000	10,00,000
Marg Realities Limited (963,010 Equity Shares of Rs. 10 each fully paid up)	96,30,100	96,30,100
Marg Digital Infrastructure Private Limited (585,000 Equity Shares of Rs. 10 each fully paid up)	58,50,000	58,50,000
	<b><u>1,64,80,100</u></b>	<b><u>1,64,80,100</u></b>
<b>SCHEDULE 6 : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>Inventories</b>		
Stock at Site	4,34,583	2,29,75,200
	<b><u>4,34,583</u></b>	<b><u>2,29,75,200</u></b>
<b>Sundry Debtors</b>		
(Unsecured and considered good )		
Outstanding for more than 6 months	3,61,63,131	-
Others	2,31,76,668	-
	<b><u>5,93,39,799</u></b>	<b><u>-</u></b>
<b>Cash and Bank Balances</b>		
Cash Balance	3,33,314	4,45,482
Balances with Scheduled Banks In Current Accounts	38,63,656	12,31,831
	<b><u>41,96,970</u></b>	<b><u>16,77,313</u></b>
<b>Loans &amp; Advances</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or value to be received		
Property Advance	38,62,50,000	65,07,50,000
Advance to Suppliers	48,40,950	1,94,91,621
Advances Recoverable - Others	2,06,38,378	2,39,99,939
Prepaid Taxes	2,85,29,775	2,90,52,853
Staff Advances	1,64,557	5,24,961
Security Deposits	29,05,333	16,21,833
	<b><u>44,33,28,993</u></b>	<b><u>72,54,41,207</u></b>
	<b><u>50,73,00,345</u></b>	<b><u>75,00,93,720</u></b>
<b>SCHEDULE 7 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	4,29,59,418	12,83,36,365
Advance from Customers	31,91,12,660	44,17,72,942
Expenses Payable	10,96,224	1,45,23,848
Statutory Dues	14,68,609	12,48,001
Interest Accrued but not due	-	3,24,187
	<b><u>36,46,36,911</u></b>	<b><u>58,62,05,343</u></b>
<b>PROVISIONS</b>		
Income Tax	6,54,493	55,96,728
Provision for Gratuity	3,99,195	9,60,795
Provision for Leave Encashment	1,45,406	8,64,053
	<b><u>11,99,094</u></b>	<b><u>74,21,576</u></b>
	<b><u>36,58,36,005</u></b>	<b><u>59,36,26,919</u></b>

**SCHEDULES FORMING PART OF ACCOUNTS**

PARTICULARS	Year Ended 31-Mar-2011 Rs	Year Ended 31-Mar-2010 Rs
<b>SCHEDULE 8 : INCOME FROM OPERATIONS</b>		
Income from Operations	24,56,87,289	73,87,98,735
	<b>24,56,87,289</b>	<b>73,87,98,735</b>
<b>SCHEDULE 9 : OTHER INCOME</b>		
Interest Received	66,663	45,03,278
Miscellaneous Income	35,000	-
	<b>1,01,663</b>	<b>45,03,278</b>
<b>SCHEDULE 10 : COST OF OPERATIONS</b>		
Opening Stock	2,29,75,200	1,82,07,203
Add : Expenditure during the year	19,06,64,486	66,34,78,085
Less: Closing Stock	4,34,583	2,29,75,200
	<b>21,32,05,103</b>	<b>65,87,10,088</b>
<b>SCHEDULE 11 : PERSONNEL EXPENSES</b>		
Salaries & Allowances	1,27,56,537	3,04,00,894
Contribution to Funds	6,02,179	19,71,357
Director Remuneration	28,08,036	27,92,943
Staff Welfare Expenses	9,31,221	27,07,231
Recruitment & Training Expenses	2,81,952	1,37,070
Retirement Benefits	(11,95,940)	10,57,791
	<b>1,61,83,985</b>	<b>3,90,67,286</b>
<b>SCHEDULE 12 : ADMINISTRATIVE EXPENSES</b>		
Travelling and Conveyance	5,62,557	11,05,163
Vehicle Maintenance	5,859	2,35,504
Electricity Expenses	10,530	48,192
Communication Expenses	2,17,292	1,91,225
Repairs & Maintenance	6,53,200	-
Rates & Taxes	32,606	-
Advertisement Expenses	20,000	1,680
Payment to Auditors		
Statutory Audit Fee	1,10,300	55,150
Other Services	27,575	27,575
Secretarial Expenses	2,48,726	2,98,710
Insurance Expenses	1,16,100	-
Office Maintenance	65,337	-
Professional & Legal Fees	2,62,487	19,00,695
Printing & Stationery	3,06,246	2,60,011
General Expenses	5,293	10,787
	<b>26,44,108</b>	<b>41,34,692</b>
<b>SCHEDULE 13 : INTEREST &amp; FINANCE CHARGES</b>		
Interest	19,37,485	29,39,449
Bank & Finance Charges	30,317	65,496
	<b>19,67,802</b>	<b>30,04,945</b>

**SCHEDULE 14 : NOTES ON ACCOUNTS**

**COMPANY OVERVIEW**

The company is into business of Engineering, Procurement and Construction (EPC). Its works during past years primarily includes EPC contract for SEZ development at Seekinakuppam for MARG Swarnabhoomi and Road and culvert works for NH 202 at Hyderabad -Yadagiri.

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

**B. REVENUE RECOGNITION**

All Income and Expenses have been

recognized on accrual system of accounting.

**C. FIXED ASSETS & DEPRECIATION**

1. The Fixed Assets are stated at cost of acquisition including interest paid on specific borrowings up to the date of acquisition / installation of the assets and improvement thereon less depreciation.
2. Depreciation is provided on fixed assets, on written down value method, on pro-rata basis as per the rates specified in Schedule XIV of the Companies Act, 1956.
3. Advances paid towards acquisition of fixed assets and cost of assets not put to use before the year end are shown under Capital Work - in - Progress.
4. The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating divisions which the assets belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and recognized in the profit and loss account.

**D. OPERATING LEASES**

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

The Company has no lease obligations.

**E. VALUATION OF CLOSING STOCK**

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

2. Work-in-progress: Work-in-progress is valued at cost or the contract rates whichever is lower.
3. Completed projects: Completed Projects are valued at cost or net realizable value, whichever is less.

#### **F. INVESTMENTS**

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

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

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

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

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

###### **◆ Provident Fund**

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

###### **◆ Gratuity**

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

###### **◆ Leave Encashment**

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

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

A provision is recognized when:

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

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

Contingent Assets are neither recognized nor disclosed.

#### **I. 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.

#### **J. TAX ON INCOME**

1. 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.

2. 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.

**K. 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.

**NOTES ON ACCOUNTS**

**1. CONTINGENT LIABILITIES**

- a) Estimated amount of liability on capital contracts : Nil (Previous year Rs.3,069,200/-)
- b) Other contingent liabilities: Nil (Previous year: Nil)

**2. DEFERRED TAX LIABILITY**

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

During the year an amount of Rs. 4,911 has been written back for deferred tax assets from the profits of the current year. The deferred tax liability outstanding as on 31<sup>st</sup> March 2011 is Rs.937,772 the details of which are as follows:

(In Rs.)

Particulars	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2010
Outstanding Deferred Tax Liability as at the beginning of the year	942,683	299,382
Timing Difference on account of Depreciation	(4,911)	643,301
Outstanding Deferred Tax Liability as at the end of the year	937,772	942,683

**3. OPERATING LEASES**

The Company has no lease obligations.

4. Balances of Sundry Debtors, Sundry Creditors and other balances are subject to confirmation by the parties.
5. 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.

**6. EMPLOYEE BENEFITS**

**a) Gratuity**

The Company does not maintain any fund to pay for Gratuity

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

(In Rs.)

Description	Year Ended 31 <sup>st</sup> March 2011	Year Ended 31 <sup>st</sup> March 2010
Current service cost	70,964	467,740
Interest Cost	76,864	43,679
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	(815,510)	(96,616)
Transitional Liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost – vested benefits	106,082	-
<b>Expenses recognized in the statement of profit and loss</b>	<b>(561,600)</b>	<b>414,803</b>

- Movement in the liability recognized in the Balance Sheet during the year:

(In Rs.)

Description	As At 31 <sup>st</sup> March 2011	As At 31 <sup>st</sup> March 2010
Opening net liability	960,795	545,992
Expense as above	(561,600)	414,803
Contribution paid	-	-
<b>Closing net liability</b>	<b>399,195</b>	<b>960,795</b>



iii) Net Assets/Liability in the Balance Sheet as at 31st March, 2011

(In Rs.)

Description	As At 31 <sup>st</sup> March 2011	As At 31 <sup>st</sup> March 2010
Present value of the obligation	399,195	960,795
Fair value of plan assets	-	-
Difference	399,195	960,795
Unrecognised transitional liability	-	-
Unrecognised past service cost -non vested benefits	-	-
<b>Liability recognized in the balance sheet</b>	<b>399,195</b>	<b>960,795</b>

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

Description	Year Ended 31 <sup>st</sup> March 2011	Year Ended 31 <sup>st</sup> March 2010
Discount Rate	8%	8%
Salary escalation rate	8%	8%
Attrition rate	4%	4%
Expected rate of return on Plan Assets	0%	0%

**b) Leave Encashment**

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

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

(In Rs.)

Description	Year Ended 31 <sup>st</sup> March 2011	Year Ended 31 <sup>st</sup> March 2010
Current service cost	24,905	283,528
Interest Cost	69,124	23,259
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	(812,676)	327,291
Transitional Liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost – vested benefits	-	-
<b>Expenses recognized in the statement of profit and loss</b>	<b>(718,647)</b>	<b>634,078</b>

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

(In Rs.)

Description	As At 31 <sup>st</sup> March 2011	As At 31 <sup>st</sup> March 2010
Opening net liability	864,053	351,488
Expense as above	(718,647)	634,078
Contribution paid	-	(121,513)
<b>Closing net liability</b>	<b>145,406</b>	<b>864,053</b>

iii) Net Assets/Liability in the Balance Sheet as at 31st March, 2011

(In Rs.)

Description	As At 31 <sup>st</sup> March 2011	As At 31 <sup>st</sup> March 2010
Present value of the obligation	145,406	864,053
Fair value of plan assets	-	-
Difference	145,406	864,053
Unrecognised transitional liability	-	-
Unrecognised past service cost -non vested benefits	-	-
<b>Liability recognized in the balance sheet</b>	<b>145,406</b>	<b>864,053</b>

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

Description	Year Ended 31 <sup>st</sup> March 2011	Year Ended 31 <sup>st</sup> March 2010
Discount Rate	8%	8%
Salary escalation rate	8%	8%
Attrition rate	4%	4%
Expected rate of return on Plan Assets	0%	0%

**7. SEGMENTAL REPORTING**

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

## 8. RELATED PARTIES DISCLOSURES

- a) Key Managerial Personnel (KMP):  
G Srinivasa Reddy – Whole Time Director
- b) Individuals having significant influence on the Company:  
i) G R K Reddy  
ii) V P Rajini Reddy
- c) The following transactions were carried out with the related parties in the ordinary course of the business during the year:  
(In Rs.)

Particulars	KMP	
	FY 2010-11	FY 2009-10
Remuneration paid	2,808,036	2,792,943

## 9. DIRECTORS' REMUNERATION

The remuneration paid to the director is within the limit prescribed under Schedule XIII of the Companies Act, 1956. Hence calculation of remuneration payable as per Section 349 of the Companies Act, 1956 is not given.

The remuneration paid to the Whole Time Director is as follows:

Particulars	2010-11 Rs.	2009-10 Rs.
Remuneration	2,692,836	2,629,743
Perquisites	-	48,000
Contribution to Provident Fund	115,200	115,200

10. 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.

## 11. AUDITORS' REMUNERATION

(In Rs.)

Particulars	Year Ended 31 <sup>st</sup> March 2011	Year Ended 31 <sup>st</sup> March 2010
Statutory Audit Fees	110,300	55,150
Other Services	27,575	27,575
<b>Total</b>	<b>137,875</b>	<b>82,725</b>

## 12. EARNINGS PER SHARE (EPS)

S. No.	Particulars	Year Ended 31 <sup>st</sup> March 2011	Year Ended 31 <sup>st</sup> March 2010
a.	Profit After Tax (Rs) For Basic & Diluted EPS	2,790,966	2,65,72,417
b.	Weighted average number of equity shares (Nos) For Basic & Diluted EPS	54,45,000	54,45,000
c.	Earnings Per Share (Rs.) Basic	0.51	4.88
	Diluted	0.51	4.88
d.	Nominal Value per share (Rs.)	10	10

13. All the figures of income, expenditure and Net Profit after tax for the period are from the business activities as reflected by the new name.
14. Previous year's figures have been regrouped / reclassified / rearranged wherever necessary to bring them in conformity with the current year figures.

Signatories to Schedule 1 to 14

As per our Report of even date attached.

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

**For and on behalf of**  
**BOARD OF DIRECTORS**  
**G SRINIVASA REDDY**  
Whole Time Director

**R M V BALAJI**  
Partner  
M. NO : 27476

**SUDHIR N SHENOY**  
Director

Place: Chennai  
Date : 30<sup>th</sup> May 2011

**SATYAKI PRAHARAJ**  
Company Secretary

**AUDITORS' REPORT ON CASH FLOW STATEMENT**

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

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

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

Place : Chennai  
Date : 30<sup>th</sup> May 2011

## CASH FLOW STATEMENT

S.No.	PARTICULARS	Year Ended 31-Mar-2011 Rs	Year Ended 31-Mar-2010 Rs
<b>A</b>	<b>Cash Flows from Operating Activities:</b>		
	<b>Net Profit before Taxation and Extraordinary Item</b>	<b>34,20,151</b>	<b>3,28,11,595</b>
	<b>Adjustments for :</b>		
	Depreciation	83,67,803	55,73,407
	Interest and Finance Charges paid	19,37,298	26,80,758
	<b>Operating Profit before Working Capital Changes</b>	<b>1,37,25,252</b>	<b>4,10,65,760</b>
	(Increase)/Decrease in Inventories	2,25,40,617	( 47,67,997)
	(Increase) /Decrease in Sundry Debtors	(5,93,39,799)	1,87,66,812
	(Increase) /Decrease in Loans & Advances	28,15,19,432	(7,42,65,827)
	Increase/(Decrease) in Current Liabilities	(22,28,48,679)	5,85,01,950
	<b>Cash Generated from Operations</b>	<b>3,55,96,823</b>	<b>3,93,00,698</b>
	Fringe Benefit Tax Paid	-	24,546
	Income Tax Paid	49,83,549	3,06,16,986
	<b>Cash Flow before Extraordinary Items</b>	<b>3,06,13,274</b>	<b>86,59,166</b>
	Adjustment for Extraordinary Items	1,59,614	-
	<b>Net Cash from Operating Activities ( A )</b>	<b>3,04,53,660</b>	<b>86,59,166</b>
<b>B</b>	<b>Cash Flows from Investing Activities:</b>		
	Purchase of Fixed Assets	(15,18,640)	(3,95,73,006)
	<b>Net Cash used in Investing Activities ( B )</b>	<b>(15,18,640)</b>	<b>(3,95,73,006)</b>
<b>C</b>	<b>Cash flow from Financing Activities:</b>		
	Proceeds from Long Term Borrowings	-	3,49,08,508
	Repayment of Long Term Borrowings	(2,44,78,065)	(62,77,080)
	Repayment of Unsecured Loan	-	(1,73,502)
	Interest Paid	(19,37,298)	( 26,80,758)
	<b>Net Cash from Financing Activities ( C )</b>	<b>(2,64,15,363)</b>	<b>2,57,77,168</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>25,19,657</b>	<b>(51,36,672)</b>
	<b>Cash and Cash Equivalents at beginning of Period</b>	<b>16,77,313</b>	<b>68,13,985</b>
	<b>Cash and Cash Equivalents at end of Period</b>	<b>41,96,970</b>	<b>16,77,313</b>

As per our Report of even date attached

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

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

Place : Chennai  
Date : 30-May-2011

For and on behalf of BOARD OF DIRECTORS

**G SRINIVASA REDDY**      **SUDHIR N SHENOY**  
Whole Time Director      Director

**SATYAKI PRAHARAJ**  
Company Secretary

## BALANCE SHEET ABSTRACT

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

### I. Registration Details

CIN No. L65991TN1993PLC025252 State Code: 18  
Balance Sheet Date: 31st March 2011

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

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

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

a) Total Liabilities: 197,366.64 b) Total Assets: 197,366.64

#### Source of Funds (Amount in Rupees Thousands)

a) Paid up capital: 54,450.00 b) Reserves & Surplus: 138,149.69  
c) Secured Loans: 3,829.18 d) Unsecured Loans: Nil  
e) Deferred Tax Liability: 937.77

#### Application of Funds (Amount in Rupees Thousands)

a) Net Fixed Assets: 39,422.20 b) Investments: 16,480.10  
c) Net Current Assets: 141,464.34 d) Accumulated Losses : Nil  
e) Miscellaneous Expenditure : Nil

### IV. Performance of Company (Amount in Rupees Thousands)

a) Turnover: 245,687.29 b) Total Expenditure: 242,368.80  
c) Profit/Loss before Tax: 3,420.15 d) Profit/Loss after Tax : 2,631.35  
e) Earning per Share in Rs: 0.51 f) Dividend rate: Nil

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

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

