



BUILDING FUTURE CAPABILITIES



INSIDE

- 2 Corporate identity
- 8 From the Chairman's desk
- 10 Key business highlights
- 19 Business segments at a glance
- 20 Corporate social responsibility
- 24 PURA
- 27 Directors' report
- 38 Corporate governance report
- 50 Auditor's report
- 53 Financial statements

MARG Limited is among India's fastest growing infrastructure organisations, extensively engaged in holistic development.



MARG LIMITED IS LISTED AMONG INDIA'S TOP 500 COMPANIES 2011 BY DUN & BRADSTREET

PARENTAGE

The Company was incorporated as MARG Constructions Limited in 1994 by Mr. GRK Reddy, a first-generation entrepreneur possessing rich experience in investment banking and financial advisory services. The Company changed its name to MARG Limited on December 17, 2007.

PRESENCE

MARG is headquartered in Chennai and has completed projects in Tamil Nadu, Puducherry, Andhra Pradesh and Karnataka, among other states.

ACCREDITATIONS

MARG received the prestigious ISO 9001:2008 certification for planning and development of commercial, residential and turnkey projects.

5 CORE VALUES

- Distinctive quality
- Creativity and innovation
- Character
- Team work
- Positive attitude

LISTING

MARG's shares are listed on the Bombay Stock Exchange and the Madras Stock Exchange and are traded at NSE under the 'permitted securities' category.

VISION

Creating landmarks, building values.

BUSINESS

MARG is among India's fastest-growing infrastructure development companies, focused on regional development. It primarily operates across three segments – infrastructure (BOT assets), EPC and real estate. The parent company is largely into EPC contracts, a mix of internal and external projects, while infrastructure projects are under wholly-owned subsidiaries as SPCs/SPVs. Co-creation is a key element of MARG's business model; the Company focuses on standalone projects as well as those that provide opportunities to exploit synergies of its infrastructure and real estate business capabilities. The Company's business roadmap encompasses the development and construction of ports, logistic parks, SEZs, townships, apartments, malls, hotels, IT parks, power projects, airports and roads.

MISSION

- Truthfully assist governments, corporates, societies and individuals in building structures and spaces that will inspire them to give their best
- Harnessing the power of the human spirit concurrently with superior technology to optimise value for our clients seeking to be driven by our conscience in every aspect of our business



REVENUE (GROSS)

Compounded annual growth rate (CAGR) of 62% over the past five years leading to 2011-12

EBITDA

Compounded annual growth rate (CAGR) of 36% over the past five years leading to 2011-12

PROFIT AFTER TAX

Compounded annual growth rate (CAGR) of 30% over the past five years leading to 2011-12

PROFIT BEFORE TAX

Compounded annual growth rate (CAGR) of 33% over the past five years leading to 2011-12



7% CAGR[■]
growth in
turnover over
five years
leading to
2011-12.

**ENABLING
CUSTOMERS TO
BECOME MORE
COMPETITIVE**

EXECUTION CAPABILITIES AND RELATIONSHIPS

MARG's business model starts on-site where direct and constant contact provides us with an insight into customer processes and requirements. This results in project solutions, enhancing the customer's bottomline and strengthening our relationship. Moreover, we are an active partner finding additional ways to grow, which helps diversify our revenues and utilise our equipment and manpower resources more effectively.

A better understanding makes it possible for us to create value for our customers and ourselves. Our combination of manufacturing process knowledge and technology, prudent service offerings and close working relationships with customers enables us to be a partner in all market cycles. Current challenges demand greater efficiency from our technology and service capabilities. We have a history of helping customers become more productive and profitable so that they recognise us as a trusted partner integral to their success. This is a path that will lead us to stronger growth in our core areas.



31% CAGR[■]
growth in
post-tax profit
over five years
leading to
2011-12.

**DELIVERING
COMPETITIVE
ADVANTAGE TO
CUSTOMERS**

INGENUITY AND RESOURCEFULNESS

This is how our success with a wide range of product applications provides us with the confidence to solve problems creatively and enhance new opportunities. This approach allows us to extend our business reach and diversify our revenue stream. For example, we created a robust back-end engineering centre that strengthens our competitiveness at the project design and execution stages and helps us find new ways to perform faster at lower costs. Besides, our ability to implement insightful technology transfers – in the lab or on-site – extends MARG into industries where project attributes extend benefits to completely new customers. When we pursue new opportunities, we find the smartest route to market through distribution models like joint venture partners. This approach enables us to bring new equipment and solutions to existing customers in strengthening relationships.



From the CMD's desk

"WE ARE SUCCESSFULLY CONSOLIDATING OUR ASSETS AND CAPACITIES WHILE FOCUSING ON CORE AREAS OF COMPETENCE TO REAP THE BENEFITS OF SCALE AND INTEGRATION"

GRK Reddy, Chairman and Managing Director, MARG Limited

Dear Fellow Stakeholders

Our results for the year 2011-12 are encouraging. With the global economic trend continuing to be sluggish, we reported a robust performance.

MARG's success has been derived from seeing opportunities where most people have perceived the usual. The result was that a number of our assets have performed admirably well.

- Bagged some prestigious external orders like LDA, Bhavnagar Energy Corporation, NBCC etc. MARG EPC's order book was in excess of ₹3250.00 cr with a healthy external order ratio of 30%.
- MARG Karaikal Port is a prized asset that has accelerated economic growth with an ever increasing hinterland, unleashing the economic potential of central Tamil Nadu & Puducherry.
- MARG Swarnabhoomi has emerged as the preferred hub for fine living, education, industry, research and innovation.

▪ A bustling EduCity is taking shape at MARG Swarnabhoomi in the form of a 100 acre campus nestled in the midst of nurturing intelligence, creativity and innovation

- MARG was adjudged as the second leading developer in Chennai in terms of residential sales
- After launching India's first Home Shoppe last year, a second Home Shoppe was launched by MARG ProperTies in Chennai's bustling IT corridor (OMR)
- MARG Junction Mall is shaping up for a 2013 launch

Though the current slowdown has impacted India's infrastructure sector, we monetized assets to generate robust annuity income. A strong performance by all our business units helped us report a consolidated turnover growth of 7% to ₹1,007.00 cr.

The global economy is in a state of flux and it was only inevitable that the Indian economy was adversely affected as well. Monetary interventions to combat inflation increased borrowing costs; land acquisition bottlenecks, approval delays and lower-than-expected returns led to a resource crunch in the infrastructure sector. In these challenging times, our increased focus on consolidation of core competencies had a positive impact. As a result we keenly pursued operational efficiency, business development and higher capacity utilization to achieve desired returns.

A notable development in 2011-12 was the emergence of a 100-acre EduCity in the form of a diverse and industry-led experiential education eco-system to integrate a learning and living environment for global education. Swarnabhoomi Academy of Music, MARG Navajyothi Vidyalaya, MARG Institute of Design and Architecture Swarnabhoomi (MIDAS) and Exemplarr Centre for Employability and Learning (EXCEL) are already functional. A recent addition is MARG Swarnabhoomi Institute of Creative Technology (MSICT) to offer globally recognized, innovative degrees and certificate programmes in design and creative technology. Moreover, Virginia Tech University has signed a MoU and is in the process of setting up its Centre of Excellence at MARG Swarnabhoomi

2011-12 HIGHLIGHTS

Despite a challenging business environment, I am proud to report several highlights for 2011-12:

- Significant investments for capacity augmentation were made at MARG Karaikal Port. Agreement signed with Ascent Capital Advisors Pvt. Ltd. for a PE investment of ₹200 cr and a term sheet signed with Jacob Ballas for a primary-cum-secondary investment of ₹200 cr
- MARG Karaikal Port handled 6.01 MMT of multi-cargo and reported a topline of ₹221 cr, operating profit (EBITDA) of ₹100 cr and profit after tax of ₹23 cr

▪ EPC revenues surged 43% to ₹1,440.00 cr in FY2012 while external EPC assignments stood at 41%

▪ MARG Swarnabhoomi's revenues were ₹88 cr; significant progress was made in the education services and residential space areas

▪ MoU signed with Tecpro Energy Systems Twin Disc (Far East) Pte. Ltd, Eswari Electricals and Kwik Patch Ltd. for the engineering SEZ

▪ Virgo, P.H. Hydraulics & Pneumatics, Eswari Electricals and Van Spall Associates commenced operations with total engineering exports of ₹12.21 cr in FY12

▪ MARG ProperTies, the real-estate arm of MARG, marketed 0.53 million sq. ft comprising 497 units in FY12 with a sale value of ₹157 cr

Overall, the consolidation of our assets to fund our core investment areas has helped us reap the benefits of scale and integration.

KEY CHALLENGES AND RESPONSES

The year 2011-12 was challenging for our business.

Our port operations at Karaikal were impacted by a slowdown in coal demand on account of delays in the commissioning of coal-fired thermal power plants. We diversified our cargo as MARG Karaikal Port turned into a truly multi-commodity and multi-cargo port. Dedicated infrastructure was created to handle containers and liquid cargo. The diversified cargo mix included liquid cargo, container cargo, project cargo, fertilizer and sugar. As a result, March 2012 saw a record 850,000 tonnes of handled cargo, the highest ever in a single month, while year-on-year cargo volumes grew 26% in FY12.

The real-estate market encountered a demand slowdown on account of limited liquidity and high cost of borrowings. We made niche branded launches with a focus on attractive locations and pricing. We sustained our strategy to extract the highest value from our

land holdings through outright sale or development.

In our EPC business, we sought international opportunities to counter the slowdown in domestic demand. MARG EPC also initiated the process of creating a niche through sector specialization – strengthening equipment base and technology, inviting alliances and mobilising resources across specific sectors. This enabled us to enter the industrial projects space and I am optimistic that this unique positioning will help our EPC business emerge stronger.

SHAREHOLDER MESSAGE

At MARG, our focus on consolidation will eventually help us create centres of business excellence and enhance corporate value. Our assets, especially MARG Karaikal Port and MARG Swarnabhoomi, are gaining revenue momentum and our EPC arm is geared to pursue third-party contracts and international opportunities.

I must mention that in the light of serious economic challenges, we have only emerged stronger.

THE ROADMAP

Our focus for 2012-13 will be four-fold:

- Financial prudence with a view to strengthen our network and de-leverage the balance sheet
- Achieve higher efficiency to execute projects within schedule
- Create a lean, dynamic, passionate and responsive organisation
- Increase cash flows through core operations and monetizing non-core assets

With EPC continuing to be the core area of our business and MARG Karaikal Port, MARG Swarnabhoomi and MARG ProperTies expected to remain strong complementary business units, there is every reason to look forward to a healthy business curve.

Sincerely,

GRK Reddy



KEY HIGHLIGHTS 2011-12

MARG Karaikal Port achieved peak coal discharge rate of 58,187 MT in 24 hours against 55,912 MT in 2010-11

MARG KARAİKAL PORT

- Completed Phase 2A Berths and other ancillary infrastructure in October 2011
- Handled 6.01 MT (191 vessels) of cargo, up from 4.75 MT (122 vessels) in 2010-11
- Handled 4.74 MT of coal cargo (79% of the total cargo mix), up from 3.96 MT (83% of total cargo) in 2010-11
- Successfully handled the vessel MV Manousus P in March 2012 with a parcel size of 72,848 MT of coal cargo, the largest cargo vessel handled till date
- Handled 0.93 MT of fertiliser cargo (15% of the total cargo mix), up from 0.46 MT (10% of total cargo) in 2010-11
- Handled crude oil, refined sugar and container cargo for the first time
- Handled 290 rakes during the fourth quarter of 2011-12 and 1,087 rakes in 2011-12 vis-à-vis 745 rakes in FY2010-11. Overall, handled

1,859 rakes since the commencement of railway operations at the port

- Handled the first crude oil vessel for CPCL in February 2012
- Achieved peak coal discharge rate of 58,187 MT in 24 hours against 55,912 MT in 2010-11
- Successfully completed financial closure of ₹600 cr towards Phase 2A extension, which will enhance the total capacity to 28 MTPA
- Added customers like Grasim (for coal), CPCL (crude oil), Indian Potash (fertiliser) and Bannari Amman (agro)
- Signed an agreement with Ascent Capital Advisors India Private Limited for a PE investment of ₹200 cr; availed the drawdown through primary investment of ₹50 cr and secondary investment of ₹150 cr
- Signed term sheet with NYLIM Jacob Ballas for PE investment of ₹100 cr (primary) and ₹100 cr (secondary from IIF to Jacob Ballas);

₹100 cr received from Jacob Ballas in Karaikal Port in April 2012

- Receipt of sanction from IIFCL for partial takeout of ₹86.21 cr out of Phase 1 term loans at a lower rate of interest
- Turnover increased 31% from ₹169 cr in 2010-11 to ₹221 cr; EBIDTA increased 26% from ₹79.07 cr in 2010-11 to ₹99.61 cr; post-tax profit fell by ₹0.64 cr to ₹23.36 cr in 2011-12 on account of higher deferred tax (up by 8%), depreciation (up by 34%) and interest (up by 54%) subsequent to the capitalisation of Phase 2

MARG SWARNABHOOMI

ENGINEERING SEZ

- MOU/ leases signed with Tecpro Energy Systems, Twin Disc (Far East) Pte Ltd, Eswari Electricals and Kwik Patch Ltd, taking the total number of units in the LES (light engineering services) space to eight in 2011-12 compared with four in 2011
- Virgo Engineers, P.H. Hydraulics and Pneumatics, Eswari Electricals and Vanspall Associates commenced operations from their



plant at the engineering SEZ in 2011-12, taking the number of operational units to five during the year under report as against one in 2010-11

- Total exports from the engineering SEZ in 2011-12 stood at ₹12.21 cr; apart from this, the SEZ to SEZ and SEZ to DTA sales stood at ₹6.77 cr

SCIENCE AND TECHNOLOGY PARK

- Construction of Phase-I, spread over 210,000 sq. ft of wet laboratory building, is underway at MARG Swarnabhoomi
- Biophenolika Polymers has obtained



approval from the Development Commissioner of State Government of Tamil Nadu for setting up an R&D center in polymers

- Virginia Tech University signed an MOU and is in the process of setting up its Centre of Excellence at the Science and Technology Park
- Institute of Clinical Research India (ICRI), a leading Indian player in clinical research training, is in advanced stages of setting up a campus at the Science Park Multi-services

Executed a lease agreement with Exemplarr Worldwide for their Operations Center/ EXCEL Finishing School (Exemplarr Center for Employability and Learning) at Amrita Towers and it was inaugurated in May 2011 by CTS Vice Chairman Mr. Lakshminarayan

The EXCEL finishing school commenced its first batch of certification programme targeting the ITeS sector in e-publishing at Amrita Towers. The finishing school concept is set to bridge the gap between skill sets produced at universities and skill sets required by industries

Executed an in-principle agreement with reputed international institutes from Australia to set up vocational training centres at Amrita Towers

Entered into discussions with IT majors for setting up their training-cum-operation centre at MARG Swarnabhoomi

Reached advanced stages of discussion with a Singapore-based international school to set-up an IB (International Baccalaureate) school at MARG Swarnabhoomi



MULTI-SERVICES: NON-PROCESSING

- A polyclinic and convenio store are currently operational at the MARG Swarnabhoomi to cater to the needs of its employees and residents
- Initial discussions are in progress for setting-up a multi-purpose sports complex, a golf course and a sports medicine centre at MARG Swarnabhoomi
- In discussion with a Chennai-based adventure sports operator to set-up an adventure sports-cum-outbound activity center at MARG Swarnabhoomi
- In discussion with an established operator to provide serviced apartment services at MARG Swarnabhoomi to serve both the internal demand and tourist population of ECR



MARG Institute of Design and Architecture Swarnabhoomi (MIDAS) was launched and is functioning with 56 students with exposure to international architects from Spain and Singapore

- Seventy six students graduated from the Swarnabhoomi Academy of Music (SAM)
- Swarnabhoomi Academy of Music (SAM)



produced three bands. SAM is in the process of signing an international experience agreement with an international music school based out of Minnesota

- MoU signed with Malaysia-based

Limkokwing University of Creative Technology to provide industry-driven programmes on games, animation, creative multimedia, advertising, fashion and hair design, interior design, product design and tourism management, among others

HOMES

- MARG adjudged the second leading developer in Chennai city, in residential sales
- 755 flats sold in 2011-12 with a sale value of ₹126 cr

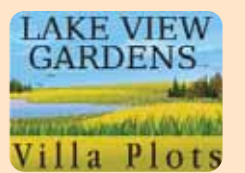


- Launched Swarnabhoomi Cityscapes, the plot sales vertical, and created a revenue-generating vertical for the business

EPC

- Financial year 2011-12 revenues stood at ₹1,440 cr, registering an increase of 43%
- Current EPC order book stands around ₹3,250 cr with external orders accounting for 30% of the total order book

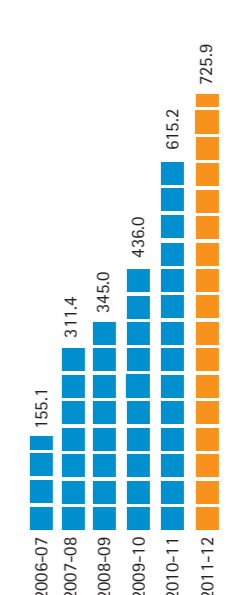
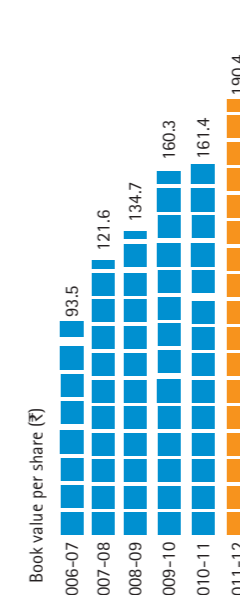
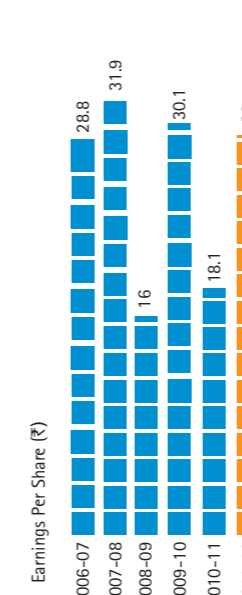
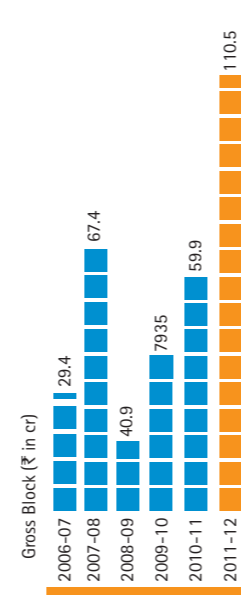
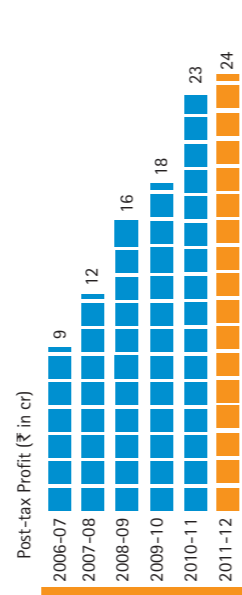
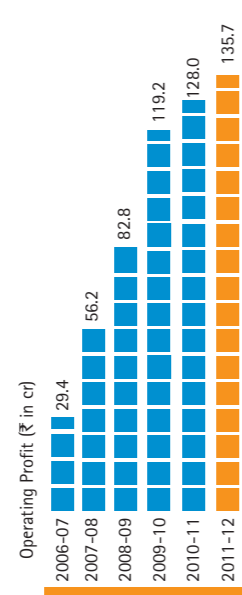
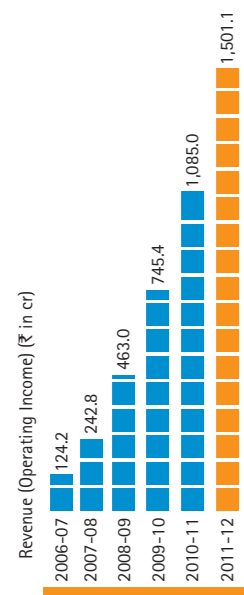
SWARNABHOOMI CITYSCAPES



EDUCATION SERVICES

- MARG Navajyothi Vidyalaya was launched and got affiliated to CBSE within seven months of inception. The total count of students is 226

FOUNDATIONS OF THE PAST. CHALLENGES OF THE FUTURE





- Successfully completed and handed over berths with allied civil infrastructure at MARG Karaikal Port. Mechanisation works like tank farms, stacker-cum-reclaimer systems, truck and wagon loading systems and ship unloaders neared completion
- Residential building for NBCC (Rohtak), non-plant building for IOCL and HPCL, ELCOT



IT Park project at Trichy and PADCO Housing Project were handed over

- Won prestigious external projects including orders from Bhavnagar Energy Company Limited for design, engineering, supply, erection and testing and commissioning of sea water intake, outfall

and circulating water system for 2x250 MV lignite-based thermal power plant; mobilisation and design approvals are complete

- Also bagged new projects from the Lucknow Development Authority, National Building Construction Company Ltd and Braithwaite & Co Ltd
- Doubled the value of plant and machinery and other construction equipment; mobilisation and design approvals are complete

MARG PROPERTIES – REAL ESTATE – RESIDENTIAL

- The Brand Mascot Mr. Joy was launched



with an overwhelming response and has since generated a high recall. A unique campaign was adjudged the "Most Innovative Marketing Campaign", pipping some of the leading brands in the real estate sector.

- 'Kalpavriksha' – Phase-I was sold out within a month of launch
- Overall customer base touched 1,750
- Order booking touched ₹155 cr in FY12; cumulative order booking reached ₹450 cr
- Achieved ₹100 cr of collection in FY12; cumulative collection stood at ₹219 cr
- The Pushpadruma project was completed and handing over is in progress. More than 300 units were handed over and close to 100 families have moved in



- Vishwashakthi Phase-I is all set for hand over in first quarter of FY13
- Innovative HR practices were implemented at all project sites in the last quarter of FY12 to engage workforce with the brand 'Ullaasam'

FIRST IN THE REAL ESTATE INDUSTRY

MARG ProperTies Second Home Shoppe	A brand new Home Shoppe was launched on the strategic IT Expressway/OMR, expanding footprints of this "First in India" concept
Customer Engagement Program	In 2012 MARG ProperTies conducted a unique customer get-together program called Connexions for Brindavan & Savithanjali. Over 1000 customers attended the event.
Innovative Marketing and Customer Centric Approach	<ul style="list-style-type: none"> a. Home Melas were conducted in different locations as a focused marketing effort to target niche audiences b. A central call center was setup to enable ready flow of information to customers c. Site visit experience was enhanced with the use of innovative sales aids like miniature models, OMR growth story & sales kit
Enhanced Focus on Digital Marketing	<ul style="list-style-type: none"> a. The website was revamped to show synergy with the brand and provide a clutter-free browsing experience b. A 24-hour chat service was incorporated into the website to make sure information was available to customers at all times c. The social media campaign was started with a view to target NRI customers and reach a younger target audience d. There was a renewed emphasis on GEO targeting to reach NRIs in specific global locations

- With established systems and processes in place, MARG ProperTies is looking at an impressive FY13 with cash collections of ₹300 cr and revenue of ₹300 cr; add-on revenue of ₹250 cr is expected from EPC-RE

MARG JUNCTION, OMR – REAL ESTATE – COMMERCIAL

- The project is expected to commence operations in 2012-13
- Anchor clients include PVR, Shoppers Stop, Hyper City
- Mini-anchors confirmed/under LOI stage comprise Reliance Trend, Blue-O and Times Zone
- Vanilla clients include Rayban, HP, Dosa Plaza, Marry Brown, Riyaa, EVA, Levis, Pavers England, Lee, Wrangler, Woodlands, Denizen, Archie's, Casio, Nike, Mufti, Begum, W, Canon, Kushal's Jewellery, Puma, INC.5 and New U
- Agreement with Shangri-La has been executed for development of hotel and the interior design concept is almost finalized





TO SOME, WE HAVE A FINE TRACK RECORD. TO OTHERS, WE ARE THE ENCOURAGING PRESENT.

Our turnover has grown 45% to ₹ 1,580 cr in 2011-12.



TO SOME, WE ARE ENABLERS TO OTHERS, WE ARE THE FORWARD THINKERS.

Our net profit has expanded 85% to ₹ 111 cr in 2011-12.



TO SOME, WE ARE THE ARCHITECTS OF TOMORROW. TO OTHERS, WE ARE AN INSTITUTION WITH A DIFFERENCE.

Our EBITDA margin has strengthened 167 basis points to 14%.



TO SOME, WE ARE A SECURE LOCK. TO OTHERS, WE ARE THE KEY TO THE FUTURE.

Our EBITDA has expanded 66% to ₹ 215 cr in 2011-12.





COMPETITIVE BUSINESS DRIVERS

DIVERSIFIED BUSINESS MODEL

With a diversified sectoral presence in the construction industry, the Company aims to reduce cyclical risk. The Company is present across many verticals comprising infrastructure, real estate development and services (EPC projects, dredging and logistics). This diversified portfolio helped de-risk the Company's business even during downturns.

EXPERIENCED MANAGEMENT

The Company possesses an experienced team with strong capabilities in project execution, implementation and development. It has a qualified workforce of engineers, comprising skilled operators and technicians with an average industry experience of over ten years, essential for efficient and effective project execution. The strong project monitoring team and support system facilitate the delivery of projects within cost and schedule.

EXECUTING LARGE AND COMPLEX PROJECTS

The Company focuses on large, complex, high-value projects that require significant technical competence. To further strengthen its operations management and execution, it implemented SAP ERP and other IT systems. The Company believes that its expertise in diverse infrastructure project implementation provides it with a significant advantage in an industry where expansion is projected.

TAPPING OPPORTUNITIES IN THE INFRASTRUCTURE SECTOR

The increasing level of investment in infrastructure with thrust on the PPP/BOT model acted as the Company's main business driver. The Company is strategically positioned to exploit synergies that exist in the infrastructure and real estate sectors, demonstrated by its expertise in the port, road, infrastructure and real estate sectors.

REGIONAL DEVELOPMENT MODEL - DRIVING GROWTH

The Company's business transcended from being an asset-light model to a mix of light and heavy assets, with high visibility and a sustained earnings model. The Company continues to achieve this by setting up infrastructure assets and providing ancillary services to boost development of the surrounding hinterland. Cash flows from short-term EPC business are expected to support initial capital for its real estate and infrastructure assets, which will drive the company's future growth.

PRE-QUALIFICATION CREDENTIALS

The Company's track record of having completed (or being engaged in) power, windmill, commercial buildings, MARG Karaikal Port and MARG Swarnabhoomi helped pool experience, which enables it to bid for other large infrastructure projects.

RESEARCH-BASED PROJECTS

The Company, along with its subsidiaries, carries on strong research in terms of marketability, location, target customers and pricing, among others for the successful execution of projects (including residential and commercial projects). The Company is currently developing many commercial and residential projects in high potential Tier-II and Tier-III locations. The Company successfully markets these projects supported by their location, pricing and quality. The Company's commercial developments are located in areas that are attractive to corporate and multi-national clients. For example, the Company's MARG Junction project is located on OMR, a high potential area with corresponding dearth of retail and hospitality space.

EXTENSIVE LAND PARCELS

The Company acquired large tracts of land in different areas over the years at low prices and is set to capitalise on this land by developing infrastructure to cater to demand that has returned with companies willing to establish units in SEZs, and to capitalise on the strong demand for housing and commercial space. The Company expects these residential townships to become self-sustaining communities with long-term potential.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company believes in the growth and development of itself and society. True to this philosophy, the Company organised skill development programmes, healthcare initiatives and strengthened infrastructure in several schools in and around its area of operation. This helped the Company build mutual relationships leading to smooth project completion and employment.

BUSINESS SEGMENTS AT A GLANCE

BUSINESS DIVISIONS	SUBSIDIARY	INVESTMENT	OWNERSHIP	FEATURES	PROJECT STATUS
Marine infrastructure	Karaikal Port Private Limited	Phase I- ₹4bn Phase IIA- ₹15.69bn Phase IIA Extension- ₹6bn	80.6%	*50-year concession (30 years extendable by 10 years +10 years) from the Puducherry Government	Phase II A operational; Phase II A extension work ongoing
	Minor port cum ship repair yard	₹9 bn	90%	* Situated at Mugaiyur, Tamil Nadu, 5 km from MARG Swarnabhoomi * Expected to attract private ships due to no competitor being present in nearby locations * Received an approval from the Government of Tamil Nadu; currently conducting feasibility studies, land acquisition and master-planning activity	MoU signed with Tamil Nadu Government
	MARG International Dredging Pte Ltd Singapore		100%	The Company can generate additional revenue by leasing dredgers to other companies once its engagement at MARG Karaikal Port is over	Captive use
	MARG Logistics Pvt Ltd		100%	* Handles multi-cargo through multimodal transportation (rail, road and sea) of the entire logistic management of MARG Karaikal Port * Plans to set up logistic hubs in different parts of South India	Equipment acquired
Urban and industrial infrastructure	MARG Swarnabhoomi		100%	* Industrial, residential and commercial development on 612 acres land, 89 km from Chennai	Development and ongoing sale of land
	EPC		100%	EPC for building, road and port construction for both in-house and external clients	Order book ₹ 3250 cr (external 30%)
	MARG ProperTies			Residential projects	



Former President of India Dr. A.P.J. Abdul Kalam plants the one millionth sapling at Cuddalore to mark the successful completion of the Green Kalam initiative

CORPORATE SOCIAL RESPONSIBILITY AT MARG

At MARG, social endeavour emanates from the need to visualize the future in the next 20 odd years and then work backwards to create economically, socially, culturally sustainable models. MARG as an organization has redefined the fundamentals of urbanization by creating eco-systems where the surrounding environment is an integral part. MARG Parivarthan, the CSR arm of MARG Group, has been instrumental in transforming rural communities around project sites through a host of social development

activities strategically planned to improve the vital socio-economic parameters.

APPROACH AND STRATEGY

Our CSR programmes are aimed at achieving the Five A's that are vital access indicators for any developed society:

- Access to quality education for all (both academic and life skills)
- Access to health services
- Access to basic amenities (livable houses,

total sanitation, zero waste management)

- Access to profitable livelihood options
- Access to pollution free environment

In achieving the above objectives, we strategically focus our efforts to a clearly defined geographical area covering contiguous Panchayats around our project locations. The objective was to create a cluster of model Panchayats initially around our project locations and thereafter upscale it gradually to cover a wider population.

FOCUSED INTERVENTION

Sustained rural focus

- *17 Panchayats
- *54 villages
- *40,000 population

Operational methodology

- *Direct implementation
- *Partnership with NGOs
- *Supplementing Govt. welfare schemes

Thrust areas

- *Education for children
- *Health
- *Community infrastructure
- *Environmental protection

QUALITY EDUCATION

Towards ensuring quality and continuous education to rural children, MARG has been implementing a three-pronged strategy to address the issue holistically:

- i) Improving school infrastructure to enhance the teaching and learning environment
- ii) Facilitating children education through guided evening study centres
- iii) Operating shuttle services for a hassle-free, timely and safe journey to distant schools
 - Hassle-free school journey for 320 children by operating free shuttle services
 - Eight evening study centres that helps around 415 children revise lessons every day after school hours
 - Revived computer education at Thiruvalluvar Higher Secondary School, Ambagarathur, Karaikal by donating five desktops
 - Organised a district level 'Career Guidance' programme at Nagapattinam in collaboration with M.S. Swaminathan Research Foundation
 - Published and distributed an exhaustive 'Career Guidance Handbook' compiling various career streams that youngsters from Nagapattinam can pursue
 - Sponsored study guides for 12th standard students to prepare for their public examinations. More than 16,000 students benefited through this initiative

- Introduced several co-curricular and extra-curricular activities in Panchayat schools around its project sites, which includes yoga sessions, training on communicative English and Bharathnatyam
- Conducted 10-day summer camps for 230 rural children

HEALTHCARE

MARG's efforts towards improving healthcare and its delivery system enables the rural poor to access quality health services. Periodic health camps were conducted in collaboration with reputed hospitals. Rural health standards (especially for women) improved through MARG's village health centres that provided free consultation and medicines.

INFRASTRUCTURE DEVELOPMENT

MARG leveraged its core competence to develop infrastructure in rural areas. Realizing the impact of civic infrastructure on the overall development of the community, MARG has constructed classrooms for Government schools, individual toilets, ponds as a means to conserve water, renovated Aanganwadi buildings and drainages and installed reverse osmosis plants at public places for providing safe drinking water.

In order to supplement the Government's efforts in infrastructure creation, MARG has contributed towards developing essential infrastructures under state Government scheme 'Namaku Namey Thittam'. Under this scheme mud roads were converted to concrete roads and Aanganwadi buildings constructed along with drainages, flood protection walls, culverts, compound walls etc.

- Donated 180 sodium vapour lamps to light the streets of three Panchayats around MARG Swarnabhoomi

- Landscaped a garden at the Nagore General Hospital
- Constructed a kitchen room for the child care centre at Keezhavanjore village
- Sponsored dumper bins for Nagapattinam Municipality as part of a clean city drive programme
- Installed reverse osmosis plants to provide potable drinking water at public places like the Nagapattinam Central Library, Nagapattinam Commissioner's Office and Nagore Dargah
- Constructed 40 toilets as part of the total sanitation initiative at Keezhavanjore village

SKILL TRAINING AND EMPLOYMENT

While the new economy has opened up job opportunities across sectors, the need of the hour is training and skill development. The



rural poor who have no means to learn are given training in the areas of their interest and competence. MARG in partnerships with technical institutes allows underprivileged youth to be trained in trades such as driving, JCB operation and maintenance, tailoring and embroidery, among others. The youth were also trained and found ready employment in



companies. A few others also became self-employed.

EMPOWERING WOMEN

Self-help groups have proved to be the most effective approach to make women economically self-reliant. Women are encouraged to start home-based enterprises through training, financial support and market linkages.

Cooperative ventures were one of the interesting developments that MARG has facilitated among the SHGs.

Women groups started coffee kiosks, photocopying and mobile recharge services as profitable income generation activities. MARG also supported individual women with startup capital to take up income generation activities.

RELIEF AND REHABILITATION

We distributed foodgrain for the Thane cyclone-affected families from Keezhavanjore, Melevajore and Vadakkuvanjore village. Over 700 families were benefitted.

ENVIRONMENTAL INITIATIVES

MARG accords high priority to environmental compliances and has put in place a state-of-the-art environmental and pollution control systems and processes. Reiterating our commitment to environmental protection,

MARG has initiated tree plantation drive across its operational areas.


MARG has been an active promoter of mega environmental campaigns that are aimed at educating and encouraging public for adopting eco-friendly measures. MARG's mass environmental campaigns in the reporting year included the 'Green Kalam' initiative and 'Earth Hour 2012'.

'Green Kalam', a mega environment-friendly initiative spearheaded by Padmashree-award winning actor Vivekh with active support from the MARG Group, has successfully completed plantation of more than one million tree saplings across Tamil Nadu. MARG's continued support to this movement has helped achieve the desire of Dr. A.P.J Abdul Kalam to plant 10 lakh saplings across Tamil Nadu. As part of this initiative, around 25,000 saplings were planted at MARG Swarnabhoomi at a function on September 30, 2011 attended by noted actor Vivekh.


Earth Hour 2012: MARG (in association with the World Wide Fund for Nature India), organised Earth Hour 2012, a global campaign inspiring governments, businesses, communities and individuals to take a stand against climate change. The Earth Hour 2012 was observed in Chennai on March 31, 2012 with an active participation of school children, film personalities, celebrities and media. Over 350 people, including children, pledged to conserve energy.

MARG – MSSRF "KNOWLEDGE CONNECTIVITY" PROJECT


This collaborative project between MARG and MSSRF harnesses modern ICT for bridging the gap between lab-derived knowledge and field-based skill gap. The project is conceived as a five pronged strategy that includes need assessment, audio-advisories, helpline, phone-in-programme and community newspaper. The project serves to provide



KALAI SEKVI, SHG MEMBER, AKKIRAM VILLAGE
"The information on preventive & first aid medicine on animal husbandry helped to cure the fractured leg of my neighbour's goat."



RAMAKRISHNAN, FARMER, PRADARAMAPURAM VILLAGE
"I saved the groundnut crop raised in 2.5 acres by timely application of pesticides to control the root rot disease following the audio advisory of MARG – MSSRF project. The advisory saved me from a loss of ten thousand rupees."



MANIKAVAZHAGAM, FARMER FROM VADAKKU POIGAINALLUR VILLAGE
"The audio advisory message on the benefits of summer ploughing is timely and helped me to quickly act to retain the soil moisture, killing of harmful organism in the soil."

need based locale-specific demand-driven dynamic information to 20,000 farmers, fisher folk and SHG women covering 32

villages in Karaikal and Nagapattinam districts.

Benefitting 20,000 farmers, fishermen and women SHGs:

- Audio advisories through mobile phones
- Training programmes
- Phone-in-services
- Helpline

MARG's involvement in this social endeavour is part of the Group's philosophy to improve

society and environment. MARG's social initiatives have been widely appreciated for their innovative programmes and have received accolades nationally and globally. During this financial year, MARG received two prestigious awards which includes the globally acclaimed Golden Peacock Awards 2012 and the second one - Excellence in Social Service for CSR at India Leadership Conclave 2011. These awards are in appreciation of our CSR efforts and the socially-driven initiatives of MARG.



GOLDEN PEACOCK AWARD FOR CSR



PURA: SOCIAL INNOVATION INITIATIVES

OVERVIEW

PURA, acronym for 'Provision of Urban Amenities in Rural Areas', is a flagship programme of the Ministry of Rural Development, Government of India. The programme was envisioned by former President of India Dr. A.P.J. Abdul Kalam, to augment conventional rural development programmes and projects. PURA encompasses development of a package of urban facilities by selected private developers within three years, with the principal components comprising clean water supply to households, storm water drainage, well-maintained village streets, sanitation and sewerage network and solid waste management. This is integrated with new economic activities and job-oriented skill development, thereby enhancing the livelihoods of the rural populace. The selected private developer will maintain the facilities for 10 years and develop local capacity for sustaining it thereafter.

PURA PILOT PROJECT DETAILS

MARG, in consortium with the National Agro

Foundation (NAF), bagged two pilot projects (out of 10 selected projects) through a competitive bidding process involving 94 private entities. MARG's projects will cover 5 villages and benefit more than 23,000 rural people. The first pilot project in the Karaikal district of Puducherry UT is under implementation at an estimated outlay of ₹120 cr and covering a cluster of 5 villages with a 23,000-strong population spread over an area of 22 sq. km. MARG will endeavour to distribute on an average 50 litres of water per day per capita, improve street network of around 66 km, construct community toilets, collect and treat over 7 MT of organic waste per day and will impart job-oriented training to over 3,000 youth. Overall, an investment of ₹120 cr spread across 13 years will lead to a projected tripling of income in the Karaikal PURA village cluster.

SOCIAL INNOVATION AND ITS RELEVANCE TO REGIONAL DEVELOPMENT

PURA focuses on social innovation that directly improves the living standard of the BPL (below poverty line) and socially-backward strata of the community. It is an innovative business model that combines profit (add-on projects) with social good (MoRD and non-MoRD projects), making it as a high-yield corporate social business (CSB) designed to provide a guaranteed return of 15% on the capital invested by the private developer. MoRD provides sufficient funds in advance by way of

grants so as to mitigate project delays and overruns. With emphasis on the use of cost-effective and proven methods (such as the use of renewable and unconventional energy, innovative ways of designing storm water drainage and use of new agricultural methods to improve productivity), PURA will transform Indian villages into vibrant laboratories for rural innovation and entrepreneurship. Successful project implementation will create a harmonious atmosphere between the urban and rural centres. Further, empowering the grass-root and middle-level strata in the age group of 18-40 years through skill development will solve the chronic problem of skill-shortages in the region.

MARG, with its inclination towards holistic regional development through social innovation, is playing a pioneering role.

RURAL TRANSFORMATION

The Planning Commission is expected to showcase PURA as a revolutionary form of social innovation and is likely to roll out over 40-50 such projects across the nation in the Twelfth Five-Year Plan with an outlay of ₹500 cr which has been agreed upon by the Planning Commission as per the Union Ministry for Rural Development, Government of India. The National Agro Foundation is the consortium partner in PURA projects and enjoys expertise in capacity building and skill development. It is a public charitable trust founded in 2000 by Shri C. Subramaniam,



Architect of India's Green Revolution and recipient of the country's highest civilian award, the Bharat Ratna. Dr. A.P.J. Abdul Kalam became the Chairman of the NAF Governing Council after C. Subramaniam, the post he relinquished after becoming the President of India. The organisation's projects span across agriculture development, animal husbandry, social development, watershed and training.

PURA projects are being implemented by the MoRD, with support from the Department of Economic Affairs, Government of India and technical assistance from the Asian Development Bank.

MARG's projects will cover 5 villages and benefit more than 23,000 rural people

Awards and recognition, 2011-12

Three awards at the prestigious India Leadership Conclave 2011 held at Mumbai

1. 'India's Most Admired Infrastructure Company 2011'
2. 'Excellence in Social Service for CSR'
3. 'Innovative CEO of the year' for GRK Reddy, Chairman and Managing Director, MARG Group

Conferred with the 'Asia Pacific Excellence Award 2011' at the international conference on Indo-Nepal Friendship and Economic Co-operation held in Kathmandu on May 21, 2011

'Indian Leadership Award for Industrial Development' conferred on GRK Reddy towards his remarkable contribution to nation building and holistic regional growth, at New Delhi on June 11, 2011

MARG Karaikal Port awarded as 'Emerging Port of the Year' at the South East Cargo and Logistic Awards in July 2011 at Chennai

Two awards at the Construction Week 2011 at Mumbai on August 26, 2011

1. GRK Reddy conferred as the 'Infrastructure Person of the Year'
2. MARG Karaikal Port awarded the 'Seaport Project of the Year'

Inc India 500 ranked MARG as 68th among India's fastest growing mid-size companies

Recognised as the '2nd fastest growing infrastructure company (medium category) at the Construction World 2011' study



GRK Reddy awarded as 'Person of the Year' at the fourth GIREM Leadership Summit in September 2011 at Goa

GRK Reddy recognised as an 'Outstanding Entrepreneur' at the Asia Pacific Entrepreneurship Award in November 2011 at New Delhi

MARG recognised for its Outstanding Contribution in Port Sector Projects at the EPC World Awards 2011 held in Bengaluru on December 17, 2011

Special Jury Award for GRK Reddy at the Gateway Awards of Excellence – Port and Shipping 2012 on January 19, 2012 at New Delhi

MARG Karaikal Port recognised with EXIM Achievement Award for its operational efficiency in EXIM operations by the Tamil Chamber of Commerce on February 7, 2012

GRK Reddy conferred with 'Exemplary Leadership Award' at the India Leadership Summit 2012 organised by Bengal Chamber of Commerce & Industry, Kolkata

GRK Reddy conferred with the title 'Real Estate Icons of India 2012', an exclusive listing of distinguished industry leaders in India

Received the 'Innovative Real Estate Marketing Campaign of the Year', acknowledging the path-breaking Mr. Joy campaign in 2011

MARG bagged the globally prestigious 'Golden Peacock Award' 2012 for its CSR initiatives at the Seventh International Conference on Social Responsibility in Dubai (UAE)

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. S Ramasundaram

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

No.334, Futura Tech Park, Rajiv Gandhi Salai,
Sholinganallur, Chennai - 600 119

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 take pleasure in presenting the Seventeenth Annual Report along with the audited accounts for the financial year ended 31st March 2012.

1. FINANCIAL RESULTS:

(₹ in Crores)

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Income from operations	1,501.09	1,085.01
Non-operating Income	78.91	1.07
Total income	1,580.00	1,086.08
Profit before Depreciation, Finance cost and Tax expense (EBDIT)	214.64	129.15
Depreciation	12.34	6.89
Interest & Finance charges	39.69	27.61
Profit before Tax	162.61	94.65
Tax Expense	52.12	34.78
Profit after Tax	110.49	59.87
Balance in Profit & Loss Account	231.43	184.94
Amount available for appropriation	341.92	244.81
Dividend	Nil	7.62
Dividend Tax	Nil	1.26
Amount transferred to General Reserve	Nil	4.50
Balance in Profit and Loss Account	341.92	231.43

During the Financial Year 2011-12, total revenue of the Company was ₹ 1,580.00 Crores representing a growth of 45.48% over the previous year. The EBDIT also increased to ₹ 214.64 Crores, a growth of 66.19% and PAT increased to ₹ 110.49 Crores, a growth of 84.55% as compared to previous year. The basic Earnings Per Share (EPS) was ₹ 28.99 on capital on 381.19 Lakhs weighted average number of equity shares and Diluted Earning Per Share was ₹ 28.97 on 381.47 Lakhs weighted average number of equity shares of ₹ 10 each for the year under review.

2. DIVIDEND

Keeping in view the future requirement of funds, your Directors have decided not to recommend any Dividend for the financial year ended on 31st March, 2012.

3. BUSINESS HIGHLIGHTS 2011-12

- A. MARG EPC Business has earned revenue of ₹ 1,440 Crores, registering increase of 43% year to year. The Company has bagged an Order worth ₹ 237.58 Crores from Bhavnagar Energy Company Limited, Gujarat and foray into Gujarat's Infrastructure Space and also bagged new project from Lucknow Development Authority, National Building Construction Limited and Braithwaite & Company Limited. Current EPC order book stands around of ₹ 3,250 Crores with external orders accounting for 30% of total order book.
- B. Karaikal Port Private Limited, (KPPL) a subsidiary of your Company has successfully handled the biggest cargo vessel the MV Manousus P with parcel size of 72,848 MT of coal cargo and also handled 1,087 rakes in FY 2011-12. Turnover of KPPL has increased 31% from ₹ 169 Crores in 2010-11 to ₹ 221 Crores in the current financial year; EBIDTA increased 26% from ₹ 79.07 Crores in 2010-11 to ₹ 99.61 Crores; post-tax profit fell by ₹ 0.64 Crores to ₹ 23.36 Crores in 2011-12 on account of higher deferred tax (up by 8%), depreciation (up by 34%) and interest (up by 65%) on account of capitalisation of Phase 2A expansion and higher interest rates for Phase I in 2011-12.
- C. MARG Swarnabhoomi Sign MOU with Tecpro Energy Systems, Twin Disc (Far East) PTE Ltd, Eswari Electricals and Kwik Patch Ltd taking the total number of units in the LES (Light Engineering Services) space to eight in 2011-12 compared with four in 2010-11.
- D. MARG Swarnabhoomi Sold 755 Flats in FY 11-12 with a Top line Business of ₹ 125.93 Crores. The Company has launched Swarnabhoomi Cityscapes, the plot sales vertical and created one more revenue generating vertical. The Construction of Science and Technology Park Phase – I spread over 210,000 sq.ft of wet laboratory building is underway at MARG Swarnabhoomi.
- E. MARG Properties Limited, a Wholly Owned Subsidiary of your Company has launched the second MARG ProperTies Home Shoppe on OMR in FY 11-12 and has raised the cumulative booking order to ₹ 450 Crores, comprising order booking of ₹ 155 Crores raised in FY 11-12.

4. AWARDS & RECOGNITIONS

Your Company has received the following awards and recognitions in the FY 2011-12:

1. "Inc India 500" ranked MARG as 68th among India's fastest growing mid-size companies,
2. MARG Limited recognized for its "Outstanding

contribution in Port Sector projects" at the EPC World Awards 2011 held at Bangalore

3. MARG Karaikal Port awarded as 'Emerging Port of the Year' at South East Cargo & Logistic Awards in July 2011 at Chennai
4. Recognized as the 2nd fastest growing infrastructure company (Medium Category) at the Construction World 2011 study
5. MARG Karaikal Port recognized with 'EXIM Achievement Award' for its operational efficiency in EXIM operations by Tamil Chamber of Commerce
6. MARG bagged the globally prestigious Golden Peacock Awards 2012 for its CSR initiatives at the 7th International Conference on Social Responsibility in Dubai (U.A.E)

5. DIRECTORS

Mr. Arun Kumar Gurtu, Director retires by rotation and being eligible offer himself for re-appointment at the ensuing Annual General Meeting.

Mr. G R K Reddy, has been re-appointed as Managing Director of the Company w.e.f 1st April 2012 for a period of 5 years subject to the shareholders approval at the ensuing Annual General Meeting.

Mr. G Raghava Reddy, Promoter Director and Mr. Sai Baba Vutukuri, Independent Director has 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 of their office as Director of the Company.

6. AUDITORS

M/s. K Ramkumar and Co., Chartered Accountants, Statutory Auditors of the Company, hold 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 RECORDS

During the financial year 2011-12, 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 financial year 2011-12 with Central Government as prescribed under Companies (Cost Accounting Record) Rules, 2011, in due course.

8. SUBSIDIARY COMPANIES

A. STATUS

Your Company has 41 subsidiaries as on 31st March 2012. Pursuant to the Government of India's General Circular No: 2 /2011 (No: 51/12/2007-CL-III) dated 8th February, 2011



issued by Ministry of Corporate Affairs, the Company has been exempted from attaching the accounts and other information of subsidiaries as required under Section 212 (1) of the Companies Act, 1956. However, a statement is attached in Consolidated Balance Sheet providing the stipulated financial information for each subsidiary. As per the conditions of the above Circular, the same forms part of the annual accounts of the Company.

The Consolidated Financial Statements duly audited are presented along with the Accounts of your Company in this Report. The annual accounts of subsidiary companies are kept at the Company's Registered Office and also at the respective registered offices of the subsidiaries and shall be made available for inspection to the members/ investors of the Company/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 approved by the Board of the Directors of the Company 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 note 40 to the Notes on Account, forming part of the accounts. 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 2012, the applicable accounting standards has 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 Annual Accounts for the financial year ended 31st March 2012 on a "going concern basis".

14. FIXED DEPOSITS

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

15. EMPLOYEE STOCK OPTION SCHEME

Your Company has implemented Employee Stock Option Scheme for the benefit of employees of the Company and its subsidiaries, and is being governed by the Compensation Committee of the Board of Directors. During the financial year 2011-12 the Company has not allotted any shares under

Employee Stock Option Scheme.

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

16. JOINT VENTURE

Your Company has following major joint ventures companies:

- (i) Future Parking Private Limited (in which MARG holds 51% of paid-up share capital), is into joint venture with M/s. Apollo Hospitals Enterprise Limited for the development of Multi Level Car Parking (MLCP) at Wallace Garden, Chennai on BOT basis for a period of 20 years including 2 years of construction period with a provision of right for development of commercial complex along with the MLCP facility for the entire BOT period.
- (ii) Signa Infrastructure India Limited (in which MARG holds 74% of paid-up share capital), is into a joint venture with Housing and Urban Development Corporation Limited (HUDCO) for Techno-Financial collaboration.
- (iii) Rajakamangalam Thurai Fishing Harbour Private Limited (in which MARG holds 39% of paid up share capital), is into Joint Venture with Rajakamangalam Thurai Development Trust to develop a fishing Harbour at Rajakamangalam Thurai, Kanyakumari District.

17. CORPORATE SOCIAL RESPONSIBILITY – APPROACH TOWARDS SOCIETY

'MARG Parivarthan' – Inspiring a Chain of Change:

The CSR arm of MARG Ltd, was born out of a vision to master plan the existing social fabric. Inclusive growth has been the guiding philosophy of MARG through which at all our major project sites we ensure that the surrounding population is included in the development processes and the progress is two way and mutual. MARG as an organization have redefined the fundamentals of urbanization by creating eco systems where surrounding environment is an integral part of MARG's forward march. MARG CSR initiatives have been developed as a business model, well integrated within its business operation. The commitment is for a complete SOCIAL TRANSFORMATION of neighbourhoods with sustained and diligent focus through a spectrum of development programmes under different thematic areas as follows:

Education

Towards ensuring quality & continuous education to rural children, MARG has evolved a strategy to address the issue

holistically i.e Improving school infrastructures to enhance teaching and learning environment.

Health

Periodic health camps were conducted by doctors in collaboration with reputed hospitals. Rural health standards (especially among women) improved through MARG's village health centres that provided free consultation and medicines through a doctor and para-medical staff. The villagers can also use the 24 hour ambulance service during emergencies.

Community Infrastructure

MARG has been contributing towards the improvement of social infrastructure in the neighbouring areas. Improved village infrastructures such as laying of concrete roads, street lightings, Individual toilets, anganwadi buildings, school classrooms, Reverse Osmosis plants etc.

Environment

MARG has been an active promoter of mega environment campaigns in the State that aimed to educate and encourage public for immediate action to mitigate pollution and to promote eco-friendly measures. MARG's mass environment campaigns include 'EARTH HOUR 2012' and the 'Green Kalam' initiative, an environment friendly project to plant a million saplings across Tamil Nadu. Some 25,000 saplings were planted at MARG Swarnabhoomi at a function on September 30th, 2011 attended by noted actor and Padma Shri recipient Mr.Vivekh.

Relief & Rehabilitation

MARG has responded to emergency situations & disasters by providing timely help to affected victims and their families. MARG had distributed food grain for the Thane cyclone-affected families from Keezhavanjore, Melevajore and Vadakkuvanore village of Karaikal district. Totally over 700 families were benefited.

18. 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 continued to be cordial.

19. 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 and members during the year under review.

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director
Place: New Delhi
Date: 5th September, 2012

ANNEXURE TO THE DIRECTORS' REPORT

Annexure I

Description of Account:-Foreign Currency Transactions

Expenditure:- (₹ in Crores)

Particulars		2011-12	2010-11
a	Value of Imports Calculated on CIF Basis		
	i.Components,Embedded goods and spare-parts	0.76	0.81
	ii. Capital goods	-	9.31
b	Expenditure in Foreign Currencies		
	i.Travelling Expenses	0.05	0.08
	ii. Technical /Professional & Conference Expenses	1.19	0.83
	iii. Hire Charges	40.29	35.42
	Total	42.29	46.45

Income:- (₹ in Crores)

Particulars		2011-12	2010-11
a	Income in foreign currencies		
	Dividend from Subsidiary	-	0.83
	Total	-	0.83

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: New Delhi
Date: 5th September, 2012

Annexure - II

Statement as at 31.03.2012 of ESOP Scheme 2006, pursuant to Clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

SL. No.	Description
A	Options granted: During the year no options have been granted
B	Pricing formula: Options granted to Eligible Employees under this Scheme carry an Exercise Price at a discount of 20% - 50% to the Market price of the shares determined with respect to the date of Grant.
C	Option vested (including lapsed after vesting): 64,089
D	Options exercised: 107,278
E	Total number of Ordinary Shares arising as a result of exercise of Options: 107,278
F	Options lapsed: 248,915
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: 130,992
J	Details of Options granted to: Nil 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.': ₹ 28.97
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 as reported 110.49
	Add: Intrinsic Value Compensation Cost 0.21
	Less: Fair Value Compensation Cost (Black Scholes Model) 0.32
	Adjusted Net Income 110.38
	Earning per share Basic (₹) Diluted (₹)
	As reported 28.99 28.97
	As adjusted 28.96 28.94
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: New Delhi
Date: 5th September, 2012

Management Discussion and Analysis Report

MARG Limited, recognized as the 2nd fastest growing infrastructure company (Medium Category) at the Construction World 2011 study and "Inc India 500" ranked MARG as 68th among India's fastest growing mid-size companies. 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 21 MTPA (currently being expanded to 28 MTPA); and is also developing a 612 acres 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 above, the Company is also developing and executing various commercial & residential projects in other states in Andhra Pradesh, Delhi, Uttar Pradesh and Gujarat.

Economic Environment

Financial Year 2011-12 was a challenging year, a variety of factors, including monetary tightening, rupee depreciation and continued turmoil in euro zone, fuelled anxiety about India's microeconomic and industrial outlook for 2012. GDP growth

drops to 6.9% in the financial year, registering a slowest year-on-year increase in the past two years. India's fiscal deficit continue to constrain the nation's economic growth in 2012. The Gross fiscal deficit has already touched 74.4% of the budget estimate in the first seven months of the financial year 2011-12. India's residential and commercial real estate market remain cautious in early 2012 because of prevailing uncertainty in the global market and the likelihood of further interest – rate hikes by RBI. Delays in government and regulatory decision-making have caused several road, railway, port and other infrastructure projects to fall behind schedule and a lack of long-term funding could hurt profitability and delay several projects.

A Country like India with a huge population and urban India has grown very fast in the last five years. Urbanization indicates growing population of people in middle and upper income people, providing impetus to Real Estate sector growth. MARG has committed to strength Infrastructure and Real Estate development and investing in expanding upstream business in India.

Business Verticals Overview, Business Segment Review and Outlook

EPC VERTICAL

The year 2011-12 saw multidimensional growth of EPC Division from Civil based Infrastructure Construction Company to Industrial Infrastructure / Mechanical Infrastructure provider through Mechanization works at Karaikal Port, by construction of Sea Water Intake, Outfall & Circulation system for Power Plants for Bhavnagar Energy Company Limited in Gujarat, Fabrication of Railway Wagon for Braithwaite & Co Ltd and into Dredging by executing projects for Government of Puducherry. The Turnover for the year stands tall at ₹ 1440 Cr registering a Year over Year Revenue growth of 43%.

To summarize the project developments; Berth 3&4 is completed in Karaikal Port, Structure for Amirtha Tech & Innovation Park is complete, ELCOT IT Park at Trichy is Handed Over, Navarathna Phase II in Swarnabhoomi, Housing Project for PADCO is Constructed, Pushpadruma is in Handover Stage, Handed over Non Plant building for IOCL & HPCL, Hostel Building at Rohtak for NBCC and RR Hospital for MES & BHEL Residential project is in handover stage. The robust Order book of ₹ 3,350 Cr by March 2011 is reinforced by new external orders worth more than ₹ 500 Cr and we need to work for more than two years at current operational level to execute the order book as on March 2012.

The Company got awarded for works worth ₹ 290 Crore to Design, Engineering, Manufacture, Supply, Erection, and Testing & Commissioning of sea water intake, Outfall and circulating water system for 2*250 MV Lignite based thermal power Plant from BECL (Bhavnagar Energy Company Limited) and for Construction of Fish landing Centre at Nagoor, Maintenance Dredging at Ariyankuppam, Construction of Apartments in Bangalore by Century Joint Developments Private Limited. The North EPC vertical executing various projects namely Pravashi Bharatiya Kendra (NRI Centre) at Chankya Puri and IPO Building at Dwarka of NBCC, Test Research Laboratory of HSCC, Army Hospital and Technical & Administrative Accommodation of MES, Multi-Storey flats for BHEL at Jagdishpur, UP and Railway projects of Northern Central Railway and three projects of high rise residential apartments for Lucknow Development Authority and for Uttar Pradesh Housing and Development Board in Lucknow.

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 fourth successful year of operations. Phase 2A Extension to further augment the Port capacity to 28 MMT has commenced in the Financial Year 2012. The Port has handled 6.01 MMT of cargo in Financial Year 2012 as against 4.75 MMT in Financial Year 2011, which is a straight 27per cent increase. Revenue for the Financial Year 2012 went up by 30per cent, from ₹ 170 crores to ₹ 221.35 crores. EBIDTA for the Financial Year 2012 is ₹ 100 crores and ₹ 79 crores for Financial Year 2011, recording a rise of 26per

cent and PAT for the year is ₹ 23 crores. This year, the port handled the biggest cargo vessel till date, MV Manousus P with a parcel size of 72,848 MT of Coal Cargo. The Port also achieved a new record of peak coal discharge rate 58,187 MT in the Financial Year.

The Port received the “Best Emerging Port of the year 2011” and the EXIM Achievement award from Tamil Chamber of Commerce. Also, Mr.GRK Reddy received the Special Jury award for his visionary role in Port Infrastructure by Gateway Awards of Excellence – Ports & Shipping 2012.

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’ its wholly owned subsidiary New Chennai Township Private Limited. MARG Swarnabhoomi is located on the scenic East Coast Road, midway between Chennai and Puducherry.

Engineering Services SEZ is promoted in 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 Vanspall Associates are operating in Engineering services SEZ. Memorandum of Understanding has been signed with M/s Tecpro Energy Systems and M/s Twin Disc (Far East) Pte Ltd to set up their premises in MARG Swarnabhoomi. Total exports from the engineering SEZ in FY-12 was ₹ 12.21 Cr in 2011-12. Apart from this the Engineering units have done SEZ to SEZ, SEZ to DTA Sales of ₹ 6.77 Cr.

The Multi Services SEZ is promoted in MARG Swarnabhoomi to attract clients in various segments like IT/ITES, Science Park, Knowledge Hub, BPO, KPO, Animation, Medical Tourism, R&D, Publishing etc. M/s Biophenolika Pol have signed agreement to set up their premises in 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. 76

students have already graduated from SAM around 10 students in the music performance camps held by SAM. SAM has signed the Initial twining partner agreement with Mc Nallysmith 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. Exemplarr Worldwide has launched EXCEL – Exemplarr Centre for Employability and Learning and Mr. Lakshmi Narayanan, Vice Chairman, Cognizant Technology Solutions inaugurated the finishing school in Swarnabhoomi. The finishing school is aimed at bridging the gap between the skills produced by universities/colleges and the skills required by corporate by an appropriate training program.

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 223 students. The school is fully equipped with Audio/Science and Math lab and offers courses upto tenth standard. 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 affiliated to Anna University. Talks are in final stages with a leading Malaysian University to set up an international campus in India for offering various courses in design, hospitality, tourism, language, music and management education. Talks are in advanced stages with a leading international school in Singapore to offer international bauriculate(IB)/Cambridge Curriculum(IGCSE) in K12 segment.

Real Estate Development

MARG’s real estate initiatives have gone to greater heights. The Company has, however, been targeting the real estate segment in an organized manner under MARG ProperTies – the umbrella brand for residential projects and MARG Junction – the umbrella brand for the Group’s commercial ventures. Based on the success of the MARG Group in various residential projects and the improved sentiment in the real estate segment, it is expected that the company will progressively capture value from its

substantial land bank.

Marg ProperTies has a strong presence in Chennai where there is a huge demand for residential space. 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 the launch of its 2nd ProperTies Shoppe at Kottivakkam, OMR. 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 FY 2011-12 MARG ProperTies registered residential sales of 0.51 million sq ft (494 units) at a sale value of ₹ 155 crores, total sales (ITD) till March 2012 was 1724 units (1.72 million sq ft) at sales value of ₹ 450 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.

Real Estate – Retail & Commercial, MARG Junction, a 1.8 million sq. ft. integrated mixed use commercial project comprising of a mall and hotel is being developed by the company’s subsidiary, Riverside Infrastructure (India) Private Limited (RI(I)PL). 135,000 sq.ft. of space in the mall was

leased out/finalized during the year (₹ 15 crores p.a. worth lease rental revenue), Over 50% 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, Timezone, Reliance Trends & Reliance Digital during the year, Top Vanilla brands like Levis, Titan, Nike, Puma, Lee, Wrangler were signed up during financial year 2011-12, No. of screens in the multiplex were increased from 7 to 9 and no. of seats from 1650 to 1850 in consultation with PVR, Concept & Design Development for the Hotel portion of the development were finalized in co-ordination with Shangri-La Hotel team & ACID, Singapore the hotel's Interior Design consultants appointed and Grand opening of mall planned in 2013.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Outlook

The Government plans to enhance investment proposals for roads, airports, ports, railways, metro rail and other infrastructural facilities in the country and this would augur good potential for the private sectors in terms of sharing their designs, technical and execution abilities. In view of this the infrastructure sector expects more a break through in near future. Your Company is well prepared to capture the growth in the high end, focused to meet the challenges and is committed to deliver the best the value of its stakeholders.

Opportunities

The new affordable housing scheme, steady growth in port activities, industrial urban infrastructure services and increased opportunities for EPC shall drive growth prospects to the Company's business, turnover and profits. Your Company enjoys strong brand image for the past performance which will help your Company to ensure a sustainable growth in future.

Threats

The economy started showing signs of recovery in first half of 2011, but went retrograde due to several problems that cropped up affecting the sentiments of the investors. The intense competition and pressure on the sale price of various products such as homes, malls, commercial buildings etc., may also affect the profitability of the Company.

Risks and concerns

The recent macro economic trends including rising interest rates and inflationary pressures could impact demand. Although the outlook for the future looks positive, the increased number of players from unorganised sector shall impact the businesses and the Company has to withstand tougher challenges in future.

The company is subject to various 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 measure to counter the adverse effects.

Internal Controls

The Company has adequate internal control systems that are embedded in business process in order to ensure and safeguard all immovable, movable assets, licenses etc., from unauthorized use or disposition. The company's internal controls are exercised by independent external internal and 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 this year your Company is able to sustained a financial performance

The financial highlights are:

- The income from operations increased from ₹ 1,085.01 Crs to ₹ 1,501.09 Crs, an increase of 38.35% in FY 2011-2012
- The EBDIT increased to ₹ 214.64 Crs registering a growth of 66.19%
- PAT for 2011-12 was ₹ 110.49 Crs

EMPLOYEE WELLNESS

The Company's success lies in its sustainable human capital strategy and alignment with the organizational goals and objectives. MARG believes in engaging Human Capital through its well enshrined value system, which is its corner stones for

stability and organization profitability. It has generously and strategically invested money, resources and time to build human capital skills, objective performance norms, and bench strength through appropriate strategic interventions. A few such initiatives are Open door policy, Fast Trackers, Top100 and SAMPARK – the communication platform directly between Chairman and employees which has enabled in building an open culture. This culture has actively encouraged the lower rung employees to approach the senior management, and express their ideas, problems, issues and seek guidance. Employee related social objectives are met with programmes, sports, NGO participation, CSR activities etc.

HUMAN RESOURCE DEVELOPMENT

MARG believes in giving equal opportunity for students from Category A and Category B & C schools from tier II and tier III school/colleges. The Company hires crème de la crème students from institutes like IIM-Ahmedabad, IBS- Hyderabad, IITs, Great Lakes Institute of Management, CA/CS/CWA Institutes, National Law School-Bangalore, Anna University and the like. For sustainable growth of nation MARG also commits to recruit human talent from Cat B & C schools and colleges from Tier-II & Tier III cities. It has designed a unique program called "Academy of Centre of Excellence" for "Graduate Engineer Trainees" who will be managed through a yearlong blended learning, these trainees are being selected through a structured Assessment Centers; which encompasses academic background, work experience, skill sets, behavioral aspects, values, qualities and traits.

The Company and its subsidiaries business profile is nurtured by the best in class talents, skills, and experiences, the professionals bring to the Company in various dimensions in the execution of various projects. The Company imparts training to the employees, including structured induction program, knowledge & skill development, Communication skills, MS Project Tools for EPC and Effective Selling Skills for MARG Properties to enable them to do their jobs effectively and efficiently. In effect, the people working in MARG take great pride as thought leaders hence we address them "MARG Visioneers"

BRANDING

The MARG brand enjoys a prominent place in the Indian infrastructure space. The brand has evolved over the past 2 decades having weathered many business challenges and one

of its core ingredients has been 'Innovative Thinking' which has over the years become the DNA of MARG's 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 and advertising to achieve a high brand recall in an otherwise cluttered marketplace. Also the MARG marketing calendar characteristically features events & programs that have a social angle and potential to spread large scale awareness on social responsibility issues. This association has driven the consumer perception of the MARG brand as socially driven, value-oriented, ethical, with high customer service standards and providing the highest product quality.

Today, the scale and depth of the MARG brand has increased dramatically as the group consolidates its business operations to provide value orientation and enhance profitability. The ethos and values that the MARG brand thus represents, become paramount in 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.

* * * * *

Report on Corporate Governance

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

A good Corporate Governance creates values through entrepreneurship, innovation, development and exploration and provides accountability transparency and meet 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 balance 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 2011-12 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	13	1	1	2
2	Mrs. V P Rajini Reddy	PD/ NED	13	Nil	2	Nil
3	Mr. G Raghava Reddy ³	PD/ NED	1	Nil	Nil	Nil
4	Mr. Arun Kumar Gurtu	ID/ NED	Nil	Nil	Nil	Nil
5	Mr. Karanjit Singh Jasuja	ID/ NED	3	Nil	2	1
6	Mr. Saibaba Vutukuri ³	ID/ NED	Nil	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'/ Investors' 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) aged 52 years, is a Post-Graduate in Commerce and alumni from 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. Mr. GRK Reddy 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) aged 45 years, AMP (Advanced Management Program) from Harvard Business School and she holds an Engineering Degree (Civil). Mrs. Rajini Reddy has an impressive 16 years of experience under her belt in high-caliber management. She is the Founder and Managing Director of Exemplar Worldwide Limited. In 1999 she founded M/s. Exemplar 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. G Raghava Reddy, Director (Non-Executive)** aged 80 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, Spillway works for Yellashwaram Reservoir and Multistorey Commercial & Residential Complex in Vijayawada.

Mr. Arun Kumar Gurtu, Director (Non-Executive, Independent) aged 69 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 51 years is a Fellow Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He is a practicing Chartered Accountant and has been authoring articles and delivering lectures on various professional topics. He acts as an Advisor to corporates and is an expert in taxation and finance.

***Mr. Saibaba Vutukuri, Director (Non-Executive, Independent)** aged 49 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.

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

During the financial year 2011-12, SEVEN meetings of Board of Directors were held on 14th May 2011, 11th August 2011, 29th August 2011, 29th September 2011, 9th November 2011, 25th January 2012 and 31st March 2012

Sl. No	Name(s) of Director (s)	Board Meetings attended	Attendance at Previous AGM
1	Mr. G R K Reddy	7	Yes
2	Mrs. V P Rajini Reddy	4	No
3	Mr. G Raghava Reddy*	6	No
4	Mr. Arun Kumar Gurtu	7	Yes
5	Mr. Karanjit Singh Jasuja	6	Yes
6	Mr. Saibaba Vutukuri*	1	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 had constituted several committees, both mandatory and non mandatory committees. Mandatory Committees such as Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee and Compensation Committee. The non mandatory Committees have been constituted to deal with specific matters and have been delegated with powers for different functional areas.

The Board has constituted SEVEN Committees namely:-

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

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 2011-12, FIVE meetings of Audit Committee were held on 13th May 2011, 11th August 2011, 29th August 2011, 9th November 2011 and 25th January 2012.

Sl. No	Name	Category/ Status	Meetings Attended
1	Mr. Arun Kumar Gurtu	NED/ID/Chairman	5
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 2011-12, THREE meetings were held on 29th August 2011 and 29th September 2011 and 31st March 2012.

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

*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, was re-appointed as Managing Director w.e.f. 1st April 2012, for a period of 5 years subject to approval of the Shareholders at the ensuing Annual General Meeting of the Company. Mr. G R K Reddy has been paid ₹ 1.89 Crores (Salary of ₹ 1.20 Crores + PF Contribution of ₹ 9 Lakhs + Commission of ₹ 60 Lakhs) during the year as managerial remuneration.

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 was confirmed in the last AGM.

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

Shareholding of Directors

Details of Shares held by the Directors in the Company as on 31st March 2012 are as follows:

Name	Number of Shares
Mr. G R K Reddy	4,800,000
Mrs. V P Rajini Reddy	950,000
Mr. G Raghava Reddy*	1,100,000
Mr. Arun Kumar Gurtu	Nil
Mr. Karanjit Singh Jasuja	Nil
Mr. Saibaba Vutukuri*	Nil

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

III. Shareholders'/Investors' Grievance Committee

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

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 THREE meetings were held on 25th July 2011, 25th October 2011 and 25th January 2012.

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

*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 Sivaraman has resigned as Company Secretary and Compliance Officer from the Company w.e.f 31st March 2012. Further Mr. S Ramasundaram was appointed as Company Secretary w.e.f 1st April 2012 and will act as Compliance officer and has been authorized to deal with all correspondence and complaints of the investors. He apprises the Committee about the status of Complaints/grievances.

Investors' Grievance Redressal

During the year, a total of 10 complaints were received and all the complaints were resolved to the satisfaction of shareholders. There were no outstanding complaints as on 31st March 2012.

IV. 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 (ID).

The members of the Compensation Committee are

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

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

V. Banking and Legal Matters Committee

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

The members of the Banking and Legal Matters Committee are

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

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

VI. Capital Issues and Allotment committee

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

The members of the Capital Issues and Allotment Committee are

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

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

VII. Business Review Committee

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

The members of the Business Review Committee are

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

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

4. Subsidiary Companies and its Management:

All FORTY ONE Subsidiary Companies of MARG are Board Managed Companies. The Company monitors the performance of the subsidiaries with reference to its functions, performance, finance and management.

The details of shareholding in 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	31,35,39,883	313.54	25,94,94,980	82.76%
	Preference Shares	10.00	26,49,00,000	264.90	3,79,00,000	14.31%
Riverside Infrastructure (India) Private Limited	Equity Shares	10.00	14,50,00,000	145.00	10,25,00,000	70.69%
Future Parking Private Limited	Equity Shares	10.00	49,00,000	4.90	24,99,000	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
2010-11	29.09.2011	3.00 PM	1
2009-10	30.09.2010	3.00 PM	1
2008-09	29.09.2009	3.00 PM	3

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

6. Postal Ballot

No special resolutions were passed through postal ballot during the Financial Year ended 31st March 2012 under review. Further, at present your directors do not foresee any special resolution proposed to be conducted through postal ballot. In case we proposes for passing of any resolution, we would be complying with the procedural requirement

7. Disclosures

- I None of the transactions with any of the related parties viz., Promoters, Directors or the Senior Management, their Subsidiaries or relatives were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standard (AS 18) relating to "Related Party Transactions" have been made separately in the Annual Report. The related party transactions with Subsidiary Companies are at arms length and are based on consideration of business necessity and strategy for investments, profitability, legal requirements and the like.
- II Company has complied with all the requirements of the Listing Agreement entered with Stock Exchanges as well as regulation and guidelines of SEBI. There has been no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Regulatory Authorities, on any matters related to capital markets during the last three years.
- III Company has established Whistle Blower Policy and no personnel is denied the access to the Audit Committee.
- IV The Company complies with the mandatory requirements and non-mandatory requirements of Corporate Governance as provided under Clause 49 of Listing Agreement. The Disclosure relating to the compliance has been provided

separately in this report. The Company has obtained a certificate from its auditors regarding compliance of conditions of Corporate Governance and the certificate 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 Directors' 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 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 at www.marggroup.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, 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 also for correspondence.

11. CEO and 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 to 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 Board", 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, there is no audit qualification in the Company's financial statements and the Company continues to adopt best practices to ensure that its financial statements remained unqualified. The Company has not adopted any other non-mandatory requirement specified in Annexure 1 D of the Clause 49.

14. General Shareholder Information:

I. Information about 17th Annual General Meeting

Date and Time : 29th September 2012 at 3.00 PM
Venue : Hotel Fortune Select Palms, No.142, Rajiv Gandhi Salai, Thoraipakkam, Chennai – 600 096

II. Financial Year

The financial year of the Company commences with 1st April every year and ends with 31st March in the succeeding year. The financial year 2011-12 started on 1st April 2011 and ended on 31st March 2012. The current financial year 2012-13 started on 1st April 2012 and would end on 31st March 2013.

Financial Calendar (Tentative)

First Quarter 30th June 2012 : on or before 14th August 2012
Second Quarter 30th September 2012 : on or before 14th November 2012
Third Quarter 31st December 2012 : on or before 14th February 2013
Fourth Quarter 31st March 2013 : on or before 30th May 2013

III. Date of Book Closure

The Register of Members and Share Transfer Books shall be closed for a period of 8 days starting from Saturday, 22nd September 2012 to Saturday, 29th September 2012 (Inclusive of Both Days) for the purpose of Annual General Meeting (AGM) to be held on Saturday, 29th September 2012

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

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

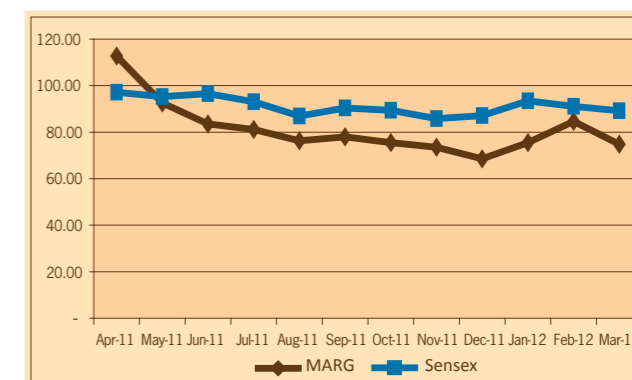
VI. Market Price Data

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
2011	April	137.90	108.15	716,753
2011	May	113.25	87.00	5,897,495
2011	June	102.20	85.00	1,294,847
2011	July	99.30	85.00	590,969
2011	August	93.35	70.20	385,769
2011	September	95.45	75.10	860,977
2011	October	92.35	78.20	712,367
2011	November	89.90	77.65	635,400
2011	December	83.85	73.00	553,031
2012	January	92.40	81.00	492,392
2012	February	103.50	87.45	686,255
2012	March	91.50	85.75	304,836

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 2011-12

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 2012, shares representing 98.59% 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 2012

Categories of Shareholding as on 31st March 2012

S. No	Category	No. of Shares Held	% of Shareholding
A	Promoter's Holding		
1	Promoters	20,735,736	54.40%
2	Persons acting in Concert	-	-
	Sub Total (A)	20,735,736	54.40%
B	Non Promoters Holding		
1	Mutual funds/ FIs/Banks	2,461,856	6.46%
2	FIs	75,836	0.20%
3	Bodies Corporate	4,884,045	12.81%
4	Indian Public (Individuals/HUF)	7,962,703	20.89%
5	NRI/FCB/Foreign Nationals	1,750,274	4.59%
6	Trusts	226,550	0.59%
7	Others-(Clearing Members)	21,926	0.06%
	Sub Total (B)	17,383,190	45.60%
	Grand Total (A+B)	38,118,926	100.00%

Distribution of Shareholding as on 31st March 2012

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 1000	11,848	61.87%	600,841	1.58%
1001 and 5000	4,960	25.90%	1,371,203	3.60%
5001 and 10000	1,112	5.81%	915,587	2.40%
10001 and 20000	533	2.78%	802,464	2.11%
20001 and 30000	190	0.99%	485,719	1.27%
30001 and 40000	100	0.52%	358,191	0.94%
40001 and 50000	99	0.52%	472,547	1.24%
50001 and 100000	141	0.74%	1,026,018	2.69%
> 100000	168	0.88%	32,086,356	84.17%
Total	19,151	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 ₹ 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 2012 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, 537,476 Equity Shares representing 1.41% are held in physical form and balance 37,581,450 Equity Shares representing 98.59% are held in dematerialised form.

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 31st March 2012 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 allotment of equity shares were made during the year. As on 31.03.2012, a total of 107,278 options have been converted into equity shares on exercise of options by employees and 130,992 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 4562 5626
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: New Delhi
Date: 5th September, 2012

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I, G R K Reddy, Chairman and Managing Director of MARG Ltd, 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 2012.

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: New Delhi
Date: 5th September, 2012

CEO and CFO Certification

To
**The Board of Directors,
MARG Limited**

We, Mr. G R K Reddy, Chairman & Managing Director and Mr. R Suresh, Chief Financial Officer of the Company responsible for the finance function certify that:

- We have reviewed financial statements and the cash flow statement for the year ended 31st March 2012 and that to the best of our knowledge and belief :
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- To the best of our knowledge and belief, no transactions entered into by the company during the year ended 2011-12 are fraudulent, illegal or violative of the Company's code of conduct.
- 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.
- We have indicated to the auditors and the Audit committee
 - There were no significant changes in internal controls during the year 2011-12;
 - There has not been any significant change in accounting policies during the year 2011-12; and
 - 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.

New Delhi,
5th September 2012

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 2012, 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 2012 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

New Delhi,
5th September 2012

(R M V BALAJI)
Partner
Membership No. 27476

The logo for the Financial Section features a stylized grid of colored squares (blue and orange) to the left of the text. The word "Financial" is in blue and "Section" is in orange, both in a bold, sans-serif font. A thin orange horizontal line is positioned below the text.

**Financial
Section**

Auditors' Report

To
THE SHARE HOLDERS OF
MARG LIMITED

1. We have audited the attached Balance Sheet of M/s MARG LIMITED as on 31st March 2012 and the annexed Profit & Loss Account and Cash Flow Statement for the year ended 31st March 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to this Company.
4. Further to the comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge were necessary for the purpose of our Audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts of the Company.
 - d. According to the best of our information and explanations given to us, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211(3C) of The Companies Act 1956, in so far as they are applicable to the Company.
 - e. On the basis of written representations received from the Directors of the company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2012 from being appointed as a director U/s 274(1)(g) of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes give the information required by the Companies Act, 1956 in the manner required and give a true and fair view,
 - i. in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2012;
 - ii. in the case of Profit and Loss Account of the Profit for the year ended 31st March 2012; and
 - iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended 31st March 2012.

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R M V BALAJI

Partner

Membership No. 27476

Place : New Delhi

Date : 05-Sep-2012

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The Company has a programme of Physical verification of Fixed assets over a period of three years which is, in our opinion, reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no serious discrepancies have been noticed on such verification.
c) During the year, the company has not disposed off substantial part of fixed assets.
2. a) As explained to us, physical verification of inventory has been conducted by the management, at the end of the year.
b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The company is maintaining proper records of inventory and the discrepancies noticed on verification between physical stocks and book stocks were not material.
3. a) The Company has not taken any loan from parties covered in the register maintained under section 301 of the Companies Act.
b) The Company has granted unsecured loans to 41 Subsidiary companies, covered in the register maintained under section 301 of the Companies Act. The maximum amount involved during the year was ₹ 508.13 Crores and the year end balance of loans granted to such companies was ₹ 420.68 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, Wealth Tax, Custom Duty, Cess, Sales 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 and Value Added Tax to the extent of ₹ 4.29 Crore, ₹ 1.49 Crore and ₹ 0.32 Crore respectively, were in arrears as at 31st March 2012, for a period of more than six months from the date they became payable.

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

Income Tax Deducted At Source:

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

10. The Company has no accumulated losses and has no cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. As per the records produced, the company has defaulted in repayment of principal/interest to Banks during the year to the extent of ₹ 177.83 Crores for a period less than 90 days and the same has been since paid.
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 ₹3101.31 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 : New Delhi
Date : 05-Sep-12

Particulars	Note	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	38.12	38.12
Reserves & Surplus	3	687.77	577.07
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	283.50	344.37
Deferred Tax Liability (Net)	5	5.49	3.07
Other Long-Term Liabilities	6	194.76	60.64
Long-Term Provisions	7	2.87	2.30
CURRENT LIABILITIES			
Short-Term Borrowings	8	293.86	266.84
Trade Payables	9	153.66	144.94
Other Current Liabilities	10	798.24	579.92
Short-Term Provisions	11	11.53	16.47
		2,469.80	2,033.74
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	12		
Tangible Assets		164.31	124.36
Intangible Assets		2.52	2.51
Capital Work In Progress		12.43	10.10
Non-Current Investments	13	530.70	519.84
Long-Term Loans and Advances	14	192.20	187.69
CURRENT ASSETS			
Current Investments	15	0.08	0.09
Inventories	16	234.95	132.27
Trade Receivables	17	600.62	427.90
Cash & Cash Equivalents	18	83.11	57.03
Short-Term Loans & Advances	19	648.88	571.97
		2,469.80	2,033.74

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 : New Delhi
Date : 05-Sep-12

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director

ARUN KUMAR GURTU
Director

R SURESH
CFO

S RAMASUNDARAM
Company Secretary

Particulars	Note	Year Ended 31-Mar-12 (₹ In Crores)	Year Ended 31-Mar-11 (₹ In Crores)
INCOME			
Income from Operations	20	1,501.09	1,085.01
Other Income	21	78.91	1.07
		1,580.00	1,086.08
EXPENDITURE			
Cost of Projects / Operating Expenses	22	1310.16	913.90
Personnel Expenses	23	18.28	16.84
Depreciation and Amortisation	12	12.34	6.89
Finance Cost	24	39.69	27.61
Other Expenses	25	36.92	26.19
		1,417.39	991.43
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			
		162.61	94.65
Exceptional Items		-	-
PROFIT BEFORE TAX			
		162.61	94.65
TAX EXPENSE			
Current Tax		49.70	33.10
Deferred Tax	26	2.42	1.68
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS (A)			
		110.49	59.87
Profit from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
PROFIT FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)			
		-	-
PROFIT FOR THE PERIOD (A+B)			
		110.49	59.87
EARNINGS PER SHARE			
Basic (Face Value ₹ 10/-)		28.99	18.11
Diluted (Face Value ₹ 10/-)		28.97	15.87

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 : New Delhi

Date : 05-Sep-12

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director
ARUN KUMAR GURTU
Director
R SURESH
CFO
S RAMASUNDARAM
Company Secretary

S No	Particulars	Year Ended 31-Mar-12 (₹ in Crores)	Year Ended 31-Mar-11 (₹ in Crores)
A CASH FLOWS FROM OPERATING ACTIVITIES:			
	Net Profit before Taxation and Extraordinary Items	162.61	94.65
	Adjustment for:		
	Depreciation	12.61	6.97
	Net Unrealised (Gain) Loss on Exchange Rate Difference	(0.52)	0.34
	Net Unrealised Loss (Profit) Decline in Investments	0.01	0.01
	Dividend Income	-	(0.84)
	Profit on Sale of Investment	(77.19)	-
	Profit on Sale of Assets	(0.01)	-
	Loss on Sale of Fixed Assets	0.01	0.02
	Compensation for Employee Stock Options	0.21	0.32
	Finance Cost (Net)	39.69	27.61
	Operating Profit before Working Capital Changes	137.42	129.08
	Decrease (Increase) in Inventories	(102.69)	(85.29)
	Decrease (Increase) in Trade Receivables	(172.72)	(131.99)
	Decrease (Increase) in Short-term Loans & Advances	(71.13)	(180.22)
	Decrease (Increase) in Long-term Loans & Advances	(8.52)	(131.48)
	Increase (Decrease) in Trade Payable	6.72	39.92
	Increase (Decrease) in Other Current Liabilities	265.89	132.06
	Increase (Decrease) in Short-Term Provisions	0.13	0.47
	Increase (Decrease) in Other Long-Term Liabilities	134.12	(34.07)
	Increase (Decrease) in Long-Term Provisions	0.57	1.32
	Cash Generated from Operations	189.79	(260.20)
	Income Tax	(42.51)	(45.57)
	Cash Flow before Extraordinary Items	147.28	(305.77)
	Adjustment for Extraordinary Items	-	-
	NET CASH FROM OPERATING ACTIVITIES (A)	147.28	(305.77)
B CASH FLOWS FROM INVESTING ACTIVITIES:			
	Purchase of Fixed Assets	(34.67)	(43.01)
	Investments Made in Subsidiaries	(33.99)	(21.62)
	Share Application Money Advanced to Subsidiaries	-	(0.02)
	Refund for Share Application Money from Subsidiaries	2.69	-
	Dividend Received	0.40	0.01
	Sale of Investments in Subsidiaries	124.26	54.19
	Sale of Fixed Assets (Net)	0.17	0.04
	NET CASH FROM INVESTING ACTIVITIES (B)	58.86	(10.41)
C CASH FLOWS FROM FINANCING ACTIVITIES:			
	Proceeds from Issuance of Share Capital	-	9.55
	Proceeds from Share Premium	-	118.23
	Proceeds from Long Term Borrowings (Net)	(113.32)	157.48
	Proceed from Short Term Borrowings (Net)	12.33	99.88
	Finance Cost Paid (Net)	(70.23)	(55.35)
	Dividend & Dividend Tax Paid	(8.84)	(7.66)
	NET CASH USED IN FINANCING ACTIVITIES (C)	(180.06)	322.13
	Net Increase in Cash and Cash Equivalents (A+B+C)	26.08	5.95
	Cash and Cash Equivalents at beginning of Year	57.03	51.08
	Cash and Cash Equivalents at end of Year	83.11	57.03

**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 transaction 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 : New Delhi
Date : 05-Sep-12

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director

ARUN KUMAR GURTU
Director

R SURESH
CFO

S RAMASUNDARAM
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 Rs. 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 Material: Materials, Stores and Spares and Loose tools are valued at Weighted Average Cost.
Cost comprises all costs of purchase
- b. Work-in-progress: Work-in-progress is valued at cost or the contract rates whichever is lower.
- c. Completed projects: Completed Projects are valued at cost or net realizable value, whichever is less.

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:

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

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

Contingent Assets are neither recognized nor disclosed.

1.12 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-12 Nos	As At 31-Mar-11 Nos	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ 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	27,208,369		
Add: Shares Allotted during the year				
On Qualified Institutional Placement	-	5,631,648		
On Conversion of Warrants	-	5,209,519		
On Exercise of Employees Stock Options	-	69,390		
Shares Outstanding at the end of the year	38,118,926	38,118,926		

2.3 Shareholders holding more than 5% Equity Shares:

Sl	Name of the Shareholders	As At 31-Mar-12		As At 31-Mar-11	
		Nos	%	Nos	%
1	G R K Reddy	4,800,000	12.59%	4,800,000	12.59%
2	Akshya Infrastructure Private Limited	3,995,736	10.48%	2,260,000	5.93%
3	Global Infoserv Limited	3,000,000	7.87%	3,000,000	7.87%
4	MARG Capital Markets Limited	2,640,000	6.93%	2,640,000	6.93%
5	G R K Reddy & Sons (HUF)	2,500,000	6.56%	2,500,000	6.56%
6	Reliance Capital Trustee Co Ltd -Reliance Infrastructure Fund	2,357,000	6.18%	2,357,000	6.18%
7	Citigroup Global Markets Mauritius Private Limited	-	0.00%	1,985,317	5.21%

2.4 Shares Reserved for Issue of Option:

Details of shares reserved for issue under the Employees Stock Option plan (ESOPs) of the company are given in Note 37.

Particulars	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
NOTE 3 : RESERVES & SURPLUS		
3.1 Securities Premium Account:		
Opening Balance	319.90	194.19
Add: Addition during the year	-	128.92
Less: Securities issue expenses written-off	-	3.21
	319.90	319.90
3.2 General Reserve:		
Opening Balance	25.16	20.66
Add: Transferred from the Profit and Loss Account	-	4.50
	25.16	25.16

Particulars	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
3.3 Employees Stock Options Outstanding:		
Employee Stock Option Outstanding	0.97	1.11
Less: Deferred Employees Stock Option Compensation	0.18	0.53
	0.79	0.58
3.4 Profit & Loss Account:		
Balance at the beginning of the Year	231.43	184.94
Add: Profit for the Year	110.49	59.87
Less: Proposed Dividend on Equity Shares	-	7.62
Less: Dividend Tax	-	1.26
Less: Transferred to General Reserve	-	4.50
Balance at the end of the Year	341.92	231.43
	687.77	577.07

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* 250.13 312.35

From Others:

Secured by way of charge on movable & immovable properties* 33.37 32.02

283.50 344.37

*Loans Guaranteed by Directors

4.2 Repayment Terms (including current maturities):

Term Loan from Banks:

- Loan of ₹ 132.14 Crores is repayable in 16 Quarterly instalments ending Jul-16.
- Loan of ₹ 21.95 Crores is repayable in 18 Monthly instalments ending Sep-13.
- Loan of ₹ 59.86 Crores is repayable in 21 Monthly instalments ending Dec-13.
- Loan of ₹ 70.44 Crores is repayable in 120 Monthly instalments ending Mar-22.
- Loan of ₹ 25.00 Crores is repayable in 30 Monthly instalments ending Jan-15.
- Loan of ₹ 4.04 Crores is repayable in 1 instalment ending Apr12.
- Loan of ₹ 16.18 Crores is repayable in 8 Quarterly instalments ending Feb-14.
- Loan of ₹ 3.47 Crores is repayable in 63 Monthly instalments ending Jun-17.
- Vehicle and Equipment Loans of ₹ 17.13 Crores are payable in monthly instalments ending Nov-16.

Term Loan from Others:

- Loans of ₹ 22.36 Crores are payable in single instalments.
- Vehicle and Equipment Loans of ₹ 47.44 Crores are payable in monthly instalments ending Nov-16.

4.3 Defaults on repayment of Long-term Loans and Interest thereof:

As on 31-Mar-12 long-term loans and interest thereof aggregating to ₹ 21.83 Crores were overdue for a period of less than 90 days and these have subsequently been paid.

NOTE 5 : DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability	6.05	3.49
Less : Deferred Tax Asset	0.56	0.42
	5.49	3.07



Particulars	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
NOTE 6 : OTHER LONG-TERM LIABILITIES		
Others		
Mobilisation Deposits	190.23	56.15
Lease Deposits	4.53	4.49
	194.76	60.64
NOTE 7 : LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	1.72	1.51
Leave Encashment	1.15	0.79
	2.87	2.30
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*	293.86	266.84
	293.86	266.84
* Loans Guaranteed by Directors.		
8.2 Defaults on repayment of Short-Term Loans and Interest thereof:		
As on 31-Mar-12 short-term loans and interest thereof aggregating to ₹ 3.44 Crores were overdue for a period of less than 90 days and these have subsequently been paid.		
NOTE 9 : TRADE PAYABLES		
Trade Payables	153.66	144.94
	153.66	144.94
NOTE 10 : OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Debts	136.51	184.81
Interest Accrued but Not Due on Borrowings	0.67	0.30
Interest Accrued and Due on Borrowings	11.19	8.46
Other Payables:		
Advances from Customers	92.98	49.57
Expenses Payable	60.44	66.75
LC Payable	405.57	130.09
Statutory Dues	45.17	17.94
Unclaimed Dividend	0.23	0.17
Due to Directors	1.83	1.05
Mobilisation Deposits	39.94	114.65
Creditors for Capital Goods	3.71	6.13
	798.24	579.92
NOTE 11 : SHORT-TERM PROVISIONS		
Provision for employee benefits		
Bonus	0.54	0.44
Gratuity	0.04	0.02
Leave Encashment	0.05	0.04
Others:		
Income Tax	10.90	7.09
Proposed Dividend	-	7.62
Tax on Proposed Dividend	-	1.26
	11.53	16.47



NOTE 12 : FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As At 31-Mar-11	Additions	Deletions	As At 31-Mar-12	Up to 31-Mar-12	As At 31-Mar-11
TANGIBLE ASSETS						
LEASED ASSETS						
Digital Zone - I	5.23	-	-	5.23	-	5.23
Land	22.63	-	-	19.91	2.72	20.28
Building	5.25	-	-	3.43	1.82	3.68
Plant & Machinery	10.99	-	-	7.17	3.82	7.69
Electrical Equipment & Fittings	9.34	-	-	5.06	4.28	5.65
Furniture & Fixtures	0.45	-	-	0.45	-	0.45
Thiruvanniyur	1.13	-	-	1.13	-	1.13
Land & Building	2.65	1.58	-	2.04	2.19	2.00
Land	6.74	0.69	-	4.07	3.36	4.44
Building	4.36	0.24	-	3.86	0.74	3.87
Computers	13.36	0.44	-	11.71	2.09	12.25
Office Equipment	4.87	1.62	0.15	4.95	1.39	3.99
Furniture & Fittings	54.21	47.26	0.10	92.81	8.56	51.30
Motor Vehicles	2.57	0.26	-	2.49	0.34	2.40
Plant & Machinery	143.78	52.09	0.25	164.31	31.31	124.36
Electrical Equipment & Fittings	73.91	69.97	0.10	124.36	19.42	60.89
Total Tangible Assets	3.15	0.67	-	2.52	1.30	2.51
Previous Year	3.15	0.67	-	2.52	1.30	2.51
INTANGIBLE ASSETS	2.22	0.93	-	2.51	0.64	2.11
Computer Software*	10.10	3.23	0.90	12.43	-	10.10
Total Intangible Assets	10.10	3.23	0.90	12.43	-	10.10
Previous Year	1.97	8.28	0.15	10.10	-	1.97
CAPITAL WORK IN PROGRESS						
Total Capital Work in Progress	10.10	3.23	0.90	12.43	-	10.10
Previous Year	1.97	8.28	0.15	10.10	-	1.97

*Note: - Other than internally Generated



Particulars	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ 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	527.27	517.41
In Associates*	-	-
In Other Companies	1.59	1.59
	528.86	519.00
13.2 Investments in Properties (Non-Quoted, Stated at Cost)		
Building	0.84	0.84
	0.84	0.84
Total of Unquoted Investments		
	529.70	519.84
13.3 Investments in Debentures (Quoted)		
Srei Equipment Finance Pvt Ltd		
Unsecured Subordinated Non-convertible Perpetual Debentures	1.00	-
[10 units (Previous year Nil units) of Face Value of ₹ 1,000,000/- each (Previous Year Nil)] [Not-traded Stated at Cost]		
Less : Provision for Decline in Investments	-	-
	1.00	-
Total of Quoted Investments		
	1.00	-
Grand Total of Quoted and Unquoted Investments		
	530.70	519.84
<i>*Includes ₹ 39,000/- as at 31-Mar-2012 and 31-Mar-2011.</i>		
NOTE 14 : LONG-TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Capital Advances	0.99	4.99
Security Deposits	4.40	3.99
Advances to Subsidiaries	186.81	178.71
	192.20	187.69
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-2012 ₹ 27.75 each (Previous year ₹ 32.96 each)]		
Less : Provision for Decline in Investments*	0.01	-
	0.08	0.09
<i>* Includes ₹ 13,750/- as at 31-Mar-11</i>		



Particulars	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
NOTE 16 : INVENTORIES		
Inventories		
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
NOTE 17 : TRADE RECEIVABLES		
Unsecured and Considered Good		
Outstanding for more than 6 months	125.26	75.43
Others	475.36	352.47
	600.62	427.90
NOTE 18 : CASH & CASH EQUIVALENTS		
Cash Balance	0.29	0.82
Balances with Scheduled Banks		
In Current Accounts	8.66	11.83
In Current Accounts for Unclaimed Dividend	0.23	0.17
In Margin Money Accounts	73.46	38.62
In Deposit Accounts		
Deposit maturing after 12 months	0.44	0.19
Others	0.03	5.40
	83.11	57.03
NOTE 19 : SHORT-TERM LOANS & ADVANCES		
Unsecured Short-Term Loans & Advances and Considered Good		
Advances to Subsidiaries	233.87	326.11
Others		
Advances to Suppliers	303.87	117.95
Advances to Staff	2.22	1.04
Other Advances Recoverable	5.40	8.50
Prepaid Expenses	16.29	9.12
Share Application Money	47.04	73.13
Prepaid Taxes	36.44	31.02
Security Deposits	3.31	4.24
Dividend Receivable	0.44	0.84
	648.88	571.95



Particulars	Year Ended 31-Mar-12 (₹ In Crores)	Year Ended 31-Mar-11 (₹ In Crores)
NOTE 20 : INCOME FROM OPERATIONS		
Income from Projects / Operations	1,488.41	1,072.57
Income from Leasing	12.68	12.44
	1,501.09	1,085.01
NOTE 21 : OTHER INCOME		
Profit on Sale of Investment	77.19	-
Dividend Received	-	0.84
Prior Period Income	0.41	-
Profit on Sale of Assets	0.01	-
Exchange Rate Difference (Net)	0.48	-
Miscellaneous Income	0.82	0.23
	78.91	1.07
NOTE 22 : COST OF PROJECTS/OPERATING EXPENSES		
COST OF PROJECTS / OPERATING EXPENSES		
Opening Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	51.65	17.67
Projects in Progress	80.62	23.18
Stock of Completed Projects	-	6.13
	132.27	46.98
Expenditure During the year		
Expenditure on Projects / Operating Expenses	1,412.67	997.47
Closing 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
Cost of Projects / Operating Expenses	1,309.99	912.18
Repairs & Maintenance-Leased Properties	0.17	1.72
	1,310.16	913.90
NOTE 23 : PERSONNEL EXPENSES		
Salaries & Allowances	10.08	8.44
Remuneration to Managing Director	1.89	1.89
Contribution to Funds	1.99	2.01
Recruitment & Training Expenses	0.18	0.60
Staff Welfare Expenses	3.17	2.27
Retirement Benefits	0.76	1.31
Employee Compensation Expense	0.21	0.32
	18.28	16.84



Particulars	Year Ended 31-Mar-12 (₹ In Crores)	Year Ended 31-Mar-11 (₹ In Crores)
NOTE 24 : FINANCE COST		
Interest Expenses	107.78	83.27
Less : Interest Recovered	74.27	59.12
Net Interest	33.51	24.15
Bank & Finance Charges	6.18	3.46
	39.69	27.61
NOTE 25 : OTHER EXPENSES		
Rent	5.25	3.10
Rates & Taxes	0.22	0.31
Communication Cost	1.06	0.85
Electricity Charges	1.79	0.99
Traveling and Conveyance	4.44	3.20
IT Services	1.57	1.34
Repairs & Maintenance	0.41	0.30
Payment to Non-executive Directors		
- Sitting Fees for Board Meetings	0.05	0.05
- Sitting Fees for Committee Meetings	0.17	0.20
- Commission	0.46	0.50
Secretarial Expenses	0.12	0.28
Advertisement & Business Promotion	1.82	1.60
Printing & Stationery	0.97	0.78
Postage and Courier Charges	0.08	0.08
Payment to Auditors		
- Statutory Audit Fee	0.09	0.06
- Other Services	0.03	0.01
Insurance Premium	1.21	0.70
Legal & Professional Charges	7.14	5.61
General Expenses	0.91	0.80
Exchange Rate Difference (Net)	-	0.34
Office Maintenance	7.88	3.87
Donation	0.26	0.54
Vehicle Maintenance	0.71	0.43
Loss on Sale of Assets	0.03	0.03
Prior Period Expenses	0.25	0.22
	36.92	26.19
NOTE 26 : DEFERRED TAX EXPENSE (INCOME)		
Deferred Tax Liability net off Deferred Tax Asset for the year	2.42	1.68
	2.42	1.68
NOTE 27 : CONTINGENT LIABILITIES		
a. Estimated amount of liability on capital contracts: ₹ 1.36 Crores (Previous year ₹ 3.06 Crores)		
b. Corporate Guarantees given to Banks in respect of loans taken by other Companies: ₹ 3,101.31 Crores (Previous year ₹ 2,277.16 Crores)		
c. Corporate Guarantees given to Banks in respect of performance bank guarantees issued by them: ₹ 182.79 Crores (Previous year ₹ 126.56 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 31-Mar-12		As at 31-Mar-11		Due date of Obligation
Duty saved	Export obligation	Duty saved	Export obligation	
0.14	0.64	0.14	1.14	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: ₹ 1.02 Crores (Previous year ₹ 1.02 Crores)

f. Income Tax Demand

Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-11	During 2011-12	Till 31-Mar-12	
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
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)

Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-11	During 2011-12	Till 31-Mar-12	
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

Particulars	As At	
	31-Mar-12	31-Mar-11
Outstanding Deferred Tax Liability (Net) as at the beginning of the year (A)	3.07	1.39
Add : Provision for Current Year Liabilities (Assets)		
Timing difference on account of Depreciation (B)	2.56	1.92
Timing difference on account of Employee Benefits (C)	(0.14)	(0.24)
Sub-total (D=B+C)	2.42	1.68
Outstanding Deferred Tax Liability (Net) as at the end of the year (E=A+D)	5.49	3.07

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

B. List of Subsidiaries where control existed for part of the year:

- | | |
|---|---|
| 1. Aaram Constructions Private Limited | 22. MARG Power Projects Private Limited |
| 2. Abhinaya Infradevelopers Private Limited | 23. MARG Renewable Power Projects Private Limited |
| 3. Ajani Constructions Private Limited | 24. MARG Swarnabhoomi Logistics Private Limited |
| 4. Akarsh Constructions Private Limited | 25. MARG Swarnabhoomi Power Private Limited |
| 5. Akhil Infrastructure Private Limited | 26. Marigold Villas Private Limited |
| 6. Ambar Nivas Private Limited | 27. Mayur Habitat Private Limited |
| 7. Aparajitha Infrastructure Private Limited | 28. Navita Estates Private Limited |
| 8. Arogya Constructions Private Limited | 29. New Era Land Developers Private Limited |
| 9. Bay Infradevelopers Private Limited | 30. Pathang Constructions Private Limited |
| 10. Bhushan Tradelinks Private Limited | 31. Prospective Constructions Private Limited |
| 11. Giri Infradevelopers Private Limited | 32. Rainbow Habitat Private Limited |
| 12. Goldenview Nivas Private Limited | 33. Rupak Constructions Private Limited |
| 13. Highrise Housing Projects Private Limited | 34. Sanjog Infrastructure Private Ltd |
| 14. Indraprastha Homes Private Limited | 35. Saptarishi Projects Private Limited |
| 15. Jai Ganesh Infradevelopers Private Limited | 36. Saral Homes Private Limited |
| 16. Kanchanjunga Infradevelopers Private Limited | 37. Sathsang Constructions Private Limited |
| 17. Karaikal Infradevelopers Private Limited | 38. Siddhi Infradevelopers Private Limited |
| 18. Kripa Infrastructure Private Limited | 39. Singar Constructions Private Limited |
| 19. MARG Communications Private Limited | 40. Swarnabhoomi Port Private Limited |
| 20. MARG Constructions (Chennai) Private Limited | 41. Veda infradevelopers Private Limited |
| 21. MARG Port Management Services Private Limited | 42. Viswadhara 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

- V P Rajini Reddy - Wife of the CMD
- G Raghava Reddy - Father of the CMD

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

- Akshya Infrastructure Private Limited
- Avinash Constructions Private Limited
- MARG Capital Markets Limited
- MARG Digital Infrastructure Private Limited
- MARG Projects and Infrastructure Limited
- MARG Foundation
- Swarnabhoomi Academic Institutions

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

- Exemplarr Worldwide Limited
- Global Infoserv Limited
- MARG Realities Limited



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

Particulars	Transactions						Step Down Subsidiaries	Associates	KMP and Relatives	Entities over which KMP and Relatives have control / significant influence
	Subsidiaries		Subsidiaries		KMP and Relatives					
	Year Ended 31-Mar-12	Year Ended 31-Mar-11	Year Ended 31-Mar-12	Year Ended 31-Mar-11	Year Ended 31-Mar-12	Year Ended 31-Mar-11				
Services Rendered	878.52	531.85	-	-	-	-	-	-	-	0.87
Lease Rental Income	1.63	0.60	-	-	-	-	-	-	-	-
Dividend Received	0.45	0.84	-	-	-	-	-	-	-	-
Interest Received	39.81	54.10	7.70	-	-	-	-	-	-	-
Contracts and Services Received	44.55	44.74	-	-	-	-	-	-	-	4.86
Allocation of Common Expenses	18.65	20.09	-	-	-	-	-	-	-	-
Contract Advances Received (Net)	204.81	78.40	-	-	-	-	-	2.23	-	-
Remuneration & Commission & Sitting fee	-	-	-	-	-	-	-	2.23	-	-
Purchase of Fixed Assets	-	2.03	-	-	-	-	-	-	-	-
Share Application Money Given	-	142.95	-	-	-	-	-	-	-	-
Investments Made in Equity	18.56	81.97	-	-	-	-	-	-	-	-
Investments Made in CCPS	37.90	-	-	-	-	-	-	-	-	-
Equity Investment Sold	46.11	-	-	-	-	-	-	-	-	-
Loans & Advances Made (Net)	62.03	212.65	4.28	-	-	-	-	-	-	-
Guarantees and Collaterals Issued	766.35	260.06	-	-	-	-	-	-	-	74.00
Guarantees and Collaterals Received	65.50	258.83	38.46	-	-	-	-	-	-	900.00

Balances	As At		As At		As At	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Investments in Equity	489.37	517.41	-	-	-	1.59
Investments in CCPS	37.90	-	-	-	-	-
Share Application Money	47.04	73.13	-	-	-	-
Trade Receivables	322.04	202.14	4.62	-	-	0.25
Trade Payables	25.05	17.00	-	-	-	1.70
Loans & Advances	358.93	504.82	61.76	1.10	1.38	-
Remuneration & Commission Payable	-	-	-	-	1.42	0.78
Contract Advances Received (Net)	217.20	154.16	-	-	-	-
Guarantees Issued	3,025.51	2,265.96	1.80	-	-	74.00
Guarantees and Collaterals Received	269.15	476.54	115.75	-	-	965.00

* includes ₹ 39,000/- in associate



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:

Particulars	Year Ended	
	31-Mar-12	31-Mar-11
Remuneration to Managing Director:		
Salaries & Allowances	1.20	1.20
Commission	0.60	0.60
Contribution to Provident Fund	0.09	0.09
Sub-total	1.89	1.89
Commission to Non executive Directors	0.46	0.50
Total	2.35	2.39

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:

Particulars	Year Ended	
	31-Mar-12	31-Mar-11
Current Service Cost	0.73	0.62
Interest Cost	0.12	0.05
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised in the Year	(0.62)	0.12
Transitional Liability Recognised in the Year	-	-
Past Service Cost - Non-Vested Benefits	-	-
Past Service Cost - Vested Benefits	-	0.17
Expenses Recognised in Profit and Loss Account	0.23	0.96

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

Particulars	As At	
	31-Mar-12	31-Mar-11
Opening Net Liability	1.53	0.57
Expense as above	0.24	0.96
Contribution paid	(0.01)	-
Closing Net Liability	1.76	1.53

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

Particulars	As At	
	31-Mar-12	31-Mar-11
Present value of the obligation	1.76	1.53
Fair value of plan assets	-	-
Difference	1.76	1.53
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
Liability Recognized in the Balance Sheet	1.76	1.53

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

Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	8%	8%
Salary Escalation Rate	8%	8%
Attrition Rate	4%	4%

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-12	Year Ended 31-Mar-11
Current Service Cost	0.47	0.26
Interest Cost	0.06	0.03
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised in the Year	(0.04)	0.27
Transitional Liability Recognised in the Year	-	-
Past Service Cost - Non-vested Benefits	-	-
Past Service Cost - Vested Benefits	-	-
Expenses Recognised in Profit and Loss Account	0.49	0.56

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

Particulars	As At 31-Mar-12	As At 31-Mar-11
Opening Net Liability	0.83	0.44
Expense as above	0.49	0.56
Contribution Paid	(0.12)	(0.17)
Closing Net Liability	1.20	0.83

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

Particulars	As At 31-Mar-12	As At 31-Mar-11
Present Value of the Obligation	1.20	0.83
Fair Value of Plan Assets	-	-
Difference	1.20	0.83
Unrecognised Transitional Liability	-	-
Unrecognised Past Service Cost - Non-vested Benefits	-	-
Liability Recognised in the Balance Sheet	1.20	0.83

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

Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	8%	8%
Salary Escalation Rate	8%	8%
Attrition Rate	4%	4%

NOTE 35 : NON-CASH TRANSACTIONS

During the year loan of ₹ 27.39 Crores (Previous year ₹ 48.13 Crores) given to subsidiaries of the company was converted into Share Application Money and subsequently shares were allotted.

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:

Particulars	As At 31-Mar-12	As At 31-Mar-11
Margin money	73.46	38.62
Fixed Deposit with Bank	0.47	5.59
Unclaimed Dividend with bank	0.23	0.17
	74.16	44.38

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-12
I	15-Oct-07	1,97,006	100	1,244
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	1,29,748

c) Shares Reserved for Issue of Options:

Particulars	Date of Issue	Grant Price (₹)	As At 31-Mar-12 Nos	As At 31-Mar-11 Nos	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
1 Equity Shares of ₹ 10/- each	3-Oct-09	75	129,748	145,722	0.13	0.15
2 Equity Shares of ₹ 10/- each*	15-Oct-07	100	1,244	3,762	-	-
			130,992	149,484	0.13	0.15

* includes ₹ 12,440/- and ₹ 37,620/- as on 31-Mar-2012 and 31-Mar-2011 respectively.



NOTE 38: OPERATING LEASES

a) Cancelable Lease:

Total rental charges under cancelable operating lease was ₹ 1.14 Crores and ₹ 4.23 Crores for the 4th quarter and year ended 31-Mar-2012 respectively (Previous year ₹ 1.24 Crores and ₹ 3.83 Crores).

b) Non Cancelable lease:

The Company has taken office building under non-cancelable operating lease. The lease rental expense during the year was ₹ 4.06 Crores (Previous year ₹ 1.45 Crores). The future minimum lease payments in respect of this lease as at March 31, 2012 are as follows:

Future Obligations	₹ In Crores	
	As At 31-Mar-12	As At 31-Mar-11
Not later than one year	3.11	4.27
Later than one year not later than five years	1.93	6.76
Later than five years	-	-
Total	5.04	11.03

NOTE 39 : AUDITORS' REMUNERATION

Following are the details of Auditors' remuneration:

Particulars	₹ In Crores	
	Year Ended 31-Mar-12	Year Ended 31-Mar-11
Statutory Audit Fee	0.09	0.06
Tax Audit Fee	0.01	0.01
Certification	0.02	0.04
Reimbursement of Expenses*	-	-
Total	0.12	0.11

* includes of ₹ 24,908/- for FY 2010-11

NOTE 40 : FOREIGN CURRENCY TRANSACTIONS

Particulars	₹ In Crores	
	Year Ended 31-Mar-12	Year Ended 31-Mar-11
a) Value of Imports calculated on CIF Basis :		
i) Components, embedded goods and spare-parts	0.76	0.81
ii) Capital goods	-	9.31
b) Expenditure in foreign currencies:		
i) Traveling expenses	0.05	0.08
ii) Technical / Professional & Conference Expenses	1.19	0.83
iii) Hire Charges	40.29	35.42
c) Income in foreign currencies:		
Dividend from Subsidiary	-	0.83

NOTE 41 : EARNINGS PER SHARE (EPS)

Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
a. Profit After Tax (₹ In Crores)		
For Basic EPS	110.49	59.87
For Diluted EPS	110.49	59.87
b. Weighted average number of equity shares (Nos in Lacs)		
For Basic EPS	381.19	330.55
Adjustment for Diluted EPS		
Add: Weighted average number of potential shares on account of Employee Stock Options	0.28	1.34
Add: Weighted average number of potential shares on account of Preferential allotment of shares/Warrants	-	45.31
For Diluted EPS	381.47	377.20



Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
c. Earning Per Share (₹)		
Basic	28.99	18.11
Diluted	28.97	15.87
d. Nominal Value Per Share (₹)	10.00	10.00

NOTE 42 : 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 43 : 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 44 : 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 45 : FOREIGN CURRENCY EXPOSURES

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

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

Particulars	As At 31-Mar-2012		As At 31-Mar-2011	
	USD in Crores	INR in Crores	USD in Crores	INR in Crores
Creditors for Services	(0.47)	(23.97)	(0.24)	(10.74)
Advance to Creditors for Spares import	0.04	2.23	0.04	1.95
Loan given to Subsidiary	0.30	15.59	0.30	13.61
Dividend Receivable	0.01	0.44	0.02	0.83
Total	(0.12)	(5.71)	0.12	5.65
	GBP in Crores	INR in Crores	GBP in Crores	INR in Crores
Creditors for Services	-	-	0.01	0.61

Conversion rate applied:

1 USD = ₹ 51.1565 (Previous year ₹ 44.6500)

1 GBP = ₹ 81.7992 (Previous year ₹ 71.9289)

NOTE 46 : 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 : New Delhi

Date : 05-Sep-12

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

ARUN KUMAR GURTU

Director

R SURESH

CFO

S RAMASUNDARAM

Company Secretary

Annexure A

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

Name of the Company	Investments				Loans & Advances Given		
	Face Value (₹)	As At 31-Mar-12 No of Shares (Lacs)	As At 31-Mar-11 No of Shares (Lacs)	As At 31-Mar-12 (₹ in Crores)	As At 31-Mar-11 (₹ in Crores)	Amount Outstanding As at 31-Mar-12 (₹ 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	2.92	4.75
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	4.30	7.38
Arohi Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	2.87	5.49
Atul Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.80	0.80
Avatar Constructions Private Limited	10	0.10	0.10	0.01	0.01	1.78	2.12
Bharani Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.37	0.37
Darpan Houses Private Limited	10	0.10	0.10	0.01	0.01	1.75	3.18
Dasha Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	6.71	6.71
Future Parking Private Limited	10	24.99	12.80	2.50	1.28	0.76	0.76
Hilary Constructions Private Limited	10	0.10	0.10	0.01	0.01	0.34	4.61
Karaikal Port Private Limited	10	2,907.07	2,989.20	290.71	298.92	2.32	2.32
Karaikal Power Company Private Limited	10	0.10	0.10	0.01	0.01	2.63	2.63
Kiridhara Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	4.43	6.25
MARG Aviations Private Limited	10	0.10	0.10	0.01	0.01	2.45	2.45
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	15.55	16.19
MARG Sri Krishnadevaraya Airport Private Limited	10	0.10	0.10	0.01	0.01	1.27	1.27
MARG Logistics Private Limited	10	0.10	0.10	0.01	0.01	0.30	0.41
MARG Properties Limited	10	0.50	0.50	0.05	0.05	94.97	94.97
MARG Swamabhoomi Port Private Limited	10	0.11	0.11	0.01	0.01	1.82	1.82
MARG Trading PTE Ltd	SIG \$ 1	0.01	0.01	0.00	0.00	0.04	0.04
Mukta Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	6.71	12.57
Navrang Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	1.77	1.77
New Chennai Township Private Limited	10	625.00	580.50	62.50	58.05	145.12	190.12
Parivar Apartments Private Limited	10	0.10	0.10	0.01	0.01	0.84	0.84
Riverside Infrastructure (India) Private Limited	10	1,137.75	1,008.80	113.78	100.88	39.38	48.34
Shubham Vihar Private Limited	10	0.10	0.10	0.01	0.01	11.20	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	5.51	6.61
Yuva Constructions Private Limited	10	0.10	0.10	0.01	0.01	-	2.05
Total				527.27	516.92	358.93	438.06

Annexure A

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

Name of the Company	Investments				Loans & Advances Given		
	Face Value (₹)	As At 31-Mar-12 No of Shares (Lacs)	As At 31-Mar-11 No of Shares (Lacs)	As At 31-Mar-12 (₹ in Crores)	As At 31-Mar-11 (₹ in Crores)	Amount Outstanding As at 31-Mar-12 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)
Fellow Subsidiaries / Step down Subsidiaries							
Aprati Constructions Private Limited	-	-	-	-	-	2.25	5.05
Aroopa Infradevelopers Private Limited	-	-	-	-	-	3.68	3.68
Magnumopus Infrastructure Private Limited	-	-	-	-	-	13.33	13.33
MARG Business Park Private Limited	-	-	-	-	-	5.40	6.79
O M R Developers Private Limited	-	-	-	-	-	4.04	6.17
Sarang Infradevelopers Private Limited	-	-	-	-	-	23.01	24.98
Wisdom Constructions Private Limited	-	-	-	-	-	10.04	10.06
MARG Hotels and Service Apartments Private Limited	-	-	-	-	-	-	-
Total						61.76	70.07
Name of the Associate Company							
Rajakamangalam Thuri 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 Companies							
MARG Digital Infrastructure Private Limited	10	5.95	5.95	0.59	0.59	-	-
MARG Foundation	-	-	-	-	-	1.38	1.38
MARG Realities Limited	10	9.95	9.95	1.00	1.00	-	-
Total				1.59	1.59	1.38	1.38
*Investments includes ₹ 39,000/- as at 31-Mar-12 & 31-Mar-11							

Annexure B

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

SI	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	244.51	-	543.82	298.30	-	-	(0.44)	-	(0.44)	-
2	Anumanthai Beachside Resorts Private Limited	1.00	(1.16)	-	0.17	0.33	-	-	(0.34)	-	(0.34)	-
3	Anuttam Constructions Private Limited	1.00	291.86	-	1,138.43	845.57	-	0.39	0.10	0.08	0.01	-
4	Arohi Infrastructure Private Limited	1.00	(343.88)	-	381.09	5,723.97	5,000.00	-	(371.81)	-	(371.81)	-
5	Atul Infrastructure Private Limited	1.00	166.94	-	502.25	334.31	-	-	(2.39)	-	(2.39)	-
6	Avatar Constructions Private Limited	1.00	230.76	-	1,209.41	977.65	-	-	(1.59)	-	(1.59)	-
7	Bharani Infrastructure Private Limited	1.00	2.53	-	691.20	687.67	-	2.00	1.52	0.47	1.06	-
8	Darpan Houses Private Limited	1.00	182.90	-	363.28	179.39	-	-	(0.43)	-	(0.43)	-
9	Dasha InfraDevelopers Private Limited	1.00	250.61	-	931.09	679.47	-	-	(0.45)	-	(0.45)	-
10	Future Parking Private Limited	490.00	6.04	-	675.08	179.04	-	11.98	11.50	3.55	7.95	-
11	Hilary Constructions Private Limited	1.00	150.71	-	509.36	357.65	-	0.00	(0.70)	-	(0.70)	-
12	Karaikal Port Private Limited	57,843.99	5,304.39	-	222,991.94	159,843.56	-	22,135.40	3,435.49	1,099.83	2,335.66	2.19
13	Karaikal Power Company Private Limited	1.00	(0.57)	-	274.06	273.63	-	-	(0.15)	-	(0.15)	-
14	Kiridhara Infrastructure Private Limited	1.00	361.59	-	813.72	451.13	-	-	(1.81)	-	(1.81)	-
15	MARG Aviations Private Limited	1.00	(0.91)	-	246.72	246.63	-	-	(0.33)	-	(0.33)	-
16	MARG Industrial Clusters Limited	5.00	(0.04)	-	6.28	1.32	-	0.64	0.36	0.09	0.27	-
17	MARG Infrastructure Developers Limited	5.00	(0.04)	-	6.28	1.32	-	0.64	0.37	0.09	0.28	-
18	MARG Marine Infrastructure Limited	5.00	(0.03)	-	6.27	1.30	-	0.64	0.38	0.10	0.29	-
19	MARG International Dredging PTE Ltd	5,733.00	2,299.70	-	21,751.88	13,719.19	-	4,029.09	724.07	427.77	296.30	-
20	MARG Sri Krishnadevaraya Airport Private Limited	1.00	(0.54)	-	2,246.03	2,245.57	-	-	(0.26)	-	(0.26)	-
21	MARG Logistics Private Limited	1.00	187.58	-	2,163.39	1,974.81	-	5,845.01	111.95	32.42	79.53	-
22	MARG Properties Limited	5.00	4.95	-	18,795.20	18,793.26	8.00	7,549.01	146.55	58.10	88.45	-
23	MARG Swamboomi Port Private Limited	1.25	(0.95)	-	3,626.00	3,625.70	-	-	(0.16)	-	(0.16)	-
24	MARG Trading PTE Ltd	0.33	(15.39)	2.23	2.98	15.80	-	-	(5.45)	-	(5.45)	-
25	Mukta Infrastructure Private Limited	1.00	308.00	-	1,525.62	1,216.61	-	-	(1.82)	-	(1.82)	-
26	Navrang Infrastructure Private Limited	1.00	(1.21)	-	179.09	179.30	-	-	(0.61)	-	(0.61)	-
27	New Chennai Township Private Limited	6,250.00	12,181.63	4,702.00	94,653.51	71,519.87	-	8,807.28	411.07	222.07	189.00	-
28	Parivar Apartments Private Limited	1.00	(1.13)	-	85.23	85.36	-	-	(0.32)	-	(0.32)	-
29	Riverside Infrastructure (India) Private Limited	14,500.00	1,033.89	-	50,231.08	34,697.19	-	3.01	(6.98)	0.07	(7.05)	-
30	Shubham Vihar Private Limited	1.00	645.69	-	1,780.41	1,133.72	-	-	(0.97)	-	(0.97)	-
31	Signa Infrastructure India Limited	5.00	34.43	-	94.35	54.92	-	91.53	15.62	4.84	10.78	1.00
32	Swatantra Infrastructure Private Limited	1.00	915.54	-	1,484.87	568.33	-	0.25	(0.13)	-	(0.13)	-
33	Yuva Constructions Private Limited	1.00	24.18	-	25.55	0.37	-	-	(1.27)	-	(1.27)	-
	Total											

Annexure B

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

SI	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	26.17	-	356.08	328.91	-	-	(1.97)	-	(1.97)	-
2	Aroopa InfraDevelopers Private Limited	1.00	19.72	-	394.48	373.76	-	-	(1.75)	-	(1.75)	-
3	Magnumopus Infrastructure Private Limited	1.00	3.12	-	1,354.65	1,350.53	-	-	(1.85)	-	(1.85)	-
4	MARG Business Park Private Limited	1.00	5.74	-	742.39	735.66	-	0.00	(1.58)	-	(1.58)	-
5	O M R Developers Private Limited	1.00	15.44	-	675.96	659.52	-	-	(5.21)	-	(5.21)	-
6	Sarang InfraDevelopers Private Limited	1.00	(2.88)	-	3,846.85	3,853.86	5.14	11.40	5.29	0.31	4.99	-
7	Wisdom Constructions Private Limited	1.00	13.56	-	1,405.16	1,390.60	-	-	(3.06)	-	(3.06)	-
8	MARG Hotels and Service Apartments Private Limited	1.00	(0.21)	-	1.25	0.46	-	-	(0.21)	-	(0.21)	-

* Turnover includes Other Income

Auditors' Report

TO
THE BOARD OF DIRECTORS OF
MARG Limited

We have audited the attached Consolidated Balance Sheet of MARG LIMITED and its subsidiaries (the Group) as at 31st March, 2012, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of MARG LIMITED's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Consolidated financial statements of MARG LIMITED incorporate the accounts for the year ended 31st March 2012 of 41 Companies of which 34 companies listed in "Annexure A" have been audited by us and whose reports have been considered by us.

We did not audit the financial statements of following 7 subsidiaries whose financial statements reflects total assets of ₹ 2474.64 Crores as at 31st March 2012, the total income of ₹ 262.58 Crores for the year ended on that date and the Net Cash Outflows amounting to ₹ 28.80, for the year ended 31st March 2012. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.

S.no	Company name
1.	Bharani Infrastructure Private Limited
2.	Darpan Houses Private Limited
3.	Karaikal Port Private Limited
4.	MARG International Dredging Pte Limited
5.	MARG Trading Pte Limited
6.	Shubham Vihar Private Limited
7.	Signa Infrastructure India Limited

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

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

- in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2012;
- in the case of Consolidated Profit and Loss Account, of the Profit of the Group for the year ended 31st March 2012 and
- in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended 31st March 2012.

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

R M V BALAJI
Partner
Membership No. 27476

Place : New Delhi
Date : 05-Sep-2012

Annexure A

Sl.no	Name of the Company	Sl.no	Name of the Company
1	Amir Constructions Private Limited	18	MARG Industrial Clusters Limited
2	Anumanthai Beachside Resorts Private Limited	19	MARG Infrastructure Developers Limited
3	Anuttam Constructions Private Limited	20	MARG Logistics Private Limited
4	Aprati Constructions Private Limited	21	MARG Marine Infrastructure Limited
5	Arohi Infrastructure Private Limited	22	MARG ProperTies Limited
6	Aroopa Infradevelopers Private Limited	23	MARG Sri Krishnadevaraya Airport Private Limited
7	Atul Infrastructure Private Limited	24	MARG Swarnabhoomi Port Private Limited
8	Avatar Constructions Private Limited	25	Mukta Infrastructure Private Limited
9	Dasha Infradevelopers Private Limited	26	Navrang Infrastructure Private Limited
10	Future Parking Private Limited	27	New Chennai Township Private Limited
11	Hilary Constructions Private Limited	28	O M R Developers Private Limited
12	Karaikal Power Company Private Limited	29	Parivar Apartments Private Limited
13	Kirtidhara Infrastructure Private Limited	30	Riverside Infrastructure (India) Private Limited
14	Magnumopus Infrastructure Private Limited	31	Sarang Infradevelopers Private Limited
15	MARG Aviations Private Limited	32	Swatantra Infrastructure Private Limited
16	MARG Business Park Private Limited	33	Wisdom Constructions Private Limited
17	MARG Hotels and Service Apartments Private Limited	34	Yuva Constructions Private Limited

Particulars	Note	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	3	38.12	38.12
Reserves & Surplus	4	360.10	366.12
MINORITY INTEREST			
		296.09	142.24
NON-CURRENT LIABILITIES			
Long-Term Borrowings	5	2,331.10	1,897.50
Deferred Tax Liability (Net)	6	12.11	3.79
Other Long-Term Liabilities	7	19.42	23.91
Long-Term Provisions	8	4.49	3.65
CURRENT LIABILITIES			
Short-Term Borrowings	9	385.20	269.29
Trade Payables	10	162.38	152.47
Other Current Liabilities	11	1,106.60	704.51
Short-Term Provisions	12	12.23	16.70
		4,727.84	3,618.30
ASSETS			
NON-CURRENT ASSETS			
Goodwill (on Consolidation)		11.51	8.67
Fixed Assets:	13		
Tangible Assets		1,637.18	883.04
Intangible Assets		3.79	3.30
Capital Work In Progress		1,183.19	1,196.04
Non-Current Investments	14	3.49	2.49
Long-Term Loans and Advances	15	15.01	22.60
Other Non-Current Assets	16	89.95	108.39
CURRENT ASSETS			
Current Investments	17	0.08	0.09
Inventories	18	672.55	500.57
Trade Receivables	19	535.01	476.39
Cash & Cash Equivalents	20	137.39	146.42
Short-Term Loans & Advances	21	438.69	270.30
		4,727.84	3,618.30

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 : New Delhi

Date : 05-Sep-12

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director
ARUN KUMAR GURTU
Director
R SURESH
CFO
S RAMASUNDARAM
Company Secretary

Particulars	Note	Year Ended 31-Mar-12 (₹ In Crores)	Year Ended 31-Mar-11 (₹ In Crores)
INCOME			
Income from Operations	22	1,007.43	941.84
Other Income	23	120.03	10.20
		1,127.46	952.04
EXPENDITURE			
Cost of Projects / Operating Expenses	24	793.04	707.96
Personnel Expenses	25	37.14	33.74
Depreciation and Amortisation	13	42.24	28.17
Finance Cost	26	99.96	63.19
Other Expenses	27	78.21	50.59
		1050.59	883.65
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			
		76.87	68.39
Exceptional Items		(5.20)	-
		71.67	68.39
PROFIT BEFORE TAX			
TAX EXPENSES			
Current Tax		62.29	43.70
Taxes - Prior Period		-	0.12
Deferred Tax	28	8.32	6.34
		1.06	18.23
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS (A)			
		1.06	18.23
Profit (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
		-	-
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)			
		1.06	18.23
PROFIT (LOSS) FOR THE PERIOD (A+B)			
EARNINGS PER SHARE			
Basic (Face Value ₹ 10/-)		0.29	5.51
Diluted (Face Value ₹ 10/-)		0.29	4.83

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 : New Delhi

Date : 05-Sep-12

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director
ARUN KUMAR GURTU
Director
R SURESH
CFO
S RAMASUNDARAM
Company Secretary

S No	Particulars	Year Ended 31-Mar-12 (₹ in Crores)	Year Ended 31-Mar-11 (₹ in Crores)
A	CASH FLOWS FROM OPERATING ACTIVITIES:		
	Net Profit before Taxation and extraordinary Item	71.67	68.39
	Adjustment for:		
	Depreciation	42.51	28.20
	Net Unrealised (Gain) Loss on Exchange Rate Fluctuations	(0.33)	0.34
	Exchange (Gain) Loss on Translation of Foreign Subsidiaries	15.31	(5.68)
	Net Unrealised Loss (Profit) Decline in Investments	0.01	0.01
	Dividend Income	-	(0.83)
	Profit on sale of Assets	(39.86)	-
	Profit on Sale of Investment	(77.84)	(2.71)
	Loss on sale of Fixed Assets	-	0.02
	Charges for Employee Stock option	0.21	0.32
	Finance Cost (Net)	99.96	63.19
	Operating Profit before Working Capital Changes	111.64	151.25
	Decrease (Increase) in Inventories	(171.96)	(170.59)
	Decrease (Increase) in Trade Receivables	(59.17)	(226.66)
	Decrease (Increase) in Long-term Trade Receivables	18.44	(23.54)
	Decrease (Increase) in Short-term Loans & Advances	(181.71)	(31.00)
	Decrease (Increase) in Long-term Loans & Advances	7.59	(20.47)
	Increase (Decrease) in Trade Payable	9.91	22.25
	Increase (Decrease) in Other Current Liabilities	377.67	119.04
	Increase (Decrease) in Short-Term Provisions	0.25	0.53
	Increase (Decrease) in Other Long-Term Liabilities	(4.49)	0.51
	Increase (Decrease) in Long-Term Provisions	0.84	2.10
	Cash Generated from Operations	109.01	(176.58)
	Income Tax	(56.92)	(55.75)
	Cash Flow before extraordinary items	52.09	(232.33)
	Adjustment for extraordinary Items	-	-
	NET CASH FROM OPERATING ACTIVITIES (A)	52.09	(232.33)
B	CASH FLOWS FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(855.91)	(605.54)
	Purchase of Investments	(1.00)	-
	Goodwill on Consolidation	(2.78)	(8.49)
	Sale of Investments in Subsidiaries	78.38	13.58
	Proceeds from Sale of Fixed Assets (Net)	87.11	30.34
	NET CASH FROM INVESTING ACTIVITIES (B)	(694.20)	(570.11)
C	CASH FLOWS FROM FINANCING ACTIVITIES:		
	Proceeds from Issue of Share Capital	-	9.55
	Proceeds from Share Premium	2.78	126.73
	Proceeds from Issue of Share to Minorities	143.71	83.72
	Proceeds from Long Term Borrowings (Net)	490.99	553.52
	Proceeds from Short Term Borrowings (Net)	93.02	98.54
	Finance Cost Paid (Net)	(88.62)	(56.99)
	Dividend & Dividend Tax Paid	(8.81)	(7.66)
	NET CASH USED IN FINANCING ACTIVITIES (C)	633.07	807.41
	Net Increase in Cash and Cash Equivalents (A+B+C)	(9.04)	4.97
	Cash and Cash Equivalents at beginning of Year	146.42	141.45
	Cash and Cash Equivalents at end of Year	137.38	146.42

Note:

- Cash Flow statement is prepared under the Indirect Method in accordance with Accounting Standard-3.
- Depreciation includes amount transferred to 'Cost of Projects'.
- Cash and cash equivalents not available for immediate use as on the Balance Sheet date are shown in Note 33 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 : New Delhi
Date : 05-Sep-12

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director

ARUN KUMAR GURTU
Director

R SURESH
CFO

S RAMASUNDARAM
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 from operations is the amount 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 recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.
- d. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of Profit and Loss account being the profit or loss on disposal of investment in subsidiary.
- e. Investments in Associates are accounted under the Equity Method. The excess of cost of investment over the proportionate share in equity of the Associate as on the date of acquisition of stake is identified as Goodwill and is disclosed in the Consolidated Financial Statements. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of associate. However, share of losses is accounted for only to the extent of the cost of investment. Subsequent profits if such associates are not accounted for unless the accumulated losses(not accounted for by the group) are recouped.
- f. "The Consolidated Financial Statements" have been prepared using the uniform accounting policies for the like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's individual financial statements.
- g. In case of foreign subsidiaries, being Integral foreign operations, Income and Expenditure items are consolidated by using monthly average rates. The Monetary items are translated using the rate prevailing at the balance sheet date. Non monetary items are translated at the rates prevailing on the date of transaction. The resultant exchange gain or loss is recognised in the consolidated profit and loss account.
- h. The details of the Subsidiary Companies considered in the consolidated financial statements are listed in the Annexure.

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 recognized 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 recognized at the inception of lease / sub-lease agreement or when the Memorandum of Understanding takes effect. The entire income being the non-refundable upfront premium is recognized. In respect of these lands, the corresponding cost of the land is expensed off in the Profit and Loss Account.
- d. Dividend income is recognized 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), June 1, 2009.
- e. All assets individually costing Rs. 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 show 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 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.



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 profit and loss account on a straight line basis over the lease term.

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

FINANCE LEASES

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

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

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 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.



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 recognized in respect of timing difference, which originates during the tax holiday period but reverse after the tax holiday period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has carry forward unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each Balance Sheet date unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

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 recognized in the Profit and Loss Account.

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 Profit and Loss account in the year in which they are incurred.

2.11 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.

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-12 Nos	31-Mar-11 Nos	31-Mar-12 (₹ In Crores)	31-Mar-11 (₹ 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
Issued, Subscribed and Paid up Capital				
Equity Shares face value of ₹ 10/- each	38,118,926	38,118,926	38.12	38.12
3.2 Reconciliation of number of Equity Shares Outstanding:				
Shares Outstanding at the beginning of the year	38,118,926	27,208,369		
Add: Shares Allotted during the year				
On Qualified Institutional Placement	-	5,631,648		
On Conversion of Warrants	-	5,209,519		
On Exercise of Employees Stock Options	-	69,390		
Shares Outstanding at the end of the year	<u>38,118,926</u>	<u>38,118,926</u>		

3.3 Shareholders holding more than 5% Equity Shares:

Sl Name of the Shareholders	As At 31-Mar-12		As At 31-Mar-11	
	Nos	%	Nos	%
1 G R K Reddy	48,00,000	12.59%	48,00,000	12.59%
2 Akshya Infrastructure Private Limited	3,995,736	10.48%	2,260,000	5.93%
3 Global Infoserv Limited	3,000,000	7.87%	3,000,000	7.87%
4 MARG Capital Markets Limited	2,640,000	6.93%	2,640,000	6.93%
5 G R K Reddy & Sons (HUF)	2,500,000	6.56%	2,500,000	6.56%
6 Reliance Capital Trustee Co Ltd - Reliance Infrastructure Fund	2,357,000	6.18%	2,357,000	6.18%
7 Citigroup Global Markets Mauritius Private Limited	-	0.00%	1,985,317	5.21%

Particulars	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
NOTE 4 : RESERVES & SURPLUS		
4.1 Securities Premium Account:		
Opening Balance	343.78	194.20
Add: Addition during the year	2.22	152.79
Less: Securities issue expenses written-off	-	3.21
Less: Transferred to Minority Interest	6.17	3.39
	<u>339.83</u>	<u>340.39</u>
4.2 General Reserve:		
Opening Balance	28.67	24.17
Add: Transferred from the Profit and Loss Account	0.01	4.51
Less: Transferred to Minority Interest	0.01	0.01
	<u>28.67</u>	<u>28.67</u>
4.3 Employees Share Option Outstanding:		
Employees Stock Option Outstanding	0.97	1.11
Less: Deferred Employees Stock Options Compensation	0.18	0.53
	<u>0.79</u>	<u>0.58</u>
4.4 Profit & Loss Account:		
Balance at the beginning of the year	(3.52)	(8.06)
Add: Profit for the Year	1.06	18.23
Less: Proposed Dividend on Equity Shares	-	7.62
Less: Proposed Dividend on Preference Shares	0.02	0.01
Less: Dividend Tax*	-	1.27
Less: Transferred to General Reserve	0.01	4.51
Less: Transfer to Cost of Control (on Consolidation)	(0.07)	(0.17)
Less: Transferred to Minority Interest	6.77	0.45
Less: Share of Profit (Loss) in Associates*	-	-
Balance at the end of the year	<u>(9.19)</u>	<u>(3.52)</u>
	<u>360.10</u>	<u>366.12</u>

*Includes ₹ 2,151/- and ₹ 3,191/- for FY 2011-12 and 2010-11 respectively.

NOTE 5 : LONG-TERM BORROWINGS
5.1 Secured Loans:

8% Optionally Convertible Debentures	50.00	-
Secured by way of charge on movable & immovable properties and also charge on hypothecation of inventories, advances, receivables and other current assets		
[50,00,000 units (Previous year Nil units) of Face Value of Rs. 100/- each (Previous year Nil)]		

Term Loan:
From Banks & Financial Institutions:

Secured by way of charge on rentals, mortgage / hypothecation of movable & immovable properties*	2,244.55	1,860.99
--	----------	----------

From Others:

Secured by way of charge on movable & immovable properties*	36.55	36.51
	<u>2,331.10</u>	<u>1,897.50</u>

* Loans Guaranteed by Directors



5.2 Repayment Terms (including current maturities):

Term Loan from Banks:

- a) Loan of Rs. 132.14 Crores is repayable in 16 Quarterly instalments ending Jul-16.
- b) Loan of Rs. 21.95 Crores is repayable in 18 Monthly instalments ending Sep-13.
- c) Loan of Rs. 59.86 Crores is repayable in 21 Monthly instalments ending Dec-13.
- d) Loan of Rs. 70.44 Crores is repayable in 120 Monthly instalments ending Mar-22.
- e) Loan of Rs. 25.00 Crores is repayable in 30 Monthly instalments ending Jan-15.
- f) Loan of Rs. 4.04 Crores is repayable in 1 instalment ending Apr12.
- g) Loan of Rs. 16.18 Crores is repayable in 8 Quarterly instalments ending Feb-14.
- h) Loan of Rs. 3.47 Crores is repayable in 63 Monthly instalments ending Jun-17.
- i) Loans of Rs. 253.65 Crores is repayable in 32 Quartely instalments ending Jun-20.
- j) Loans of Rs. 1037.57 Crores is repayable in 32 Quartely instalments ending Jun-20.
- k) Loan of Rs. 13.8 Crores is repayable in 8 Quartely instalments ending Jun-14.
- l) Loan of Rs. 45.68 Crores is repayable in 24 Quartely instalments ending Jun-18.
- m) Loans of Rs. 145.25 Crores is repayable in 32 Quartely instalments ending Jun-20.
- n) Loan of Rs. 148.21 Crores are repayable by conversion into rent securitisation Loan.
- o) Loans of Rs. 67.00 Crores is repayable in 108 Monthly instalments ending Apr-20.
- p) Loan of Rs. 24.94 Crores is repayable in 6 Monthly instalments ending Jun-13.
- q) Loan of Rs. 14.94 Crores is repayable in 17 Quartely instalments ending Sep-16.
- r) Loan of Rs. 95.00 Crores is repayable in 10 Quartely instalments ending Jun-15.
- s) Loans of Rs. 213.03 Crores is repayable in 18 Quartely instalments ending Jun-17.
- t) Loan of Rs. 43.95 Crores is repayable in 68 Monthly instalments ending May-18.
- u) Loan of Rs. 93.71 Crores is repayable in 20 Quartely instalments ending Oct-16.
- v) Loan of Rs. 22.57 Crores is repayable in 11 Quartely instalments ending Aug-14.
- w) Vehicle and Equipment Loans of Rs. 17.13 Crores are payable in monthly instalments ending Nov-16.

Term Loan from Others

- a) Loans of Rs. 22.36 Crores are payable in single instalments.
- b) Vehicle and Equipment Loans of Rs. 52.80 Crores are payable in monthly instalments ending Nov-16.

Particulars	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
NOTE 6 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability	12.73	4.47
Less : Deferred Tax Asset	0.62	0.68
	12.11	3.79
NOTE 7 : OTHER LONG-TERM LIABILITIES		
Others		
Mobilisation Deposit	13.50	18.50
Lease Deposits	5.92	5.41
	19.42	23.91
NOTE 8 : LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	2.67	2.40
Leave Encashment	1.82	1.25
	4.49	3.65
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*	319.66	268.67
From Others:		
Secured by way of charge on immovable properties*	45.00	-
<i>*Loans Guaranteed by Directors.</i>		
	364.66	268.67



Particulars	As At 31-Mar-12 (₹ In Crores)	As At 31-Mar-11 (₹ In Crores)
9.2 Unsecured Short-term Loans:		
From Others:		
Loans From Other Companies	20.54	0.62
	20.54	0.62
	385.20	269.29
NOTE 10 : TRADE PAYABLES		
Trade Payables	162.38	152.47
	162.38	152.47
NOTE 11 : OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Debts	364.23	313.90
Interest Accrued but Not Due on Borrowings	1.78	1.04
Interest Accrued and Due on Borrowings	26.59	17.54
Other Payables		
Advances from Customers	153.32	64.94
Expenses Payable	86.43	91.45
LC Payable	407.61	131.05
Statutory Dues	59.15	28.43
Unclaimed Dividend	0.23	0.17
Due to Directors	1.84	1.06
Creditors for Capital Goods	4.84	54.53
Others	0.58	0.40
	1106.60	704.51
NOTE 12 : SHORT-TERM PROVISIONS		
Provision for Employee Benefits		
Bonus	0.70	0.49
Gratuity	0.04	0.02
Leave Encashment	0.08	0.06
Others:		
Income Tax	11.41	7.24
Proposed Dividend	-	7.62
Tax on Proposed Dividend	-	1.27
	12.23	16.70



Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 31-Mar-11	Additions	Deductions / Transfers	As At 31-Mar-12	As At 31-Mar-11	For the year	Deletions	As At 31-Mar-12	As At 31-Mar-11
TANGIBLE ASSETS									
LEASED ASSETS									
Digital Zone - I									
Land	5.23	-	-	5.23	-	-	-	5.23	5.23
Building	22.63	-	-	22.63	2.35	0.37	-	19.91	20.28
Plant & Machinery	5.25	-	-	5.25	1.57	0.25	-	3.43	3.68
Electrical Equipment & Fittings	10.99	-	-	10.99	3.30	0.52	-	7.17	7.69
Furniture & Fixtures	9.34	-	-	9.34	3.69	0.59	-	5.06	5.65
Thiruvanniyur									
Land & Building	0.45	-	-	0.45	-	-	-	0.45	0.45
Swamabhoomi - SEZ									
Land	0.87	2.60	-	3.47	-	-	-	3.47	0.87
Building	3.31	80.29	-	83.60	0.02	0.69	-	82.89	3.29
PORT ASSETS									
Building	29.40	196.07	-	225.47	1.76	2.18	-	221.53	27.64
Dredged Channels	122.00	237.01	-	359.01	7.46	5.51	-	346.04	114.54
Marine Structures	146.69	237.17	-	383.86	8.96	6.34	-	368.56	137.73
Plant and Machinery	57.09	31.50	-	88.59	4.73	2.91	-	80.95	52.36
OTHER ASSETS									
Land	207.24	0.50	46.99	160.75	-	-	-	160.75	207.24
Building	2.32	1.58	-	3.90	0.66	1.57	-	1.67	1.66
Computers	9.22	0.97	-	10.19	2.74	1.51	-	5.94	6.48
Office Equipment	5.40	0.74	0.06	6.08	0.54	0.33	-	5.21	4.86
Furniture & Fittings	14.61	4.25	-	18.86	1.47	1.27	-	16.12	13.14
Motor Vehicles	16.22	2.91	0.15	18.98	2.62	1.85	0.04	14.55	13.60
Plant & Machinery	61.57	47.30	0.10	108.77	3.47	5.97	0.01	99.34	58.10
Electrical Equipment & Fittings	4.48	0.80	-	5.28	0.37	0.28	-	4.63	4.11
Dredger	203.24	-	-	203.24	8.80	10.16	-	184.28	194.44
Live Stock*	-	-	-	-	-	-	-	-	-
Total Tangible Assets	937.55	843.69	47.30	1,733.94	54.51	42.30	0.05	1,637.18	883.04
Previous Year	624.25	313.40	0.10	937.55	26.41	28.15	0.05	883.04	597.84
INTANGIBLE ASSETS									
Computer Software**	3.23	1.23	-	4.46	0.64	0.72	-	3.10	2.59
Port License	0.76	-	-	0.76	0.05	0.02	-	0.69	0.71
Total Intangible Assets	3.99	1.23	-	5.22	0.69	0.74	-	3.79	3.30
Previous Year	2.98	1.01	-	3.99	0.13	0.56	-	3.30	2.85
CAPITAL WORK IN PROGRESS	1,196.04	21.91	34.76	1,183.19	-	-	-	1,183.19	1,196.04
Total Capital work in Progress	1,196.04	21.91	34.76	1,183.19	-	-	-	1,183.19	1,196.04
Previous Year	734.55	463.65	2.16	1,196.04	-	-	-	1,196.04	734.55

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

** Other than internally Generated



Particulars	As At 31-Mar-12		As At 31-Mar-11	
	(₹ In Crores)		(₹ 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-12	31-Mar-11	
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	595,000	0.60
Marg Realities Ltd	10	995,000	995,000	1.00
Catholic Syrian Bank Ltd	10	20,100	20,100	0.05
				1.65
14.2 Investments in Properties (Non-Quoted, Stated at Cost)				
Building				0.84
				0.84
Total of Unquoted Investments				2.49
14.3 Investments in Debentures (Quoted)				
Srei Equipment Finance Pvt Ltd Unsecured Subordinated Non-convertible Perpetual Debentures				1.00
[10 units (Previous year Nil units) of Face Value of ₹ 1,000,000/- each (Previous year Nil)] [Market Price: not traded and stated at cost]				-
Less : Provision for Decline in Investments				-
				1.00
Total of Quoted Investments				1.00
Grand Total of Quoted and Unquoted Investments				3.49
*Includes ₹ 39,000/- as at 31-Mar-12 and 31-Mar-11.				
**Includes ₹ (23,788)/- and ₹ (21,637)/- as at 31-Mar-12 and 31-Mar-11 respectively				
NOTE 15 : LONG-TERM LOANS AND ADVANCES				
Unsecured and Considered Good				
Capital Advance				4.98
Security Deposits				10.03
				15.01
NOTE 16 : OTHER NON-CURRENT ASSETS				
Unsecured and Considered Good				
Loan-term Trade Receivables				89.95
				89.95
NOTE 17 : CURRENT INVESTMENTS				
Investments in Mutual Funds (Quoted)				
UTI Infrastructure Advantage Fund Series				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-12 ₹ 27.75 each (Previous year ₹ 32.96 each)]				
Less : Provision for Decline in Investments*				0.01
				0.08
*Includes ₹ 13,750/- as at 31-Mar-11				
NOTE 18 : INVENTORIES				
Inventories				
Stock of Materials, Stores, Spares and Loose Tools at Site				67.09
Projects in Progress				605.46
				672.55
				500.57



Particulars	As At	As At
	31-Mar-12 (₹ In Crores)	31-Mar-11 (₹ In Crores)
NOTE 19 : TRADE RECEIVABLES		
Unsecured and Considered Good		
Outstanding for more than 6 months	85.97	53.57
Doubtful	0.16	-
Others	449.04	422.82
	<u>535.17</u>	<u>476.39</u>
Less: Provision for Bad Debts	0.16	-
	<u>535.01</u>	<u>476.39</u>
NOTE 20 : CASH & CASH EQUIVALENTS		
Cash Balance	0.67	1.20
Balances with Scheduled Banks		
In Current Accounts	45.51	68.06
In Current Accounts for Unclaimed Dividend	0.23	0.17
In Margin Money Accounts	81.88	63.71
In Deposit Accounts		
Deposit maturing after 12 months	8.71	7.47
Others	0.39	5.81
	<u>137.39</u>	<u>146.42</u>
NOTE 21 : SHORT-TERM LOANS & ADVANCES		
Unsecured and Considered Good		
Others		
Advances to Suppliers	325.89	166.15
Advances to Staff	2.50	1.39
Other Advances Recoverable	12.39	25.37
Prepaid Expenses	17.86	10.85
Prepaid Taxes	73.45	62.00
Security Deposits	6.60	4.54
	<u>438.69</u>	<u>270.30</u>
	Year Ended	Year Ended
	31-Mar-12	31-Mar-11
	(₹ In Crores)	(₹ In Crores)
NOTE 22 : INCOME FROM OPERATIONS		
Income from Projects / Operations	991.08	930.00
Income from Leasing	16.35	11.84
	<u>1,007.43</u>	<u>941.84</u>
NOTE 23 : OTHER INCOME		
Profit on Sale of Investment	77.82	2.71
Dividend Received	-	0.84
Prior Period Income	0.43	-
Agricultural Income	0.13	0.12
Profit on Sale of Assets	39.86	-
Exchange Rate Difference	0.53	5.98
Miscellaneous Income	1.26	0.55
	<u>120.03</u>	<u>10.20</u>



Particulars	Year Ended	Year Ended
	31-Mar-12 (₹ In Crores)	31-Mar-11 (₹ In Crores)
NOTE 24 : COST OF PROJECTS/OPERATING EXPENSES		
COST OF PROJECTS / OPERATING EXPENSES		
Opening Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	53.62	22.91
Projects in Progress	446.95	300.94
Stock of Completed Projects	-	6.13
	<u>500.57</u>	<u>329.98</u>
Expenditure During the year		
Expenditure on Projects / Operating Expenses	964.85	876.83
Closing Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	67.09	53.62
Projects in Progress	605.46	446.95
	<u>672.55</u>	<u>500.57</u>
Cost of Projects / Operating Expenses	792.87	706.24
Repairs & Maintenance-Leased Properties	0.17	1.72
	<u>793.04</u>	<u>707.96</u>
NOTE 25 : PERSONNEL EXPENSES		
Salaries & Allowances	25.25	21.50
Remuneration to Managing Director	1.89	1.89
Contribution to Funds	3.07	3.01
Recruitment & Training Expenses	0.43	1.22
Staff Welfare Expenses	5.16	3.93
Retirement Benefits	1.13	1.87
Employee Compensation Expense	0.21	0.32
	<u>37.14</u>	<u>33.74</u>
NOTE 26 : FINANCE COST		
Interest on Loans	119.54	68.27
Less : Interest Recovered	27.79	8.82
Net Interest	91.75	59.45
Bank & Finance Charges	8.21	3.74
	<u>99.96</u>	<u>63.19</u>
NOTE 27 : OTHER EXPENSES		
Rent	5.99	3.96
Rates & Taxes	0.39	0.51
Communication Cost	1.67	1.32
Electricity Charges	2.82	2.35
Traveling and Conveyance	7.95	7.65
IT Services	2.06	1.72
Repairs & Maintenance	1.67	1.31
Payment to Non-executive Directors		
- Sitting Fees for Board Meeting	0.12	0.12
- Sitting Fees for Committee Meeting	0.18	0.20
- Commission	0.46	0.50
Secretarial Expenses	0.23	0.54
Advertisement & Business Promotion	8.63	9.55
Printing & Stationery	1.25	1.01
Postage and Courier Charges	0.15	0.14

Particulars	Year Ended 31-Mar-12 (₹ In Crores)	Year Ended 31-Mar-11 (₹ In Crores)
Payment to Auditors		
- Statutory Audit Fee	0.39	0.26
- Other Services	0.07	0.03
Insurance Premium	2.55	1.65
Legal & Professional Charges	12.84	8.00
General Expenses	1.14	0.90
Exchange Rate Fluctuation	15.39	0.69
Office Maintenance	10.20	6.44
Donation	0.26	0.55
Vehicle Maintenance	1.17	0.62
Loss on Sale of Assets	0.16	0.03
Prior Period Expenses	0.26	0.54
Bad Debts	0.21	-
Preliminary Expenses Written off*	-	-
	78.21	50.59

*Includes ₹ 750/- for the FY 31-Mar-11.

NOTE 28 : DEFERRED TAX EXPENSE (INCOME)

Deferred Tax Liability net off Deferred Tax Asset for the year	8.32	6.34
	8.32	6.34

NOTE 29 : CONTINGENT LIABILITIES

- a. Estimated amount of liability on capital contracts: ₹ 1,269.49 Crores (Previous year ₹ 674.88 Crores)
- b. Other Contingent liabilities : ₹ 0.20 Crore (Previous Year Nil)
- c. Corporate Guarantees given to Banks in respect of loans taken by other Companies: ₹ 3486.21 Crores (Previous year ₹ 2,753.70 Crores)
- d. Corporate Guarantees given to Banks in respect of performance bank guarantees issued by them: ₹ 190.62 Crores (Previous year ₹ 126.56 Crores)

	As At 31-Mar-12		As At 31-Mar-11		Due Date of Obligation
	Duty Saved	Export Obligation	Duty Saved	Export Obligation	
	0.14	0.64	0.14	1.14	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	-	-	20-Jul-19
	0.14	1.10	-	-	30-Nov-19
	0.09	0.70	-	-	16-Jan-20
	0.09	0.76	-	-	25-Jan-20
	0.04	0.30	-	-	27-Feb-20

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

g. Income Tax Demand

Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-11	During 2011-12	Till 31-Mar-12	
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
2008 - 09	5,276,990	5,276,990	-	5,276,990	CIT(Appeal)
2009 - 10	18,240,521	3,896,457	3,000,000	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-11	During 2011-12	Till 31-Mar-12	
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 30 : DEFERRED TAX LIABILITY

Particulars	(₹ In Crores)	
	AS At 31-Mar-12	As At 31-Mar-11
Outstanding Deferred Tax Liability (Net) as at the beginning of the year (A)	3.79	(2.55)
Add: Provision for Current Year Liabilities (Assets)		
Timing difference on account of Depreciation (B)	8.25	(17.33)
Timing difference on account of Business Loss (C)	-	20.13
Timing difference on account of Employee Benefits (D)	0.07	(0.28)
Reversal of Deferred Tax asset on account of Business Loss (E)	-	3.82
Timing difference on account of others (F)*	-	-
Sub-total (G=B+C+D+E+F)		
Outstanding Deferred Tax Liability (Net) as at the end of the year (H=A+G)	12.11	3.79

* includes ₹ (503)/- and ₹ (664)/- as on 31-Mar-12 and 31-Mar-11 respectively

In case of the Subsidiary Karaikal Port Private Limited, the deferred tax asset is recognized to the extent of the Deferred Tax Liability of ₹ 19.89 Crores and the Deferred Tax asset of ₹ 3.82 Crores recognized in FY 09-10 is reversed FY 10-11.

**NOTE 31 : EMPLOYEE BENEFITS****A. GRATUITY**

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

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

(₹ In Crores)

Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
Current Service Cost	1.22	1.03
Interest Cost	0.20	0.07
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised in the Year	(1.09)	0.18
Transitional Liability recognised in the year	-	-
Past Service Cost - Non-vested Benefits	-	-
Past Service Cost - Vested Benefits	(0.02)	0.23
Expenses Recognised in the Statement of Profit and Loss Account	0.31	1.51

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

(₹ In Crores)

Particulars	As at 31-Mar-12	As at 31-Mar-11
Opening Net Liability	2.42	0.91
Expense as above	0.31	1.51
Contribution Paid	(0.02)	-
Closing Net Liability	2.71	2.42

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

(₹ In Crores)

Particulars	As at 31-Mar-12	As at 31-Mar-11
Present Value of the Obligation	2.71	2.42
Fair Value of Plan Assets	-	-
Difference	2.71	2.42
Unrecognised Transitional Liability	-	-
Unrecognised Past Service Cost - Non vested Benefits	-	-
Liability Recognised in the Balance Sheet	2.71	2.42

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

Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as Weighted Averages]		
Discount Rate	8%	8%
Salary Escalation Rate	8%	8%
Attrition Rate	4%	4%

**B. LEAVE ENCASHMENT**

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

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

(₹ In Crores)

Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
Current service cost	0.74	0.44
Interest Cost	0.09	0.05
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/loss Recognised in the Year	(0.07)	0.34
Transitional Liability Recognised in the Year	-	-
Past Service Cost - Non-vested Benefits	-	-
Past Service Cost - Vested Benefits	-	-
Expenses Recognized in the Statement of Profit and Loss Account	0.76	0.83

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

(₹ In Crores)

Particulars	As at 31-Mar-12	As at 31-Mar-11
Opening Net Liability	1.31	0.68
Expense as above	0.76	0.82
Contribution Paid	(0.25)	(0.19)
Closing Net Liability	1.82	1.31

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

(₹ In Crores)

Particulars	As At 31-Mar-12	As At 31-Mar-11
Present value of the Obligation	1.82	1.31
Fair value of Plan Assets	-	-
Difference	1.82	1.31
Unrecognised Transitional Liability	-	-
Unrecognised Past Service Cost - Non vested Benefits	-	-
Liability Recognized in the Balance Sheet	1.82	1.31

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

Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	8%	8%
Salary escalation rate	8%	8%
Attrition rate	4%	4%

NOTE 32 : NON-CASH TRANSACTIONS

During the year loan of ₹ 27.39 Crores (Previous year ₹ 48.13 Crores) given to subsidiaries of the company was converted into Share Application Money and subsequently equity shares were allotted.

NOTE 33 : 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-12	As At 31-Mar-11
Margin money	81.88	63.71
Fixed Deposit with Bank	9.10	13.28
Unclaimed Dividend with bank	0.23	0.17
	91.21	77.16

NOTE 34 : 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-12
I	15-Oct-07	1,97,006	100	1,244
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	129748

c. Shares Reserved for Issue of Options:

Particulars	Date of Issue	Grant Price (₹)	As At	As At	As At	As At
			31-Mar-12 Nos	31-Mar-11 Nos	31-Mar-12 (₹ In Crores)	31-Mar-11 (₹ In Crores)
1 Equity Shares of ₹ 10/- each	03-Oct-09	75	1,29,748	1,45,722	0.13	0.15
2 Equity Shares of ₹ 10/- each*	15-Oct-07	100	1,244	3,762	-	-
			1,30,992	1,49,484	0.13	0.15

* includes ₹ 12,440/- and ₹ 37,620/- as on 31-Mar-12 and 31-Mar-11 respectively.

NOTE 35 : 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

V P Rajini Reddy - wife of the CMD

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. MARG Capital Markets Limited
4. MARG Digital Infrastructure Private Limited
5. MARG Projects and Infrastructure Limited
5. MARG Foundation
7. Swarnabhoomi Academic Institutions

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

1. Exemplarr Worldwide Limited
2. Global Infoserv Limited
3. 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-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Services rendered	-	-	-	-	0.87	14.99
Lease Rental Income	-	-	-	-	4.08	-
Loans & Advances made (Net)	-	-	-	-	-	0.19
Interest Received	-	-	-	-	-	-**
Contracts and Services Received	-	-	-	-	9.72	2.49
Remuneration, Commission & Sitting Fee	-	-	2.23	2.23	-	-
Guarantees and Collaterals Issued	-	-	-	-	74.00	-
Guarantees and Collaterals Received	-	-	-	-	900.00	399.00



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-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Investments in Equity	-*	-*	-	-	1.59	1.59
Trade Receivables	-	-	-	-	0.92	-
Trade Payables	-	-	-	-	9.49	0.12
Loans & Advances	1.10	1.10	-	-	1.38	0.84
Remuneration & Commission Payable	-	-	1.42	0.78	-	-
Guarantees Issued	-	-	-	-	74.00	11.20
Guarantees and Collaterals Received	-	-	-	-	965.00	525.00

* Includes ₹ 39,000/-

** Includes ₹ 13,508/-

NOTE 36 : 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 o
- 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
- 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

- 1) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable"
- 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"



Particulars	(₹ In Crores)											
	EPC		URBAN INFRASTRUCTURE DEVELOPMENT		PORT & LOGISTICS		LEASING		Unallocable		TOTAL	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1 Segment Revenue	562.10	472.73	264.81	191.50	225.45	191.50	16.35	12.09	-	0.71	1,007.43	941.84
External Turnover	878.52	531.25	203.54	7.52	1.14	7.52	1.65	0.62	-	-	881.32	541.42
Inter Segment Turnover												
Total Turnover	1,440.62	1,003.98	203.54	199.01	226.59	199.01	18.00	12.71	-	0.71	1,888.75	1,483.25
2 Segment Result before Interest & Taxes	174.39	150.21	63.45	64.89	80.13	64.89	17.84	10.78	-	-	289.54	289.33
Segment Result before Interest & Taxes												
Less: Inter Segment Result												
Less: Unallocable Expenses												
Less: Interest and Finance Charges												
Add: Interest Income												
Less: Prior period / Exceptional Items												
Profit Before Tax												
Current Tax												
Deferred Tax												
Profit after Tax												
3 Other Information												
Segment Assets	1,262.20	851.45	758.42	1,330.28	1,919.20	1,330.28	553.84	322.00	149.47	347.49	4,716.06	3,609.64
Segment Liabilities	1,165.37	712.13	640.33	1,180.46	1,719.06	1,180.46	324.76	214.72	141.64	324.20	4,033.25	3,071.84
Capital Expenditure / (Sale) - Net	47.28	220.87	5.53	381.72	663.06	381.72	230.65	56.00	(168.74)	128.25	784.80	792.37
Depreciation for the year	20.70	12.07	0.52	13.73	18.15	13.73	2.43	1.75	(0.01)	0.10	42.24	28.17
Non Cash Expenses (Income) (other than depreciation)	(0.57)	0.34	-	-	-	-	-	-	-	-	(0.57)	0.34

PRIMARY SEGMENT INFORMATION:

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 37 : OPERATING LEASES**• **Operating Leases**a) **Cancelable Lease:**

Total rental charges under cancelable operating lease was ₹ 1.18 Crores and ₹ 4.40 Crores for the 4th quarter and year ended 31-Mar-12 respectively (Previous year ₹ 1.24 Crores and ₹ 3.83 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 ₹ 4.06 Crores. The future minimum lease payments in respect of this lease as at 31-Mar-12 are as follows:

	(₹ In Crores)	
Future Obligations:	As At 31-Mar-12	As At 31-Mar-11
Not later than one year	3.11	4.27
Later than one year not later than five years	1.93	6.76
Later than five years	-	-
Total	5.04	11.03

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-12 are:

	(₹ In Crores)	
Future Obligations:	As At 31-Mar-12	As At 31-Mar-11
Not later than one year	9.46	0.72
Later than one year not later than five years	52.57	2.50
Later than five years	45.56	-
Total	107.59	3.22

• **Finance Leases**

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

	(₹ In Crores)	
Particulars	Minimum	Present Value
Not later than one year	0.03	0.03
Later than one year not later than five years	-	-
Total	0.03	0.03

**NOTE 38 : AUDITORS' REMUNERATION**

Following are the details of Auditors' remuneration:

	(₹ In Crores)	
Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
Statutory Audit Fee	0.39	0.26
Tax Audit Fee	0.04	0.02
Certification	0.05	0.05
Reimbursement of Expenses*	-	-
Other Services	0.28	0.02
Total	0.76	0.35

* includes of ₹ 24,908/- for FY 2010-11

NOTE 39 : FOREIGN CURRENCY TRANSACTIONS

(₹ In Crores)

	(₹ In Crores)	
Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
a) Value of Imports calculated on CIF Basis :		
i) Components, embedded goods and spare-parts	0.76	0.81
ii) Material	-	-
iii) Capital goods	1.27	9.31
b) Expenditure in foreign currencies:		
i) Traveling expenses	0.27	0.22
ii) Professional/Consultancy Fees	2.47	2.01
iii) Hire Charges	40.29	35.42
iv) Others	-	0.20

NOTE 40 : EARNINGS PER SHARE (EPS)

(₹ In Crores)

	(₹ In Crores)	
Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
a. Profit After Tax (₹ In Crores)		
For Basic EPS	1.09	18.22
For Diluted EPS	1.09	18.22
b. Weighted average number of equity shares (Nos in Lacs)		
For Basic EPS	381.19	330.55
Adjustment for Diluted EPS		
Add: Weighted average number of potential shares on account of Employee Stock Options	0.28	1.35
Add: Weighted average number of potential shares on account of Preferential allotment of shares/Warrants	-	45.31
For Diluted EPS	381.47	377.21
c. Earning Per Share (₹)		
Basic	0.29	5.51
Diluted	0.29	4.83
d. Nominal Value Per Share (₹)	10.00	10.00



NOTE 41 : 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-12		As At 31-Mar-11	
	USD in Crores	INR in Crores	USD in Crores	INR in Crores
Creditors for Services	(0.47)	(23.97)	(0.24)	(10.74)
Advance to Creditors for Spares import	0.04	2.23	0.04	1.95
Loan given to Subsidiary	0.30	15.59	0.30	13.61
Dividend Receivable	0.01	0.44	0.02	0.83
Total	(0.12)	(5.71)	0.12	5.65
	GBP in Crores	INR in Crores	GBP Crores	INR in Crores
Creditors for Services	-	-	0.01	0.61

Conversion rate applied:

1 USD = ₹ 51.1565(Previous year ₹ 44.6500)

1 GBP = ₹ 81.7992(Previous year ₹ 71.9289)

NOTE 42 :

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 43 :

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

Particulars	₹ In Crores	
	As at 31-Mar-12	As at 31-Mar-11
Goodwill	11.51	8.67
Capital Reserve*	-	-
Goodwill(Net of capital reserve)on consolidation	11.51	8.67

* include ₹ (2,330)/- as on 31-Mar-12 and 31-Mar-11

NOTE 44 : EXCEPTIONAL ITEMS

Exceptional Expenditure of ₹ 5.20 Crores represents loss on reversal of sale of IT Park subsequent to capitalisation of the same.

NOTE 45 : 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 : New Delhi

Date : 05-Sep-12

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

ARUN KUMAR GURTU

Director

R SURESH

CFO

S RAMASUNDARAM

Company Secretary



Subsidiaries of Marg Limited

SL No	Name of the Company	Country of Incorporation	%age of voting power held by MARG Limited as at 31st March 2012
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	82.76%
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	70.69%
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

1	Aprati Constructions Private Limited	India	100.00%
2	Aroopa Infradevelopers Private Limited	India	100.00%
3	Magnumopus Infrastructure Private Limited	India	100.00%
4	Marg Business Park Private Limited	India	100.00%
5	O M R Developers Private Limited	India	100.00%
6	Sarang Infradevelopers Private Limited	India	100.00%
7	Wisdom Constructions Private Limited	India	100.00%
8	MARG Hotels and Service Apartments 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 31-03-2012

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 24698130 Total Assets 24698130

Equity & Liabilities

Paid up Capital 381189.26 Non-current Liabilities 4866188.89
 Reserve & Surplus 6877750.05 Current Liabilities 12573001.34

Assets

Net Fixed Assets 1792631.21 Current Assets 15676450.25
 Non-current Investment 5307021.01 Accumulated Loss NIL
 Long term Loans and Advances 1922027.07

IV. Performance of Company (Amount in ₹ Thousand)

Turnover* 15799992.21 Total Expenditure 14173851.82
 Profit/Loss before Tax 1626140.39 Profit/Loss after Tax 1104984.50
 Earning per Share in ₹ 28.99 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



MARG Limited
 # 334, Futura Tech Park, Block B,
 Rajiv Gandhi Salai (OMR), Sholinganallur, Chennai - 600 119, India.

Phone : + 91 44 4562 5000 | Fax : +91 44 4562 5017 | www.marggroup.com