



Contents

Page No.

Corporate Information	
Directors' Report	01
Management Discussion and Analysis Report	30
Corporate Governance Report	34
Certificate on Corporate Governance	44
Auditors' Report	46
Balance Sheet	52
Statement of Profit & Loss Account	53
Cash Flow Statement	54
Notes to the Financial Statements	56
Auditors' Report on Consolidated Accounts	87
Consolidated Balance Sheet	96
Consolidated Statement of Profit & Loss Account	98
Consolidated Cash Flow Statement	100
Notes to the Consolidated Financial Statements	102

CORPORATE INFORMATION



Chairman & Managing Director

MR. G R K REDDY

Directors

Mrs. V P Rajini Reddy

Mr. Karanjit Singh Jasuja

Mr. Bahushrut Lugani

Company Secretary

Ms. K Nithya

*Post Balance Sheet date, Ms. K Nithya has been appointed as Company Secretary & Compliance Officer of the Company w.e.f 9th August, 2017.

Auditors

M/s. A R Krishnan & Associates.

Chartered Accountants,

SF-2, Lokesh Towers, No. 37 (Old No. 18),

Kodambakkam High Road,

Nungambakkam,

Chennai – 600 034.

Registered Office & Corporate Office

'MARG Axis',

4/318, Rajiv Gandhi Salai,

Kottivakkam,

Chennai – 600 041

WEBSITE

www.marggroup.com

STOCK EXCHANGES

Where the Company's shares are listed:

I) Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 001

Registrar & Share Transfer Agent

M/s. Cameo Corporate Services Limited

Subramanian Building, No.1 Club House Road,

Chennai – 600 002



Your Lifestyle, Your Home




KALPA VRIKSHA
THE JOY OF A WISH GRANTED

Signature
Apartments

@ OMR, Karapakkam

THE JOY OF OWNING A SCENIC LAKE VIEW HOME




pushkara
Lake View Homes

Lake View
Home
@ OMR, Kazhipattur

SMART HOMES FOR A SMARTER LIVING



**savithanjal**
Life is beautiful

MARG
Spirit of Visioneering

MARG
Proper **Ties**
The joy of ownership



DIVINE LIVING



Vishwashakthi
Tirupathi's first integrated township

DIRECTORS' REPORT

To,
The Members of
MARG Limited

Your Directors are presenting the 22nd Annual Report together with the Financial Statements for the financial year ended 31st March 2017.

1. FINANCIAL RESULTS

(Rs. in Crores)		
Particulars	Year Ended 31 st March 2017	Year Ended 31 st March 2016
Income from operations	88.30	131.61
Non-operating Income	6.26	2.80
Total income	94.57	134.40
Profit/(loss) before Depreciation, Finance Cost and Tax Expense (EBDIT)	(23.82)	6.40
Depreciation	10.40	24.60
Interest & Finance charges	(6.69)	3.47
Profit/(Loss) before tax	(27.53)	(21.67)
Tax Expense		
Current Tax	NIL	NIL
Deferred Tax	(0.64)	(4.69)
Profit/(Loss) after Tax	(26.89)	(16.98)
Balance in Profit & Loss Account	(147.37)	(130.39)
Amount available for appropriation	(174.25)	(147.37)
Dividend	Nil	Nil
Dividend tax	Nil	Nil
Amount transferred to General Reserve	Nil	Nil
Balance in Profit and Loss Account	(174.25)	(147.37)

During the Financial Year 2016-17, total revenue of the Company stands at Rs. 94.57 Crores as against Rs.134.40 Crores in the previous year. The EBDIT is (Rs. 23.82 Crores), compared to previous year of Rs. 6.40 Crores. The Company incurred a loss before tax of Rs. 27.53 Crores and a net loss of Rs. 26.89 Crores during the financial year ended March 31, 2017 as compared to loss before tax of Rs. 21.67 Crores and a net loss of Rs. 16.98 Crores in the previous year. This is primarily due to lack of fund availability for projects, depressed markets, increase in cost of raw materials, and labour.

2. DIVIDEND

Due to loss incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2017.

3. BUSINESS HIGHLIGHTS 2016-17

MARG Revenue Stands at Rs. 94.57 Crores in Financial Year 2016-17, including EPC Current order book at around Rs. 2,522.79 Crores.

Karaikal Port Private Limited (KPPL), a subsidiary of your Company has successfully handled 9.10 MMT of cargo in Financial Year 2016-17 and reported a top line of Rs. 369.31 Crores and EBITDA Rs. 189.72 Crores.

4. DIRECTORS

The composition of the Board of Directors is in compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Section 149 of the Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 17 SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

In accordance with provisions of the Companies Act, 2013, Mrs. V P Rajini Reddy retires by rotation and being eligible, seeks re-appointment at the ensuing Annual General Meeting.

Mr. G R K Reddy (DIN: 00903778) was re-appointed as Managing Director of your Company for a period of five years with effect from 1st April, 2017. The Board recommends the re-appointment of Mr. G R K Reddy. Item seeking your approval on the above are included in the Notice convening the Annual General Meeting ("AGM").

5. MEETINGS

During the year under review, the Board of Directors met 6 (Six) times on May 31, 2016, August 13, 2016, August 26, 2016, November 14, 2016, February 13, 2017 and March 14, 2017.

In accordance with Clause VII of the Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on February 13, 2017.

6. ANNUAL EVALUATION BY THE BOARD

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under section 134(3) (p) of the Companies Act, 2013.

7. AUDIT RELATED MATTERS

A. AUDITORS

The members of the Company at the 21st Annual General Meeting had appointed M/s. A R Krishnan & Associates., Chartered Accountants (Firm Registration No.009805S), Chennai, as the Statutory Auditors of the Company, to hold office from the conclusion of 21st Annual General Meeting of the Company until the conclusion of the 26th Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, your ratification to their appointment as Statutory Auditors of your Company is being sought at the ensuing AGM and forms part of the Notice convening the said meeting. The Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company.

The Company has received their Consent Letter to the effect that their re-appointment if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013.

B. SECRETARIAL AUDIT REPORT

The Board had appointed M/s Satyaki Praharaj & Associates, Company Secretaries in Whole-time Practice (Membership No. FCS6458) as Secretarial Auditor for the financial year ended 31st March, 2017 to carry out the Secretarial Audit under the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The report of the Secretarial Auditor is enclosed to this report as "Annexure A".

C. COST AUDIT

During the financial year 2016-17, Your Company has maintained cost accounting records in accordance with the provisions of Companies (Cost Records and audit) Rules, 2014. The Company shall file the Compliance Report as certified by the Cost & Management Accountant Mr. G Sunderasan for the financial year 2016-17 with Central Government as prescribed under Companies (Cost Records and audit) Rules, 2014, in due course.

8. SUBSIDIARY COMPANIES

STATUS

Your Company has total of 59 subsidiaries* as on 31st March 2017, out of which 5 Non wholly-owned Companies and 53 Wholly-owned companies, including 25 Step-down Subsidiaries. There has been no material change in the nature of the business of the Company and its subsidiaries. Details of major subsidiaries of the Company and their business operations during the year under review are covered in the Management Discussion and Analysis Report.

Subsidiary Companies' Monitoring Framework

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- ❖ Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- ❖ Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board regularly.
- ❖ A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

Financial Position and Performance of Subsidiaries and Associates

In terms of Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the financial position and performance of subsidiaries are given as an Annexure to the Consolidated Financial Statements.

9. POLICY AND OTHER MATTERS

A. Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility Committee under the section 135 of the Companies Act 2013, which is making exclusive progress in the field of Corporate Social Responsibility and Societal interventions. The Committee is predominantly involved in the areas of Women empowerment, education, health and hygiene, community based programs, including art, music, sports and other socio economic and culture activities.

This Committee has been entrusted with the responsibility of formulating and recommending to the Board a CSR policy, from time to time, broadly indicating the activities to be undertaken by the company apart from the activities (already under processing) that are mandatory in the implementation of the frame work of CSR policy and recommend the money to be spent on each of the activities as prescribed under Act and the Rules made there under.

B. Code of Conduct

As prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration signed by the Chairman and Managing Director affirming compliance with the Code of Conduct by the Directors and senior management personnel of the Company for the financial year 2016-17 forms part of the Corporate Governance Report.

C. Declarations by Independent Directors

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

D. Extract of Annual Return

In terms of Section 134 of the Companies Act, 2013 read with Rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2016-17 is provided in "Annexure B" to this report.

E. Particulars of Loans, Guarantees and Investments

Particulars of Loans, Guarantees and Investments in terms of Section 134 of the Companies Act, 2013, the particulars of loans, guarantees and investments given by the Company under Section 186 of the Companies Act, 2013 is detailed in Notes to Accounts of the Standalone Financial Statements.

F. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and all such contracts/arrangements/ transactions have been approved by the audit Committee.

10. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

11. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Companies Act, 2013, dividends/fractions entitlements lying unclaimed for a period of 7 years from the date of their transfer to unpaid/unclaimed account have to be transferred to the Investor Education and Protection Fund (IEPF) constituted and administrated by the Central Government. No claim would be lie against the IEPF or the Company after transfer. The details of unclaimed dividend are posted on the website of the Company.

The dividend pertaining to the financial year 2009-10 remaining unpaid/unclaimed on 30th October, 2017 is due for transferring to the Investor Education and Protection Fund (IEPF). Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. Members who have so far not encashed the dividend warrant(s) are requested to make their claim to the Secretarial Department at the Registered and Corporate Office of the Company or send an email to investor@marqgroup.com.

12. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The Corporate Governance Report approved by the Board of Directors of the Company, forms part of this report and a certificate issued by Mr. Satyaki Praharaj, Practicing Company Secretaries is set out as an Annexure to this Report.

13. 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

14. 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 134(3)(m) of the Companies Act, 2013 read along with Companies Rule 8(3) of the Companies (Accounts) Rules, 2014 and hence, particulars regarding conservation of energy, technology absorption and adaptation are not applicable and hence the same are not provided.

There are no foreign exchange earnings and outgo during the financial year 2016-2017.

15. PARTICULARS OF EMPLOYEES U/S 197

During the year, there was no employee in receipt of remuneration as prescribed in the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as “Annexure C” and form part of this Report.

However, in accordance with the provisions contained in the proviso to Section 136(1) of the Companies Act, 2013, 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.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2017, Your Directors hereby confirmed that;

- i. In the preparation of the Annual Accounts for the financial year ended 31st March 2017, the applicable accounting standards has been followed and there were no material departures;
- ii. The directors had 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.
- iii. The directors had 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. The directors had prepared annual accounts for the financial year ended 31st March 2017 on a “going concern basis”.
- v. The directors had devised proper systems, internal financial controls to be followed by your Company and that such internal financial controls are adequate and have been operating effectively.
- vi. The systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

17. EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER BY THE STATUTORY AUDITORS & SECRETARIAL AUDITORS

The Directors submit their explanation to the observations made by the Auditors in their report for the FY16-17. The relevant Para nos. of the report and reply are as under:

REFER PARAGRAPH (BASIS OF QUALIFIED OPINION) OF THE AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS:

In respect to Note No. 30 to the audited financial statements of the year ended 31st March, 2017 regarding the providing interest for loans assigned to Asset Reconstruction Company (ARCs), the management is of the opinion that it is not viable to follow the pattern of providing the interest towards loans which are NPA status and later respective Banks assigned it to ARCs.

REFER PARAGRAPH (BASIS OF QUALIFIED OPINION) OF THE AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS:

- (i) In respect to Note No. 28 to the audited financial statements of the year ended 31st March, 2017 regarding the providing interest for loans assigned to Asset Reconstruction Company (ARCs), the management is of the opinion that it is not viable to follow the pattern of providing the interest towards loans which are NPA status and later respective Banks assigned it to ARCs.
- (ii) In respect to Note No. 34 to the audited financial statements of the year ended 31st March, 2017 regarding the EPC work in progress, the Company hereby clarify that the work is going on, which is not yet completed. Now Company is evaluating the work status and it will be billed shortly. Further regarding the management fees, the company was receiving earlier the said fees, now due to some dispute, but the Company is confident to receive the amount.
- (iii) In respect to Note No. 35 to the audited financial statements of the year ended 31st March, 2017 regarding the investment in Karaikal Port Private Limited, the management hereby clarifies that the Equity Shares and Compulsorily Convertible Preference Shares (CCPS) held by the Company in Karaikal Port Private Limited (KPPL) which was pledged with the
- (iv) Indian Bank lead Consortium as security for the Loan availed by KPPL, has been invoked by the Indian Bank On 21st March 2015. The Company had made a writ of mandamus petition before the Hon'ble High Court of Madras interalia to maintain the status of the shares prior to invocation by the bank. The Hon'ble High Court has passed an Interim Order on 25th March 2015 restraining Indian Bank to further transfer or encumber the Equity Shares and CCPS. Further the Hon'ble High Court has ordered maintenance of Status Quo of the management of the Company as on that date. In view of

the above, the investment in KPPL is considered for consolidation.

In connection with the above invocation and litigation, the Company and its management have taken various legal opinions and continue to treat "Karaikal Port Private Limited" as its subsidiary, until further orders.

- (v) In respect to Note No. 36 the regarding un-reconciled amount relating to the equipment loan availed by the company. The reconciliation of the loan account is under process. Pending such reconciliation the management considers it appropriate to classify the same under "other advances" in the Balance Sheet. Note 36 of the consolidated financial statements is self explanatory.
- (vi) In respect to balance confirmation Bank/ARCs as on 31st March, 2017, the management hereby clarifies that the regarding balances confirmation from Banks/ARCs. The Balance Confirmation of the loan account from Balance/ARCs is under process and it will be completed shortly.
- (vii) In respect to Note No. 48 the regarding investment in "Future Parking Private Limited"(FPPL). The management hereby clarifies that "Future Parking Private Limited" is a joint venture entity, MARG Limited continued to hold 51% shareholding in FPPL. Hence the same is treated as subsidiary and considered in consolidation.

REFER EMPHASIS OF MATTER OF THE AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS:

- a) In respect of preparing financial statements on 'Going Concern' basis reference is drawn to Note No. 30 which is self explanatory;
- b) In respect of Property of the Subsidiary Companies provided security for various loans, reference is drawn to Note No. 31 which is self explanatory;
- c) In respect of deductions made/amount withheld by some customers reference is drawn to Note No. 33 which is self explanatory;

REFER PARAGRAPH (BASIS OF QUALIFIED OPINION) OF THE AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS:

Point 7(a) & 7(b) of Annexure to Standalone Auditors' report: The delay in the payment of Provident fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Cess, Sales Tax, Service Tax and other material statutory dues were due to lower cash inflows from the existing projects and the company is arranging to make the payments shortly. Due to slow down in the Infrastructure and Real estate sector and the resultant impact on the performance of your Company there were defaults in repayments of principle and interest dues to the Banks and

Financial Institutions. However, the management opines that with improved business scenario, your Company will be able to meet its obligation.

REFER EMPHASIS OF MATTER OF THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS:

(i) In respect to Note No. 30 to the audited financial statements of the year ended 31st March, 2017 regarding the providing interest for loans assigned to Asset Reconstruction Company (ARCs), the management is of the opinion that it is not viable to follow the pattern of providing the interest towards loans which are NPA status and later respective Banks assigned it to ARCs.

(ii) In respect to Note No. 36 to the audited financial statements of the year ended 31st March, 2017 regarding the EPC work in progress, the Company hereby clarify that the work is going on, which is not yet completed. Now Company is evaluating the work status and it will be billed shortly. Further regarding the management fees, the company was receiving earlier the said fees, now due to some dispute, but the Company is confident to receive the amount.

(iii) In respect to Note No. 37 to the audited financial statements of the year ended 31st March, 2017 regarding the investment in Karaikal Port Private Limited, the management hereby clarifies that the Equity Shares and Compulsorily Convertible Preference Shares (CCPS) held by the Company in Karaikal Port Private Limited (KPPL) which was pledged with the Indian Bank lead Consortium as security for the Loan availed by KPPL, has been invoked by the Indian Bank On 21st March 2015. The Company had made a writ of mandamus petition before the Hon'ble High Court of Madras interalia to maintain the status of the shares prior to invocation by the bank. The Hon'ble High Court has passed an Interim Order on 25th March 2015 restraining Indian Bank to further transfer or encumber the Equity Shares and CCPS. Further the Hon'ble High Court has ordered maintenance of Status Quo of the management of the Company as on that date. In view of the above, the investment in KPPL is considered for consolidation.

In connection with the above invocation and litigation, the Company and its management have taken various legal opinions and continue to treat "Karaikal Port Private Limited" as its subsidiary, until further orders.

(iv) In respect to Note No. 38 the regarding un-reconciled amount relating to the equipment loan availed by the company. The reconciliation of the loan account is under process. Pending such reconciliation the management considers it appropriate to classify the same under "other advances" in the Balance Sheet. Note 36 of the consolidated financial statements is self explanatory.

(v) In respect to Note No. 48 the regarding investment in "Future Parking Private Limited"(FPPL). The management hereby clarifies that "Future Parking Private Limited" is a joint venture entity, MARG Limited continued to hold 51% shareholding in FPPL. Hence the same is treated as subsidiary and considered in consolidation.

(vi) In respect to balance confirmation Bank/ARCs as on 31st March, 2017, the management hereby clarifies that the regarding balances confirmation from Banks/ARCs. The Balance Confirmation of the loan account from Balance/ARCs is under process and it will be completed shortly.

(vii) In respect of M/s. Mukta Infrastructure Private Limited, the respective company is of opinion that price of land shall appreciate in future and hence no provision for impairment loss is made.

(viii) In respect of M/s. Arohi Infrastructure Private Limited, the debenture holder has not exercised the Put option during the FY 2014-15, hence the respective company has not provided any premium on redemption during the FY 2016-17.

(ix) In respect of M/s. Riverside Infrastructure (India) Private Limited, the management is taking efforts for resuming the Mall Project and is in discussion with strategic partners for this purpose. Further, considering the latest valuation of the property of the Company, the management considers it appropriate to capitalize the interest of Rs.66.93 Crores (PY Rs. 59.12 Crores) and overheads of Rs. 0.14 Crores (PY Rs. 0.44 Crores) during the year ended 31st March, 2017. Note No.39 of the Consolidated Financial Statements is self explanatory.

(x) In respect to the matter of Non Audit of certain Subsidiary Companies and associate Company, the management hereby clarifies that those subsidiary Companies and associate companies have been duly audited by the Statutory Auditors but the Company is yet to receive the audited balance sheets along with auditor's report from the Auditor.

(xi) In respect to balance confirmation Bank/ARCs as on 31st March, 2017 for four subsidiaries, the management hereby clarifies that the regarding balances confirmation from Banks/ARCs. The Balance Confirmation of the loan account from Balance/ARCs is under process and it will be completed shortly.

(xii) In the matter of non charging of interest on loan by Certain subsidiary Companies, the management hereby clarifies that the loans has been given to those subsidiary Companies to meet out the temporary cash crunch to implement its projects and it has been

decided not to charge any interest at the time as there was no cash inflows for those subsidiaries.

REFER EMPHASIS OF MATTER OF THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS:

- a) In respect of preparing financial statements on 'Going Concern' basis reference is drawn to Note No. 32 which is self explanatory;
- b) In respect of Property of the Subsidiary Companies provided security for various loans, reference is drawn to Note No. 33 which is self explanatory;
- c) In respect of the Investments in and Advances receivable due from some of its Subsidiaries Companies, reference is drawn to Note No. 34 which is self explanatory;
- d) In respect of deductions made/amount withheld by some customers reference is drawn to Note No. 40 which is self explanatory;
- e) In respect of Companies which were converted and obtained license under Section 8 of the Companies Act, 2013 during the previous years, reference is drawn to Note No. 41 which self explanatory.

REPLY TO THE QUALIFICATION MADE IN ANNEXURE TO THE CONSOLIDATED AUDIT REPORT:

- (a) In respect of Point 1 (f) of the Audit Report on Other Legal and Regulatory requirements regarding the Directors disqualifications, the management hereby states that the company will appoint new directors in place directors who are disqualified in some of group companies shortly.

REPLY TO THE OBSERVATIONS OF THE SECRETARIAL AUDITOR REPORT

- a) *The Company has not conducted AGM on time due to extreme shortage of manpower, However Company conducted the AGM in March 2017.*
- b) *Currently, Infrastructure/Real Estate Market is facing hurdles due to various reasons which also have an impact on our company. Complying to the payments and maintenance of records under Labour laws is the top most priority of our Company. Based on the stabilization of the Cash flow, the payments will be streamlined.*
- c) *In respect of Point d of the Secretarial Audit Report the Company will be filing the FLA at the earliest.*

18. FIXED DEPOSITS

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

19. EMPLOYEE RELATIONS

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

20. BUILDING A STRONG CUSTOMER CONNECT

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

21. VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

22. REPORTING OF FRAUD

There have been no instances of fraud reported by the Auditors under section 143 (12) and rules made thereunder either to the Company or the Central Government.

ACKNOWLEDGEMENT

The Board expresses its deepest appreciation and gratitude for the guidance and cooperation extended to the Company by our customers, vendors, investors, Bankers, employees, Statutory Authorities and Regulators. We place on record our special appreciation of the contribution made by our employees at all the levels and look forward to their continued support in the future.

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director
Place: Chennai
Date: 29th May, 2017

Annexure A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
MARG Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Marg Limited (CIN: L45201TN1994PLC029561), (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Company Secretary, officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of and to the extent applicable of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other labour and local laws applicable to the Company as per the representations made by the Management, Viz.
 - a. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - b. The Employees' Provident Funds And Miscellaneous Provisions Act, 1952
 - c. Payment of Gratuity Act, 1972
 - d. Employees' State Insurance Act, 1948
 - e. The Payment Of Bonus Act, 1965
 - f. The Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996
 - g. The Contract Labour (Regulation & Abolition) Act, 1970
 - h. The Contract Labour Regulation Rules
 - i. The inter-state migrant workmen (Regulation of Employment and conditions of service) Act, 1979
 - j. The Child Labour (Prohibition & Regulation) Act, 1986
 - k. The Tamil Nadu Shops And Establishments Act, 1947

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings from the date of their implementation.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that, during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, save and except the following:-

- a) The Company has conducted the Annual General Meeting for the Financial Year 2015-16 on 14th March 2017 after expiry of the extended due date, as approved by the Registrar of Companies, i.e. 31st December 2016. However the Company held this Annual General Meeting without approval of the Tribunal pursuant to section 97 of the Companies Act, 2013.

b) We were not provided by the management any documents, files, payment challans or returns in relation to various labour laws including but not limited to The Employees' Provident Funds And Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, Employees' State Insurance Act, 1948, The Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996 etc. Accordingly, we were unable to satisfy ourselves by alternative means on compliance on the same. As a result of this, we were unable to make any comments on the compliance of any of the labour laws.

c) The Company has not constituted a proper "Internal Complaints Committee" under section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

d) The company has not filed the Annual return on Foreign Liabilities and Assets with RBI as required under Circular No. 145 dated June 18, 2014 issued by RBI under FEMA.

We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Managing Director taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws like Competition laws, Environment laws etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance with Independent Directors and Woman Director. The Board is constituted of Executive and Non Executive Directors and all the Key Managerial Persons (KMP) as required by the Act to be appointed, except Company Secretary as on date of this report. There was no change in the Board of Directors during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while there is a system in existence to capture and record the views of dissenting members, in the minutes.

Emphasis of Matter

Without qualifying our opinion, we draw attention and further report the following:

i. it is observed the Company's filings with the Registrar of Companies and Stock Exchange is delayed in some instances and isolated cases.

ii. The Equity Shares and Compulsorily Convertible Preference Shares (CCPS) (CCPS now Converted to Equity Shares) held by the Company in Karaikal Port Private Limited (KPPL) which was pledged with the Indian Bank lead Consortium as security for the Loan availed by KPPL, has been revoked by the Indian Bank. On 21st March 2015. The Company had made a writ of mandamus petition before the Hon'ble High Court of Madras inter alia to maintain the status of the shares prior to invocation by the bank. The Hon'ble High Court has passed an Interim Order on 25th March 2015 restraining Indian Bank to further transfer or encumber the Equity Shares and CCPS. Further the Hon'ble High Court has ordered maintenance of Status Quo of the management of the Company as on that date. Though there were other interim orders passed by the Hon'ble High Court, there was no order quashing its earlier order of maintenance of Status Quo of the management of the Company.

The Company and its management had taken a legal opinion in previous year and treat Karaikal Port Private Limited as its subsidiary.

As on the date of this report the matter is subjudice in respect of legitimate owner of the above said shares and in view of the above legal interpretation taken by the Board and the Management, we are unable to comment.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

For S Praharaj & Associates

Practicing Company Secretaries

SATYAKI PRAHARAJ

Mem No. FCS 6458, CP No.: 10755

Place: Chennai

Date: 29th May 2017

Annexure C

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rules 12(1) of the Companies (Management and Administration) Rules, 2014]

I Registration and other Details	
CIN	L45201TN1994PLC029561
Registration Date	December 16, 1994
Name of the Company	MARG Limited (Formerly MARG Constructions Limited)
Category of the Company	Company limited by shares
Sub-Category of the Company	Indian Non-Government Company
Address of the Registered office and contact details	'MARG AXIS', 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041
Tel:	044 32211944
Email:	investor@marggroup.com
Whether listed company	Yes. Listed on Bombay Stock Exchange Limited
Name, Address and Contact Details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai - 600 002 Tel: 044 28460390 to 0395 Fax: 044 28460129 Email:investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
All the business activities contributing 10% or more of the total turnover of the company	As per Attachment A
III Particulars of Holding, Subsidiary And Associate Companies	As per Attachment B
IV Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)	
i) Category-wise Share Holding	As per Attachment C
ii)Shareholding of Promoters	As per Attachment D
iii)Change in Promoters' Shareholding	As per Attachment E
iv)Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v) Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V. Indebtedness	As per Attachment H
Indebtedness of the Company including interest outstanding/accrued but not due for payment	
VI. Remuneration of Directors and Key Managerial Personnel	As per Attachment I
A. Remuneration to Managing Director, Whole-time Directors and / or Manager	
B. Remuneration to other directors	As per Attachment J
C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
VII. Penalties / Punishment/ Compounding of Offences	As per Attachment L

ATTACHMENT A

II. All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Name and Description of Main Products/Services	NIC Code of Product/Service	% of Total Turnover of the Company
Construction and Real Estate Development	4100	93.37%

ATTACHMENT B
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name of the Company	Address of the Company	CIN	Holding/Subsidiary /Associate	%of Shares Held	Applicable under Companies Act 2013
1	Amir Constructions Private Limited	"Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45202TN2007PTC063580	Subsidiary	100	2(87)(ii)
2	Anumanthai Beachside Resorts Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai	U55103TN2007PTC065604	Subsidiary	100	2(87)(ii)
3	Anuttam Academic Institutions*	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai	U80301TN2007NPL063165	Subsidiary	100	2(87)(ii)
4	Arohi Infrastructure Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai	U45201TN2006PTC060531	Subsidiary	90.01	2(87)(ii)
5	Atul Institutions of Learning*	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U80301TN2007NPL063581	Subsidiary	100	2(87)(ii)
6	Avatar Constructions Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai	U45209TN2007PTC062748	Subsidiary	100	2(87)(ii)
7	Bharani Infrastructure Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45208TN2007PTC063167	Subsidiary	100	2(87)(ii)
8	Darpan Educational Institutions*	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U80301TN2007NPL063920	Subsidiary	100	2(87)(ii)
9	Dasha Infradevelopers Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45208TN2007PTC062456	Subsidiary	100	2(87)(ii)
10	Future Parking Private Limited	Third floor, G-Block, Ali Towers, No. 55, Greams Road, Thousand Lights, Chennai – 600006	U45206TN2009PTC072304	Subsidiary	51	2(87)(ii)
11	Hilary Constructions Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai -600 041	U45202TN2007PTC063600	Subsidiary	100	2(87)(ii)
12	Karaikal Power Company Private Limited	81/A, Maideen Palli Street, Karaikal- 609602	U31109PY2008PTC002174	Subsidiary	100	2(87)(ii)
13	Karaikal Port Private Limited**	Keezha Vanjore Village, T R Pattinam, Karaikal- 609606	U45203PY2006PTC001945	Subsidiary	50.95	2(87)(ii)
14	Kirtidhara Academic Institutions*	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U80301TN2007NPL063758	Subsidiary	100	2(87)(ii)
15	MARG Aviations Private Limited	No.43, 1st Floor, Kodihalli Extn., H. A L. II Stage, Bangalore - 560 008.	U45203KA2009PTC050654	Subsidiary	100	2(87)(ii)
16	MARG Industrial Clusters Limited	392&393, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041	U45208TN2010PLC075177	Subsidiary	100	2(87)(ii)

17	MARG Infrastructure Developers Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45207TN2010PLC075138	Subsidiary	100	2(87)(ii)
18	MARG International Dredging PTE Ltd#	10, Jalan Besar, Unit # 10-12, Sim Lim Tower, Singapore- 208787	N A	Subsidiary	100	2(87)(ii)
19	MARG Trading PTE Ltd#	10, Jalan Besar, Unit # 10-12, Sim Lim Tower, Singapore- 208787	N A	Subsidiary	100	2(87)(ii)
20	MARG Logistics Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U60220TN2008PTC067167	Subsidiary	100	2(87)(ii)
21	MARG Marine Infrastructure Limited	Devs Ark, No. 284/1136, Rajiv Gandhi Salai, Kottivakkam, Chennai - 600 096	U45205TN2010PLC075139	Subsidiary	100	2(87)(ii)
22	MARG ProperTies Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45400TN2009PLC073986	Subsidiary	100	2(87)(ii)
23	MARG Sri Krishnadevaraya AirPort Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45400TN2010PTC076888	Subsidiary	100	2(87)(ii)
24	MARG Swarnabhoomi Port Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45203TN2008PTC067413	Subsidiary	90	2(87)(ii)
25	Mukta Academic Institutions Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U80301TN2007PTC063532	Subsidiary	100	2(87)(ii)
26	Navrang Infrastructure Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45208TN2007PTC064213	Subsidiary	100	2(87)(ii)
27	New Chennai Township Private Limited	Seekanakuppam Village, Cheyyur, Kancheepuram-603 305	U45202TN2006PTC059295	Subsidiary	100	2(87)(ii)
28	Parivar Apartments Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45400TN2007PTC064175	Subsidiary	100	2(87)(ii)
29	Riverside Infrastructure (India) Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45203TN2006PTC058909	Subsidiary	73.93	2(87)(ii)
30	Shubham Vihar Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U70101TN2007PTC064190	Subsidiary	100	2(87)(ii)
31	Signa Infrastructure India Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45209TN2006PLC060804	Subsidiary	74	2(87)(ii)
32	Swatantra Infrastructure Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45204TN2007PTC063032	Subsidiary	100	2(87)(ii)
33	Wisdom Constructions Private Limited ##	Ground Floor, No.35/1, Muthukrishnan Street, Kondithope, Chennai – 600079	U45203TN2007PTC062476	Subsidiary	100	2(87)(ii)
34	Yuva Constructions Private Limited	Panneru Kalva Road, Tiruchanur Bye Pass Road, Thuukivakam Post, Renigunta Mandal, Tirupati - 517 520	U45200AP2007PTC054206	Subsidiary	100	2(87)(ii)

Step Down Subsidiaries as on 31.03.2017

Sl. No	Name of the Company	Address of the Company	CIN	Holding/Subsidiary /Associate	%of Shares Held	Applicable under Companies Act 2013
1	Advance Infradevelopers Private Limited	414,Bharathi Street,Puducherry-605 001	U45200PY2009PTC002326	Subsidiary	100	2(87)(ii)
2	Agni Infradevelopers Private Limited	414,Bharathi Street,Puducherry-605 001	U45200PY2009PTC002327	Subsidiary	100	2(87)(ii)
3	Akhil Infrastructure Private Limited	"Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45202TN2007PTC063578	Subsidiary	100	2(87)(ii)
4	Ambar Nivas Private Limited	Old No 12 New No 8, Mangan St Villinayur Main Road oulgrat Commune, Reddiyarpalayam, Pondicherry - 605010	U70102PY2008PTC002202	Subsidiary	100	2(87)(ii)
5	Aprati Constructions Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45201TN2006PTC060530	Subsidiary	100	2(87)(ii)
6	Archana Infradevelopers Private Limited	414,Bharathi Street,Puducherry-605 001	U45200PY2009PTC002325	Subsidiary	100	2(87)(ii)
7	Aroopa Infradevelopers Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45201TN2006PTC060532	Subsidiary	100	2(87)(ii)
8	Ashram Infradevelopers Private Limited	414,Bharathi Street,Puducherry-605 001	U45200PY2009PTC002329	Subsidiary	100	2(87)(ii)
9	Comex Infrastructure Private Limited	414,Bharathi Street,Puducherry-605 001	U45200PY2009PTC002332	Subsidiary	100	2(87)(ii)
10	Darshan Homes Private Limited	1st Floor, Sai Subhodaya Apartments, No.57/2B, ECR Road, Thiruvanmiyur, Chennai - 600041.	U45400TN2009PTC073545	Subsidiary	100	2(87)(ii)
11	Guiding Infradevelopers Private Limited	414,Bharathi Street,Puducherry-605 001	U45200PY2009PTC002294	Subsidiary	100	2(87)(ii)
12	Kanchanajunga Infradevelopers Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45200TN2007PTC063717	Subsidiary	100	2(87)(ii)
13	Magnumopus Infrastructure Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45203TN2007PTC062101	Subsidiary	100	2(87)(ii)
14	MARG Business Park Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45201TN2004PTC054426	Subsidiary	100	2(87)(ii)

15	MARG Hotels and Service Apartments Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U55101TN2011PTC080559	Subsidiary	100	2(87)(ii)
16	Navita Estates Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U70101TN2007PTC063887	Subsidiary	100	2(87)(ii)
17	O M R Developers Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45201TN2006PTC059308	Subsidiary	100	2(87)(ii)
18	Rainbow Habitat Private Limited	Panneru Kalva Road, Tiruchanur Bye Pass Road, Thuukivakam Post, Renigunta Mandal, Tirupati, Andhra Pradesh – 517520	U45400AP2007PTC055216	Subsidiary	100	2(87)(ii)
19	Saptajit Projects Private Limited	414, Bharathi Street ,Puducherry 605001	U70102PY2008PTC002206	Subsidiary	100	2(87)(ii)
20	Sarang Infradevelopers Private Limited	Marg Axis", 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai- 600041	U45208TN2007PTC062086	Subsidiary	100	2(87)(ii)
21	Shikha Infrastructure Private Limited	414,Bharathi Street, Puducherry-605 001	U45200PY2009PTC002334	Subsidiary	100	2(87)(ii)
22	Sulekh Constructions Private Limited	1st Floor, Sai Subhodaya Apartments, No.57/2B, ECR Road, Thiruvanmiyur, Chennai - 600041	U45200TN2009PTC072222	Subsidiary	100	2(87)(ii)
23	Talin Infradevelopers Private Limited	1st Floor, Sai Subhodaya Apartments, No.57/2B, ECR Road, Thiruvanmiyur, Chennai - 600041.	U45200TN2009PTC072224	Subsidiary	100	2(87)(ii)
24	Uttarak Infradevelopers Private Limited	1st Floor, Sai Subhodaya Apartments, No.57/2B, ECR Road, Thiruvanmiyur, Chennai - 600041.	U45200TN2009PTC072221	Subsidiary	100	2(87)(ii)
1	Rajakamangalam Thurai Fishing Harbour Private Limited	26/40,St.Arockia Annai Building, Rajakamangalam Thurai,(Via) Eathamozhy, Rajakamangalam Thurai- 629501	U45203TN2008PTC067480	Associate	39	2(6)

Associate as on 31.03.2017

* Section 8 Subsidiary Companies

Foreign Subsidiaries

** Sub-judice for legitimated Owner is pending in Court of Law.

ATTACHMENT C

SHAREHOLDING PATTERN (Equity Share Capital Break up as a % of Total Equity)

Category-wise Holding

Category of Shareholders	No. of shares held at the Shareholders beginning of the year (01-04-2016)				No. of shares held at the end of the year (31-03-2017)				% Change during the year
	Demat	Physical	Total No of Shares	% of Total Shares	Demat	Physical	Total No of Shares	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/ HUF	33,92,057	-	33,92,057	8.90	27,03,057	-	27,03,057	7.09	-1.81
b) Central Government									
c) State Government(s)									
d) Bodies Corporate	38,42,650	-	38,42,650	10.08	36,85,634	-	36,85,634	9.67	-0.41
e) Financial Institutions/ Banks									
f) Any Others(Specify)									
Sub Total(A)(1)	72,34,707	-	72,34,707	18.98	63,88,691	-	63,88,691	16.76	-2.22
(2) Foreign									
a) Individuals (Non- Residents Individuals/ b) Foreign Individuals)									
c) Bodies Corporate									
d) Institutions									
e) Qualified Foreign Investor									
f) Any Others(Specify)									
Sub Total(A)(2)									
Total Shareholding of	72,34,707	-	72,34,707	18.98	63,88,691	-	63,88,691	16.76	-2.22

Promoter									
B. Public shareholding									
1. Institutions									
a) Mutual Funds/ UTI									
b) Financial Institutions / Banks	20,87,242	-	20,87,242	5.48	19,35,732	-	19,35,732	5.08	-0.40
c) Central Government	-	-	-						
d) State Government(s)	-	-	-						
e) Venture Capital Funds	-	-	-						
f) Insurance Companies	-	-	-						
g) Foreign Institutional Investors									
i) Qualified Foreign Investor	-	-	-						
j) Any Other (Foreign Portfolio Investor)	25,000	-	25,000	0.07	-	-	-	-	-0.07
Sub total (B) (1)	21,12,242	-	21,12,242	5.55	19,35,732		19,35,732	5.08	-0.47
2. Non-institutions									
Bodies Corporate	59,00,502		59,00,502	15.48	59,37,360	-	59,37,360	15.58	0.10
Individuals	8041191	288805	8329996	21.85	7850731	287820	8138551	21.35	-0.50
i. Individual shareholders holding nominal share capital up to 1 lakhs									
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	10,747,312	-	10,747,312	28.19	13314624	-	13314624	34.92	6.73
Qualified Foreign Investor	-		-	-		-			
Any Other (specify)	-		-	-		-			
Clearing Members	17,031		17,031	0.04	65,208	-	652,08	0.17	-0.13
Foreign Corporate Bodies	15,24,099		15,24,099	4.00	-	-	-	-	-4

Foreign Nationals	1,000		1,000	-	1,000		1,000	-	-
Hindu Undivided Families	1,442,024		1,442,024	3.78	1455161		1455161	3.82	.04
Non Resident Indians	5,86,013		5,86,013	1.54	6,58,599	-	6,58,599	1.73	0.29
Trusts		2,24,000	224000	0.59		224000	224000	0.59	-
Sub-Total (B)(2)	3,76,06,121	512805	38,118,926	100.00	37607106	511820	38,118,926	100.00	

ATTACHMENT D

II. Shareholding of Promoters

Particulars	No. of shares held at the Shareholders beginning of the year as on 01.04.2016			No. of shares held at the end of the year as on 31.03.2017			% Change in shareholding during the year
	No of Shares	% of Total Shares of the Company	% of Shares Pledged encumbered to total shares by the promoter	No of Shares	% of Total Shares of the Company	% of Shares Pledged encumbered to total shares by the promoter	
G R K Reddy	18,92,057	4.97	93.74%	12,03,057	3.16	90.15	-1.81
Madhusudan Reddy Gorrepati	15,00,000	3.94	100.00%	15,00,000	3.94	100.00	-
							-
Global Infoserv Limited	6,18,000	1.62	99.86%	6,18,000	1.62	99.86	-
Marg Capital Markets Limited	6,93,000	1.82	27.71%	6,93,000	1.82	27.71	-
Exemplarr Worldwide Limited	1,57,000	0.41	100.00%				-0.41
Akshya Infrastructure Private Limited	23,74,650	6.23	100.00%	23,74,634	6.23	100.00	-
TOTAL	72,34,707	18.98	91.43	63,88,691	16.76	90.29	-1.09

ATTACHMENT E

iii. Change in Promoters' Shareholding

Particulars		No. of shares held at the beginning of the year as on 01.04.2016		No. of shares held at the end of the year as on 31.03.2017	
		No of Shares	% of Total Shares of the Company	No of Shares	% of Total Shares of the Company
Akshya Infrastructure Private Limited					
a) At the beginning of the year		23,74,650	6.23		
b) Changes during the Year					
Date	Reason				
20.05.2016	Sale	16	0.00		
c) At the end of the Year				23,74,634	6.23
Exemplarr Worldwide Limited (Formerly known as R R INFOTECH LIMITED)					
a) At the beginning of the year		157,000	0.41		
b) Changes during the Year					
Date	Reason				
23.12.2016	Sale	157,000	0.41		
c) At the end of the Year				-	-
MARG Capital Markets Limited					
a) At the beginning of the year		693,000	1.82		
b) Changes during the Year			Nil		
c) At the end of the Year				693,000	1.82
Global Infoserv Limited					
a) At the beginning of the year		6,18,000	1.62		
b) Changes during the Year			Nil		
c) At the end of the Year				618,000	1.62
G R K Reddy					
a) At the beginning of the year		18,92,057	4.97		
b) Changes during the Year					
Date	Reason				
23.12.2016	Sale	6,89,000	1.81		
c) At the end of the Year				12,03,057	3.16

ATTACHMENT F
IV. Shareholding Pattern of Top Ten Shareholders (Other than Director, Promoters and Holders of GDRs and ADRs)

Sl. No	For Each Top 10 Shareholders	No. of shares held at the Shareholders beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares of the Company	No of Shares	% of Total Shares of the Company
1.	BROADCOM PCC	DP ID IN301348 CL ID 20009072			
	a) At the beginning of the year	11,18,193	2.93	11,18,193	2.93
	b) Changes during the Year				
	Date	Reason			
	17.03.2017	Sale	5,17,676	1.36	600,517
	24.03.2017	Sale	3,40,000	0.89	260,517
	31.03.2017	Sale	2,60,517	0.68	0
	c) At the end of the year			0	0.00
1(b)	BROADCOM PCC	DP ID IN301348 CL ID 20014166			
	a) At the beginning of the year	221	0.00	221	0.00
	b) Changes during the Year				
	Date	Reason			
	31.03.2017	Sale	221	0.00	0
	c) At the end of the year			0	0.00
2	SYNDICATE BANK	DP ID IN300095 CL ID 11273323			
	a) At the beginning of the year	11,09,732	2.91	11,09,732	2.91
	b) Changes during the Year	No change			
	c) At the end of the year			11,09,732	2.91
3	ICICI BANK	DP ID IN301348 CL ID 20002990			
	a)At the beginning of the Year	9,77,510	2.56		
	b)Changes during the Year				
	Date	Reason			
	05.08.2016	Sale	6736	0.02	970,774
	12.08.2016	Sale	1,28,818	0.34	841,956
	19.08.2016	Sale	39,200	0.10	802,756
	09.09.2016	Sale	57,094	0.15	745,662
	23.12.2016	Purchase	846,000	2.22	15,91,662
	30.12.2016	Sale	190,000	0.50	14,01,662
	06.01.2017	Sale	555,662	1.46	846,000
	31.03.2017	Sale	20,000	0.05	826,000
	c) At the end of the year			826,000	2.17
3(b)	ICICI LTD	DP ID IN301348 CL ID 20000153			
	a)At the beginning of the Year	0	0.00	0	0.00
	b)Changes during the Year				
	Date	Reason			
	05.08.2016	Purchase	6736		6736
	12.08.2016	Sale	1770		4966
	19.08.2016	Sale	4966		0
	09.09.2016	Purchase	50,000		50,000
	16.09.2016	Sale	50000		0
	30.12.2016	Purchase	190,000		190,000
	06.01.2017	Sale	190,000		0
	17.03.2017	Purchase	170,000		170,000

	24.03.2017	Sale	170,000		0	0.00
	31.03.2017	Purchase	20,221		20,221	0.05
	c) At the end of the year				20,221	0.05
4.	KANCHAN BIHANI		DP ID IN300360 CL ID 22052154			
	a)At the beginning of the Year		874,149	2.29	874,149	2.29
	b)Changes during the Year					
	Date	Reason				
	29.04.2016	Sale	330	0.00	873,819	2.29
	20.05.2016	Sale	14,453	0.04	859,366	2.25
	27.05.2016	Purchase	14,453	0.04	873,819	2.29
	03.06.2016	Purchase	6370	0.02	880,189	2.31
	17.06.2016	Sale	23,000	0.06	857,189	2.25
	24.06.2016	Sale	3900	0.01	853,289	2.24
	01.07.2016	Sale	2463	0.01	850,826	2.23
	08.07.2016	Sale	18,537	0.05	832,289	2.18
	15.07.2016	Sale	9278	0.02	823,011	2.16
	22.07.2016	Sale	4294	0.01	818,717	2.15
	05.08.2016	Sale	1301	0.00	817,416	2.14
	12.08.2016	Sale	2525	0.01	814,891	2.14
	02.09.2016	Sale	5000	0.01	809,891	2.12
	16.09.2016	Purchase	2000	0.01	811,891	2.13
	23.09.2016	Purchase	8500	0.02	820,391	2.15
	21.10.2016	Purchase	2000	0.01	822,391	2.16
	04.11.2016	Sale	37748	0.10	784,643	2.06
	13.01.2017	Purchase	4220	0.01	788,863	2.07
	24.02.2017	Purchase	16,410	0.0430	805,273	2.11
	03.03.2017	Purchase	15,444	0.04	820,717	2.15
	c) At the end of the year				820717	2.15
4(b)	KANCHAN BIHANI		DP ID IN303028 CL ID 52387980			
	a)At the beginning of the Year		367,700	0.96	367,700	0.96
	b)Changes during the Year		No change			
	c) At the end of the year				367,700	0.96
5	MILAN VIHAR PRIVATE LIMITED		DP ID 13017400 CL ID 00157766			
	a)At the beginning of the Year		800,000	2.10	800,000	2.10

	b)Changes during the Year					
	Date	Reason				
	27.05.2016	Sale	800,000	2.10	0	0.00
	c) At the end of the year				0	0.00
5(b)	MILAN VIHAR PRIVATE LIMITED		DP ID 12048800 CL ID 00198787			
	a)At the beginning of the Year		0	0.00	0	0.00
	b)Changes during the Year					
	Date	Reason				
	27.05.2016	Purchase	800000	2.10	800000	2.10
	c) At the end of the year				800000	2.10
6	UNIVERSAL CINE TRADES PRIVATE LIMITED		DP ID IN300360 CL ID 20088851			
	a)At the beginning of the Year		700000	1.84	700000	1.84
	b)Changes during the Year					
	Date	Reason				
	25.11.2016	Sale	700000	1.84	0	0.00
	c) At the end of the year				0	0.00
6(b)	UNIVERSAL CINE TRADES PRIVATE LIMITED		DP ID 13025900 CL ID 01429983			
	a)At the beginning of the Year		0	0.00	0	0.00
	b)Changes during the Year					
	Date	Reason				
	25.11.2016	Purchase	700000	1.84	700000	1.84
	16.12.2016	Sale	200000	0.52	200000	0.52
	c) At the end of the year				500000	0.52
7	B VIKRAM KUMAR BAGMAR		DP ID IN301696 CL ID 12428152			
	a)At the beginning of the Year		693976	1.82	693976	1.82
	b)Changes during the Year		No change			
	c) At the end of the year				693976	1.82
7(b)	VIKRAM BAGMAR		DP ID IN301637 CL ID 40871964			
	a)At the beginning of the Year		37835	0.10	37835	0.10
	b)Changes during the Year		No change			
	c) At the end of the year				37835	0.10
8	ANSHUMAN DEVELOPERS PRIVATE LIMITED		DP ID 13017400 CL ID 00157770			
	a)At the beginning of the Year		520000	1.36	520000	1.36
	b)Changes during the Year					
	Date	Reason				
	27.05.2016	Sale	520000	1.36	0	0.00
	c) At the end of the year				0	0.00
8(b)	ANSHUMAN DEVELOPERS PRIVATE LIMITED		DP ID 12048800 CL ID 00198772			
	a)At the beginning of the Year		0	0.00	0	0.00
	b)Changes during the Year					
	Date	Reason				
	27.05.2016	Purchase	520000	1.36	520000	1.36
	c) At the end of the year				520000	1.36
9	Hitesh Ramji Javeri		DP ID IN300360 CL ID 20087818			
	a)At the beginning of the Year		500000	1.31		
	b) Changes during the Year					
	Date	Reason				

	08.04.2016	Purchase	17790	0.05	517790	1.36
	22.04.2016	Purchase	19314	0.05	537104	1.41
	06.05.2016	Purchase	60948	0.16	598052	1.57
	13.05.2016	Purchase	101942	0.27	699994	1.84
	12.08.2016	Purchase	47958	0.13	747952	1.96
	19.08.2016	Purchase	52048	0.14	800000	2.10
	26.08.2016	Purchase	74364	0.20	874364	2.29
	09.09.2016	Purchase	14078	0.04	888442	2.33
	18.11.2016	Purchase	11558	0.03	900000	2.36
	30.12.2016	Purchase	30000	0.08	930000	2.44
	10.02.2017	Purchase	20000	0.05	950000	2.49
	17.02.2017	Purchase	12916	0.03	962916	2.53
	24.03.2017	Purchase	107672	0.28	1070588	2.81
	31.03.2017	Purchase	3441	0.00	1074029	2.82
	c) At the end of the Year				1074029	2.82
10	HARSHA HITESH JAVERI JT1 : HITESH RAMJI JAVERI JT2 : RADHABAI RAMJI JAVERI		DP ID IN300360 CL ID20087795			
	a)At the beginning of the Year		452000	1.19	452000	1.19
	b) Changes during the Year					
	Date	Reason				
	13.05.2016	Purchase	48000	0.13	500000	1.31
	30.12.2016	Purchase	30000	0.08	530000	1.39
	10.02.2017	Purchase	20000	0.05	550000	1.44
	c) At the end of the Year				550000	1.44
NEW TOP TEN AS ON 31-03-2017						
11	SAPNA BAGMAR		DP ID 12037600 CL ID 00428559			
	a)At the beginning of the Year		0	0.00	0	0.00
	b) Changes during the Year					
	Date	Reason				
	06.01.2017	Purchase	866390	2.27	866390	2.27
	20.01.2017	Purchase	10000	.03	876390	2.30
	c) At the end of the Year				876390	2.30
11(b)	SAPNA BAGMAR		DP ID 12031500 CL ID 00160980			
	a)At the beginning of the Year		8150	0.02	8150	0.02
	b) Changes during the Year		No change			
	c) At the end of the Year				8150	0.02
11(c)	R SAPNA BAGMAR		DP ID IN301637 CL ID 40819307			
	a)At the beginning of the Year		2958	.01	2958	.01
	b) Changes during the Year		No change			
	c) At the end of the Year				2958	.01

ATTACHMENT G

V. Shareholding of Directors and Key Managerial Personnel

Sl. No	Name of the Directors and KMP	No. of shares held at the Shareholders beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares of the Company	No of Shares	% of Total Shares of the Company
1	Mr. G R K Reddy Chairman & Managing Director				
	At the beginning of the Year	18,92,057	3.29	18,92,057	3.29
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)				
	Date	Reason		12,03,057	3.16
	23.12.2016	Sale	6,89,000	1.81	
	At the end of the Year			12,03,057	3.16
2	Mrs. V P Rajini Reddy Non Executive - Non Independent Director				
	At the beginning of the Year	-	-		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)				
	At the end of the Year	-	-	-	-
3	Mr. Karanjit Singh Jasuja Non Executive -Independent Director				
	At the beginning of the Year	5,000	0.01	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)				
	At the end of the Year			5,000	0.01
4	Mr. Bahushrut Lugani Non Executive -Independent Director				
	At the beginning of the Year	-	-	-	-

	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of the Year	-	-	-	0.00
5	R Balasubramaniam Srinivasan*				
	Chief Financial Officer				
	At the beginning of the Year	-	-	-	
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)				
	At the end of the Year	-	-	-	0.00
6	Rabindra Kumar Samal**				
	Company Secretary & Compliance Officer				
	At the beginning of the Year	68	0.00		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)				
	At the end of the Year				

* CFO has appointed w.e.f 13.02.2017

**Company Secretary has resigned w.e.f 14.03.2017*

ATTACHMENT H
V. Indebtedness:
Indebtedness of the Company including interest outstanding/accrued but not due for payment (In Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	12,414,252,905	440,463,005		12,854,715,910
(ii) Interest due but not paid	2,722,404,111	135,696,071		2,858,100,182
(iii) Interest accrued but not due				
Total (i+ii+iii)			-	
Change in indebtedness during the financial year			-	
Addition	(169,043,953)	19,912,536		(149,131,417)
Reduction	157,757,249	5,214,894		177,669,785
Net Change			-	
Indebtedness at the end of the financial year			-	
(i) Principal Amount	12,245,208,952	420,550,469		12,665,759,421
(ii) Interest due but not paid	2,880,161,360	140,910,965		3,021,072,325
(iii) Interest accrued but not due				
Total (i+ii+iii)	15,125,370,312	561,461,434		15,686,831,746

ATTACHMENT I
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A) Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs In Lakhs)

Sl No	Particulars of Remuneration	Name of MD/WTD/Manager Mr. G R K Reddy Chairman & Managing Director
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit others, Please specify	0.00
5	others, Please specify (perquisites)	0.00
	Total (A)	0.00

* CMD declined to take any Salary until the Company again Start Making Profits.

ATTACHMENT J

B) Remuneration to Directors

(Rs in Lakhs)

SI No	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr. Karanjit Singh Jasuja	Mr. Bahushrut Lugani	
1	Independent Directors			
	-Fee for Attending Board /Committee Meetings Commission Others Please Specify	3.20	3.20	6.40
	Total (1)	3.20	3.20	6.40
2	Other Non-Executive Directors	Mrs. V P Rajini Reddy		-
	-Fee for Attending Board /Committee & Commission Others Please Specify	3.00	-	3.00
	Total (2)	3.00		3.00
	Total B (1) +(2)	6.20	3.20	9.40

ATTACHMENT K

C) Remuneration to Key managerial personnel:

(Rs in Lakhs)

SI No	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. R.B Srinivasan	Mr. Rabindra Kumar Samal	
1	Gross salary	CFO*	CS*	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	2.25	11.82	14.07
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit -others, specify	-	-	-
5	others, Please specify (perquisites)	-	-	-
	Total	2.25	11.82	14.07

 CFO* has been appointed on 13th February, 2017

 CS has resigned w.e.f 14th March, 2017

ATTACHMENT L

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/NC LT/COURT]	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
B. DIRECTORS		-NIL -			
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

PARTICULAR OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule (5) (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl No	Requirements	Details
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	Nil
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Key Managerial Personnel R.B Srinivasan, CFO
3	The percentage increase in the median remuneration of employees in the financial year;	Nil
4	The number of permanent employees on the rolls of company as on 31.03.2017	132
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Nil
6	The key parameters for any variable component of remuneration availed by the directors;	The Directors are not getting any variable component during the year.
7	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31st March, 2017 is as per the Remuneration Policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MARG Limited (the Company) is a listed entity and an ultimate holding company of MARG Group which operates in diversified business operations under different verticals. The Company operates predominantly in Ports, Residential Projects and has presence in other business like Resources, Urban infrastructures etc. The Development Business is focused primarily on the development of affordable residential projects and certain strategically located commercial projects. The Company also offers commercial spaces.

The residential real estate sector is going through a critical transition phase post demonetization as transaction activity has slowed down considerably. While demonetization has had a negative impact in the short term, it will eventually help improve governance standards in real estate and provide a level playing field for organized developers.

ECONOMIC ENVIRONMENT

The Indian economy achieved a GDP growth of 7.0% in 2016-17 against 7.6% in 2015-16. The most significant macroeconomic event of the year in India was the decision by the Government of India ("GoI") to demonetize the high denomination currencies in circulation. This event had a major impact on the Indian economy but any related decline in GDP growth was offset by a combination of a good harvest, a downward revision in base numbers, an increase in pay from the 7th Pay Commission and the short-term benefits from demonetization. Additional economic stabilizing factors during the reporting period included the continued slowdown in core CPI inflation and two RBI reductions in repo rates. Additionally, the passing of the GST bill has also been seen as a positive policy reform to provide for a simpler and more competitive tax regime.

For FY 2017-18, growth is estimated to pick up to 7.4% levels. There is an expectation of stable to slightly positive inflationary pressures due to pick-up in economy as well as impact of seventh pay commission. It is widely expected that GST implementation in FY 2017-18 would auger well for economic growth. Economists estimate potential long term GDP growth impact at 2-4 percentage points attributable to GST.

There is a gradual revival being seen in the construction sector. Road laying is picking up pace and so is other construction activity. Coal mining has aggressive mid and long term prospects, given the electricity generation targets set by the central government. While investments are still subdued due to excess capacity across sectors, it is expected that a prolonged period of controlled inflation, a stable government policy and steadily improving per-capita income would improve consumption and lead to a more sustained growth in the range of 7.0-8.5%.

The Indian Government's decisive policy manoeuvres towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years to come.

CONSTRUCTION INDUSTRY OVERVIEW

Construction is the sixth-largest economic sector in India, accounting for 7.8% of the country's GDP in FY 2016, the second-biggest employer (after agriculture), with about 35mn people engaged and the second-largest recipient of FDI after the services sector. Over FY 2012-2016, the GVA of the sector expanded at a

moderate CAGR of 3.4% -- lower than GDP's 6.5% -- pushed down by the overall deceleration of the residential market. However, renewed government focus on infrastructure, coupled with a rising demand for commercial and retail properties, proved to be a solid foundation for fostering growth.

Business Verticals Overview, Business Segment Review and Outlook

EPC VERTICAL

The EPC division of the Company has an order book of Rs. 2522.79 Crores. Further local and international bids are being planned leveraging the experience gained through execution of Marine, Infrastructure and Industrial EPC. To achieve 'Customer Delight' through innovative, cost effective and value added consulting, Design & Detailed Engineering Services contract and EPC services. The Company is developing finding means for achieving the same.

Multi level Car parking at Chennai had been inaugurated by Honorable Chief Minister of Tamil Nadu Ms. J. Jayalalithaa on September 15, 2015. Dredging at Ariyankuppam river and sea mouth at Pondicherry and Construction of fish landing center at Nagore, Indoor stadium at Karaikal also successfully completed. The company has been awarded the project of Construction of Multi-storey Flats under SFS at Vrindavan Yojana, Lucknow, Uttar Pradesh by UP Housing Developments Board and the same has been handed over to the respective authority.

Some of the other projects like Construction of 2 * 250 MW Power plant CW & SW Package at Bhavnagar, Construction of FRENAL Laboratories at Kolkata, Construction of integrated campus at HAL Bangalore and Construction of Dredging and fish Harbor at Mahi, Construction of Head Quarters Building for BPR&D and NCRB at Mahipalpur was awarded by NBCC, Construction of Technical and Administrative Accommodation at strategic Communication Node Palam was awarded by Military Engineers Services, Pravasi Bharatiya Kendra at Plot No.15A, 15B & 15D Chanakyapuri, New Delhi was awarded by NBCC, Construction of Multi-storey Residential Building (G+11) "Srishti Apartment" Phase-I at Jankipuram, Sector-J (Extension), Lucknow, Uttar Pradesh, Construction on of Multi-storey 'Smriti Apartment' at Janakipuram Extension Scheme, Sector-J, Lucknow, Uttar Pradesh, Construction of Multi-storey Flats at Vrindavan Yojana-4, Lucknow, Uttar Pradesh by UP Housing Development Board, the HSCC work of Construction of Test Research laboratory (Animal Facility Building) including internal services like plumbing, electrical, fire fighting, fire detection/fire alarm, HVAC etc. at Sector-8, Dwarka, New Delhi in final stage and all the related work is going on in full swing.

MARG is in the process of pipelining additional EPC contracts - bidding for mega contracts in the specialized areas like marine, industrial projects, urban infrastructure and solar & alternate energy sector. Further the EPC divisions of MARG will increase the turnover in the forthcoming years.

MARG EPC has been appreciated for safety practices, a notable achievement as the present accident frequency across all project sites is very less compared to other companies projects.

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 ninth successful year of operations. The Port has handled 9.10 MMT of cargo in Financial Year 2017 as against 5.96 MMT in Financial Year 2016. Revenue for the Financial Year 2017 is

Rs. 369.31 crores against Rs. 261.63 crores last year. EBIDTA for the Financial Year 2017 is Rs. 189.72 crores against Rs. 114.16 crores for Financial Year 2016. During the Financial Year 2016-17, a total of 1506 rakes have been handled against 868 rakes in last year.

BUSINESS DEVELOPMENT UPDATES

1. New Customers / Cargos:

- Handled new cargo like imported wood pulp for M/s TNPL.
- Handled 1 imported sugar vessel for a consortium of 8 importers

2. Discussion with M/s Maersk and other shipping lines for beginning container feeder operations. Also discussing with FCI for initiating coastal container business.

3. Discussion with shipping line for coastal movement of containerized bagged cement for Ramco Cements from Karaikal to Haldia.

4. Discussion with KVK Energy (Nagai Power Pvt Limited) for having definite cargo handling agreement.

5. Discussion with Penna Cements Limited to have a definite agreement for cargo handling agreement and land lease for setting up their cement bagging plant in port premises. Penna Cements has upgraded their land requirement to 3 acres from the earlier requirement of 1.9 acres. GoP had released NOC for allowing us to release land as per our earlier application.

Some of the major customers of Karaikal Port for handling coal imports like AMR Logistics, Apoorva Logistics, Bulk Trans Logistics, Chettinad Cement, Dalmia Cement, Ramco Cements, IL&FS, Ultratech Cements, and The India Cements for handling their coal imports. Karaikal Port added new cargos to the portfolio like Wood pulp and other cargo to bring additional cargo to the port.

SEZ

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

Engineering Services SEZ is promoted at MARG Swarnabhoomi with the objective of attracting clients in various segments like Auto Components, Fasteners, Valves, Pumps, Power components, Electronic components, Electronic meters, Renewable Energy, etc. M/s Grundfos Pumps, M/s P.H. Hydraulics and Pneumatics, M/s Eswari Electricals, M/s Kwik patch Ltd and M/s Twin Disc (Far East) Pte Ltd are operating in Engineering services SEZ. M/s Zwilling, a German based Kitchenware manufacturer has signed lease deed and started setting up their premises in MARG Swarnabhoomi. M/s Tecpro Energy Systems has registered lease deed and is in advanced stages of setting up their premises in MARG Swarnabhoomi.

The Multi Services SEZ is promoted in MARG Swarnabhoomi to attract clients in various segments like IT/ITES, Knowledge Hub, BPO, KPO, Animation, Medical Tourism, R&D, Publishing etc. The Company has added few clients in the respective year M/s Groom India Salon & Spa Private Ltd and Enterprise Touch etc.

REAL ESTATE DEVELOPMENT

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

"With 2016 - 17 being the year of landmark decisions for the Indian real estate industry, the sector saw concerted efforts by the Government to bring in transparency as well as boost consumer sentiment in the sector, especially in the residential market is positive with an expectancy of steady growth, stability and revival in the market."

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies.

The Ministry of Housing and Urban Poverty Elevation has sanctioned the construction of 84,460 more affordable houses for urban poor in five states, under the Pradhan Mantri Awas Yojana (Urban) scheme with a total investment of Rs 3,073 crore (US\$ 460 million).

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). In the period FY 2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. The private equity investments in real estate increased 26 per cent to a nine-year high of nearly Rs 40,000 crore (US\$ 6.01 billion) in 2016.

The impact of demonetization was expected to be shattering for the economy; however, the reality on the ground is quite encouraging; indicative of the fact that the economy is already on its way to fully absorb the impact of the policy

The implementation of Goods and Services Tax (GST) on real estate will directly impact under-construction project is 18% that will be applicable on two-thirds of the value of the property. The controversy over a rise in burden on projects nearing completion was settling down.

The Rajya Sabha or the upper house of the Parliament has passed the Real Estate (Regulation and Development) Bill, 2013, which aims to protect consumer interest, ensure efficiency in all property related transactions, improve accountability of real estate developers, increase transparency and attract more investments into the real estate sector will be an added advantages.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards

Marg Properties has an increasingly well-informed consumer base and bearing in mind the aspect of globalization, have shifted gears and accepted fresh challenges and the growing needs for managing multiple projects across cities, are also investing in centralized processes to source material and organize manpower and hiring qualified professionals in areas like project management, architecture and engineering. It has completed and handed over nearly 190 apartments for the FY 16-17. It is also accelerated to complete and hand over of nearly 1000 apartment within the FY 17-18.

The following Government initiatives will also engorging us to launch and complete our existing project and launch new projects including Plotted layouts.

- The Cabinet Committee on Economic Affairs (CCEA) has approved various measures to revive the construction sector, putting in place a mechanism to release funds stuck in arbitration awards to revive stalled projects.
- Brihanmumbai Municipal Corporation (BMC) has introduced a single-window clearance for construction which will cut the time taken for getting approvals for a building project and lead to correction in prices of residential property, thereby giving a fillip to Mumbai realty.
- India's Prime Minister Mr. Narendra Modi approved the launch of Housing for All by 2022. Under the Sardar Patel Urban Housing Mission, 30 million houses will be built in India by 2022, mostly for the economically weaker sections and low-income groups, through public-private-partnership (PPP) and interest subsidy.

MARG ProperTies believes that it is well positioned to benefit from the opportunities that will emerge as the economic situation improves further. So, the outlook for 2017-18 is cautiously optimistic.

As the South & West Chennai is getting developed rapidly, MARG ProperTies projects which are located in these areas are benefitted more.

The capital of Tamil Nadu is largely an end-user driven market, making it less prone to speculation. North Chennai is predominantly industrial, while central Chennai is the most developed part of the city with established commercial and residential markets. South and west Chennai, previously predominantly residential areas, are fast turning into commercial zones, hosting a large number of IT and financial services companies.

Outer Ring Road has emerged as the best upcoming investment market with large townships. Outer Ring Road Phase II and Metro Rail Phase II will become operational late this year. The Guindy-Alandur cluster is expected to emerge stronger in the medium term with infrastructure push.

Nodes such as Perungudi, Sholinganallur, Siruseri, along with GST Road, have created enormous employment opportunities in south Chennai. "The focus of the state government in providing excellent road connectivity along these nodes has helped in the development of this region," says Kanchana Krishnan, Director - Chennai, Knight Frank India.

MARG ProperTies is consistently unique in its marketing and customer service approach.

The Chennai real estate market started reviving after the December floods that affected the industry for a short period. While there were negative sentiments following the floods making it as one of the worst performing years for the residential sector in the history

of the city. Factors such as slowing economic growth, increase in raw material prices and weak rupee among others have contributed towards building a negative sentiment among home buyers. MARG properties also witnessed a slowdown in the projects and sales drop highly because of above mentioned economic downturn.

India is the only large economy that has maintained a steady growth rate. In addition, the fiscal situation has been stable and there has been a broad-based decline in inflation, allowing the RBI to maintain an accommodative monetary policy stance. But, the investment-growth cycle is yet to kick-in, given the weak global outlook and low capacity utilization levels across industries. Persisting corporate sector stress and risk aversion in the Indian banking system has meant that the rate cuts by the RBI have not translated into the much needed reduction in interest rates for both businesses and consumers, which can spur both demand and confidence. Given the capital intensive nature of the business, the real estate industry in India has also been affected by this situation.

Real estate is a critical sector for India's economy due to its large potential for employment generation, capital attraction and revenue generation for the Government. It is one of the fastest growing sectors contributing about 6-8% to India's GDP and also a key business segment of your Company. After witnessing fluctuating business cycles in the last decade, the real estate sector witnessed a slowdown due to moderate end user demand, rising inventory and high finance costs. Despite the subdued performance in recent years, India's demographics and urbanization trends present an optimistic future for the residential market. Under 'Housing for All by 2022' significant business opportunities are going to open up for construction and real estate industry. The government is exploring possibility of granting an infrastructure status to affordable housing to attract higher investment.

MARG ProperTies believes that it is well positioned to benefit from the opportunities that will emerge as the economic situation improves further.

HUMAN RESOURCE DEVELOPMENT

MARG considers its employees as its most important asset and has created a work environment that ensures their continued well-being. It strongly aligns the organisation's growth with the growth of every individual who is functional in taking the organisation closer to its goals. It aims at attracting, nurturing and retaining the best industry talent and invests substantial time and energy in maintaining and engaging human resource culture. New employees are trained to make them accustomed to the MARG's culture, while continuing employees are given ample opportunities to explore their talent and capabilities. The Company will continue to expand itself by virtue of its core intellect that resides with human resource. The Company had about 132 employees on its rolls as on 31st March 2017.

CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting

demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, policies, tax laws and other incidental factors. Further, the Company retains the flexibility to respond to fast-changing market conditions and business imperatives. Therefore, the Company may need to change any of the plans and projections that may have been outlined in this report, depending on market conditions.

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 29th May, 2017

REPORT ON CORPORATE GOVERNANCE

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

Corporate Governance is a set of standards which aims to improve the Company's image, efficiency and effectiveness. It is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all the Shareholders, the Creditors, the Government and the Society at large.

MARG's corporate governance philosophy encompasses regulatory and legal requirements, which aims at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. The Company's corporate governance practices are driven by timely disclosures, transparent accounting policies, internal control on operations and high levels of integrity in decision making with an objective to enhance the value to the stakeholders. The Company is in compliance with the mandatory requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Board of Directors

At MARG, we believe that sound Corporate Governance is critical to enhance and retain investors' trust. Our Board exercises its fiduciary responsibilities in its true spirit. The primary role of the Board is that of trusteeship to protect and enhance stakeholders' value through strategic supervision of the Company and its subsidiaries. Our Company is headed by an effective Board that exercises leadership, integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This is reflected in our governance practices, under which we strive to maintain an active and informed Board.

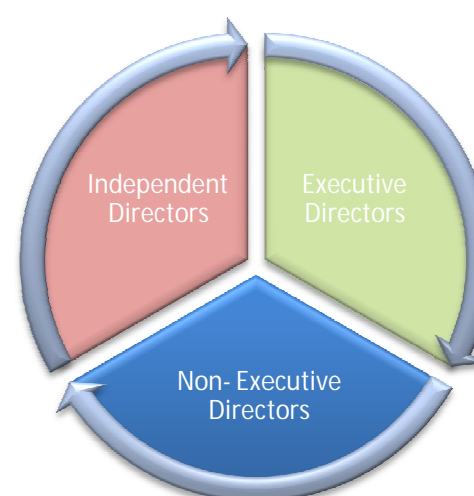
i. Composition of Board

Your Company's board consists of Directors, with varied and diverse professional background. The Company has an optimum mix of Executive, Non-executive and Independent Directors which is essential to effectuate the two main functions of the Board viz. Governance and Management.

The board presently consists of FOUR directors comprising of Managing Director, who is also the Chairman of the board and THREE Non-Executive Directors out of which TWO are independent Directors.

ii. Directorships and Committee Memberships

The total number of Directorships held by the Directors and the position of Membership / Chairmanship on Committees as on 31st March 2017 is given below. All the Directors are compliant with the provisions of the Companies Act, 2013 and "SEBI Regulations" in this regard. Such declarations are placed at the Board meeting.



Sl. No	Name(s) of Director(s)	Executive/ Non-executive/ Independent	Director Identification Number	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	00903778	7	1	2	2
2	Mrs. V P Rajini Reddy	PD/ NED	00904123	3	-	2	-
3	Mr. Karanjit Singh Jasuja	ID/ NED	01563933	5	-	3	1
4	Mr. Bahushrut Lugani	ID/ NED	00052387	4	-	3	1

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 8 Companies and Companies Incorporated outside India.
 2. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, membership/chairmanship of only Audit Committee and Shareholders/ Investor Grievance Committee has been considered.

iii. Directors' Profile

Brief Resume of all the Directors are given below:

**Mr. G R K Reddy, Chairman & Managing Director
(Executive, Non-Independent)**

Mr. G R K Reddy (DIN 00903778) aged 57 years, is a Post-Graduate in Commerce and alumni of Kellogg School of Management. He started his career in 1985 as a Merchant Banker and gained rich experience in advising and structuring various financial instruments. Later in 1994, he moved to the Constructions & Infrastructure industry, and promoted 'MARG'. He made MARG among India's fastest growing infrastructure organisations and a premier group operating in South India providing Marine Infrastructure, Industrial Clusters, Real Estate, Power, Civil, Residential and Commercial Projects. GRK is actively involved with Confederation of Indian Industry (CII) and is a member on a number of prestigious committees like Steering Committee, City Connect Program – CII task force on Building Inclusive Cities; CII Tamil Nadu, CEO Forum, Indian Institute of Technology, Chennai. Rural Technology & Business Incubator (RTBI), Academic Council of the Anna University, Chennai He is currently the President of Indo-Australian Chamber of Commerce.

Mrs. V P Rajini Reddy, Director (Non-Executive, Non-Independent)

Mrs. V P Rajini Reddy (DIN 00904123) aged 50 years, a graduate of Harvard Business School AMP (Advanced Management Program) and she holds an Engineering Degree (Civil). Mrs. V P Rajini Reddy has an impressive 21 years of experience under her belt in high-caliber management. She started her entrepreneurial journey in 1996 and in 1999 founded Exemplarr (Erstwhile RR Infotech Limited) an ITES (Information Technology Enabled Services) company with a vision of generating rural employment. She is having hands on experience in building and scaling the team, travelling extensively to US, UK, Germany, Australia, New Zealand and Singapore for client acquisition and client management. 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. Karanjit Singh Jasuja, Director (Non-Executive, Independent)

Mr. Karanjit Singh Jasuja (DIN 01563933) aged 56, 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 various corporates and is an expert in taxation and finance.

Mr. Bahushrut Lugani, Director (Non-Executive, Independent)

Mr. Bahushrut Lugani (DIN 00052387) Aged 61 years, is a Chartered Accountant, Financial and Management Consultant. He brings with him a rich experience of 36 years experience in the field of Accounts, Finance, Management Consultancy, Income Tax and Setting up of new projects etc. He has been the Managing Partner of M/s. B. Lugani and Associates since August 1980. He serves as an

Independent & Non-Executive Director at Amtek Auto Ltd and Non Executive & Independent Director at Metalyst Forgings Limited (formerly Ahmednagar Forgings Limited). Mr. Lugani also serves as a Director at Vishal Mechanical Works Private Limited, Dayalsons Textiles & Fabrics Private Limited and Autus Pharmaceuticals and Chemicals Private Limited.

iv. Attendance of Directors at Board Meetings and at previous Annual General Meeting (AGM)

During the financial year 2016-17, six meetings of Board of Directors were held on 30th May 2016, 13th August 2016, 26th August 2016, 14th November 2016, 13th February 2017 and 14th March 2017 and Annual General Meeting was held on 14th March 2017.

Sl. No	Name(s) of Director (s)	Board Meetings attended	Attendance at Previous AGM
1	Mr. G R K Reddy	6	Yes
2	Mrs. V P Rajini Reddy	6	Yes
3	Mr. Karanjit Singh Jasuja	6	Yes
4	Mr. Bahushrut Lugani	5	Yes

3. Code of Business Conduct

Your Company has adopted a Code of Conduct which applies to all its Directors and employees of the Company in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is also uploaded on the website of the company (www.marggroup.com). The Code of Conduct is an annual declaration that helps to maintain high standards of ethical business conduct for the Company. All Board Members and senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended 31st March 2017. A declaration signed by the Managing Director affirming the compliance with the Code of Conduct by the Board of Directors and Senior Management Personnel of the Company is attached and forms part of this Report.

4. Committee of Directors

The Committees constituted by the Board play a very important role in the governance structure of the Company. The terms of reference of these Committees are approved by the Board and are in line with the requirements of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has constituted several committees, both mandatory and non-mandatory in accordance with Companies Act 2013. Mandatory Committees are Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Sexual Harassment Committee. The non-mandatory Committees have been constituted to deal with specific matters and have been delegated with powers for different functional areas.

The Board has constituted the following NINE Committees namely:-

Mandatory Committees	Non-mandatory Committees
I. Audit Committee	II. Compensation Committee
III. Nomination and Remuneration Committee	IV. Capital Issues and Allotment Committee
V. Stakeholders Relationship Committee	VI. Banking and Legal Matters Committee
VII. Sexual Harassment Committee	VIII. Business Review Committee
-	IX. Corporate Social Responsibility Committee

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

i. Audit Committee

The Audit Committee plays a major role in corporate governance regarding the organization's direction, control, and accountability. As a representative of the Board of Directors and main part of the corporate governance mechanism, the Audit Committee is involved in the organization's both internal and external audits, internal control, accounting and financial reporting, regulatory compliance and risk management.

MARG's Audit 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. Karanjit Singh Jasuja and Mr. Bahushrut Lugani possess expert knowledge in finance and accounts. Mr. Karanjit Singh Jasuja, Independent Director is the Chairman of the Committee.

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems audit and interacts with statutory auditors and internal auditors. Senior Executives and functional heads are invitees to the Committee meetings. Besides, the Committee reviews audit plans, quarterly and annual financial results, management discussion and analysis of financial condition and result of operations, related party transactions, observations of the internal/external auditors on internal control follow-up reports of the management.

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

During the financial year 2016-17, FOUR meetings of Audit Committee were held on 30th May 2016, 13th August 2016, 14th November 2016 and 13th February 2017.

The Members of the Committee are:

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

The Chief Financial Officer, Internal Auditors and Statutory Auditors are invitees to the relevant meetings of the Audit Committee in respect of businesses related to them. The Company Secretary acts as Secretary to the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of Significant Related Party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Discussions with Internal Auditors on any significant findings and follow up thereon;
- Internal audit reports relating to internal control weaknesses;
- Review the functions of the whistle blower mechanism.

Meeting of Independent Directors

A Separate Meeting of Independent Directors was held on 13th February 2017 without attendance of Non-Independent Directors and members of the management. All the Independent Directors attended the meeting and:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- Assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors of the Company are experts in their respective fields. They bring with them specialized skills, vast repertoire of knowledge and a wide diversity of experience and perspectives. In view of their significant expertise, the Independent Directors may recommend the mechanism for evaluating the performance of the Board as a whole and as well as individual directors.

In lieu of such recommendation, the criteria for Performance Evaluation laid down below may be considered. However, the below mentioned criteria is only suggestive and the Board of Directors may consider such other criteria as they may deem necessary for effective evaluation of performance.

Familiarisation Programme for Independent Directors

The Company has familiarised the Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model etc. through a familiarisation programme. Details of the familiarisation programme have been disclosed on the Company's website.

ii. Nomination and Remuneration Committee

The Company, to comply with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has constituted a Nomination & 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.

The terms of reference of the Committee are as stipulated under Schedule II Part (D) of the Regulation 19 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter alia includes the following:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director and to recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and Other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors.

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

During the financial year 2016-17, ONE meeting was held on 30th May 2016.

Sl. No	Name(s) of Director (s)	Category/ Status	Meetings attended
1	Mr. Karanjit Singh Jasuja	NED/ID/Chairman	1
2	Mrs. V P Rajini Reddy	NED/PD/Member	1
3	Mr. Bahushrut Lugani	NED/ID/Member	1

Remuneration to Directors

As suggested by the Committee, remuneration and commission are not payable to Managing Director and Non - Executive Directors due to Loss incurred by the company in the current financial year 2016-17.

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

Shareholding of Directors

Details of Shares held by the Directors in the Company as on 31st March 2017 are as follows:

Name	Number of Shares
Mr. G R K Reddy	1,203,057
Mrs. V P Rajini Reddy	Nil
Mr. Karanjit Singh Jasuja	5,000
Mr. Bahushrut Lugani	Nil

iii. Stakeholders Relationship Committee

The Committee consists of THREE Non-Executive Directors out of which TWO are Independent Directors. The Committee has delegated the authority for share transfers to the Managing Director. The Committee oversees performance of Registrars and Share Transfer Agents of the Company and recommends remedial measures to improve quality of investors' services and review all matters connected with transfer/transmission of securities of the Company and approves issue of duplicate certificates. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividend etc.

The composition of the Stakeholders Relationship Committee and attendance of each member in the Committee Meetings are given below:

During the year FOUR meetings were held on 30th May 2016, 13th August 2016, 14th November 2016 and 13th February 2017.

Sl. No	Name(s) of Director(s)	Category/ Status	Meetings Attended
1	Mrs. V P Rajini Reddy	NED/PD/Chairperson	4
2	Mr. Karanjit Singh Jasuja	NED/ID/Member	4
3	Mr. Bahushrut Lugani	NED/ID/Member	4

Company Secretary

Mr. Rabindra Kumar Samal, Company Secretary has resigned from his post w.e.f 14th March 2017 of the Company.

Investors' Grievance Redressal

During the year, 2 investor complaints were received and resolved during the year. None was pending unresolved as on 31st March 2017.

iv. Business Review Committee

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

Sl. No	Name(s) of Director(s)	Category/ Status
1	Mr. Karanjit Singh Jasuja	Chairman
2	Mrs. V P Rajini Reddy and	NED/Member
3	Mr. Bahushrut Lugani	NED/ID/Member

v. Capital Issues and Allotment committee

The Capital Issues and Allotment Committee was constituted for issue of capital, allotment of Shares/ convertible instruments and allotment of Equity Shares upon conversion of such instruments. The Committee consists 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:

Sl. No	Name(s) of Director(s)	Category/ Status
1	Mr. G R K Reddy	Chairman & Managing Director/ED/NID
2	Mrs. V P Rajini Reddy	NED/NID/Member
3	Mr. Karanjit Singh Jasuja and	NED/ID/Member
4	Mr. Bahushrut Lugani	NED/ID/Member

vi. **Banking and Legal Matters Committee**

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

The members of the Banking and Legal Matters Committee are:

Sl. No	Name(s) of Director(s)	Category/ Status
1	Mr. G R K Reddy	Chairman & Managing Director/ED/NID
2	Mrs. V P Rajini Reddy	NED/NID/Member
3	Mr. Karanjit Singh Jasuja and	NED/ID/Member
4	Mr. Bahushrut Lugani	NED/ID/Member

vii. **Compensation Committee**

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

The members of the Compensation Committee are

Sl. No	Name(s) of Director(s)	Category/ Status
1	Mrs. V P Rajini Reddy	NED/PD/Chairperson
2	Mr. Karanjit Singh Jasuja	NED/ID/Member
3	Mr. Bahushrut Lugani	NED/ID/Member

viii. **Corporate Social Responsibility (CSR) Committee**

The Company has constituted Corporate Social Responsibility (CSR) committee under Section 135 of Companies Act, 2013 to review the CSR Policy and its effective implementation from time to time.

ix. **Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2014, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information.

The Company is committed in providing and promoting a safe and healthy work environment for all its employees. It has zero tolerance towards sexual harassment at the workplace and has adopted a policy for 'Prevention and Redressal of Sexual Harassment at the Workplace' in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed along

with a structured reporting and redressal mechanism. The Company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action. The policy has been circulated among the employees of the Company and the same is exhibited in the notice Board of all the business locations / divisions of the Company.

During the year under review, the Company has not received any complaint of sexual harassment.

5. **Subsidiary Companies and its Management:**

There are FIFTY NINE subsidiary Companies of MARG Limited as on 31st March 2017. All the Subsidiaries are Board Managed Companies and the Company monitors the performance of the subsidiaries with reference to their functions, finance and management. Out of the above 59 Companies 5 are Non-wholly owned and balance 54 are wholly owned subsidiaries including 25 Step down Subsidiaries.

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

* Investments comprise of holdings in Karaikal Port Private Limited a subsidiary of Marg Limited. The said investments are in a nature of subscription to Preference and equity Share Capital of Karaikal Port Private Limited. Indian Bank the lead banker to Karaikal Port Private Limited has invoked around 36% of the said shares (comprising entirely of Preference and a portion of Equity shares) held by Marg Limited in Karaikal Port Private Limited and the said shares stand in the name of Indian Bank. The said invocation has been challenged and is sub-judice now before the Hon'ble High Court of Chennai.

* Subsequently the Preference Shares was converted in to Equity Shares as per the agreement entered with investors.

6. **General Body Meeting**

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

Financial Year	Date	Time	Place of the Meeting	No. of Special Resolutions passed
2015-16	14.03.2017	3.00 PM	Registered office of the Company at 'Marg Axis', 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai - 600 041	-
2014-15	30.12.2015	3.00 PM	Hotel Turyaa Chennai, 144/7, Rajiv Gandhi Salai, Kottivakkam, Chennai 600 041.	-
2013-14	30.09.2014	3.00 PM	Auditorium of Exemplarr Worldwide Limited, 141, Rajiv Gandhi Salai, Kottivakkam, Chennai-600 041	2

7. **Postal Ballot**

No resolution was passed through Postal Ballot during the Financial Year 2016-17. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

8. Disclosures

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

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

- II Company has complied with all the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as guidelines of SEBI. There has been no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any Regulatory Authorities, on any matters related to capital market during the last three years.
- III Company has established Whistle Blower Policy and no personnel are denied the access to the Audit Committee.
- IV The Company complies with the mandatory requirements and non-mandatory requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

9. Code of Conduct for Prevention of Insider Trading

In view of the enactment of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted a new Code of Conduct for Prevention of Insider Trading at its meeting held on May 29, 2017. This code is applicable to all Promoters, Directors, Key Managerial Personnel and Designated Persons. The new Code is available on the website of the Company at <http://www.marggroup.com>.

10. Management Discussion and Analysis

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

11. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same are furnished to all the Stock Exchange, where the Company’s shares are listed, within Thirty minutes of the conclusion 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 Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published within 48 hours in two newspapers, one in English daily - News Today, and one in Regional (Tamil) Language daily – Malaisudar. Additionally, it is 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.
- IV In accordance with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has maintained a functional website at www.marggroup.com and contains information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, Compliance Certificate obtained from R&TA, Investor Compliers, 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 for correspondence.

12. CEO / CFO Certification

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate duly signed by Mr. G R K Reddy, Chairman & Managing Director and Mr. R B Srinivasan, Chief Financial Officer 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.

13. Report on Corporate Governance

As required under Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company also submits a quarterly Compliance Report to the Stock Exchange within 15 days from the close of every quarter as per the format provided by SEBI.

Your Company has complied with the Corporate Governance norms as stipulated under the Listing Regulations. A certificate obtained from a practicing Company Secretary confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

14. Non-Mandatory Requirements

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

15. General Shareholder Information:

I. Information about 22nd Annual General Meeting

Date and Time : 27th September 2017 at 3:00 PM

Venue : Hotel Park Plaza,
142, Rajiv Gandhi Salai, Thoraipakkam,
Chennai, Tamil Nadu 600097

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 2016-17 started on 1st April 2016 and ended on 31st March 2017. The current financial year 2017-18 started on 1st April 2017 and would end on 31st March 2018.

Financial Calendar

(Tentative Board Meeting Calendar for the Financial Year 2017-18)

For First Quarter 30 th June 2017	on or before 14 th August 2017
For Second Quarter 30 th September 2017	on or before 14 th November 2017
For Third Quarter 31 st December 2017	on or before 14 th February 2018
For Fourth Quarter 31 st March 2018	on or before 30 th May 2018

Revalidation of Dividend Warrants

In respect of members who have either not opted for NECS/ECS mandate or do not have such a facility with their banker and who have not encashed earlier dividends paid by the Company, are requested to write to Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividend to Investor Education and Protection Fund.

Unclaimed Dividend

The Company has sent intimation to shareholders, who have not yet preferred a claim of their Unclaimed Dividend and are therefore, requested to contact the Registrar and Share Transfer Agent immediately.

Section 124 of the Companies Act, 2013 mandates companies to transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years, will be transferred to the IEPF.

Financial Year	Date of Declaration of Dividend	Last date for transfer to IEPF
2008-2009	29-Sep-09	29-Oct-2016
2009-2010	30-Sep-10	30-Oct-2017
2010-2011	29-Sep-11	30-Oct-2018

Dividend declared during the financial year 2009-10 is due on 30.10.2017 for transferring to IEPF. Hence the Company has sent a communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

E-Voting Facility to members

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time the Company is pleased to provide members the facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services India Limited (CDSL).

Pursuant to the amendments made in Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

III. Date of Book Closure

The Register of Members and Share Transfer Book shall be closed for a period of 7 days starting from 21st September 2017 to 27th September 2017 (Inclusive of Both Days) for the purpose of Annual General Meeting (AGM) to be held on 27th September 2017.

IV. Listing on Stock Exchanges

The Equity Shares of the Company are currently listed on Bombay Stock Exchange Limited only.

V. Stock Code/Symbol

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

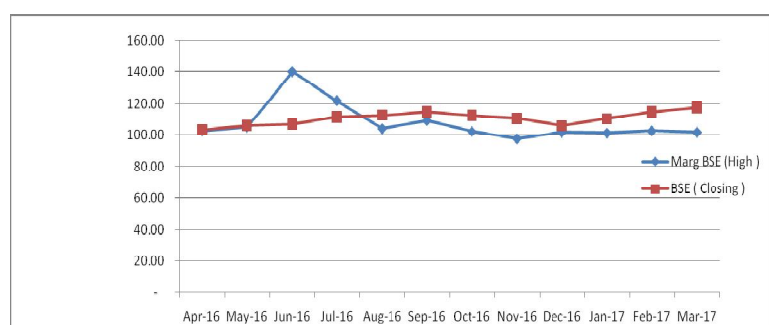
VI. Market Price Data

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

Year	Month	High(Rs.)	Low(Rs.)	Monthly Volume
2016	April	10.73	9.12	4,31,012
2016	May	11.00	9.05	7,01,858
2016	June	14.69	8.85	13,77,828
2016	July	12.79	10.50	6,72,970
2016	August	10.90	9.52	7,29,893
2016	September	11.45	9.00	6,73,831
2016	October	10.70	9.16	6,05,965
2016	November	10.22	7.45	8,81,324
2016	December	10.65	7.75	11,83,735
2017	January	10.60	9.05	10,96,569
2017	February	10.74	9.50	5,34,976
2017	March	10.65	8.10	18,35,499

VII. Performance vis à vis BSE SENSEX

A comparative line chart showing performance of share price (Closing High) of the Company with BSE Sensex (Closing High) during the financial year 2016 -17:



Note: The chart has share prices and moments in indices month-wise from 1st Working Day of April 2016 till Year ending March 2017.

VIII. Registrar and Share Transfer Agent

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 2017, shares representing 98.63% of total paid-up capital of the Company are in electronic form. As regards transfer

of shares in physical form, the transfer documents can be lodged with M/s. Cameo Corporate Services Limited at the above address. The physical transfers are normally processed within 7-10 days from the date of receipt of documents, complete in all respects.

X. Shareholding as on 31st March 2017
Categories of Shareholding as on 31st March 2017

S. No	Category	No. of Shares Held	Percentage of Shareholding
A	Promoter's Holding		
1	Promoters	6,388,691	16.76%
2	Persons acting in Concert	-	-
	Sub Total (A)	6,388,691	16.76%
B	Non Promoters Holding		
1	Mutual Funds/FIs/Banks	1,935,732	5.08%
2	Bodies Corporate	5,937,360	15.58%
3	Indian Public (Individuals/HUF)	22,899,868	60.07%
4	NRI/Foreign Nationals/ Foreign Corporate Bodies	659,599	1.73%
5	Trusts	224,000	0.59%
6	Others (Clearing Members and Employees)	73,676	0.19%
	Sub Total (B)	31,730,235	83.24
	Grand Total (A+B)	38,118,926	100.00%

Distribution of Shareholding as on 31st March 2017

No of Shares held Between	No of Shareholders	% of Total No of Shareholders	Total Shares held in the category	% of below this should be change Shareholding
1 – 1000	8356	49.6	4288950	1.13
1001 - 5000	4658	27.65	13868120	3.64
5001 - 10000	1571	9.33	13238270	3.47
10001 - 20000	882	5.24	13821540	3.63
20001 - 30000	347	2.06	8915390	2.34
30001 - 40000	196	1.16	7046140	1.85
40001 - 50000	183	1.09	8723900	2.29
50001 - 100000	299	1.77	22593530	5.93
> 100000	354	2.1	288693420	75.73
Total	16846	100.00%	38,118,9260	100.00%

XI. Dematerialization of Equity Shares and Liquidity

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

The Authorised Capital of Rs. 500,000,000 (Rupees Fifty Crores only) comprising of 50,000,000 (Five Crores) equity shares of Rs. 10 each. The paid up Capital of the Company as on 31st March 2017 is Rs. 381,189,260 (Rupees Thirty Eight Crores Eleven lacs Eighty Nine

Thousand Two Hundred and Sixty only) consists of 38,118,926 (Rupees Three Crores Eighty One Lacs Eighteen Thousand Nine Hundred and Twenty Six only) Equity shares of Rs.10 each. Out of the above shares, 511,820 Equity Shares representing 1.34% are held in physical form and balance 37,607,106 Equity Shares representing 98.66% are held in dematerialised form.

Reconciliation of Share Capital Audit

As per the requirement under SEBI (Depositories and Participants) Regulations, 1996 the Reconciliation is being done by a Practicing Company Secretary on quarterly basis for reconciling total admitted capital with NSDL and CDSL and total issued and listed capital. The Company has obtained a Reconciliation of Share Capital Audit Report for all the four quarters during the year ended 31st March 2017 and same has been forwarded to Stock Exchange. The Auditor 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. 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.

XIII. 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
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

Non-Mandatory Requirements

(1) The Board

No separate Chairman's office is maintained since Chairman is Executive.

(2) Nomination and Remuneration Committee

The Company has constituted a Nomination and Remuneration Committee. Full details are furnished in this Report.

(3) Shareholder Rights

The half-yearly declaration of financial performance together with the summary of significant events is not individually disseminated to the shareholders. However, the information on financial and business performance is updated in the 'Investor Relations' section of the Company's website, www.marggroup.com, on a quarterly basis.

(4) Audit qualifications

Whenever the auditor makes any observation/emphasizes any matter, the Board of Directors provides explanation to the same in the Directors' Report.

(5) Reporting of Internal Auditor

The Internal Audit Report for every Quarter has been placed before the Board for adequate internal control systems.

(6) Training of Board Members

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

(7) Mechanism for evaluating non-executive Board Members

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

(8) Whistle Blower Policy

The Company's Whistle Blower Policy is in line with the provisions of the Sub-Section 9 and 10 of Section 177 of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

The said mechanism also provides for adequate safeguards against victimisation of persons whose such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We confirm that during the financial year 2016-2017, no employee of the Company was denied access to the Audit Committee.

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 29th May, 2017

DECLARATION ON CODE OF CONDUCT

DECLARATION UNDER Code of Conduct pursuant to Clause D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

I, G R K Reddy, Chairman and Managing Director of MARG Limited, to the best of my knowledge and belief 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 2017.

For and on behalf of the Board of Directors

G R K Reddy
Chairman & Managing Director

Place: Chennai
Date: 29th May, 2017

CEO and CFO Certification

CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Marg Limited confirm and certify that:

- a) We have reviewed the financial statements and the cash flow statement for the quarter ended on March 31st, 2017 and based on our knowledge and belief, state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

RAMAKRISHNA REDDY GORREPATI

R B SRINIVASAN

Managing Director

Chief Financial Officer

Place: Chennai
Date: May 29, 2017

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
MARG Limited

1. We have examined the compliance of conditions of Corporate Governance by MARG Limited, Chennai (the Company) for the year ended 31st March, 2017, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (for the fourth month period 1st December, 2016 to 31st March, 2017).
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 Obligations and Disclosure Requirements) Regulations, 2015.
4. We state that no investor grievances are pending for a period exceeding one month against the Company as on 31st March, 2017 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.

Place: Chennai
Date: 29st May, 2017

Satyaki Praharaj
Company Secretary in Practice
ACS No: 6458
CP No: 10755

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Marg Limited

CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with Marg Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

SECRETARIAL AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

OPINION

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and para C and D of Schedule V of the Listing Regulations ***except certain of regulation 46(2) are non compliant*** during the year ended 31st March 2017.
7. We 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 S Praharaj & Associates
Practicing Company Secretaries

SATYAKI PRAHARAJ
Mem No. FCS 6458, CP No.: 10755

Place: Chennai
Date: 29th May 2017

Independent Auditors' Report

To

The Members of MARG LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MARG LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1) Attention is invited to note 28; the company has not provided for interest for the year ended 31st March, 2017 on certain loans that are assigned to Asset Reconstruction Companies (ARCs), which in our opinion, the Company has not followed accrual system of accounting and Disclosure of accounting policy is not in accordance with AS 1-Disclosure of accounting policies to this extent. The above said loans are presently under negotiation with concerned ARC for revised terms and conditions for concession in terms of waiver / reduced rate of interest. We are unable to comment upon the settlement of finance cost on the aforesaid loans and carrying value of the aforesaid loans and the consequential impact, if any that may arise on the above said matters.

2 Attention is invited to note 34; The Company has not provided for ₹ 19.58 Crores relating to work in progress for EPC work done which remain unbilled as on 31st March, 2017 and Management fee of ₹ 4.80 Crores not acknowledged by one of its subsidiaries. Consequently, the loss for the year ended 31st March, 2017 are understated by ₹ 24.38 Crores Accumulated Reserves and Current assets as on 31st March, 2017 are overstated by the same amount.

3 Attention is invited to note 35 regarding case filed by the company against invocation of shares held in M/s Karaikal Port Private Limited, a subsidiary company, amounting to ₹ 202.39 Crores as on 31st March, 2017; Pending final outcome of the case and continuation of stay granted by the Hon'ble High Court the Company continues to carry the investment cost without any provision and consider the said company as its subsidiary. However, considering the significant uncertainty in this matter we are unable to comment, a) whether the company will be able to recover the Investment having carrying cost of ₹ 202.39 Crores and b) whether the company continues to be the Holding Company of the said company.

4 Attention is invited to note 36; Regarding confirmation/reconciliation of some of the equipment loans availed by the company, which was not obtained/carried out for the balances as on 31st March, 2017. The differences arising out of the reconciliation, if any, together with the unreconciled amount of ₹ 6.52 Cr relating to the same loan accounts as on 31st March, 2016 continues to be unascertained for the year ended 31st March, 2017. Such differences, if any, will impact the losses for the year ended 31st March 2017, accumulated revenue reserves and balances of such loan accounts as on 31st March 2017.

5 The company did not obtain/ receive balance confirmation from Banks/ARCs, most of the customers/creditors and other parties for the balances as on 31st March, 2017. Hence, we could not obtain external confirmations as required in SA-505, Standards on Auditing and are unable to comment on adjustments or disclosures, if any, that may arise.

6 The company has considered M/s Future Parking Private Limited as its subsidiary and accordingly made disclosures in the financial statements for the year ended 31st March, 2017. Due to change in control and management of M/s Future Parking Private Limited the said company ceased to be a subsidiary of the company; further as per the unaudited financial statements of M/s Future Parking Private Limited, it has not recognised the company as its Holding Company as on 31st March, 2017. Hence, in our opinion the disclosures made in Note 45 of the financial statements are not in accordance with Accounting Standard 18-“Related Party Disclosures” and Schedule III of the Act.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except or the effects of the matter described in the Basis for Qualified Opinion paragraph above, the afore said standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following notes to financial statements:

1) Note 30, regarding preparing financial statements on 'Going concern' basis. The accompanying financial statements have been prepared on a going concern basis, after giving due considerations to all matters more fully explained in the said note.

2) Note 31, regarding investments in and advances and receivables due from its subsidiaries aggregating to Rs.1082.44 (PY Rs.1023.14 Crores) as on 31st March, 2017. No provision for diminution/recoverability is considered necessary for reasons stated therein.

3) Note 33, regarding deductions made/amount withheld by some customers aggregating to Rs.1.06 Crores (PY Rs.11.82 Crores) which are being carried as trade receivables. The company is also carrying work-in-progress/inventory of Rs.16.67 Crores (PY Rs.25.46 Crores) and assets withheld at site of Rs.1.51 Crores (PY Rs.1.75 Crores) relating to these customers. These balances are subject matter of Arbitration and ultimate outcome of the above matters cannot presently be determined. However, the Company is of the view that such amounts are recoverable and hence no provision is required there against.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations, except for the matters described in the Basis of qualified opinion paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, except for the matters described in the Basis of qualified opinion paragraph, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, *except for the effect of the matters described in Basis of qualified opinion paragraph above*, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) The Going Concern matter described in the paragraph (a), under the Emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls as on 31st March, 2017, refer to our separate report in Annexure B.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 (e) and (f), Note 33 and Note 35 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. Rs.3,49,600/- is required to be transferred, to the Investor Education and Protection Fund by the Company and the same is yet to be transferred at the Balance Sheet date.

iv. The Company has provided the requisite disclosure in Note No.54 in the standalone financial statements as to its holdings as well as dealings in Specified Bank Notes as specified in the Notification G.S.R.308(E) dated March 30, 2017 of the Ministry of Company Affairs, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and relying on the management representation, we report that the disclosures are in accordance with the relevant books of accounts maintained by the Company and as produced to us by the Management of the Company.

For A.R.KRISHNAN & ASSOCIATES

Chartered Accountants

Firm's Reg No:009805S

A SENTHIL KUMAR

Partner

Membership No: 214611

Place :Chennai

Date :29th May, 2017

ANNEXURE-A TO AUDITORS' REPORT REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF MARG LIMITED:

1) a) *The fixed assets register of the company needs to be updated as on the date of our audit report.*

b) The fixed assets were physically verified during the year by the management, as per the 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. According to the information and explanation given to us, no serious discrepancies have been noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of records of the company, the title deeds of the immovable properties are held in the name of the company. However, the same is offered as collateral for the loan taken by the Company.

2) As explained to us, physical verification of inventory has been conducted by the management, at the end of the year. In our opinion, the frequency of physical verification is reasonable. The material discrepancies noticed on verification have been properly dealt with the books of account.

3) a) The Company has granted unsecured loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. According to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the interests of the company.

b) 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 subordinated 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.

c) There is no overdue amount in respect of such loans granted to such companies.

4) According to the information and explanations given to us, the company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

5) In our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year and doesn't have any unclaimed deposits. Therefore, provisions of clause 3 (v) of the Order are not applicable to the company.

6) 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 148 (1) of the Companies Act, 2013 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.

7) a) *According to the information and explanations given to us and as per the records produced by the company, the company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Value added Tax, Service Tax, and other material statutory dues applicable to it.*

b) *According to the information and explanations given to us and as per the records produced by the company, undisputed amounts payable in respect of Tax deducted at source, Service Tax, Value added Tax and Works Contract Tax, Provident fund and Professional Tax to the extent of Rs.2.91 Crores (PY Rs.2.25 crores), Rs.7.31 Crores (PY Rs.5.33 Crores), Rs.1.21 Crores (PY Rs.Nil Crores), Rs.0.81 Crores (PY Rs.0.63 Crores) and Rs.0.16 Crores (PY Rs.0.13 Crores) respectively, were in arrears as at 31st March 2017, 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/Tax deducted at source, which are in dispute, are as follows:-

INCOME TAX:

Asst. Year	Demand Raised By Dept.	Details of Demand			Forum Where Dispute is Pending
		Amount Paid under Protest			
		Till 31 st March 2016	During 2016-17	Total	
2001-02	1,15,65,317	-	-	-	ITAT -chennai
2002-03	86,89,565	96,59,367	-	96,59,367	ITAT -chennai
2008-09	52,76,990	52,76,990		52,76,990	Madras High Court
2009-10	38,96,457	38,96,457		38,96,457	Madras High Court
2010-11	1,99,19,645	1,12,52,732	-	1,12,52,732	Madras High Court
2011-12	1,76,92,108	1,76,89,798	-	1,76,89,798	Madras High Court
2012-13	18,02,04,288	1,20,00,000		1,20,00,000	Madras High Court
Total	24,72,44,370	5,97,75,344	-	5,97,75,344	

TAX DEDUCTED AT SOURCE			
Asst. Year	Demand	Amount paid under Protest	Forum where Dispute is pending
1996- 97	21,503	4,931	ITO - TDS - 1 (4)
1997- 98	23,68,619	23,17,682	ITO - TDS - 1 (4)
1998- 99	16,28,830	8,42,934	ITO - TDS - 1 (4)
1999- 00	18,57,640	5,81,282	ITO - TDS - 1 (4)
2000- 01	4,42,820	65,440	ITO - TDS - 1 (4)
Total	63,19,412	38,12,269	

8) According to the information and explanations given to us and as per the records produced by the company, the outstanding defaults as on 31st March, 2017 in respect of loans taken from Banks/FIs are as follows:

Bank Name	(Amount in Rs. In Crore)	
	Period of default	
	Less than 90 days	More than 90 days
ICICI Bank	1.89	64.07
State Bank of Hyderabad	0.38	8.94
Standard Chartered Bank	0.67	2.27
IFCI Venture Capital Funds Ltd	0.97	24.10
L&T Finance Ltd	0.63	-
Shriram City Union Finance Ltd	0.54	19.46
Srei	0.97	90.41
Loans transferred to ARC*	-	1,168.47
Total	6.04	1,377.73

*includes Cash Credit facilities, FITL, WCTL and other Term loans transferred to Asset Reconstruction Companies (ARCs) Refer note 29 to financial statements.

9) The company has not raised money by way of public offer during the year under review. 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.

10) According to the information and explanations given to us and to the best of our knowledge and belief, no material fraud on or by the company has been noticed or reported during the course of audit.

11) The company has not paid or provided for managerial remuneration. Hence clause 3 (xi) of the Order is not applicable to the company.

12) The company is not a Nidhi Company. Hence, clause 3 (xii) of the order is not applicable.

13) All transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14) The company hasn't made preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review. Hence clause 3 (xiv) of the Order is not applicable to the company.

15) The company has not entered into non-cash transactions with the directors or persons connected with them during the year under review.

16) The company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934. Hence clause 3(xvi) is not applicable to the company.

For A.R.KRISHNAN & ASSOCIATES

Chartered Accountants

Firm's Reg No:009805S

A SENTHIL KUMAR

Partner

Membership No: 214611

Place :Chennai

Date :29th May, 2017

Particulars	Note	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	38.12	38.12
Reserves & Surplus	3	170.81	197.69
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	57.02	58.52
Deferred Tax Liability (Net)	5	1.41	2.05
Other Long-Term Liabilities	6	177.36	173.49
Long-Term Provisions	7	0.47	0.30
CURRENT LIABILITIES			
Short-Term Borrowings	8	241.34	244.48
Trade Payables	9	293.26	281.62
Other Current Liabilities	10	1,476.68	1,436.77
Short-Term Provisions	11	11.50	11.64
		2,467.97	2,444.68
ASSETS			
NON-CURRENT ASSETS			
Goodwill (on Consolidation)			
Fixed Assets:	12		
Tangible Assets		77.65	89.50
Intangible Assets		0.14	0.25
Capital Work In Progress		12.42	12.42
Non-Current Investments	13	568.77	568.77
Long-Term Loans & Advances	14	381.27	353.40
CURRENT ASSETS			
Current Investments	15	-	0.10
Inventories	16	97.40	136.18
Trade Receivables	17	385.61	358.83
Cash & Cash Equivalents	18	60.90	60.50
Short-Term Loans & Advances	19	883.81	864.73
Other Current Assets		-	-
		2,467.97	2,444.68

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached
For A R KRISHNAN & ASSOCIATES
 Regn No: 009805S
 Chartered Accountants

A.SENTHIL KUMAR
 Partner
 Membership No: 214611

Place : Chennai
 Date : 29-May-17

For and on behalf of Board of Directors

G R K REDDY
 Chairman & Managing Director

V P RAJINI REDDY
 Director

KARANJIT SINGH JASUJA
 Director

R B SRINIVASAN
 Chief Financial Officer

Particulars	Note	Period Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
INCOME			
Income from Operations	20	88.30	131.61
Other Income	21	6.26	2.80
		94.57	134.40
EXPENDITURE			
Cost of Projects / Operating Expenses	22	106.10	105.21
Personnel Expenses	23	4.27	6.68
Depreciation and Amortisation	12	10.40	24.60
Finance Cost	24	(6.69)	3.47
Other Expenses	25	8.02	16.11
		122.09	156.07
PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(27.53)	(21.67)
Exceptional Items		-	-
PROFIT (LOSS) BEFORE TAX		(27.53)	(21.67)
TAX EXPENSE			
Current Tax		-	-
Deferred Tax	26	(0.64)	(4.69)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (A)		(26.89)	(16.98)
Profit from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)		-	-
PROFIT (LOSS) FOR THE PERIOD (A+B)		(26.89)	(16.98)
EARNINGS PER SHARE			
Basic (Face Value ₹ 10/-)		(7.05)	(4.46)
Diluted (Face Value ₹ 10/-)		(7.05)	(4.46)
SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS			

As per our Report of even date attached
For A R KRISHNAN & ASSOCIATES
Regn No: 009805S
Chartered Accountants

A.SENTHIL KUMAR
Partner
Membership No: 214611

Place : Chennai
Date : 29-May-17

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director

V P RAJINI REDDY
Director

KARANJIT SINGH JASUJA
Director

R B SRINIVASAN
Chief Financial Officer

S No	Particulars	Year Ended	Year Ended
		31-Mar-17 (₹ in Crores)	31-Mar-16 (₹ in Crores)
A	CASH FLOWS FROM OPERATING ACTIVITIES:		
	Net Profit (Loss) before Taxation and Extraordinary Items	(27.53)	(21.67)
	Adjustment for:		
	Depreciation	10.40	24.60
	Net Unrealised (Gain) Loss on Exchange Rate Difference	0.01	(0.03)
	Net Unrealised Loss (Profit) on Decline in Investments	(0.01)	0.02
	Dividend Income	-	-
	Profit on Sale of Investment	-	-
	Profit on Sale of Assets	(3.62)	(0.69)
	Loss on Sale of Fixed Assets	0.10	4.96
	Compensation for Employee Stock Options	-	-
	Prior Period Items (Net)	-	-
	Finance Cost (Net)	(6.69)	3.47
	Operating Profit (Loss) before Working Capital Changes	(27.34)	10.66
	Decrease (Increase) in Inventories	38.77	7.17
	Decrease (Increase) in Trade Receivables	(26.77)	9.98
	Decrease (Increase) in Short-term Loans & Advances	(19.09)	(37.75)
	Decrease (Increase) in Long-term Loans & Advances	(29.16)	(40.41)
	Increase (Decrease) in Trade Payables	11.63	5.24
	Increase (Decrease) in Other Current Liabilities	21.14	(20.54)
	Increase (Decrease) in Short-Term Provisions	(0.14)	0.20
	Increase (Decrease) in Other Long-Term Liabilities	3.88	13.48
	Increase (Decrease) in Long-Term Provisions	0.17	(0.55)
	Cash Generated from Operations	(26.92)	(52.52)
	Income Tax	-	(1.37)
	Cash Flow before Extraordinary Items	(26.92)	(53.90)
	Adjustment for Extraordinary Items	-	-
	NET CASH FROM OPERATING ACTIVITIES (A)	(26.92)	(53.90)
B	CASH FLOWS FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	0.99	(0.60)
	Investments Made in Subsidiaries	0.11	(0.01)
	Sale of Fixed Assets (Net)	5.33	6.86
	NET CASH FROM INVESTING ACTIVITIES (B)	6.44	6.25
C	CASH FLOWS FROM FINANCING ACTIVITIES:		
	Proceeds from Long Term Borrowings (Net)	(12.55)	26.66
	Proceed from Short Term Borrowings (Net)	(3.13)	(27.97)
	Finance Cost (Net)	36.55	46.55
	Dividend & Dividend Tax	(0.00)	(0.04)
	NET CASH USED IN FINANCING ACTIVITIES (C)	20.88	45.20
	Net Increase in Cash and Cash Equivalents (A+B+C)	0.39	(2.45)
	Cash and Cash Equivalents at beginning of Year	60.50	62.95
	Cash and Cash Equivalents at end of Year	60.90	60.50

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 44 of Notes to the Financial Statements.
- 4 For non cash transactions refer Note 43 of Notes to the Financial Statements.

As per our Report of even date attached
For A R KRISHNAN & ASSOCIATES
Regn No: 009805S
Chartered Accountants

A.SENTHIL KUMAR
Partner
Membership No: 214611

Place : Chennai
Date : 29-May-17

For and on behalf of Board of
Directors

G R K REDDY
Chairman & Managing Director

V P RAJINI REDDY
Director

KARANJIT SINGH JASUJA
Director

R B SRINIVASAN
Chief Financial Officer

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the Accounting Standards as specified by Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2014.
- 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 on the basis of the useful lives prescribed under schedule II to the Companies Act, 2013, subject to the adjustments arising out of transitional provisions of schedule II to the Companies act, 2013.
- d. Cost of assets not put to use before the year end are shown under capital work in progress.
- e. 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.

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

1.4 OPERATING LEASES

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

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

1.5 VALUATION OF CLOSING STOCK

- a. Raw Materials: Materials, Stores, Spares and Loose tools are valued at Weighted Average Cost. 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 other borrowing costs are treated as period cost and charged to Profit and Loss account in the year in which they are incurred.

1.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when:

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

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

Contingent Assets are neither recognized nor disclosed.

1.12 EMPLOYEE STOCK OPTIONS COMPENSATION COST

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

1.13 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

Particulars	As At	As At	As At	As At	
	31-Mar-17 Nos	31-Mar-16 Nos	31-Mar-17 (₹ In Crores)	31-Mar-16 (₹ In Crores)	
NOTE 2 : SHARE CAPITAL					
2.1 Authorised, Issued, Subscribed and Paid up Capital:					
Authorised Capital					
Equity Shares of ₹ 10/- each	500,00,000	500,00,000	50.00	50.00	
Issued, Subscribed and Paid up Capital					
Equity Shares of ₹ 10/- each	381,18,926	381,18,926	38.12	38.12	
2.2 Reconciliation of number of Equity Shares Outstanding:					
Shares Outstanding at the beginning of the year	381,18,926	381,18,926			
Add: Shares Allotted during the year	-	-			
Shares Outstanding at the end of the year	381,18,926	381,18,926			
2.3 Shareholders holding more than 5% Equity Shares:					
Sl No	Name of the Shareholders	As At 31-Mar-17		As At 31-Mar-16	
		Nos	%	Nos	%
1	Akshya Infrastructure Private Limited	23,74,650	6.23%	23,74,650	6.23%
NOTE 3 : RESERVES & SURPLUS					
3.1 Securities Premium Account:					
Opening Balance			319.90	319.90	
Add: Addition during the year			-	-	
			319.90	319.90	
3.2 General Reserve:					
Opening Balance			25.16	25.16	
Less: Transferred to Minority Interest			-	-	
Add: Transferred from the Profit and Loss Account			-	-	
			25.16	25.16	
3.3 Profit & Loss Account:					
Balance at the beginning of the Year			(147.36)	(130.37)	
Add: Profit (Loss) for the Year			(26.89)	(16.98)	
Balance at the end of the Year			(174.25)	(147.36)	
			170.81	197.69	

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
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*	57.02	58.52
Secured by way of charge on movable & immovable properties*	-	-
	57.02	58.52

* Loans Guaranteed by Directors.

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

Term Loans from Banks & Financial Institutions:

- a) Loan of Rs 61.20 Crores and Rs 7.08 Crores payable in 84 monthly instalments ending Mar-22 and Jun-25 respectively.

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

- a) Loan of Rs 0.99 crores payable in 1 monthly instalments ending Mar-18

*excludes loan recalled.

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

Long term loans of Rs 1.29 Crores (PY 2.11 Crores) and Rs 931.15 Crores (PY 937.35 Crores) were overdue for a period of less than 90 days and more than 90 days respectively. Interest of Rs 4.49 Crores (PY 11.77 Crores) and Rs 249.87 (PY 214.92 Crores) were overdue for a period of less than 90 days and more than 90 days respectively.

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
NOTE 5 : DEFERRED TAX LIABILITY (ASSET) [NET]		
Deferred Tax Liability	9.10	9.10
Less : Deferred Tax Asset	7.69	7.05
Net Deferred Tax Liability (Asset)	1.41	2.05
NOTE 6 : OTHER LONG-TERM LIABILITIES		
Others		
Mobilisation Deposits	170.64	166.48
Lease Deposits	6.72	7.01
	177.36	173.49
NOTE 7 : LONG-TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	0.38	0.34
Leave Encashment	0.09	(0.04)
	0.47	0.30
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*	199.29	200.43
	199.29	200.43
* Loans Guaranteed by Directors.		
8.2 Unsecured Short-term Loans:		
From Others:		
Loans From Other Companies	35.83	37.77
Loans From Directors	6.22	6.28
	42.05	44.05
	241.34	244.48
8.3 Defaults on repayment of Short-term Loans and Interest thereof:		
Short term loans of Rs Nil (PY Nil Crores) and Rs 241.29 Crores (PY Rs 241.14 Crores) were overdue for a period of less than 90 days and more than 90 days respectively. Interest aggregating to Rs 0.37 Crores (PY Rs 3.06 Crores) and Rs 47.36 Crores (PY Rs 44.81 Crores) were overdue for a period of less than 90 days and more than 90 days respectively.		
NOTE 9 : TRADE PAYABLES		
Trade Payables	293.26	281.62
	293.26	281.62
NOTE 10 : OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Debts	968.21	979.26
Interest Accrued but Not Due on Borrowings	-	-
Interest Accrued and Due on Borrowings	302.11	272.24
Other Payables:		
Advances from Customers	55.36	42.16
Expenses Payable	123.90	119.45
Statutory Dues	17.04	10.06
Unclaimed Dividend	0.12	0.12
Due to Directors	7.04	7.20
Mobilisation Deposits	0.84	4.17
Creditors for Capital Goods	2.06	2.11
Others	-	-
	1,476.68	1,436.77

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
NOTE 11 : SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
Bonus	0.21	0.15
Gratuity	0.02	0.06
Leave Encashment	0.06	0.21
Others:		
Income Tax	11.22	11.22
	11.50	11.64
NOTE 13 : NON-CURRENT INVESTMENTS		
13.1 Investments in Equity Shares (Non-Quoted, Non-Trade, Stated at Cost)		
(As per Annexure - A)		
In Equity Shares:		
In Subsidiaries	566.93	566.93
In Associates*	-	-
In Preference Shares:		
In Subsidiaries	-	-
	566.93	566.93
13.2 Investments in Properties (Non-Quoted, Stated at Cost)		
Building	0.84	0.84
	0.84	0.84
Total of Unquoted Investments	567.77	567.77
13.3 Investments in Debentures (Quoted)		
SREI Equipment Finance Pvt Ltd Unsecured Subordinated Non-convertible Perpetual Debentures	1.00	1.00
[10 units (Previous year 10 units) of Face Value of ₹ 1,000,000/- each (Previous year ₹ 1,000,000/- each)] [Not traded Stated at Cost]		
Less : Provision for Decline in Investments	-	-
	1.00	1.00
Total of Quoted Investments	1.00	1.00
Grand Total of Quoted and Unquoted Investments	568.77	568.77
<i>*Includes ₹ 39,000/- as at 31-Mar-17 and 31-Mar-16</i>		

NOTE 12 : FIXED ASSETS

(₹ In Crores)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At 31-Mar-16	Additions	Deletions	As At 31-Mar-17	Up to 31-Mar-16	For the year	Deletions	As At 31-Mar-17	As At 31-Mar-17	As At 31-Mar-16
TANGIBLE ASSETS										
LEASED ASSETS										
Digital Zone – I										
Land	5.23	-	-	5.23	-	-	-	-	5.23	5.23
Building	22.63	-	-	22.63	4.18	0.37	-	4.55	18.08	18.45
Plant & Machinery	5.58	-	-	5.58	3.39	0.60	-	3.99	1.59	2.19
Electrical Equipment & Fittings	10.99	-	-	10.99	10.93	0.03	-	10.96	0.03	0.06
Furniture & Fixtures	10.80	-	-	10.81	9.34	0.15	-	9.49	1.31	1.46
Thiruvanimiyur										
Land & Building	0.45	-	0.45	0.01	-	-	-	-	0.01	0.45
OTHER ASSETS										
Land	1.13	-	-	1.14	-	-	-	-	1.13	1.13
Building	9.28	-	-	9.30	2.44	0.12	-	2.56	6.74	6.84
Computers	6.93	-	0.05	6.89	6.72	0.21	0.05	6.88	0.01	0.21
Office Equipment	4.67	-	-	4.68	4.51	0.14	-	4.65	0.02	0.16
Furniture & Fittings	12.47	-	-	12.48	9.27	1.62	-	10.89	1.58	3.20
Motor Vehicles	4.61	0.13	0.24	4.51	3.25	0.54	0.18	3.61	0.89	1.36
Plant & Machinery	80.72	0.13	1.89	78.95	33.47	6.13	0.54	39.06	39.89	47.24
Electrical Equipment & Fittings	2.86	0.01	-	2.86	1.33	0.38	-	1.71	1.15	1.53
Total Tangible Assets	178.38	0.27	2.63	176.05	88.83	10.29	0.77	98.35	77.65	89.50
Previous Year	196.18	1.95	19.78	178.38	73.14	24.35	8.66	88.83	89.50	123.05
INTANGIBLE ASSETS										
Computer Software*	3.84	-	-	3.84	3.59	0.11	-	3.70	0.14	0.25
Total Intangible Assets	3.84	-	-	3.84	3.59	0.11	-	3.70	0.14	0.25
Previous Year	3.84	-	-	3.84	3.34	0.25	-	3.59	0.25	0.50
CAPITAL WORK IN PROGRESS										
Total Capital Work in Progress	12.42	-	-	12.42	-	-	-	-	12.42	12.42
Previous Year	12.80	-	0.38	12.42	-	-	-	-	12.42	12.80

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
NOTE 14 : LONG-TERM LOANS & ADVANCES		
Unsecured and Considered Good		
Capital Advances	0.20	1.50
Security Deposits	2.67	2.69
Advances to Subsidiaries	378.40	349.21
	381.27	353.40
NOTE 15 : 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 (FY16 ₹ 37.38 each)]		
Less : Provision for Decline in Investments	-	(0.01)
	-	0.10
NOTE 16 : INVENTORIES		
Inventories		
Stock of Materials, Stores, Spares and Loose Tools at Site	15.42	14.42
Projects in Progress	81.98	121.76
	97.40	136.18
NOTE 17 : TRADE RECEIVABLES		
Unsecured and Considered Good		
Outstanding for more than 6 months	339.19	309.08
Others	46.41	49.75
	385.61	358.83
NOTE 18 : CASH & CASH EQUIVALENTS		
Cash Balance	0.01	0.07
Balances with Scheduled Banks		
In Current Accounts	11.91	1.42
In Current Accounts for Unclaimed Dividend	0.12	0.12
In Margin Money Accounts	9.60	9.52
In Deposit Accounts		
Deposit maturing after 12 months	-	-
Others	39.25	49.36
	60.90	60.50

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
NOTE 19 : SHORT-TERM LOANS & ADVANCES		
Unsecured and Considered Good		
Advances to Subsidiaries	241.62	219.64
Others		
Advances to Suppliers	416.86	426.49
Advances to Staff	1.18	1.75
Other Advances Recoverable	25.28	25.34
Prepaid Expenses	1.40	1.17
Share Application Money	133.99	133.99
Prepaid Taxes	57.89	50.81
Security Deposits	5.03	4.97
Dividend Receivable	0.56	0.57
	883.81	864.73
	Period Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
NOTE 20 : INCOME FROM OPERATIONS		
Income from Projects / Operations	75.09	116.85
Income from Leasing	13.21	14.75
	88.30	131.61
NOTE 21 : OTHER INCOME		
Dividend Received	-	-
Prior Period Income	0.08	0.13
Profit on Sale of Assets	3.62	0.69
Miscellaneous Income	2.56	1.98
	6.26	2.80
NOTE 22 : COST OF PROJECTS/OPERATING EXPENSES		
COST OF PROJECTS / OPERATING EXPENSES		
Opening Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	14.42	19.39
Projects in Progress	121.76	123.95
	136.18	143.34
Expenditure During the year		
Expenditure on Projects / Operating Expenses	65.92	95.24
Closing Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	15.42	14.42
Projects in Progress	81.98	121.76
	97.40	136.18
Cost of Projects / Operating Expenses	104.70	102.40
Repairs & Maintenance-Leased Properties	1.40	2.80
	106.10	105.20

Particulars	Period Ended 31-Mar-17 (₹ In Crores)	Period Ended 31-Mar-16 (₹ In Crores)
NOTE 23 : PERSONNEL EXPENSES		
Salaries & Allowances	3.78	5.74
Contribution to Funds	0.12	0.32
Recruitment & Training Expenses	-	-
Staff Welfare Expenses	0.32	0.42
Retirement Benefits	0.04	0.19
Employee Compensation Expense	-	-
	4.26	6.67
NOTE 24 : FINANCE COST		
Interest Expenses	35.48	69.28
Less : Interest Recovered	44.29	68.09
Net Interest	(8.81)	1.19
Bank & Finance Charges	2.12	2.28
	(6.69)	3.47
NOTE 25 : OTHER EXPENSES		
Rent	0.61	0.26
Rates & Taxes	0.07	0.09
Communication Cost	0.18	0.19
Electricity Charges	0.15	0.38
Traveling and Conveyance	0.89	0.68
IT Services	0.03	0.04
Repairs & Maintenance	0.15	0.17
Payment to Non-executive Directors		
- Sitting Fees for Board Meetings	0.09	0.02
- Sitting Fees for Committee Meetings	-	0.08
Secretarial Expenses	0.21	0.15
Advertisement & Business Promotion	0.12	0.08
Printing & Stationery	0.06	0.06
Postage and Courier Charges	0.01	0.01
Payment to Auditors		
- Statutory Audit Fee	0.08	0.15
- Other Services	-	-
Insurance Premium	0.27	0.79
Legal & Professional Charges	3.46	1.33
General Expenses	0.27	0.07
Exchange Rate Difference (Net)	(0.35)	1.01
Office Maintenance	1.46	1.40
Vehicle Maintenance	0.15	0.16
Loss on Sale of Assets	0.09	4.98
Prior Period Expenses	-	0.34
Bad Debts	-	3.70
Preliminary Expenses Written off	-	-
	8.02	16.11
NOTE 26 : DEFERRED TAX EXPENSE (INCOME)		
Deferred Tax Liability net off (Deferred Tax Asset) for the year	(0.64)	(4.69)
	(0.64)	(4.69)

NOTE 27 : CONTINGENT LIABILITIES

- a. Estimated amount of liability on capital contracts : ₹ 3.3 Crores (Previous year ₹ 3.3 Crores)
- b. Corporate Guarantees given to Banks in respect of loans taken by other Companies : ₹ 3,247.67 Crores (Previous year ₹3,247.67 Crores)
- c. Corporate Guarantees given to Banks in respect of performance bank guarantees issued by them : ₹71.69 Crores (Previous year ₹ 75.61 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-17		As At 31-Mar-16		Due date of Obligation
Duty Saved	Export Obligation	Duty Saved	Export Obligation	
0.14	1.13	0.14	1.13	03-Apr-17
0.12	0.94	0.12	0.94	03-Apr-17
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: ₹ 106.11 Crores (Previous year ₹ 154.47 Crores). The Company is a party to several legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities.

- f. Income Tax Demand

Tax on Income

Assessment Year	Tax Demand	Amount Paid under Protest Till 31-Mar-17	Forum Where Dispute is Pending
2001-02	115,65,317	-	ITAT- chennai
2002 - 03	86,89,565	96,59,367	ITAT- chennai
2008 - 09	52,76,990	52,76,990	High Court
2009 - 10	38,96,457	38,96,457	High Court
2010 - 11	199,19,645	112,52,732	High Court
2011 - 12	176,92,108	176,89,798	High Court
2012 - 13	1802,04,288	120,00,000	High Court

Assessment Year	Tax Demand	Till 31-Mar-16	During 2016-17	Till 31-Mar-17	Forum Where Dispute is Pending
1996 - 97	21,503	4,931	-	4,931	ITO - TDS - 1 (4)
1997 - 98	23,68,619	23,17,682	-	23,17,682	ITO - TDS - 1 (4)
1998 - 99	16,28,830	8,42,934	-	8,42,934	ITO - TDS - 1 (4)
1999 - 00	18,57,640	5,81,282	-	5,81,282	ITO - TDS - 1 (4)
2000 - 01	4,42,820	65,440	-	65,440	ITO - TDS - 1 (4)

NOTE 28 :

The Company did not provided for interest for the year ended 31st March, 2017 on certain loans that are assigned to ARC, the management states that it negotiating with the ARC for revised terms and conditions and seeking for concession in terms of waiver/reduced rate of interest. Hence, the management is of the opinion considering such concessions it is appropriate not to charge an interest for the year ended 31st March 2017.

NOTE 29 : BORROWINGS FROM BANKS AND OTHERS:

- a) The Cash credit, WCTL, FITL and other facilities provided by the consortium comprising of Indian Bank, Allahabad Bank, Oriental Bank of Commerce and Indian Overseas Bank are transferred to Edelweiss Asset Reconstruction Company Limited (ARC) on various dates. The outstanding balance in respect of these loans amounting to ₹ 634.08 Crs as on 31st March, 2017 in respect of these loans are included in 'Current Maturities of long term of borrowings' in Note 10. The company didn't provide for Interest on these loans during the year as explained in Note 28. Indian Bank has filed case with Debts Recovery Tribunal, Chennai which is pending.
- b) The South Indian Bank had taken possession of property of the Company situated at Thiruvannamipur, having carrying cost of ₹ 0.45 Crores and issued a tender-cum-auction sale notice in respect the short term loan of ₹ 15 Crores. The loan was assigned to Edelweiss ARC. Since the revised terms of restructure with the ARC is yet to be finalised. The Company did not provide interest during the year as explained in Note 28. Currently, the case is pending with Debts Recovery Tribunal, Chennai.
- c) State Bank of Mauritius Limited had assigned to the loan to Pegasus Assets Reconstruction Private Limited ('the ARC'). Since the revised terms of restructure with the ARC is yet to be finalised, the outstanding amount of ₹ 20.81 Crores is included in Current Maturities of long term of borrowings in Note 10. The Company did not provide interest during the year as explained in Note 28. Subsequently, the ARC has issued notice under SARFAESI Act. Currently, the case is pending with Debts Recovery Tribunal, Chennai.
- d) The Term loan sanctioned by Punjab National Bank was assigned to Edelweiss Asset Reconstruction Private Limited (ARC). The outstanding amount of ₹ 41.13 Crores are included in Current Maturities of long term of borrowings in Note 10. The company didn't provide for Interest on this loan during the year as explained in Note 28.
- e) SICOM Limited had issued notice SARFAESI Act and winding up notice under section 434 of Companies Act, 1956 in respect of the term loan and interest amounting to ₹ 64.86 Crores outstanding as on 31st March, 2017.
- f) State Bank of Hyderabad has issued possession notice under SARFAESI Act for cash credit facility of ₹ 10.65 crores (including interest) outstanding as on 31st March 2017.
- g) IFCI Venture Capital Funds Ltd has recalled the term loan and issued possession notice under SARFAESI Act to the company in respect of outstanding dues of ₹ 25.07 Crores as on 31st March, 17. Currently, the case is pending with Debts Recovery Tribunal, Chennai.
- h) ICICI Bank has filed case with Debts Recovery Tribunal, Chennai in respect of outstanding dues of ₹65.96 Crores as on 31st March, 2017, which is pending and issued notice to invoke pledge of shares in one of the subsidiary companies.
- i) The equipment loan of ₹ 1.51 (including interest) as on 31st March, 2017 was recalled by L & T Finance Ltd during the Year.
- j) The equipment loan of ₹ 89.20 (including interest) as on 31st March, 2017 was recalled by SREI Equipment Finance Ltd.

NOTE 30 : PREPARATION OF FINANCIAL STATEMENTS ON 'GOING CONCERN' BASIS:

The Company has recorded a Net loss of ₹ 26.89 Crores for the year ended 31st March, 2017, ₹ 16.98 Crores for the year ended 31st March, 2016, ₹ 172.45 Crores for the year ended 31st March, 2015, ₹ 263.82 Crores for the year ended 31st March, 2014 and ₹ 36.04 Crores for the year ended 31st March, 2013. The Company has defaulted in the payments due to Banks, Financial Institutions and others towards principal and interest, statutory dues and payment to vendors. Further there were lower cash inflows from existing projects and some creditors have filed winding up petitions against the company. Management is confident that the Company will be able to generate profit and cash in future years and meet its financial obligation as they arise. The financial statements have been prepared on a going concern basis based on cumulative input of the following business potential and mitigating factors:

- a) The EPC division of the Company has an order book of ₹ 2522.79 Crores. Further local and international bids are being planned leveraging the experience gained through execution of Marine, Infrastructure and Industrial EPC.
- b) Many of the EPC loans and corporate loans have been restructured and/or assigned to ARCs. The company intends to approach the ARCs for concessions in Interest and restructuring of loans. The management is confident that it will help the company to focus on projects in hand and generate cash flows
- c) The Company is also in the process of generating cash through equity disinvestment in operating SPVs and realisation of advances given to subsidiaries which intends to commence new residential and plotted development projects.
- d) The Company is also in the process of generating cash through equity disinvestment in operating SPVs and realisation of advances given to subsidiaries which have commenced new residential and plotted development projects.

NOTE 31 : INVESTMENT AND ADVANCE / RECEIVABLES DUE FROM SUBSIDIARY COMPANIES:

- 1) The company has invested in equity amounting to ₹ 169.18 Crores (PY ₹ 169.18 Crores) in New Chennai Township Private Limited, a wholly owned subsidiary as on 31st March, 2017. The Company has advanced an amount of ₹ 335.72 Crores (PY ₹ 309.27 Crores) as subordinated loan to the subsidiary and ₹ 66.29 Crores (₹ 59.26 Crores) is carried forward as receivables as on 31st March, 2017. The said subsidiary has incurred losses which have resulted in negative net-worth as on 31st March, 2017. The subsidiary company has obtained valuation report for the assets of the company, from an approved valuer, which supports the carrying value of such investment and loan outstanding as on 31st March, 2017. The subsidiary company is exploring possibilities to revive the projects and generate cash flows. Accordingly, the financial statements of the subsidiary company have been prepared on 'Going concern' basis and the management is of the opinion that no provision is considered necessary at this stage in respect of investments, loans and receivables outstanding from the said subsidiary company as at 31st March, 2017.
- 2) The company has invested in equity amounting to ₹ 136.72 Crores (PY ₹ 136.72 Crores) in Riverside infrastructure (India) Private Limited, subsidiary of the company as on 31st March, 2017. The Company has advanced an amount of ₹ 42.65 Crores (PY ₹ 39.81 Crores) as subordinated loan to the subsidiary and ₹ 59.74 Crores (PY ₹ 59.74 Crores) is carried forward as receivables as on 31st March, 2017. The Mall project of the subsidiary continues to be suspended and the company defaulted in payments of dues to Banks/Financial Institutions towards principal and interest. The subsidiary company continues to discuss with strategic partners and is confident of generating cash flows. Accordingly, the financial statements of the subsidiary company have been prepared on 'Going concern' basis and the management is of the opinion that no provision is considered necessary at this stage in respect of investments, loans and receivables outstanding from the said subsidiary company as at 31st March, 2017.
- 3) The company has invested in equity amounting to ₹ 54.05 Crores (PY ₹ 54.05 Crores) in Marg Properties Limited, wholly owned subsidiary of the company as on 31st March, 2017. The Company has advanced an amount of ₹ 42.74 Crores (PY ₹ 37.82 Crores) as loan to the subsidiary and ₹ 23.39 Crores (PY ₹ 17.13 Crores) is carried forward as receivables as on 31st March, 2017. The subsidiary Company has negative net-worth as on 31st March, 2017. The loans of the company have been assigned to ARCs and the Management is confident that the Company will be able to generate cash from ongoing projects in future years and meet its financial obligation as they arise. Accordingly, the financial statements of the subsidiary company have been prepared on 'Going concern' basis and the management is of the opinion that no provision is considered necessary at this stage in respect of investments, loans and receivables outstanding from the said subsidiary company as at 31st Mar, 2017.
- 4) The Company has invested in equity amounting to ₹ 0.24 Crores (PY ₹ 0.15 Crores) and an amount of ₹ 147.08 Crores (PY ₹ 135.37 Crores) is advanced as loan to its subsidiaries/fellow subsidiaries and ₹ 4.62 Crores (PY ₹ 4.62 Crores) is carried forward as receivables as on 31st March 2017, which have provided land owned by them as security for the loans availed from lenders. As the borrowing company defaulted in repayment of such loans, the land owned by these subsidiaries may be attached/sold which may adversely affect the recoverability of the investment/advance. However, no such sale has been made by the banks and accordingly, the financial statements of such subsidiaries have been prepared on 'Going concern' basis and management is of the opinion that no provision is considered necessary at this stage in respect of investments, loans and receivables outstanding from these subsidiaries as at 31st March, 2017.

NOTE 32 :

- a) The company's land of 0.864 acres having a carrying cost of ₹ 78,26,027/- during Mar 2016 was provided as security for loans taken by the company. The company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to attachment / sale by the lenders. The Company has received possession notice under SARFAESI Act/Notice of Sale under Security Interest Enforcement Rules, 2002 in respect the said land.

NOTE 33:

a) The company executed a construction contract at Agra for DG MAP, a project of the Government of India which is terminated during financial year 14-15. The company has receivables of ₹ 0.46 crores and work in progress of ₹ 13.99 Crores as on 31st March, 2017 relating to this project still continuing. Inventory of materials amounting to ₹2.01 Crores and plant and machinery amounting to ₹ 1.51 Crores as on 31st March, 2017 are withheld at site by the client. The management is confident that it will be able to recover the entire dues out of the arbitration process initiated by the company and that the above amount is considered good and recoverable and hence no provision is made as on 31st March 2017.

b) The company executed a construction contract at Dwaraka for M/s HSCC (India) Limited, a project of the Government of India, in respect of which the company has receivables of ₹ 0.60 Crores and work in progress of ₹ 0.67 Crores as on 31st March, 2017. The company has filed arbitration claim and based on the same a sum of ₹ 0.40 Crores is written off in books, being the amount not included in claim made. The management is of the opinion that the rest of the amount is considered good and recoverable and hence no provision is made as on 31st March 2017.

NOTE 34:

The Work in progress inventory of company as on 31st March, 2017 includes ₹ 19.58 Crores in respect of EPC work done by the company to one of its subsidiary companies which is unbilled as on 31st March, 2017 and Advances recoverable include management fee of ₹ 4.8 Crores charged on the said subsidiary company which is not acknowledged by the subsidiary. The management is confident that these amounts are recoverable in the future and hence considers it appropriate to carry forward the amount of ₹ 19.58 Crores as work in progress and ₹ 4.8 Crores as receivables as on 31st March, 2017.

NOTE 35:

The company had pledged shares held in Karaikal Port Private Limited (KPPL), subsidiary of the company for the loan availed by KPPL. The lending Bank invoked the pledge of 16,44,90,000 equity shares and 37,90,000 compulsorily convertible preference shares during the previous year, having total carrying cost of ₹ 202.39 crores as on 31st March, 2017. The Company filed a writ petition in the Hon'ble High Court of Madras challenging the invocation. The Hon'ble High Court passed interim order dated 25th March, 2015, restraining the Bank from further transferring/encumbering of the shares and also status quo prevailing of the management of the Subsidiary, until further orders. The company signed a 'Non-binding term sheet' with a prospective investor whereby the investor will subscribe to hold 51% of the fully diluted share capital of KPPL, which the company has submitted before the Hon'ble High Court. The Hon'ble High Court has extended the stay by an Interim order dated 26th April, 2016 and the same is in force as on date. In view of the Interim order of the Hon'ble High Court and Articles of Association/Shareholders Agreement of KPPL, the management considers it appropriate to carry forward the amount of ₹ 202.39 Crores as Investments and no provision is required to be made as on 31st March, 2017.

NOTE 36:

The company could not obtain Balance Confirmation or statement of account from the lenders of certain equipment loans. Hence the reconciliation could not be carried out for the year ended 31st March 2017. The company has provided for interest at contractual rates.

NOTE 37 : DEFERRED TAX LIABILITY

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Outstanding Deferred Tax Liability (Asset) [Net] as at the beginning of the year (A)	2.05	6.73
Add: Provision for Current Year Liabilities (Assets)		
Timing difference on account of Depreciation	(0.64)	(4.68)
Timing difference on account of Unabsorbed Depreciation	-	-
Sub-total (B)	(0.64)	(4.68)
Outstanding Deferred Tax Liability (Asset) [Net] as at the end of the year (A+B)	1.41	2.05

NOTE 38 : 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 39 :

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 40 : SEGMENT REPORTING

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

NOTE 41 : REMUNERATION TO DIRECTORS:

As the company has incurred losses for the Financial Year 2016-17 no remuneration is paid to the Managing Director. (Previous Year NIL).

NOTE 42 : 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-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
Current Service Cost	0.03	0.04
Interest Cost	-	0.05
Net actuarial (Gain) Loss Recognised in the Year	-	0.07
Expenses Recognised in Profit and Loss Account	0.03	0.16

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Opening Net Liability	0.40	0.62
Expense as above	0.03	0.16
Contribution Paid	(0.04)	(0.38)
Closing Net Liability	0.40	0.40

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Present Value of the Obligation	0.40	0.40
Fair Value of Plan Assets	-	-
Difference	0.40	0.40
Liability Recognised in the Balance Sheet	0.40	0.40

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

Particulars	Year Ended 31-Mar-17	Year Ended 31-Mar-16
PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	7.23%	7.80%
Salary Escalation Rate	2.00%	2.00%
Attrition Rate	5.00%	5.00%

B. LEAVE ENCASHMENT

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

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

Particulars	Year Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
Current Service Cost*	-	0.05
Interest Cost	-	0.03
Net Actuarial (Gain) Loss Recognised in the Year	-	(0.05)
Expenses Recognised in Profit and Loss Account	-	0.03

*Fy 16-17 Rs 7,852/-

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Opening Net Liability	0.18	0.38
Expense as above	-	0.03
Contribution Paid	(0.03)	(0.23)
Closing Net Liability	0.15	0.18

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Present Value of the Obligation	0.15	0.17
Difference	0.15	0.17
Liability Recognised in the Balance Sheet	0.15	0.17

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

Particulars	Year Ended 31-Mar-17	Year Ended 31-Mar-16
PRINCIPAL ACTUARIAL ASSUMPTIONS		
[Expressed as weighted averages]		
Discount Rate	7.23%	7.80%
Salary Escalation Rate	2.00%	2.00%
Attrition Rate	5.00%	5.00%

NOTE 43 : NON-CASH TRANSACTIONS

 Bank Guarantees invoked during the year amounting to ₹ 0.50 Crores have been included in liability to banks as on 31st March 2017 and treated as Non cash transactions.

NOTE 44 : 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-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Margin money	9.60	9.52
Fixed Deposit with Bank	39.25	49.36
Unclaimed Dividend with bank	0.12	0.12
	48.98	59.00

NOTE 45 : RELATED PARTY DISCLOSURES

A. List of subsidiaries, where control existed during the Period - Annexure A

B. Associates:

Rajakamanglam Thurai Fishing Harbour Private Limited.

C. Key Management Personnel (KMP)

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

D. Relative of Key Management Personnel

V P Rajini Reddy - Wife of the CMD

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

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

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

- 1 Global Infoserv Limited
- 2 Marg Digital Infrastructure Private Limited
- 3 Marg Project and Infrastructure Limited
- 4 Marg Realities Limited

G. Particulars of transactions with the related parties during the period in the ordinary course of the business:

Particulars	Subsidiaries		Step Down Subsidiaries		Associates		KMP and Relatives		Entities over which KMP and Relatives have control / significant influence	
	Transactions									
	Year Ended		Year Ended		Year Ended		Year Ended		Year Ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Services rendered **	13.77	12.60	-	-	-	-	-	-	-	-
Lease rental income	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-	-	-
Interest received	36.24	54.96	5.37	8.17	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-	1.31	-	3.42
Contracts and Services received	-	0.19	-	-	-	-	-	-	-	-
Allocation of Common Expenses	1.61	1.13	-	-	-	-	-	-	-	-
Contract Advances Received (Net)	-	-	-	-	-	-	-	-	-	-
Remuneration, Commission & Sitting Fee	-	-	-	-	-	-	0.22	0.22	-	-
Due on account of Share Invoked	-	-	-	-	-	-	(0.15)	0.37	0.45	0.45
Purchase /(Sale) of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-	-
Share Application money given/ (refunded)	-	-	-	-	-	-	-	-	-	-
Investments made in Equity	0.11	0.11	-	-	-	-	-	-	-	-
Investments made in CCPS	-	-	-	-	-	-	-	-	-	-
Purchase of CCPS Shares	-	-	-	-	-	-	-	-	-	-
Sale of Equity Shares	-	-	-	-	-	-	-	-	-	-
Equity Investment Sold	-	-	-	-	-	-	-	-	-	-
Loans & Advances Made /(Repaid) [Net]	9.28	9.72	0.68	2.35	-	-	-	-	-	-
Loans Received / (Repaid) (Net)	-	-	-	-	-	-	(0.05)	0.13	-	-
Guarantees and Collaterals issued	-	-	-	-	-	-	-	-	-	-
Guarantees and Collaterals received	-	-	-	-	-	-	-	-	-	-
Advance to Supplier	-	-	-	-	-	-	-	-	0.07	0.05

Particulars	Subsidiaries		Step Down Subsidiaries		Associates		KMP and Relatives		Entities over which KMP and Relatives have control / significant influence	
	Balances									
	As At		As At		As At		As At		As At	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Investments in Equity ***	566.93	566.93	-	-	-*	-*	-	-	-	-
Investments in CCPS	-	-	-	-	-	-	-	-	-	-
Share Application Money	133.99	133.99	-	-	-	-	-	-	-	-
Dividend Receivable	0.54	0.54	-	-	-	-	-	-	-	-
Trade Receivables	182.96	170.00	4.38	4.38	-	-	-	-	0.03	0.04
Trade Payables	44.09	42.98	-	-	-	-	-	-	0.48	0.48
Loans & Advances Receivable	543.18	497.66	77.09	71.19	1.10	1.10	-	-	1.61	1.68
Loans Payable	-	-	-	-	-	-	9.42	9.48	20.70	27.07
Remuneration, Commission & Sitting Fee Payable	-	-	-	-	-	-	2.05	2.04	-	-
Due on account of Share Invoked	-	-	-	-	-	-	6.70	6.85	4.75	4.75
Contract Advances Received (Net)	167.70	166.87	-	-	-	-	-	-	-	-
Guarantees Issued ***	3,167.67	3,167.67	-	-	-	-	-	-	80.00	80.00
Guarantees and Collaterals received	276.51	276.51	145.72	145.72	-	-	-	-	959.02	959.02
Advance from Customer										
Advance to Suppliers	-	-	0.04	0.10	-	-	-	-	0.83	0.83

* includes Rs. 39,000/- in associate

** includes Service rendered of Rs 2.94 Crores for the year ended 31st March 2016 in respect of Future Parking Pvt Ltd.

*** includes Investments of Rs. 2.50 Crores and Guarantee Collaterals Issued of Rs 22.00 Crores as on 31st March 2016 in respect of Future Parking Pvt Ltd.

NOTE 46- Disclosure pursuant to section 186 of the Companies 2013

₹ in Crs.

S No	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	As at 31-03-17	As at 31-03-16
Loan & Advances				
1	Amir Constructions Private Limited	Project Funding/Working Capital	4.57	4.23
2	Anumanthai Beachside Resorts Private Limited	Project Funding/Working Capital	0.01	0.01
3	Anuttam Constructions Private Limited	Project Funding/Working Capital	0.29	0.27
4	Arohi Infrastructure Private Limited	Project Funding/Working Capital	16.29	14.85
5	Atul Infrastructure Private Limited	Project Funding/Working Capital	5.16	4.78
6	Avatar Constructions Private Limited	Project Funding/Working Capital	2.89	2.67
7	Bharani Infrastructure Private Limited	Project Funding/Working Capital	0.56	0.52
8	Darpan Houses Private Limited	Project Funding/Working Capital	2.74	2.53
9	Dasha Infradevelopers Private Limited	Project Funding/Working Capital	10.43	9.94
10	Hilary Constructions Private Limited	Project Funding/Working Capital	0.13	0.12
11	Karaikal Port Private Limited	Project Funding/Working Capital	12.42	7.39
12	Karaikal Power Company Private Limited	Project Funding/Working Capital	4.22	3.91
13	Kirtidhara Infrastructure Private Limited	Project Funding/Working Capital	0.04	0.03
14	Marg Aviations Private Limited	Project Funding/Working Capital	0.01	0.00
15	Marg Industrial Clusters Limited	Project Funding/Working Capital	(0.05)	0.02
16	Marg Infrastructure Developers Limited	Project Funding/Working Capital	(0.05)	0.02
17	Marg Marine Infrastructure Limited	Project Funding/Working Capital	0.02	0.02
18	Marg International Dredging PTE Ltd	Project Funding/Working Capital	19.73	20.12
19	Marg Sri Krishnadevaraya Airport Private Limited	Project Funding/Working Capital	2.07	1.83
20	Marg Logistics Private Limited	Project Funding/Working Capital	5.66	5.40
21	Marg Properties Limited	Project Funding/Working Capital	42.74	37.82
22	Marg Swarnabhoomi Port Private Limited	Project Funding/Working Capital	0.02	0.00
23	Marg Trading PTE Ltd	Project Funding/Working Capital	0.07	0.07
24	Mukta Infrastructure Private Limited	Project Funding/Working Capital	18.12	16.77
25	Navrang Infrastructure Private Limited	Project Funding/Working Capital	2.81	2.60
26	New Chennai Township Private Limited	Project Funding/Working Capital	335.72	309.27
27	Parivar Apartments Private Limited	Project Funding/Working Capital	1.34	1.24
28	Riverside Infrastructure (India) Private Limited	Project Funding/Working Capital	42.65	39.81
29	Shubham Vihar Private Limited	Project Funding/Working Capital	3.60	3.13
30	Signa Infrastructure India Limited	Project Funding/Working Capital	0.00	-
31	Swatantra Infrastructure Private Limited	Project Funding/Working Capital	8.83	8.17
32	Yuva Constructions Private Limited	Project Funding/Working Capital	0.01	0.00
33	Wisdom Constructions Private Limited	Project Funding/Working Capital	0.13	0.13
	Total		543.18	497.66

Disclosure pursuant to section 186 of the Companies 2013

₹ in Crs.

S No	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	As at 31-03-17	As at 31-03-16
Step down Subsidiaries				
1	Aprati Constructions Private Limited	Project Funding/Working Capital	3.60	3.33
2	Aroopa Infradevelopers Private Limited	Project Funding/Working Capital	5.90	5.46
3	Magnumopus Infrastructure Private Limited	Project Funding/Working Capital	20.77	19.23
4	Marg Business Park Private Limited	Project Funding/Working Capital	3.60	3.33
5	O M R Developers Private Limited	Project Funding/Working Capital	8.79	7.52
6	Sarang Infradevelopers Private Limited	Project Funding/Working Capital	32.42	30.32
7	Comex Infrastructure Private Limited	Project Funding/Working Capital	0.21	0.21
8	Kanchanajunga Infradevelopers Private Limited	Project Funding/Working Capital	0.00	-
9	Navita Estates Private Limited	Project Funding/Working Capital	0.00	-
10	Ambar Nivas Private Limited	Project Funding/Working Capital	0.00	-
11	Rainbow Habitat Private Limited	Project Funding/Working Capital	-	-
12	Darshan Homes Private Limited	Project Funding/Working Capital	1.79	1.79
	Total		77.08	71.19
Name of the Associate Company				
1	Rajakamanglam Thurai Fishing Harbour Private Limited	Project Funding/Working Capital	1.10	1.10
	Total		1.10	1.10
Entities Over Which KMP and / or their relatives exercise control				
1	Marg Foundation	Project Funding/Working Capital	1.38	1.38
	Total		1.38	1.38
Share Application Money				
1	Marg Logistics Private Limited	Capital Contribution	30.81	30.81
2	Marg Properties Limited	Capital Contribution	54.00	54.00
3	New Chennai Township Private Limited	Capital Contribution	49.18	49.18
	Total		133.99	133.99

Disclosure pursuant to section 186 of the Companies 2013

₹ in Crs.

S No	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	As at 31-03-17	As at 31-03-16
Investments				
1	Amir Constructions Private Limited	Capital Contribution	0.01	0.01
2	Anumanthai Beachside Resorts Private Limited	Capital Contribution	0.01	0.01
3	Anuttam Constructions Private Limited	Capital Contribution	0.01	0.01
4	Arohi Infrastructure Private Limited	Capital Contribution	0.10	0.10
5	Atul Infrastructure Private Limited	Capital Contribution	0.01	0.01
6	Avatar Constructions Private Limited	Capital Contribution	0.01	0.01
7	Bharani Infrastructure Private Limited	Capital Contribution	0.01	0.01
8	Darpan Houses Private Limited	Capital Contribution	0.01	0.01
9	Dasha Infradevelopers Private Limited	Capital Contribution	0.01	0.01
10	Future Parking Private Limited	Capital Contribution	2.50	2.50
11	Hilary Constructions Private Limited	Capital Contribution	0.01	0.01
12	Karaikal Port Private Limited	Capital Contribution	249.79	249.79
13	Karaikal Power Company Private Limited	Capital Contribution	0.01	0.01
14	Kirtidhara Infrastructure Private Limited	Capital Contribution	0.01	0.01
15	Marg Aviations Private Limited	Capital Contribution	0.01	0.01
16	Marg Industrial Clusters Limited	Capital Contribution	0.05	0.05
17	Marg Infrastructure Developers Limited	Capital Contribution	0.05	0.05
18	Marg Marine Infrastructure Limited	Capital Contribution	0.05	0.05
19	Marg International Dredging PTE Ltd	Capital Contribution	57.33	57.33
20	Marg Sri Krishnadevaraya Airport Private Limited	Capital Contribution	0.01	0.01
21	Marg Logistics Private Limited	Capital Contribution	0.01	0.01
22	Marg Properties Limited	Capital Contribution	0.05	0.05
23	Marg Swarnabhoomi Port Private Limited	Capital Contribution	0.01	0.01
24	Marg Trading PTE Ltd	Capital Contribution	0.03	0.03
25	Mukta Infrastructure Private Limited	Capital Contribution	0.01	0.01
26	Navrang Infrastructure Private Limited	Capital Contribution	0.01	0.01
27	New Chennai Township Private Limited	Capital Contribution	120.00	120.00
28	Parivar Apartments Private Limited	Capital Contribution	0.01	0.01
29	Riverside Infrastructure (India) Private Limited	Capital Contribution	136.73	136.73
30	Shubham Vihar Private Limited	Capital Contribution	0.01	0.01
31	Signa Infrastructure India Limited	Capital Contribution	0.04	0.04
32	Swatantra Infrastructure Private Limited	Capital Contribution	0.01	0.01
33	Yuva Constructions Private Limited	Capital Contribution	0.01	0.01
Total			566.92	566.92

Disclosure pursuant to section 186 of the Companies 2013

₹ in Crs.

S No	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	As at 31-03-17	As at 31-03-16
Associate Company				
1	Rajakamanglam Thurai Fishing Harbour Private Ltd	Capital Contribution	0.00	0.00
	Total		0.00	0.00
Investment CCPS				
1	Karaikal Port Private Limited	Capital Contribution	-	-
	Total		-	-
Guarantees & Collaterals Issued				
1	Arohi Infrastructure Private Limited	Corporate Guarantee	50.00	50.00
2	Future Parking Private Limited	Corporate Guarantee	22.00	22.00
3	Karaikal Port Private Limited	Corporate Guarantee	1,982.54	1,982.54
4	Marg International Dredging PTE Ltd	Corporate Guarantee	180.84	180.84
5	Marg Logistics Private Limited	Corporate Guarantee	13.00	13.00
6	Marg Properties Limited	Corporate Guarantee	159.50	159.50
7	New Chennai Township Private Limited	Corporate Guarantee	536.78	536.78
8	Riverside Infrastructure (India) Private Limited	Corporate Guarantee	223.01	223.01
	Total		3,167.67	3,167.67
Entities Over Which KMP and / or their relatives exercise significant influence				
1	Marg Realities Limited	Corporate Guarantee	80.00	80.00
	Total		80.00	80.00

NOTE 47 : OPERATING LEASES
a) Cancelable Lease:

Total rental charges under cancelable operating lease was ₹0.61 Crores year ended 31-Mar-17 (Previous year ₹ 0.26 Crores).

NOTE 48 : AUDITORS' REMUNERATION

Following are the details of Auditors' remuneration:

Particulars	Year Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
Statutory & Tax Audit Fees	0.08	0.15
Total	0.08	0.15

NOTE 49 : EARNINGS PER SHARE (EPS)

Particulars	Year Ended 31-Mar-17	Year Ended 31-Mar-16
a. Profit After Tax (₹ In Crores)		
For Basic EPS	(26.89)	(16.98)
For Diluted EPS	(26.89)	(16.98)
b. Weighted average number of equity shares (Nos in Lacs)		
For Basic EPS	381.19	381.19
Adjustment for Diluted EPS		
Add: Weighted average number of potential shares on account of Employee Stock Options	-	-
Add: Weighted average number of potential shares on account of Preferential allotment of shares/Warrants	-	-
For Diluted EPS	381.19	381.19
c. Earning Per Share (₹)		
Basic	(7.05)	(4.46)
Diluted*	(7.05)	(4.46)
d. Nominal Value Per Share (₹)	10.00	10.00

NOTE 50 : INFORMATIONS PERSUANT TO SECTION 129(3) OF COMPANIES ACT 2013:

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 51 : INFORMATIONS PERSUANT TO SECTION 186 OF COMPANIES ACT, 2013:

Disclosure as required under Section 186 of the Companies Act, 2013 for loans and advances given by the company are given in Annexure A.

NOTE 52 : INFORMATIONS PERSUANT TO PART II OF SCHEDULE III 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 III of the Companies Act 2013.

NOTE 53 : 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-17		As At 31-Mar-16	
	USD in Crores	INR in Crores	USD in Crores	INR in Crores
Creditors for Services	(0.62)	(40.34)	(0.62)	(41.16)
Creditors for Import of Capital Goods	0.04	2.83	0.04	2.89
Loan given to Subsidiary	0.30	19.73	0.31	20.19
Dividend Receivable	0.01	0.56	0.01	0.57
Total	(0.27)	(17.22)	(0.26)	(17.50)

Conversion rate applied:

1 USD = ₹64.8589 (Previous year ₹67.1753)

NOTE 54: SPECIFIED BANK NOTES (SBN)

Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is provided below.

Particulars	SBN	Other Denominations	Total
Closing Cash in hand as on November 8, 2016	10,97,653	-	10,97,653
(+) Permitted Receipts		3,70,000	3,70,000
(-) Permitted Payments		4,77,706	4,77,706
(-) Amount deposited in Banks	8,62,000	-	8,62,000
Closing Cash in hand as on December 30, 2016	2,35,653	(1,07,706)	1,27,947

NOTE 55 : 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 A R KRISHNAN & ASSOCIATES

Regn No: 009805S

Chartered Accountants

A.SENTHIL KUMAR

Partner

Membership No: 214611

Place : Chennai

Date : 29-May-17

For and on behalf of Board of Directors

G R K REDDY

Chairman & Managing Director

V P RAJINI REDDY

Director

KARANJIT SINGH JASUJA

Director

R B SRINIVASAN

Chief Financial Officer

Annexure A
Details of Investments as required under Section 186 of Companies Act, 2013

Name of the Company	Investments in Equity					Loans & Advances Given	
	Face Value (₹)	As At 31-Mar-17 No of Shares (Lacs)	As At 31-Mar-16 No of Shares (Lacs)	As At 31-Mar-17 (₹ in Crores)	As At 31-Mar-16 (₹ in Crores)	Amount Outstanding As At 31-Mar-17 (₹ 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	4.57	4.57
Anumanthai Beachside Resorts Private Limited	10	0.10	0.10	0.01	0.01	0.01	0.01
Anuttam Constructions Private Limited	10	0.10	0.10	0.01	0.01	0.29	0.29
Arohi Infrastructure Private Limited	10	1.00	1.00	0.10	0.01	16.29	16.29
Atul Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	5.16	5.16
Avatar Constructions Private Limited	10	0.10	0.10	0.01	0.01	2.89	2.89
Bharani Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.56	0.56
Darpan Houses Private Limited	10	0.10	0.10	0.01	0.01	2.74	2.74
Dasha Infradevelopers Private Limited	10	0.10	0.10	0.01	0.01	10.43	10.43
Future Parking Private Limited	10	24.99	24.99	2.50	2.50	-	-
Hilary Constructions Private Limited	10	0.10	0.10	0.01	0.01	0.13	0.13
Karaikal Port Private Limited	10	2,497.94	2,497.94	249.79	249.79	12.42	12.42
Karaikal Power Company Private Limited	10	0.10	0.10	0.01	0.01	4.22	4.22
Kirtidhara Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	0.04	0.04
Marg Aviations Private Limited	10	0.10	0.10	0.01	0.01	0.01	0.01
Marg Industrial Clusters Limited	10	0.50	0.50	0.05	0.05	(0.05)	0.02
Marg Infrastructure Developers Limited	10	0.50	0.50	0.05	0.05	(0.05)	0.02
Marg Marine Infrastructure Limited	10	0.50	0.50	0.05	0.05	0.02	0.02
Marg International Dredging PTE Ltd	SIG \$ 1	173.52	173.52	57.33	57.33	19.73	20.95
Marg Sri Krishnadevaraya Airport Private Limited	10	0.10	0.10	0.01	0.01	2.07	2.07
Marg Logistics Private Limited	10	0.10	0.10	0.01	0.01	5.66	5.66
Marg Properties Limited	10	0.50	0.50	0.05	0.05	42.74	43.06
Marg Swarnabhoomi Port Private Limited	10	0.11	0.11	0.01	0.01	0.02	0.02
Marg Trading PTE Ltd	SIG \$ 1	0.06	0.06	0.03	0.03	0.07	0.08
Mukta Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	18.12	18.12
Navrang Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	2.81	2.81
New Chennai Township Private Limited	10	1,200.00	1,200.00	120.00	120.00	335.72	335.86
Parivar Apartments Private Limited	10	0.10	0.10	0.01	0.01	1.34	1.34
Riverside Infrastructure (India) Private Limited	10	1,367.25	1,367.25	136.73	136.73	42.65	42.66

Details of Investments and Disclosure as required under Section 186 of Companies Act, 2013

Name of the Company	Investments in Equity					Loans & Advances Given	
	Face Value (₹)	As At 31-Mar-17 No of Shares (Lacs)	As At 31-Mar-16 No of Shares (Lacs)	As At 31-Mar-17 (₹ in Crores)	As At 31-Mar-16 (₹ in Crores)	Amount Outstanding As At 31-Mar-17 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)
Name of the Subsidiary Company							
Shubham Vihar Private Limited	10	0.10	0.10	0.01	0.01	3.60	3.60
Signa Infrastructure India Limited	10	0.37	0.37	0.04	0.04	0.00	0.00
Swatantra Infrastructure Private Limited	10	0.10	0.10	0.01	0.01	8.83	8.83
Yuva Constructions Private Limited	10	0.10	0.10	0.01	0.01	0.01	0.01
Wisdom Constructions Private Limited	10	0.10	0.10	0.01	0.01	0.13	0.13
Total				566.93	566.84	543.18	545.00
Fellow Subsidiaries / Step down Subsidiaries of Marg Properties Ltd							
Aprati Constructions Private Limited	-	-	-	-	-	3.60	3.60
Aroopa Infradevelopers Private Limited	-	-	-	-	-	5.90	5.90
Magnumopus Infrastructure Private Limited	-	-	-	-	-	20.77	20.77
Marg Business Park Private Limited	-	-	-	-	-	3.60	3.60
O M R Developers Private Limited	-	-	-	-	-	8.79	8.79
Sarang Infradevelopers Private Limited	-	-	-	-	-	32.42	32.42
MARG Hotels and Service Apartments Private Limited	-	-	-	-	-	0.00	0.00
Total				-	-	75.08	75.08
Fellow Subsidiaries / Step down Subsidiaries of Marg Logistics Pvt Ltd							
Advance Infradevelopers Private Limited	-	-	-	-	-	-	-
Agni Infradevelopers Private Limited	-	-	-	-	-	-	-
Akhil Infrastructure Private Limited	-	-	-	-	-	0.00	0.00
Ambar Nivas Private Limited	-	-	-	-	-	0.00	0.00
Archana Infradevelopers Private Limited	-	-	-	-	-	-	-
Ashram Infradevelopers Private Limited	-	-	-	-	-	-	-
Comex Infrastructure Private Limited	-	-	-	-	-	0.21	0.21
Darshan Homes Private Limited	-	-	-	-	-	1.79	1.79
Guiding Infradevelopers Private Limited	-	-	-	-	-	-	-
Kanchanajunga Infradevelopers Private Limited	-	-	-	-	-	0.00	0.00
Navita Estates Private Limited	-	-	-	-	-	0.00	0.00
Rainbow Habitat Private Limited	-	-	-	-	-	-	0.00
Saptajit Projects Private Limited	-	-	-	-	-	-	-
Shikha Infrastructure Private Limited	-	-	-	-	-	-	-

Details of Investments and Disclosure as required under Section 186 of Companies Act, 2013

Name of the Company	Investments in Equity					Loans & Advances Given	
	Face Value (₹)	As At 31-Mar-17 No of Shares (Lacs)	As At 31-Mar-16 No of Shares (Lacs)	As At 31-Mar-17 (₹ in Crores)	As At 31-Mar-16 (₹ in Crores)	Amount Outstanding As At 31-Mar-17 (₹ in Crores)	Maximum Amount Outstanding during the year (₹ in Crores)
Name of the Subsidiary Company							
Sulekh Constructions Private Limited	-	-	-	-	-	-	-
Talin Infradevelopers Private Limited	-	-	-	-	-	-	-
Uttarak Infradevelopers Private Limited	-	-	-	-	-	-	-
Vyan Infraprojects Private Limited	-	-	-	-	-	-	-
Total				-	-	2.01	2.01
Name of the Associate Company							
Rajakamanglam Thurai Fishing Harbour Private Limited	10	0.04	0.04	0.00	0.00	1.10	1.10
Total				0.00	0.00	1.10	1.10
Name of the Other Companies							
Marg Foundation	-	-	-	-	-	1.38	1.38
Marg Digital Infrastructure Private Limited						-	18.32
Marg Realities Limited	-	-	-	-	-	-	-
Total				-	-	1.38	19.70

*Investments includes Rs 39,000/- as at 31-Mar-17 & 31-Mar-16

Annexure B

Statement pursuant to exemption received under Section 129 (3) of the Companies Act, 1956 relating to subsidiary companies

(₹ in lacs)

S. No	Name of the Subsidiary Company	Capital	Reserves	Share / Warrant Application Money Pending For Allotment	Total Assets	Total Liabilities	Investments	Turnover *	Profit (Loss) before Taxation	Provision for Taxation	Profit (Loss) After Taxation	Proposed/ Interim Dividend
Subsidiary Company												
1	Amir Constructions Private Limited	1.00	108.17	-	584.90	475.73	-	0.10	(33.79)	-	(33.79)	-
2	Anumanthai Beachside Resorts Private Limited	1.00	(2.54)	-	0.14	1.68	-	-	(0.17)	-	(0.17)	-
3	Anuttam Constructions Private Limited	1.00	273.95	-	1,222.28	947.33	-	0.10	(2.13)	-	(2.13)	-
4	Arohi Infrastructure Private Limited	10.00	(2,660.24)	-	5,266.10	7,916.35	5,000.00	-	(136.16)	-	(136.16)	-
5	Atul Infrastructure Private Limited	1.00	14.42	-	535.37	519.95	-	0.10	(38.11)	-	(38.11)	-
6	Avatar Constructions Private Limited	1.00	146.48	-	1,234.13	1,086.65	-	0.10	(21.35)	-	(21.35)	-
7	Bharani Infrastructure Private Limited	1.00	(7.83)	-	701.93	708.75	-	2.00	(2.27)	-	(2.27)	-
8	Darpan Houses Private Limited	1.00	99.61	-	387.24	286.63	-	-	(20.33)	-	(20.33)	-
9	Dasha Infradevelopers Private Limited	1.00	(61.50)	-	1,023.91	1,084.41	-	0.10	(79.39)	-	(79.39)	-
10	Future Parking Private Limited	2,590.00	(467.06)	-	3,876.19	1,753.24	-	305.95	(257.07)	18.22	(275.29)	-
11	Hilary Constructions Private Limited	1.00	144.78	-	3,039.92	2,894.14	-	0.10	(1.12)	-	(1.12)	-
12	Karaikal Port Private Limited**	55,079.21	(36,480.62)	-	2,31,645.40	2,13,046.81	-	37,496.43	(10,722.10)	-	(10,722.10)	-
13	Karaikal Power Company Private Limited	1.00	(121.90)	-	310.93	431.83	-	-	(31.15)	-	(31.15)	-
14	Kirtidhara Infrastructure Private Limited	1.00	354.24	-	812.77	457.53	-	0.10	(0.26)	-	(0.26)	-
15	Marg Aviations Private Limited	1.00	(1.06)	-	2.75	2.81	-	-	(0.62)	-	(0.62)	-
16	Marg Industrial Clusters Limited	5.00	(0.81)	-	5.57	1.37	-	-	(0.11)	-	(0.11)	-
17	Marg Infrastructure Developers Limited	5.00	(0.80)	-	5.57	1.37	-	-	(0.11)	-	(0.11)	-
18	Marg Marine Infrastructure Limited	5.00	(0.11)	-	7.50	2.60	-	0.10	(0.14)	-	(0.14)	-
19	Marg International Dredging PTE Ltd**	5,733.00	(11,523.82)	-	13,816.22	19,607.05	-	-	(5,020.83)	-	(5,020.83)	-
20	Marg Sri Krishnadevaraya Airport Private Limited	1.00	(71.11)	-	2,257.47	2,327.57	-	-	(14.22)	-	(14.22)	-
21	Marg Logistics Private Limited	1.00	630.61	-	8,391.84	7,760.23	18.00	5,201.05	75.45	24.60	50.84	-
22	Marg Properties Limited	5.00	(8,262.92)	-	25,225.24	33,483.16	7.00	315.78	(1,423.04)	(3.07)	(1,419.96)	-
23	Marg Swarnabhoomi Port Private Limited	1.25	(107.34)	-	6.93	113.02	-	-	(0.24)	-	(0.24)	-
24	Marg Trading PTE Ltd**	2.56	(39.62)	-	4,727.02	4,764.08	-	-	(3.39)	-	(3.39)	-
25	Mukta Infrastructure Private Limited	1.00	(736.27)	-	1,168.49	1,903.76	-	0.10	(134.39)	-	(134.39)	-
26	Navrang Infrastructure Private Limited	1.00	(85.58)	-	203.41	287.99	-	0.10	(20.77)	-	(20.77)	-
27	New Chennai Township Private Limited	12,000.00	(48,352.75)	-	95,828.38	1,32,181.13	-	1,001.31	(4,932.77)	644.35	(5,577.12)	-
28	Parivar Apartments Private Limited	1.00	(41.72)	-	96.87	137.58	-	-	(9.98)	-	(9.98)	-
29	Riverside Infrastructure (India) Private Limited	16,300.00	1,483.89	-	76,025.62	58,241.73	-	-	(0.51)	0.01	(0.51)	-
30	Shubham Vihar Private Limited	1.00	527.04	-	1,165.39	637.36	-	-	(46.80)	-	(46.80)	-
31	Signa Infrastructure India Limited	5.00	32.90	-	48.89	10.99	-	-	(0.21)	(0.00)	(0.21)	-
32	Swatantra Infrastructure Private Limited	1.00	669.86	-	1,568.06	897.20	-	-	(65.32)	-	(65.32)	-
33	Yuva Constructions Private Limited	1.00	22.39	-	25.83	2.44	-	0.10	(0.06)	-	(0.06)	-
34	Wisdom Constructions Private Limited	1.00	7.70	-	1,583.77	1,575.07	-	-	(0.11)	-	(0.11)	-

Annexure B

Statement pursuant to exemption received under Section 129 (3) of the Companies Act, 1956 relating to subsidiary companies

(₹ in lacs)

S. No	Name of the Subsidiary Company	Capital	Reserves	Share / Warrant Application Money Pending For Allotment	Total Assets	Total Liabilities	Investments	Turnover *	Profit (Loss) before Taxation	Provision for Taxation	Profit (Loss) After Taxation	Proposed/ Interim Dividend
Fellow Subsidiaries / Step down Subsidiaries												
1	Aprati Constructions Private Limited	1.00	(127.04)	-	386.74	512.78	-	-	(26.81)	-	(26.81)	-
2	Advance Infradevelopers Private Limited	1.00	(38.61)	-	287.84	325.45	-	-	(0.03)	-	(0.03)	-
3	Agni Infradevelopers Private Limited	1.00	(50.33)	-	362.07	411.41	-	-	(0.13)	-	(0.13)	-
4	Akhil Infrastructure Private Limited	1.00	(158.06)	-	1,112.70	1,269.76	-	-	(0.09)	-	(0.09)	-
5	Ambar Nivas Private Limited	1.00	(78.18)	-	539.81	617.00	-	0.10	(0.00)	-	(0.00)	-
6	Archana Infradevelopers Private Limited	1.00	(49.51)	-	374.13	422.64	-	-	(0.44)	-	(0.44)	-
7	Aroopa Infradevelopers Private Limited	1.00	(152.21)	-	447.06	598.27	-	-	(43.69)	-	(43.69)	-
8	Ashram Infradevelopers Private Limited	1.00	(2.10)	-	4.74	5.84	-	-	(0.02)	-	(0.02)	-
9	Comex Infrastructure Private Limited	1.00	3.81	-	43.77	38.97	-	-	(1.75)	-	(1.75)	-
10	Darshan Homes Private Limited	1.00	(70.23)	-	425.77	495.00	-	-	(13.86)	-	(13.86)	-
11	Guiding Infradevelopers Private Limited	1.00	3.09	-	4.77	0.68	-	-	(0.25)	-	(0.25)	-
12	Kanchanajunga Infradevelopers Private Limited	1.00	(50.28)	-	349.63	398.90	-	0.10	(0.01)	-	(0.01)	-
13	Magnumopus Infrastructure Private Limited	1.00	(643.20)	-	1,604.17	2,246.38	-	-	(153.82)	-	(153.82)	-
14	Marg Business Park Private Limited	1.00	476.62	-	1,970.86	1,493.24	-	-	(26.58)	-	(26.58)	-
15	MARG Hotels and Service Apartments Private Limited	1.00	(1.25)	-	0.99	1.24	-	-	(0.19)	-	(0.19)	-
16	Navita Estates Private Limited	1.00	(261.19)	-	1,723.87	1,984.06	-	0.10	(0.01)	-	(0.01)	-
17	O MR Developers Private Limited	1.00	(305.61)	-	1,162.74	1,467.34	-	-	(63.10)	-	(63.10)	-
18	Rainbow Habitat Private Limited	1.00	(135.80)	-	940.10	1,074.90	-	-	(0.09)	-	(0.09)	-
19	Saptajit Projects Private Limited	1.00	(4.17)	-	16.37	19.53	-	-	(0.09)	-	(0.09)	-
20	Sarang Infradevelopers Private Limited	1.00	(912.65)	-	4,077.37	4,989.03	0.14	36.35	(208.44)	-	(208.44)	-
21	Shikha Infrastructure Private Limited	1.00	(2.14)	-	4.71	5.85	-	-	(0.02)	-	(0.02)	-
22	Sulekh Constructions Private Limited	1.00	6.66	-	8.13	0.48	-	-	(0.04)	-	(0.04)	-
23	Talin Infradevelopers Private Limited	1.00	(6.25)	-	5.13	10.38	-	-	(0.04)	-	(0.04)	-
24	Uttarak Infradevelopers Private Limited	1.00	(12.55)	-	5.35	16.90	-	-	(0.12)	-	(0.12)	-
25	Vyan Infraprojects Private Limited	1.00	(16.51)	-	7.04	22.56	-	-	(0.25)	-	(0.25)	-

* Turnover includes Other Income

** Unaudited & certified by Management

Independent Auditors' Report

To

The Members of MARG LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MARG LIMITED ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis of Qualified Opinion

1) *The Audit report of Marg Limited, Holding company, has been qualified by us as follows;*

a) Attention is invited to note 30; the company has not provided for interest for the year ended 31st March, 2017 on certain loans that are assigned to Asset Reconstruction Companies (ARCs), which in our opinion the Company has not followed accrual system of accounting and Disclosure of accounting policy is not in accordance with AS 1-Disclosure of accounting policies to this extent. The above said loans are presently under negotiation with concerned ARC for revised terms and conditions for concession in terms of waiver / reduced rate of interest. We are unable to comment upon the settlement of Finance

cost on the above said loans and carrying value of the aforesaid loans and the consequential impact, if any that may arise on the above said matters.

b) Attention is invited to note 36; The Company has not provided for Rs.19.58 Crores relating to work in progress for EPC work done which remain unbilled as on 31st March, 2017 and Management fee of Rs.4.8 Crores not acknowledged by one of its subsidiaries. Consequently, the loss for the year ended 31st March, 2017 are understated by Rs.24.38 Crores Accumulated Reserves and Current assets as on 31st March, 2017 are overstated by the same amount.

c) Attention is invited to note 37 regarding case filed by the company against invocation of shares held in M/s Karaikal Port Private Limited, a subsidiary company, amounting to Rs.202.39 Crores as on 31st March, 2017; Pending final outcome of the case and continuation of stay granted by the Hon'ble High Court the Company continues to carry the investment cost without any provision and consider the said company as its subsidiary. However, considering the significant uncertainty in this matter we are unable to comment, a) whether the company will be able to recover the Investment having carrying cost of Rs.202.39 Crores and b) whether the company continues to be the Holding Company of the said company. The Consolidated financial statements include Fixed assets of Rs.1848.54 Crores, Long term advances of Rs.18.86 Crores, other assets of Rs.150.70 Crores, Long term liabilities of Rs.1373.27 Crores, Current liabilities of Rs.735.64 Crores, Minority interest of Rs.104.00 Crores as on 31st March, 2017, Turnover of Rs.374.96 Crores, Net Loss of Rs.92.62 Crores for the year ended 31st March, 2017 in respect of this company.

d) Attention is invited to note 38; Regarding confirmation/reconciliation of some of the equipment loans availed by the company, which was not obtained/carried out for the balances as on 31st March, 2017. The differences arising out of the reconciliation, if any, together with the unreconciled amount of Rs.6.52 Cr relating to the same loan accounts as on 31st March, 2016 continues to be unascertained for the year ended 31st March, 2017. Such differences, if any, will impact the losses for the year ended 31st March 2017, accumulated revenue reserves and balances of such loan accounts as on 31st March 2017.

e) The company has considered M/s Future Parking Private Limited as its subsidiary and accordingly made disclosures in the financial statements for the year ended 31st March, 2017. Due to change in control and management of M/s Future Parking Private Limited the said company ceased to be a subsidiary of the company; further as per the unaudited financial statements of M/s Future Parking Private Limited, it has not recognised the company as its Holding Company as on 31st March, 2017. Hence, in our opinion the consolidated financial statements are not in accordance with Accounting Standard 21-'Consolidated Financial Statements'. The Consolidated financial statements include fixed assets of Rs.36.80 Crores, other assets of Rs.1.98 Crores, long term liabilities of Rs.17.18 Crores, Current liabilities of Rs.0.35 Crores, Minority interest of Rs.19.18 Crores as on 31st March, 2017, Turnover of Rs.3.06 Crores, Net loss of Rs.2.75 Crores for the year ended 31st March, 2017 in respect of this company.

f) The company didn't obtain/ receive balance confirmation from Banks/ARCs, most of the customers/creditors and other parties for the balances as on 31st March, 2017. Hence, we could not obtain external confirmations as required in SA-505, Standards on Auditing and are unable to comment on adjustments or disclosures, if any, that may arise.

1) The Audit report of Mukta Academic Institutions Private Limited, subsidiary company, has been qualified by us as the company has not provided for impairment loss of Rs.7.70 Crores (PY Rs.7.70 Crores) on land held as on 31st March, 2017, which is not in accordance with Accounting Standard (AS 28) "Impairment of assets". Consequently, the assets are overstated by Rs.7.70 Crores (PY Rs.7.70 Crores) and loss for the year and the accumulated losses are understated by Rs.7.70 Crores (PY Rs.7.70 Crores) as on 31st March, 2017. This matter was also qualified in the previous Auditors report for the year ended 31st March, 2016.

2) The Audit report of Arohi Infrastructure Private Limited, subsidiary company, has been qualified by us as the Company has not provided for premium payable on redemption of debentures accumulated till the year ended 31st March, 2015 amounting to Rs.8.97 Crores, which is not in accordance with Accounting Standard 16

"Borrowing Costs". This resulted in understatement of liabilities and accumulated losses as on 31st March, 2017 by Rs.8.97 Crores. This matter was also qualified in the previous Auditors report for the year ended 31st March, 2016.

3) The Audit report of Riverside Infrastructure (India) Private Limited, Subsidiary Company, has been qualified by us; Attention is invited to Note 39, regarding suspension of project of the company. The company has capitalised interest on loans amounting to Rs.66.93 Crores (PY Rs.59.12 Crores) and other expenses of Rs.0.14 Crores (PY Rs.0.44 Crores) during the year ended 31st March, 2017, which is not in accordance with Accounting Standard (AS-16) "Borrowing Costs" and Accounting Standard (AS-10) "Accounting for Fixed Assets" respectively. Accordingly, the assets of the company are overstated by Rs.212.04 Crores (PY Rs.144.97 Crores) as on 31st March, 2017 and loss for the year ended 31st March, 2017 and the accumulated losses are understated by Rs.67.07 Crores (PY Rs.59.55 Crores). This matter was also qualified in the previous Auditors report for the year ended 31st March, 2016.

4) Reference is drawn to our remarks in para (b) under other matters below with respect of non-audit of certain subsidiary companies and associate company. As mentioned below, these financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these companies is based solely on such unaudited financial statements. Considering the materiality involved of these financial statements, we are unable to ascertain whether if these financial statements would have been audited, the impact of these financial statements would have materially impacted the consolidated financial statements.

5) *The audit report of subsidiary companies Marg Properties Limited, Riverside Infrastructure (India) Private Limited, Sarang Infradevelopers Private Limited, Magnumopus Infradevelopers Private Limited is qualified by us. These companies didn't obtain/ receive balance confirmation from Banks/ARCs, most of the customers/creditors and other parties for the balances as on 31st March, 2017. Hence, we could not obtain external confirmations as required in SA-505, Standards on Auditing and are unable to comment on adjustments or disclosures, if any, that may arise.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following notes to consolidated financial statements:

1. Note 32 regarding preparing financial statements on 'Going concern' basis. The financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss/net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 32, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The accompanying financial statements have been prepared on a going concern basis, after giving due considerations to all matters more fully explained in the said note.

2. Note 33 regarding property of the subsidiary

companies audited by us, mentioned in the said note, provided as security for various loans taken by other companies. The financial statements of those subsidiaries have been prepared on a going concern basis after giving due considerations to matters more fully explained in aforesaid note.

3. Note 34 regarding investments in and advances and receivables due from some of its subsidiaries aggregating to Rs.1131.90 Crores (PY Rs.1069 Crores) as on 31st March, 2017. No provision for diminution/recoverability is considered necessary for reasons stated therein.

4. Note 40, regarding deductions made/amount withheld by some customers of Holding company, aggregating to Rs.1.06 Crores which are being carried as trade receivables. The company is also carrying work-in-progress/inventory of Rs.16.67 Crores and assets withheld at site of Rs.1.51 Crores relating to these customers. These balances are subject matter of Arbitration and ultimate outcome of the above matters cannot presently be determined although the Company is of the view that such amounts are recoverable and hence no provision is required there against.

5. Note 41, regarding, the Companies mentioned there in, which were converted and obtained license under Section 25 of the Companies Act, 1956 during the financial year 2014-2015. However, the security provided by the Company for loan taken by the Holding Company/Fellow Subsidiary Company continues to be in force.

Other Matters

a) We did not audit the financial statements / financial information of 3 subsidiaries, whose financial statements reflect total assets(net) of Rs.(577.86) Crores as at 31st March, 2017, total revenues of Rs.7.25 Crores and net cash flows amounting to Rs.(0.31) Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b) We did not audit the financial statements / financial information of 4 subsidiaries, whose financial statements reflect total assets (Net) of Rs.(588.51) Crores as at 31st March, 2017, total revenues of Rs.378.02 Crores and net cash flows amounting to Rs.51.02 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations, except for the matters described in the Basis of qualified opinion paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, except for the matters described in the Basis of qualified opinion paragraph, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, *except for the effect of the matters described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) The matters described in paragraph (1) (c) of Basis of Qualified Opinion paragraph and the Going Concern matter described in the paragraph (a), (b) and (c) under the Emphasis of Matter Paragraph, in our opinion, may have an adverse effect on the functioning of the Group.

f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's subsidiary companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, in the Holding Company along with the group (or Group), refer to our report in Annexure A, which is based on the auditor's reports of the Holding Company, subsidiary companies and associate companies incorporated in India.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates—Refer Note 29 (f) and 29(g), Note 37 and Note 40 to the consolidated financial statements.

ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. Rs.3,49,600/- is required to be transferred, to the Investor Education and Protection Fund by the Holding Company and the same was not yet not transferred to Investor Education and Protection Fund. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and associate companies incorporated in India.

iv. The Company has provided the requisite disclosure in Note No.55 in the consolidated financial statements as to its holdings as well as dealings in Specified Bank Notes as specified in the Notification G.S.R.308(E) dated March 30, 2017 of the Ministry of Company Affairs, during the period from November 8, 2016 to December 30, 2016 of the Group Entities as applicable. Based on audit procedures performed and relying on the management representation, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial Statement and as produced to us by the Management of the respective Group entities and based on the report of other auditors.

For A.R.KRISHNAN & ASSOCIATES

Chartered Accountants

Firm's Reg No:009805S

A SENTHIL KUMAR

Partner

Membership No: 214611

Place :Chennai

Date :29th May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MARG LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of Marg Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies, and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our

audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit of the Holding Company, the following material weaknesses have been identified as at March 31, 2017:

1 There were delays in a) recording of transactions relating to sale of fixed assets and b) recording of expenses transactions met out of staff Imprest Advances. The Internal Financial Controls were not operating effectively to this extent.

2 As mentioned in para 5 of the Basis of qualified opinion in the main report, with respect to subsidiary companies and associate company incorporated in India that are unaudited as on the date of this report, we are unable to obtain sufficient appropriate evidence to provide a basis for our opinion whether the internal financial controls over financial reporting were adequate and operating effectively as on 31st March, 2017.

In our opinion, *except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria* the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 3 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For A.R.KRISHNAN & ASSOCIATES

Chartered Accountants

Firm's Reg No:009805S

A SENTHIL KUMAR

Partner

Membership No: 214611

Place :Chennai

Date :29th May, 2017

Particulars	Note	As At	As At
		31-Mar-17 (₹ In Crores)	31-Mar-16 (₹ In Crores)
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	3	38.12	38.12
Reserves & Surplus	4	(1,010.80)	(1,011.73)
MINORITY INTEREST		(107.54)	155.22
NON-CURRENT LIABILITIES			
Long-Term Borrowings	5	1,569.49	1,790.77
Deferred Tax Liability (Net)	6	17.67	11.76
Other Long-Term Liabilities	7	29.57	24.73
Long-Term Provisions	8	2.07	2.16
CURRENT LIABILITIES			
Short-Term Borrowings	9	257.59	267.66
Trade Payables	10	363.90	344.53
Other Current Liabilities	11	3,870.69	3,398.79
Short-Term Provisions	12	13.52	14.05
		5,044.28	5,036.06
ASSETS			
NON-CURRENT ASSETS			
Goodwill (on Consolidation)		16.54	16.54
Fixed Assets:	13		
Tangible Assets		1,713.39	1,607.83
Intangible Assets		0.02	0.52
Capital Work In Progress		1,354.02	1,508.43
Non-Current Investments	14	1.84	1.84
Long-Term Loans and Advances	15	27.71	25.89
CURRENT ASSETS			
Current Investments	16	-	0.10
Inventories	17	716.08	764.23
Trade Receivables	18	324.81	290.03
Cash & Cash Equivalents	19	165.76	113.00
Short-Term Loans & Advances	20	721.70	706.83
Other Current Assets	21	2.41	0.82
		5,044.28	5,036.06

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached
For A R KRISHNAN & ASSOCIATES
Regn No: 009805S
Chartered Accountants

A.SENTHIL KUMAR
Partner
Membership No: 214611

Place : Chennai
Date : 29-May-17

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director

V P RAJINI REDDY
Director

KARANJIT SINGH JASUJA
Director

R B SRINIVASAN
Chief Financial Officer

Particulars	Note	Year Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
INCOME			
Income from Operations	22	454.85	380.54
Other Income	23	9.38	5.34
		464.23	385.88
EXPENDITURE			
Cost of Projects / Operating Expenses	24	263.62	210.48
Personnel Expenses	25	23.47	23.69
Depreciation and Amortisation	13	78.29	91.86
Finance Cost	26	294.91	411.21
Other Expenses	27	60.70	41.50
		720.99	778.74
PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(256.76)	(392.86)
Exceptional Items		-	(0.33)
PROFIT (LOSS) BEFORE TAX		(256.76)	(393.19)
TAX EXPENSES			
Current Tax		0.30	0.52
Taxes - Prior Period		-	3.62
Deferred Tax	28	5.91	(4.87)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (A)		(262.97)	(392.46)
Tax Expenses of Discontinuing Operations		-	-
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS (B)		-	-
PROFIT (LOSS) FOR THE PERIOD (A+B)		(262.97)	(392.46)
EARNINGS PER SHARE			
Basic (Face Value ₹ 10/-)		(68.99)	(102.95)
Diluted (Face Value ₹ 10/-)		(68.99)	(102.95)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached
For A R KRISHNAN & ASSOCIATES
Regn No: 009805S
Chartered Accountants

A.SENTHIL KUMAR
Partner
Membership No: 214611

Place : Chennai
Date : 29-May-17

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director

V P RAJINI REDDY
Director

KARANJIT SINGH JASUJA
Director

R B SRINIVASAN
Chief Financial Officer

S No	Particulars	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016
		(₹ in Crores)	(₹ in Crores)
A	CASH FLOWS FROM OPERATING ACTIVITIES:		
	Net Profit (Loss) before Taxation and Extraordinary Item	(256.76)	(393.19)
	Adjustment for:		
	Depreciation	78.29	91.84
	Net Unrealised (Gain) Loss on Exchange Rate Fluctuations	(0.16)	(0.16)
	Exchange (Gain) Loss on Translation of Foreign Subsidiaries	(18.55)	0.63
	Net Unrealised Loss (Profit) Decline in Investments	-	-
	Net Unrealised Loss (Profit) on Transaction in earlier years	-	-
	Dividend Income	-	-
	Profit on Sale of Assets	(3.62)	(0.69)
	Profit on Sale of Investment	-	-
	Loss on Sale of Assets	(44.71)	(4.29)
	Fixed Assets Written off	-	-
	Charges for Employee Stock Option	-	-
	Finance Cost (Net)	294.91	411.21
	Operating Profit before Working Capital Changes	49.41	105.35
	Decrease (Increase) in Inventories	48.15	(6.31)
	Decrease (Increase) in Trade Receivables	(34.77)	39.50
	Decrease (Increase) in Other Non-current Assets	-	-
	Decrease (Increase) in Short-term Loans & Advances	3.61	(20.53)
	Decrease (Increase) in Long-term Loans & Advances	4.00	0.69
	Decrease (Increase) in Other Current Assets	-	-
	Increase (Decrease) in Trade Payables	19.38	(10.04)
	Increase (Decrease) in Other Current Liabilities	52.08	3.22
	Increase (Decrease) in Short-term Provisions	(0.14)	0.35
	Increase (Decrease) in Other Long-term Liabilities	4.85	2.57
	Increase (Decrease) in Long-term Provisions	0.07	(0.32)
	Cash Generated from Operations	146.64	114.49
	Fringe Benefit tax	-	-
	Income Tax	(22.29)	(29.37)
	Cash Flow before Extraordinary items	124.35	85.13
	Adjustment for Extraordinary Items	-	-
	NET CASH FROM OPERATING ACTIVITIES (A)	124.35	85.13
B	CASH FLOWS FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(59.30)	52.02
	Sale of Investments in Subsidiaries and Others	0.09	0.02
	Proceeds from Sale of Fixed Assets (Net)	89.19	16.66
	NET CASH FROM INVESTING ACTIVITIES (B)	29.99	68.69
C	CASH FLOWS FROM FINANCING ACTIVITIES:		
	Proceeds from Share Premium	(56.63)	3.34
	Proceeds from Issue of Share to Minorities	56.65	17.48
	Proceeds from Long Term Borrowings (Net)	(75.08)	(37.37)
	Proceeds from Short Term Borrowings (Net)	16.25	8.33
	Finance Cost Paid (Net)	(42.74)	(118.91)
	Dividend & Dividend Tax Paid	(0.02)	(0.05)
	NET CASH USED IN FINANCING ACTIVITIES (C)	(101.57)	(127.17)
	Net Increase in Cash and Cash Equivalents (A+B+C)	52.76	26.65
	Cash and Cash Equivalents at beginning of Year	113.00	86.35
	Cash and Cash Equivalents at end of Year	165.76	113.00

Note:

- 1 Cash Flow Statement is prepared under the Indirect Method in accordance with Accounting Standard - 3.
 - 2 Depreciation includes amount transferred to 'Cost of Projects'.
 - 3 Cash and cash equivalents not available for immediate use as on the Balance Sheet date are shown in Note 45 of Notes to the Financial Statements.
 - 4 For non Cash Transaction refer Note 44 of Notes to the Financial Statements.
-

As per our Report of even date attached
For A R KRISHNAN & ASSOCIATES
Regn No: 009805S
Chartered Accountants

A.SENTHIL KUMAR
Partner
Membership No: 214611

Place : Chennai
Date : 29-May-17

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director

V P RAJINI REDDY
Director

KARANJIT SINGH JASUJA
Director

R B SRINIVASAN
Chief Financial Officer

NOTE 1 : PRINCIPLES OF CONSOLIDATION

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

- a. The Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income & expenses as per the respective financial statements duly certified by the Auditors of the respective Companies after fully eliminating intra group balances and also transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- b. Minority Interests’ share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from the liabilities and equity of the Company’s shareholders.
- c. The difference between the cost of investment in subsidiaries and the proportionate share in the equity of the investee Company as at the date of acquisition is 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 Statement of Profit & Loss.
- h. The details of the Subsidiary Companies considered in the consolidated financial statements are listed in the Annexure.

2.1	BASIS OF PREPARATION OF FINANCIAL STATEMENTS
a.	The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the Accounting Standards as specified by Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2014.
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 Statement of Profit & Loss.
- 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 on the basis of the useful lives prescribed under schedule II to the Companies Act, 2013, subject to the adjustments arising out of transitional provisions of schedule II to the Companies act, 2013.
- d. Cost of port assets, viz., Buildings, Marine structures and Dredged Channel is amortized over the initial period of the Concession Agreement of 30 years commencing from "Commercial date of Operations" (COD), 01-Jun-09.
- e. All assets individually costing ₹ 5,000/- or below are fully depreciated in the year it is put to use.
- f. 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 a non-land asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating divisions which the assets belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and recognized in the Statement of Profit & Loss.

2.4 LEASES

Operating Leases:

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

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

Finance Leases:

Assets acquired on Finance Lease, which transfers risks and rewards of ownership to the Company are 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 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 Statement of Profit & Loss.

2.10 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of the asset / project. All the other borrowing costs are treated as period cost and charged to Statement of Profit & Loss in the year in which they are incurred.

2.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is 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.

Particulars	As At 31-Mar-17 Nos	As At 31-Mar-16 Nos	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
-------------	---------------------------	---------------------------	-------------------------------------	-------------------------------------

NOTE 3 : SHARE CAPITAL

3.1 Authorised, Issued, Subscribed and Paid up Capital:

Authorised Capital

Equity Shares face value of ₹ 10/- each	500,00,000	500,00,000	50.00	50.00
---	------------	------------	-------	-------

Issued, Subscribed and Paid up Capital

Equity Shares face value of ₹ 10/- each	381,18,926	381,18,926	38.12	38.12
---	------------	------------	-------	-------

3.2 Reconciliation of number of Equity Shares

Outstanding:

Shares Outstanding at the beginning of the year	381,18,926	381,18,926		
Add: Shares Allotted during the year	-	-		
On Qualified Institutional Placement	-	-		
On Conversion of Warrants	-	-		
On Exercise of Employees Stock Options	-	-		
Shares Outstanding at the end of the year	381,18,926	381,18,926		

3.3 Shareholders holding more than 5% Equity Shares:

Sl	Name of the Shareholders	As At 31-Mar-17		As At 31-Mar-16	
		Nos	%	Nos	%
1	Akshya Infrastructure Private Limited	23,74,650	6.23%	23,74,650	6.23%

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
-------------	-------------------------------------	-------------------------------------

NOTE 4 : RESERVES & SURPLUS

4.1 Securities Premium Account:

Opening Balance	484.84	349.97
Add: Addition during the year	-	134.86
Less: Securities issue expenses written-off	-	-
Less: Transferred to Minority Interest	83.44	83.44
	401.40	401.39

4.2 General Reserve:

Opening Balance	28.70	28.70
	-	-
Less: Transferred to Minority Interest	0.01	0.01
	28.69	28.69

*Includes ` 20,000/- as at 31-Mar-17 and 31-Mar-16.

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
4.3 Profit & Loss Account:		
Balance at the beginning of the year	(1,441.80)	(1,161.67)
Add: Profit (Loss) for the Year	(261.99)	(488.73)
Less: Proposed Dividend on Preference Shares	(0.16)	-
Less: Transferred to General Reserve**	0.00	0.00
Less: Transferred to Minority Interest	(262.76)	(208.59)
Less: Unrealised Profit on Transaction in earlier years	-	-
Less: Share of Profit (Loss) in Associates***	0.00	0.00
Balance at the end of the year	<u>(1,440.88)</u>	<u>(1,441.81)</u>
	<u>(1,010.80)</u>	<u>(1,011.73)</u>

**Includes ₹ 20,000/- as at 31-Mar-17 and 31-Mar-16 respectively.

***Includes ₹ 2,340/- and ₹ 2,340/- as at 31-Mar-17 and 31-Mar-16 respectively.

NOTE 5 : LONG-TERM BORROWINGS

5.1 Secured Loans:

8.5% (Previous year 8%)Optionally Convertible

Debentures*

Secured by way of charge on movable & immovable properties and also charge on hypothecation of inventories, advances, receivables and other current assets*

[5,000,000 Nos (Previous year 5,000,000 Nos) of Face Value of ₹ 100/- each (Previous year ₹ 100)]

* classified as Current maturities of long term borrowings as on 31-Mar-2017 (Refer Note - 11)

Term Loans:

From Banks & Financial Institutions:

Secured by way of charge on rentals, mortgage / hypothecation of movable & immovable properties

-	-
1,569.49	1,790.77
<u>1,569.49</u>	<u>1,790.77</u>

5.2 Repayment Terms (including current maturities) of Secured Loans*:

Term Loans from Banks & Financial Institutions:

- 1) Loan of Rs 61.20 Crores and Rs 7.07 Crores payable in 84 monthly instalments ending Mar-22 and Jun-25 respectively.
- 2) Loan of ₹ 44.52 Crores is repayable in 24 monthly instalments ending Oct-17
- 3) The Quarterly repayment of term loans in phase 1, phase 2A, OSV and warehouse have been restructured/clubbed and the revised repayment commenced from June 2014 in 44 instalments.
- 4) Quarterly repayment of phase 2A extension loans commenced from December 2015 in 38 instalments.

*excludes loan recalled

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

Term Loans from Others:

- 1) Loan of Rs 0.99 crores payable in 1 monthly instalments ending Mar-18

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
NOTE 6 : DEFERRED TAX LIABILITY (ASSET) [NET]		
Deferred Tax Liability	42.37	19.15
Less : Deferred Tax Asset	24.70	7.39
Net Deferred Tax Liability (Asset)	17.67	11.76
NOTE 7 : OTHER LONG-TERM LIABILITIES		
Others		
Mobilisation Deposit	4.17	-
Lease Deposits	25.41	24.73
	29.57	24.73
NOTE 8 : LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	1.35	1.60
Leave Encashment	0.72	0.40
Others	-	-
Proposed Dividend	-	0.14
Tax on Proposed Dividend	-	0.02
	2.07	2.16
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	208.82	224.74
	208.82	224.74
9.2 Unsecured Short-term Loans:		
From Others:		
Loans From Other Companies	42.55	36.64
Loans From Directors	6.22	6.28
	48.77	42.92
	257.59	267.66
NOTE 10 : TRADE PAYABLES		
Trade Payables	363.90	344.53
	363.90	344.53

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
NOTE 11 : OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Debts	2,154.03	1,968.64
Interest Accrued but Not Due on Borrowings	0.00	2.00
Interest Accrued and Due on Borrowings	1,282.03	1,027.21
Other Payables	-	-
Advances from Customers	210.95	193.65
Expenses Payable	174.58	159.91
Statutory Dues	28.27	23.12
Unclaimed Dividend	0.12	0.12
Due to Directors	7.04	7.20
Mobilisation Deposit	0.84	4.17
Creditors for Capital Goods	12.01	11.86
Others	0.79	0.93
	3,870.69	3,398.79
NOTE 12 : SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
Bonus	0.48	0.38
Gratuity	0.02	0.12
Leave Encashment	0.06	0.20
Others:		
Income Tax	12.95	13.34
Proposed Dividend	0.01	0.01
Tax on Proposed Dividend*	-	-
	13.52	14.05

*Includes ₹ 33,990 and ₹ 33,990/- as at 31-Mar-17 and 31-Mar-16.

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ 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-17	31-Mar-16
Investments in Associate (Non-Quoted)		
Rajakamangalam Thurai Fishing Harbour P Ltd	10	3,900
Add/Less: Profit (Loss) in Associates**		3,900
		-
		-
14.2 Investments in Properties (Non-Quoted, Stated at Cost)		
Building	0.84	0.84
	0.84	0.84
Total of Unquoted Investments	0.84	0.84

NOTE 13 : FIXED ASSETS

(₹ In Crores)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31-Mar-16	Additions	Deductions / Transfers	As at 31-Mar-17	As at 31-Mar-16	For the year	Deletions	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
TANGIBLE ASSET										
LEASED ASSETS										
Digital Zone - I										
Land	5.23	-	-	5.23	-	-	-	-	5.23	5.23
Building	22.63	-	-	22.63	4.89	0.37	-	5.26	17.37	17.75
Plant & Machinery	5.58	-	-	5.58	3.40	0.60	-	4.00	1.59	2.19
Electrical Equipment & Fittings	10.99	-	-	10.99	10.93	0.03	-	10.96	0.03	0.06
Furniture & Fixtures	10.80	-	-	10.80	9.34	0.15	-	9.49	1.31	1.46
Thiruvanmiyur										
Land & Building	0.45	-	0.45	-	-	-	-	-	-	0.45
Swarnabhoomi - SEZ										
Land	6.84	-	-	6.84	-	-	-	-	6.84	6.84
Building	148.93	-	-	148.93	10.33	2.60	-	12.94	135.99	138.60
PORT ASSETS										
Buildings	284.26	-	-	284.26	43.95	10.88	-	54.83	229.43	240.31
Dredged Channels	382.15	181.90	-	564.05	68.66	14.69	-	83.35	480.74	313.49
Marine Structures	514.81	-	-	514.81	88.62	15.64	-	104.26	410.55	426.19
Plant and Machinery	90.32	0.45	-	90.77	25.81	5.19	-	31.00	59.77	64.51
OTHER ASSETS										
Land	160.60	-	-	160.60	-	-	-	-	160.60	160.60
Building	8.00	22.69	-	30.69	2.32	2.43	-	4.75	25.94	5.68
Computers	9.62	0.24	0.05	9.81	9.09	0.56	0.05	9.60	0.21	0.53
Office Equipment	6.70	0.30	-	7.00	6.20	0.71	-	6.91	0.09	0.50
Furniture & Fittings	18.02	0.17	-	18.19	12.06	2.20	-	14.26	3.93	5.96
Motor Vehicles	11.80	0.14	0.26	11.68	8.30	1.73	0.19	9.84	1.84	3.50
Plant & Machinery	102.11	16.72	1.89	116.94	36.27	9.31	0.14	45.44	71.50	65.84
Electrical Equipment & Fittings	7.09	1.58	-	8.67	2.54	0.96	0.01	3.49	5.18	4.55
Dredger	203.24	-	61.45	141.79	59.68	9.72	22.85	46.55	95.24	143.56
Live Stock*	-	-	-	-	-	-	-	-	-	-
Total Tangible Assets	2,010.18	224.19	64.10	2,170.26	402.39	77.77	23.24	456.93	1,713.39	1,607.83
Previous Year	2,008.90	21.62	20.34	2,010.18	319.59	91.46	8.67	402.39	1,607.83	1,689.33

NOTE 13 : FIXED ASSETS

(₹ In Crores)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31-Mar-16	Additions	Deductions / Transfers	As at 31-Mar-17	As at 31-Mar-16	For the year	Deletions	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
INTANGIBLE ASSET										
Computer Software**	5.31	0.01	-	5.32	4.79	0.52	-	5.31	0.01	0.51
Port License	0.76	-	-	0.76	0.75	-	-	0.75	0.01	0.01
Total Intangible Assets	6.07	0.01	-	6.08	5.54	0.52	-	6.07	0.02	0.52
Previous Year	6.00	0.07	-	6.07	4.82	0.71	-	5.54	0.52	1.18
CAPITAL WORK IN PROGRESS	1,508.42	26.64	181.05	1,354.02	-	-	-	-	1,354.02	1,508.42
Total Capital Work in Progress	1,508.42	26.64	181.05	1,354.02	-	-	-	-	1,354.02	1,508.42
Previous Year	1,538.32	59.55	89.45	1,508.42	-	-	-	-	1,508.42	1,538.32

**Other than internally Generated

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
14.3 Investments in Debentures (Quoted)		
SREI Equipment Finance Pvt Ltd		
Unsecured Subordinated Non-convertible Perpetual Debentures	1.00	1.00
[10 units (Previous year 10 units) of Face Value of ₹ 1,000,000/- each (Previous year ₹ 1,000,000/- each)] [Market Price: Not traded Stated at Cost]	-	-
Less : Provision for Decline in Investments	-	-
	<u>1.00</u>	<u>1.00</u>
Total of Quoted Investments	<u>1.00</u>	<u>1.00</u>
Grand Total of Quoted and Unquoted Investments	<u>1.84</u>	<u>1.84</u>
*Includes ₹39,000/- as at 31-Mar-17 and 31-Mar-16.		
**Includes ₹(35,570)/- and ₹(33,230)/- as at 31-Mar-17 and 31-Mar-16 respectively.		
NOTE 15 : LONG-TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Capital Advance	14.42	11.89
Security Deposits	4.08	8.08
Prepaid Taxes	9.21	5.92
	<u>27.71</u>	<u>25.89</u>
	<u>27.71</u>	<u>25.89</u>
NOTE 16 : 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-16 ₹ 37.38 each (Previous year ₹ 44.06 each)]	-	-
Less : Provision for Decline in Investments	-	(0.01)
	<u>-</u>	<u>0.10</u>
	<u>-</u>	<u>0.10</u>
NOTE 17 : INVENTORIES		
Inventories		
Stock of Materials, Stores, Spares and Loose Tools at Site	19.63	17.93
Projects in Progress	696.45	746.30
	<u>716.08</u>	<u>764.23</u>
	<u>716.08</u>	<u>764.23</u>
NOTE 18 : TRADE RECEIVABLES		
Unsecured and Considered Good		
Outstanding for more than 6 months	319.34	238.19
Others	5.47	51.84
Doubtful	-	-
Outstanding for more than 6 months	3.92	4.91
	328.73	294.94
Less: Provision for Bad Debts	3.92	4.91
	<u>324.81</u>	<u>290.03</u>
	<u>324.81</u>	<u>290.03</u>

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
NOTE 19 : CASH & CASH EQUIVALENTS		
Cash Balance	0.09	0.81
	-	-
Balances with Scheduled Banks	-	-
In Current Accounts	43.05	23.88
In Current Accounts for Unclaimed Dividend	0.12	0.12
In Margin Money Accounts	27.81	26.71
In Deposit Accounts	-	-
Deposit maturing after 12 months	94.69	61.48
Others	-	-
	165.76	113.00
NOTE 20 : SHORT-TERM LOANS & ADVANCES		
Unsecured and Considered Good		
Advances to Subsidiaries	15.67	-
Others	-	-
Advances to Suppliers	552.78	557.19
Advances to Staff	1.77	2.12
Other Advances Recoverable	47.93	48.11
Prepaid Expenses	4.09	4.88
Share Application Money	-	-
Prepaid Taxes	87.34	86.49
Security Deposits	12.24	8.15
Dividend Receivable	-	-
	721.82	706.95
Less: Provision for Bad Debts	0.12	0.12
	721.70	706.83
NOTE 21 : OTHER CURRENT ASSETS		
Interest Accrued on Deposits	2.41	0.82
Other Current Assets	-	-
	2.41	0.82
NOTE 22 : INCOME FROM OPERATIONS		
Income from Projects / Operations	437.48	364.50
Income from Leasing	17.37	16.04
	454.85	380.54
NOTE 23 : OTHER INCOME		
Prior Period Income	0.12	0.13
Agricultural Income	0.36	0.15
Profit on Sale of Assets	3.62	0.69
Exchange Rate Difference	1.59	1.32
Miscellaneous Income	3.70	3.06
	9.38	5.34

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ 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	17.94	22.56
Projects in Progress	745.93	743.76
	763.87	766.32
Expenditure During the year		
Expenditure on Projects / Operating Expenses	214.40	205.56
Closing Stock		
Stock of Materials, Stores, Spares and Loose Tools at Site	19.63	17.93
Projects in Progress	696.43	746.28
	716.06	764.21
Cost of Projects / Operating Expenses	262.22	207.68
Repairs & Maintenance-Leased Properties	1.40	2.80
	263.62	210.48
NOTE 25 : PERSONNEL EXPENSES		
Salaries & Allowances	18.45	19.40
Contribution to Funds	0.88	1.15
Recruitment & Training Expenses	0.08	(0.27)
Staff Welfare Expenses	3.32	2.64
Retirement Benefits	0.74	0.77
Employee Compensation Expense	-	-
	23.47	23.69
NOTE 26 : FINANCE COST		
Interest Expenses	298.37	414.89
Less : Interest Recovered	6.00	8.18
Net Interest	292.37	406.71
Bank & Finance Charges	2.54	4.50
	294.91	411.21

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
NOTE 27 : OTHER EXPENSES		
Rent	1.72	1.65
Rates & Taxes	0.33	0.34
Communication Cost	0.59	0.66
Electricity Charges	2.81	2.71
Traveling and Conveyance	3.63	2.94
IT Services	0.22	0.20
Repairs & Maintenance	1.56	1.95
Payment to Non-executive Directors	-	-
- Sitting Fees for Board Meeting	0.12	0.07
- Sitting Fees for Committee Meeting	0.01	0.09
- Commission	-	-
Secretarial Expenses	0.50	0.23
Advertisement & Business Promotion	1.22	0.88
Printing & Stationery	0.20	0.20
Postage and Courier Charges	0.03	0.03
Payment to Auditors	-	-
- Statutory Audit Fee	0.47	0.63
- Other Services	0.01	-
Insurance Premium	4.66	4.49
Legal & Professional Charges	5.35	4.24
General Expenses	0.63	0.42
Exchange Rate Fluctuation	(18.93)	1.78
Office Maintenance	6.12	5.82
Donation	0.07	0.03
Vehicle Maintenance	1.00	0.72
Loss on Sale of Assets	48.33	4.98
Prior Period Expenses	(0.01)	0.34
Bad Debts	0.07	6.13
Preliminary Expenses Written Off*	-	-
	60.70	41.50
NOTE 28 : DEFERRED TAX EXPENSE (INCOME)		
Deferred Tax Liability net off Deferred Tax Asset for the year	5.91	(4.87)
	5.91	(4.87)
NOTE 29 : CONTINGENT LIABILITIES		
a. Estimated amount of liability on capital contracts : ₹ 1057.40 Crores (Previous year ₹ 1023.17 Crores)		
b. Other contingent liabilities : ₹ 0.20 Crore (Previous year ₹ 0.20 Crores)		
c. Corporate Guarantees given to Banks in respect of loans taken by other Companies : ₹ 3,738.43 Crores (Previous year ₹ 3,738.43 Crores)		
d. Corporate Guarantees given to Banks in respect of performance bank guarantees issued by them : ₹ 86.11 Crores (Previous year ₹ 90.04 Crores)		

Particulars	As At 31-Mar-17 (₹ In Crores)		As At 31-Mar-16 (₹ In Crores)		
e. The company has imported capital goods at concessional rate of customs duty under the Export Promotion Credit Guarantee (EPCG) scheme against submission of bank guarantees. In terms of the scheme, the company is obliged to export goods/services of certain FOB value as specified in the said scheme. As at the year end, the company has the following unfulfilled export obligations under the scheme:	(₹ In Crores)				
	As At 31-Mar-17		As At 31-Mar-16		Due Date of Obligation
	Duty Saved	Export Obligation	Duty Saved	Export Obligation	
	0.12	0.94	0.12	0.94	03-Apr-17
	0.14	1.13	0.14	1.13	03-Apr-17
	1.73	13.83	1.73	13.83	20-May-18
	0.31	2.47	0.31	2.47	20-May-18
	0.32	0.32	0.32	0.32	25-Aug-17
	0.80	0.80	0.80	0.80	25-Aug-17
	0.07	0.07	0.07	0.07	30-Jun-18
	0.04	0.04	0.04	0.04	09-Feb-18
	0.06	0.06	0.06	0.06	09-Feb-18
	0.10	0.10	0.10	0.10	20-Jul-19
	0.14	0.14	0.14	0.14	30-Nov-19
	0.09	0.09	0.09	0.09	16-Jan-20
	0.09	0.09	0.09	0.09	25-Jan-20
	0.04	0.04	0.04	0.04	27-Feb-20
	7.71	7.71	7.71	7.71	04-Apr-17
	0.61	0.61	0.61	0.61	12-Mar-19
	1.32	3.97	1.32	3.97	27-Dec-20
	0.20	0.60	0.20	0.60	01-Sep-21

f. Claims not acknowledged as debts by the Company: ₹ 150.65 Crores (Previous year ₹ 198.13 Crores)

g. Income Tax Demand

Tax on Income

Assessment Year	Tax Demand	Amount Paid under Protest		Forum Where Dispute is Pending
		Till 31-Mar-17	Till 31-Mar-17	
2001-02	115,65,317	-	-	ITAT- Chennai
2002 - 03	86,89,565	-	96,59,367	ITAT- Chennai
2008 - 09	52,76,990	-	52,76,990	High Court
2009 - 10	38,96,457	-	38,96,457	High Court
2010 - 11	199,19,645	-	112,52,732	High Court
2011 - 12	176,92,108	-	176,89,798	High Court
2012 - 13	1802,04,288	-	120,00,000	High Court

Income Tax Deducted at Source

Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending
		Till 31-Mar-16	During 2016-17	Till 31-Mar-17	
1996 - 97	21,503	-	4,931	-	ITO - TDS - 1 (4)
1997 - 98	23,68,619	-	23,17,682	-	ITO - TDS - 1 (4)
1998 - 99	16,28,830	-	8,42,934	-	ITO - TDS - 1 (4)
1999 - 00	18,57,640	-	5,81,282	-	ITO - TDS - 1 (4)
2000 - 01	4,42,820	-	65,440	-	ITO - TDS - 1 (4)

Subsidiary Companies							₹
Tax on Income							
Assessment Year	Tax Demand	Amount Paid under Protest			Forum Where Dispute is Pending		
		Till 31-Mar-16	During 2016-17	Till 31-Mar-17			
2009 – 10	143,44,064	-	32,00,000	-	32,00,000	CIT (A)	
2010 – 11	230,23,324	-	19,68,589	-	19,68,589	CIT (A)	
2011 – 12	102,43,965	-	-	-	-	CIT (A)	
2012 – 13	198,10,611	-	-	-	-	CIT (A)	
2013 – 14	35,94,440	-	-	-	-	CIT (A)	

NOTE 30 :

The Holding Company has not provided for interest for the year ended 31st March, 2017 on certain loans that are assigned to ARC. The Management considers it appropriate not to provide interest on such loans.

NOTE 31 : BORROWINGS FROM BANKS AND OTHERS
1) Marg Limited

- a) The Cash credit, WCTL, FITL and other facilities provided by the consortium comprising of Indian Bank, Allahabad Bank, Oriental Bank of Commerce and Indian Overseas Bank are transferred to Edelweiss Asset Reconstruction Company Limited (ARC) on various dates. The outstanding balance in respect of these loans amounting to ₹ 702.66 Crs as on 31st March, 2017(excluding interest) are included in 'Current Maturities of long term of borrowings' in Note 11. The company didn't provide for Interest on these loans during the year as explained in Note 30. Indian Bank has filed case with Debts Recovery Tribunal, Chennai which is pending.
- b) The South Indian Bank had taken possession of property of the Company situated at Thiruvanniyur, having carrying cost of ₹ 0.45 Crores and issued a tender-cum-auction sale notice in respect the short term loan of ₹ 15 Crores. The loan was assigned to Edelweiss ARC. Since the revised terms of restructure with the ARC is yet to be finalised. The Company did not provide interest during the year as explained in Note 30. Currently, the case is pending with Debts Recovery Tribunal, Chennai.
- c) State Bank of Mauritius Limited had assigned to the loan to Pegasus Assets Reconstruction Private Limited ('the ARC'). Since the revised terms of restructure with the ARC is yet to be finalised, the outstanding amount of ₹ 20.81 Crores is included in Current Maturities of long term of borrowings in Note 11. The Company did not provide interest during the year as explained in Note 30. Subsequently, the ARC has issued notice under SARFAESI Act. Currently, the case is pending with Debts Recovery Tribunal, Chennai.
- d) The Term loan sanctioned by Punjab National Bank was assigned to Edelweiss Asset Reconstruction Private Limited (ARC). The outstanding amount of ₹ 41.13 Crores are included in Current Maturities of long term of borrowings in Note 11. The company didn't provide for Interest on this loan during the year as explained in Note 30.
- e) SICOM Limited had issued notice SARFAESI Act and winding up notice under section 434 of Companies Act, 1956 in respect of the term loan and interest amounting to ₹ 64.86 Crores outstanding as on 31st March, 2017.
- f) State Bank of Hyderabad has issued possession notice under SARFAESI Act for cash credit facility of ₹ 9.32 crores (including interest) outstanding as on 31st March 2017.
- g) IFCI Venture Capital Funds Ltd has recalled the term loan and issued possession notice under SARFAESI Act to the company in respect of outstanding dues of ₹ 25.07 Crores as on 31st March, 17. Currently, the case is pending with Debts Recovery Tribunal, Chennai.
- h) ICICI Bank has filed case with Debts Recovery Tribunal, Chennai in respect of outstanding dues of ₹ 65.96 Crores as on 31st March, 2017, which is pending and issued notice to invoke pledge of shares in one of the subsidiary companies.
- i) The equipment loan of ₹ 0.63 (including interest) as on 31st March, 2017 was recalled by L & T Finance Ltd during the Year.
- j) The equipment loan of ₹ 91.38 (including interest) as on 31st March, 2017 was recalled by SREI Equipment Finance Ltd.

2) Marg Properties Limited

- a) Bank of India and Punjab National Bank have transferred the entire outstanding amount along with interest to Edelweiss Asset Reconstruction Company ('the ARC'). Since the revised terms of restructure with the ARC is yet to be finalised, the outstanding amount of ₹ 49.46 Crores, in respect of these loans is included in Current Maturities of long term of borrowings in Note 11 and the Company continues to provide interest at the rates originally charged by the Bank.
- b) Indian Overseas Bank issued notice under SARFAESI Act and Notice of Sale under Security Interest Enforcement Rules, 2002; the outstanding amount of ₹ 15 Crores is included in Current maturities of long term borrowings in Note 11. Currently, the case is pending with Debts Recovery Tribunal, Chennai.

3) New Chennai Township Private Limited

- a) Central Bank of India assigned entire loan to 'Phoenix ARC Private Limited' during the year. Since the revised terms of restructure with the ARC is yet to be finalised, the outstanding balance of ₹ 191.97 Crs/- as on 31st March, 2017, in respect of these loans are included in 'Current Maturities of long term of borrowings' in Note 11 and the Company continues to provide interest at the rates originally charged by the Bank.
- b) The recalled loans from Karnataka Bank and Indian Overseas bank were assigned to Edelweiss ARC Private Limited during the year. Since the revised terms of restructure with the ARC is yet to be finalised, the outstanding balance of ₹ 149.14 Crores is included in Current Maturities of Long term Borrowings in Note 11 and the Company continues to provide interest at the rates originally charged by the Banks.
- c) Corporation Bank has issued SARFAESI notice in respect of the term loan and FITL. The outstanding amount of ₹ 27.65 crores is included in 'Current Maturities of long term of borrowings' in Note 11.
- d) During the year 14-15, the restructured Infrastructure Term Loan and loan of ₹ 157.56 Crores availed by the company from consortium of banks lead by Indian Bank quarterly repayment commenced from Dec-14 was not paid and considered as default payment and same entire outstanding has been included in Current Maturities of Long term borrowing in Note 11.

4) Riverside Infrastructure (India) Private Limited

State Bank of Patiala and Syndicate Bank have assigned the loan availed by the Company to Edelweiss Asset Reconstruction Company Limited ('the ARC'). Since the revised terms of restructure with the ARC is yet to be finalised, the outstanding amount of ₹ 115.76 Crores as on 31st March, 2017 is included in Current Maturities of long term of borrowings in Note 11 and the Company continues to provide interest at the rates originally charged by the Banks.

5) Karaikal Port Private Limited

- a) The Quarterly repayment of term loans in phase 1, phase 2A, OSV and warehouse have been restructured and the revised repayment commences from Jun-14 in 44 instalments.
- b) Quarterly repayment of phase 2A extension loans commence from Dec-2015 in 38 instalments.

6) Sarang Infradevelopers Pvt Ltd

- a) Corporation Bank has taken action under SARFAESI Act and issued notice of sale under Security Interest (Enforcement) Rules, 2002 in respect of the short term facility of ₹ 1.42 Crores outstanding as on 31st March, 2017 and the case is pending with Debts Recovery Tribunal, Chennai.

7) Magnamopus Infrastructure Pvt Ltd

- a) Corporation Bank has taken action under SARFAESI Act and issued notice of sale under Security Interest (Enforcement) Rules, 2002 in respect of the short term facility of ₹ 80,21,403/- outstanding as on 31st March, 2017 and the case is pending with Debts Recovery Tribunal, Chennai.

NOTE 32 : PREPARATION OF FINANCIAL STATEMENTS ON 'GOING CONCERN' BASIS:

1) Marg Limited

The Holding Company has recorded a Net Loss of ₹ 26.89 Crores for the year ended 31st March, 2017, ₹ 16.98 Crores for the year ended 31st March, 2016, ₹ 172.45 Crores for the year ended 31st March, 2015, ₹ 263.82 Crores for the year ended 31st March, 2014. The Company has defaulted in the payments due to Banks, Financial Institutions and others towards principal and interest, statutory dues and payment to vendors. Further there were lower cash inflows from existing projects and some creditors/lenders have filed winding up petitions against the company. Management is confident that the Company will be able to generate profit and cash in future years and meet its financial obligation as they arise. The financial statements have been prepared on a going concern basis based on cumulative input of the following business potential and mitigating factors:

- a) The EPC division of the Company has an order book of `2522.79 Crores Further local and international bids are being planned leveraging the experience gained through execution of Marine, Infrastructure and Industrial EPC.
- b) Many of the EPC loans and corporate loans have been restructured and/or assigned to ARCs. The company intends to approach the ARCs for concessions in Interest and restructuring of loans. The management is confident that it will help the company to focus on projects in hand and generate cash flows.
- c) The Company is also in the process of generating cash through equity disinvestment in operating SPVs and realisation of advances given to subsidiaries which intends to commence new residential and plotted development projects.

II) New Chennai Township Private Limited

The company has incurred net loss of Rs 55,77,12,425/- in the financial year ended 31st March 2017 and Rs 130,13,25,450/- in 31st March 2016, which has resulted in negative net-worth as on 31st March 2016. The company has defaulted in payments of dues to Banks/Financial Institutions towards principal and interest, statutory dues and payment to vendors. Some of the Loans had been Assigned to ARC's. Most of them are final level of Restructuring with Concerned Lenders. Further there were lower cash flows from existing projects. Considering the following mitigating factors, the management considers it appropriate to prepare the financial statement of the company on 'Going Concern' basis.

- a) A German based Kitchenware manufacturer has signed lease deed and started setting up their premises in MARG Swarnabhoomi and Power Generation Company has registered lease deed and is in advanced stages of setting up their premises in MARG Swarnabhoomi.
- b) The company is in discussion with IT firms exploring leasing option of the company building. Further, the Company is negotiating with Consortium Lenders for obtaining No Objection Certificate (NOC) for registration of flats sold and the same is in discussion with Consortium Lenders.
- c) The Company has signed up leased agreement with the few clients during the year in its Multi Services SEZ for Skill based training Institute- "Naturals SPA" and Enterprise Touch.
- d) The company has large land bank and is exploring possibilities of its optimised exploitation.

III) Riverside Infrastructure (India) Private Limited

The Mall project of the Company initiated the revival of the project. Riverside Mall property of the company had been taken into possession by the banks, as the company has defaulted into payments of dues to the bank/financial institutions towards principal and interest. Some of the loans have been assigned to Asset Reconstruction Companies and company is in discussion with the ARC's for Restructuring of the Loans. The management of the company is hopeful that it will get the approval in a short time which will make the project self-sustaining in terms of cash flows. Considering these factors, the management considers it appropriate to prepare the financial statement of the company on 'Going Concern' basis.

IV) Marg Properties Limited

The Company has recorded a Net Loss of ₹ 14.20 Crores during 31st March, 17 and ₹ 26.98 Crores for the year ended 31st March, 2016 and the company has negative net-worth as on 31st March, 2016. The Company has defaulted in payment of dues to Banks towards principal and interest and other statutory dues. Some of the Banks have assigned their debts to ARC companies. Further there were lower cash flows from ongoing projects due to persisting economic depression in real estate sector which resulted in slowdown of works at various projects. The Company has obtained No Objection Certificate from the lenders for Pushkara Project, Savithanjali Project and Kalpavriksha Project, based on which we have registered some of the flats.

Management is confident that the projects have good surplus and company will be able to generate the profits from its project operations and cash in future years and meet its financial obligation as they arise. Hence, the financial statements have been prepared on a going concern basis.

V) Marg Swarnabhoomi Port Private Limited

Due to inordinate delay and uncertainty in implementation of the dry port project, the company has called off the project. The net worth of the Company is fully eroded. The management is of the opinion that the company will be able to realise its assets and discharge its liabilities in the normal course of business and hence the financial statements are prepared on going concern basis.

VI) Marg Aviations Private Limited

The Airport project of the company was terminated. The management is of the opinion that the company will be able to realise its assets and discharge its liabilities in the normal course of business and hence the financial statements are prepared on going concern basis.

NOTE 33 : PROPERTY PROVIDED AS SECURITY FOR LOANS
1) Kanchanjunga Infradevelopers Pvt Ltd

- a) The company's land of 14.142 acres having a carrying cost of ₹ 3.49 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken from Lenders by the Fellow subsidiary company. The said company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders, would adversely affect the business of the company. Pending such sale, and the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

2) Marg Business Park Pvt Ltd

- a) The company's land of 12.76 acres having a carrying cost of ₹ 2.88 Crores (including development cost/project work in progress) as on 31st March, 2017 was provided as security for the loan taken by the Ultimate Holding company. The said company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company had received notice under SARFAESI Act.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders, would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

3) OMR Developers Pvt Ltd

- a) The company's land of 1.86 acres having a carrying cost of ₹ 7.56 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken from Lenders by the ultimate Holding company. The said company has defaulted in repayment of such loans; consequently the aforesaid property of the company is exposed to the risks of attachment / sale by the lenders. The Company has received notice under SARFAESI Act.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders, would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

4) Sarang Infradevelopers Pvt Ltd

- a) The company's land of 43.03 acres having a carrying cost of ₹ 39.34 Crores (including development cost/project work in progress) as on 31st March, 2017 was provided as security for the loan taken by the company and Ultimate Holding company. The company and Ultimate Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Lender initiated action under SARFAESI Act and the matter is before the Debts Recovery Tribunal, Chennai.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending the final outcome of the case, the management considers it appropriate to prepare the financial statement on going concern basis.

5) Arohi Infrastructure Pvt Ltd

- a) The company's land of 0.91 acres having a carrying cost of ₹ 2.47 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken from by the Holding Company/fellow subsidiary company. The holding company and fellow subsidiary company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received notice under SARFAESI Act and Notice of sale under Security Interest Enforcement Rules, 2002.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders, would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

6) Magnumopus Infrastructure Pvt Ltd

- a) The company's land of 28.17 acres having a carrying cost of ₹ 14.96 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Company and Ultimate Holding Company. The Company and Holding Company have defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. In respect of loan availed by the company, the case is pending with Debts Recovery Tribunal (DRT), Chennai. The Company has received possession notice under SARFAESI Act from the lending Bank of the Ultimate Holding Company.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders, would adversely affect the business of the company. Pending the final outcome of the case, the management considers it appropriate to prepare the financial statement on going concern basis.

7) Amir Constructions Pvt Ltd

- a) The company's land of 9.39 acres having a carrying cost of ₹ 5.85 Crores (including development cost) as on 31st March, 2017 was provided as security for loan taken by the Holding Company/Fellow Subsidiary. The said companies have defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received notice under SARFAESI Act and notice of sale under Security Interest Enforcement Rules, 2002 during the year.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders, would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

8) Anuttam Constructions Pvt Ltd

- a) The company's land of 31 acres having a carrying cost of ₹ 11.84 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received possession notice under SARFAESI Act.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

9) Bharani Infrastructure Pvt Ltd

- a) The company's land of 9.75 acres having a carrying cost of ₹ 3.02 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received notice under SARFAESI Act.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

10) Darpan Houses Pvt Ltd

- a) The company's land of 7.00 acres having a carrying cost of ₹ 3.87 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company and Fellow Subsidiary Company. The borrowing companies has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. Out of the 7.00 acres provided as security, notice under SARFAESI Act has been issued for 4.00 acres.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

11) Hilary Constructions Pvt Ltd

- a) The company's land of 9.68 acres having a carrying cost of ₹ 5.10 Crores (including development cost) as on 31st March, 2017, was provided as security for the loan taken by the Fellow subsidiary company. The Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

12) Kirtidhara Infrastructure Pvt Ltd.

- a) The company's land of 15.63 acres having a carrying cost of ₹ 7.61 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received notice under SARFAESI Act.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

13) Mukta Infrastructure Pvt Ltd

- a) The company's land of 14.96 acres having a carrying cost of ₹ 10.01 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The company has received notices under SARFAESI Act, including possession notice for 6.95 acres during the year.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

14) Navita Estates Pvt Ltd

- a) The company's land of 32.462 acres having a carrying cost of ₹ 9.01 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan by the ultimate Holding company and Fellow subsidiary Company. The said companies have defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received notice under SARFAESI Act.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

15) Navrang Infrastructure Pvt Ltd

- a) The company's land of 3.93 acres having a carrying cost of ₹ 1.75 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received notice under SARFAESI Act.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

16) Akhil Infrastructure Pvt Ltd

- a) The company's land of 37.59 acres having a carrying cost of ₹ 11.12 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Fellow subsidiary company. The said company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

17) Ambar Nivas Pvt Ltd

- a) The company's land of 13.10 acres having a carrying cost of ₹ 5.40 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Fellow subsidiary company. The said company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

18) Aprati Constructions Pvt Ltd

- a) The company's land of 0.34 acres having a carrying cost of ₹ 3.87 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Ultimate Holding company. The said company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. Out of the 0.91 acres provided as security, notice under SARFAESI Act has been issued for 0.083 acres.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

19) Aroopa Infradevelopers Pvt Ltd

- a) The company's land of 0.955 acres having a carrying cost of ₹ 4.22 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Ultimate Holding company. The said company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received SARFAESI notice.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

20) Rainbow Habitat Pvt Ltd

- a) The company's land of 31.89 acres having a carrying cost of ₹ 9.40 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the fellow subsidiary company. The said company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

21) Shubham Vihar Pvt Ltd.

- a) The company's land of 10.34 acres having a carrying cost of ₹ 11.65 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received possession notice under SARFAESI Act during the year.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

22) Atul Infrastructure Pvt Ltd

- a) The company's land of 14.78 acres having a carrying cost of ₹ 5.35 Crores (including development cost) as on 31st March, 2017, was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. Notice under SARFAESI Act has been issued for 14.78 acres and out of which possession notice issued for 12.34 acres.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

23) Darshan Homes Private Ltd

- a) The company's land of 5.04 acres having a carrying cost of ₹ 2.46 Crores (including development cost) as on 31st March, 2017, was provided as security for the loan taken by the Ultimate Holding Company. The said Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The company has received sale-cum auction notice from the lender.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and any sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

24) Avatar Constructions Pvt Ltd

- a) The company's land of 31.24 acres having a carrying cost of ₹ 12.26 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The company has received notices under SARFAESI Act, including possession notice for 5.70 acres.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

25) Dasha Infradevelopers Pvt Ltd

- a) The company's land of 14.06 acres having a carrying cost of ₹ 9.99 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. The Company has received SARFAESI notice.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

26) Swatantra Infrastructure Pvt Ltd

- a) The company's land of 30.520 acres having a carrying cost of ₹ 15.13 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders. Out of the 30.52 acres provided as security, notice under SARFAESI Act has been issued for 29.52 acres.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending such sale, the management is of the opinion that it is appropriate to prepare the financial statement on going concern basis.

27) Wisdom Constuctions Pvt Ltd

- a) The company's land of 45.01 acres having a carrying cost of ₹ 6.08 Crores (including development cost) as on 31st March, 2017 was provided as security for the loan taken by the Holding Company. The Holding Company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to sale by the lenders.
- b) The property of the company, provided as security as aforesaid, constitutes the project land and sale by the Lenders would adversely affect the business of the company. Pending the final outcome of the case, the management considers it appropriate to prepare the financial statement on going concern basis.

NOTE 34 : INVESTMENTS AND ADVANCE / RECEIVABLES DUE FROM SUBSIDIARY COMPANIES

- a) The company has invested in equity amounting to ₹ 169.18 Crores (PY ₹ 169.18 Crores) in New Chennai Township Private Limited, a wholly owned subsidiary as on 31st March, 2017. The Company has advanced an amount of ₹ 335.73 Crores (PY ₹ 309.27 Crores) as subordinated loan to the subsidiary and ₹ 66.29 Crores (₹ 59.26 Crores) is carried forward as receivables as on 31st March, 2017. The said subsidiary has incurred losses which have resulted in negative net-worth as on 31st March, 2017. The subsidiary company has obtained valuation report for the assets of the company, from an approved valuer, which supports the carrying value of such investment and loan outstanding as on 31st March, 2017. The subsidiary company is exploring possibilities to revive the projects and generate cash flows. Accordingly, the financial statements of the subsidiary company have been prepared on 'Going concern' basis and the management is of the opinion that no provision is considered necessary at this stage in respect of investments, loans and receivables outstanding from the said subsidiary company as at 31st March, 2017.
- b) The company has invested in equity amounting to ₹ 136.73 Crores (PY ₹ 136.73 Crores) in Riverside infrastructure (India) Private Limited, subsidiary of the company as on 31st March, 2017. The Company has advanced an amount of ₹ 42.65 Crores (PY ₹ 39.81 Crores) as subordinated loan to the subsidiary and ₹ 59.74 Crores (PY ₹ 59.74 Crores) is carried forward as receivables as on 31st March, 2017. The Mall project of the subsidiary continues to be suspended and the company defaulted in payments of dues to Banks/Financial Institutions towards principal and interest. The subsidiary company continues to discuss with strategic partners and is confident of generating cash flows. Accordingly, the financial statements of the subsidiary company have been prepared on 'Going concern' basis and the management is of the opinion that no provision is considered necessary at this stage in respect of investments, loans and receivables outstanding from the said subsidiary company as at 31st March, 2017.
- c) The company has invested in equity amounting to ₹ 54.05 Crores (PY ₹ 54.05 Crores) in Marg Properties Limited, wholly owned subsidiary of the company as on 31st March, 2017. The Company has advanced an amount of ₹ 42.74 Crores (PY ₹ 37.82 Crores) as loan to the subsidiary and ₹ 23.39 Crores (PY ₹ 17.13 Crores) is carried forward as receivables as on 31st March, 2017. The subsidiary Company has negative net-worth as on 31st March, 2017. The loans of the company have been assigned to ARCs and the Management is confident that the Company will be able to generate cash from ongoing projects in future years and meet its financial obligation as they arise. Accordingly, the financial statements of the subsidiary company have been prepared on 'Going concern' basis and the management is of the opinion that no provision is considered necessary at this stage in respect of investments, loans and receivables outstanding from the said subsidiary company as at 31st Mar, 2017.
- d) Marg Limited, Marg Properties Limited and Marg Logistics Private Limited have invested in equity amounting to ₹ 0.36 Crores (PY ₹ 0.27 Crores) and an amount of ₹ 196.41 Crores (PY ₹ 181.11 Crores) is advanced as loan to its subsidiaries/fellow subsidiaries and ₹ 4.62 Crores (PY ₹ 4.38 Crores) is carried forward as receivables as on 31st March 2017, which have provided land owned by them as security for the loans availed by other companies. As the borrowing companies defaulted in repayment of such loans, the land owned by these subsidiaries may be attached/sold which may adversely affect the recoverability of the investment/advance. However as on date no such sale has been made by the banks and accordingly, the financial statements of such subsidiaries have been prepared on 'Going concern' basis and management is of the opinion that no provision is considered necessary at this stage in respect of investments, loans and receivables outstanding from these subsidiaries as at 31st March, 2017.

NOTE 35 :

- a) The Holding company's land of 0.864 acres having a carrying cost of ₹ 78,26,027/- as on 31st March, 2017 was provided as security for loans taken by the company. The company has defaulted in repayment of such loans; consequently the aforesaid property of the company is subject to attachment / sale by the lenders. The Company has received possession notice under SARFAESI Act/Notice of Sale under Security Interest Enforcement Rules, 2002 in respect the said land.

NOTE 36 :

The Work in progress inventory of Holding company as on 31st March, 2017 includes ₹ 19.58 Crores in respect of EPC work done by the company to one of its subsidiary companies which is unbilled as on 31st March, 2017 and Advances recoverable include management fee of ₹ 4.8 Crores charged on the said subsidiary company which is not acknowledged by the subsidiary. The management is confident that these amounts are recoverable in the future and hence considers it appropriate to carry forward the amount of ₹ 19.58 Crores as work in progress and ₹ 4.8 Crores as receivables as on 31st March, 2017.

NOTE 37 :

The company had pledged shares held in Karaikal Port Private Limited (KPPL), subsidiary of the company for the loan availed by KPPL. The lending Bank invoked the pledge of 16,44,90,000 equity shares and 37,90,000 compulsorily convertible preference shares during the previous year, having total carrying cost of ₹ 202.39 crores as on 31st March, 2017. The Company filed a writ petition in the Hon'ble High Court of Madras challenging the invocation. The Hon'ble High Court passed interim order dated 25th March, 2015, restraining the Bank from further transferring/encumbering of the shares and also status quo prevailing of the management of the Subsidiary, until further orders. The company signed a 'Non-binding term sheet' with a prospective investor whereby the investor will subscribe to hold 51% of the fully diluted share capital of KPPL, which the company has submitted before the Hon'ble High Court. The Hon'ble High Court has extended the stay by an Interim order dated 26th April, 2016 and the same is in force as on date. In view of the Interim order of the Hon'ble High Court and Articles of Association/Shareholders Agreement of KPPL, the management considers it appropriate to carry forward the amount of ₹ 202.39 Crores as Investments and no provision is required to be made as on 31st March, 2017.

Consequently, KPPL is continued to be classified as a subsidiary of the company in the financial statements for the year ended 31st March, 2017 and the accounts of the said subsidiary company have been included in the Consolidated Financial Statements for the year ended 31st March, 2017.

NOTE 38 :

The company could not obtain Balance Confirmation or statement of account from the lenders of certain equipment loans. Hence the reconciliation could not be carried out for the year ended 31st March 2017. The company has provided for interest at contractual rates.

NOTE 39 : INTEREST ON BORROWINGS

The management is taking efforts for resuming the Mall project of Riverside Infrastructure (India) Private Limited, a subsidiary company and is in discussion with strategic partners for this purpose. Further, considering the latest valuation of the property of the company, the management considers it appropriate to capitalise the interest of ₹ 66.93 Crores (PY ₹ 59.12 Crores) and overheads of ₹ 0.14 Crores (PY ₹ 0.44 Crores) during the year ended 31st March, 2017.

NOTE 40 :

- a) The company executed a construction contract at Agra for DG MAP, a project of the Government of India which is terminated during financial year 14-15. The company has receivables of ₹ 0.46 crores and work in progress of ₹ 13.99 Crores as on 31st March, 2017 relating to this project still continuing. Inventory of materials amounting to ₹ 2.01 Crores and plant and machinery amounting to ₹ 1.51 Crores as on 31st March, 2017 are withheld at site by the client. The management is confident that it will be able to recover the entire dues out of the arbitration process initiated by the company and that the above amount is considered good and recoverable and hence no provision is made as on 31st March 2017.
- b) The company executed a construction contract at Dwaraka for M/s HSCC (India) Limited, a project of the Government of India, in respect of which the company has receivables of ₹ 0.60 Crores and work in progress of ₹ 0.67 Crores as on 31st March, 2017. The company has filed arbitration claim and based on the same a sum of ₹ 0.40 Crores is written off in books, being the amount not included in claim made. The management is of the opinion that the rest of the amount is considered good and recoverable and hence no provision is made as on 31st March 2017.

NOTE 41 : SUBSIDIARY COMPANIES LICENSED UNDER SECTION 25 OF THE COMPANIES ACT, 1956

The following subsidiary companies converted and obtained license under Section 25 of the Companies Act, 1956, during the Year 13-14

- a) Anuttam Academic Institutions- with effect from 26th July, 2013
- b) Atul Institutions of Learning-with effect from 26th July, 2013
- c) Darpan Educational Institutions-with effect from 31st July,2013
- d) Kirtidhara Academic Institutions-with effect from 30th July, 2013

The property of these subsidiary companies provided as security for loans taken by the Holding Company/Fellow subsidiaries continues to be in force.

NOTE 42 : DEFERRED TAX LIABILITY

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Outstanding Deferred Tax Liability (Asset) [Net] as at the beginning of the year (A)	11.77	16.64
Add: Provision for Current Year Liabilities (Assets)	-	-
Timing difference on account of Depreciation	5.91	(4.86)
Sub-total (B)	5.91	(4.86)
Outstanding Deferred Tax Liability (Asset) [Net] as at the end of the year (A+B)	17.67	11.77

NOTE 43 : EMPLOYEE BENEFITS
A. GRATUITY

The Company does not maintain any fund to pay for

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

Particulars	Year Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
Current Service Cost	0.26	0.40
Interest Cost	0.06	0.13
Net Actuarial (Gain) Loss Recognised in the Year	0.22	0.20
Past Service Cost - Vested Benefits	-	-
Expenses Recognised in the Statement of Profit and Loss Account	0.54	0.73

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Opening Net Liability	2.03	1.74
Expense as above	0.53	0.73
Contribution Paid	(0.23)	(0.44)
Closing Net Liability	2.34	2.03

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Present Value of the Obligation	2.34	2.03
Difference	2.34	2.03
Liability Recognised in the Balance Sheet	2.34	2.03

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

Particulars	Year Ended 31-Mar-17	Year Ended 31-Mar-16
PRINCIPAL ACTUARIAL ASSUMPTIONS		
[Expressed as weighted averages]		
Discount Rate	7.53%	7.80%
Salary Escalation Rate	6.50%	8.00%
Attrition Rate	7.00%	15.00%

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:

Particulars	Year Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
Current Service Cost	0.02	0.13
Interest Cost	-	0.04
Net Actuarial (Gain) Loss Recognised in the Year	0.11	(0.10)
Expenses Recognized in the Statement of Profit and Loss Account	0.13	0.07

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Opening Net Liability	0.82	0.50
Expense as above	0.13	0.07
Contribution Paid	(0.19)	(0.22)
Closing Net Liability	0.76	0.35

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Present Value of the Obligation	0.76	0.35
Difference	0.76	0.35
Liability Recognised in the Balance Sheet	0.76	0.35

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

Particulars	Year Ended 31-Mar-17	Year Ended 31-Mar-16
PRINCIPAL ACTUARIAL ASSUMPTIONS		
[Expressed as weighted averages]		
Discount Rate	7.53%	7.80%
Salary escalation rate	5.00%	2.00%
Attrition rate	4.50%	5.00%

NOTE 44 : NON-CASH TRANSACTIONS

Bank Guarantees invoked during the year amounting to ₹ 0.50 Crores have been included in liability to banks as on 31st March 2017 and treated as Non cash transactions.

NOTE 45 : 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	As At
	31-Mar-17	31-Mar-16
	(₹ In Crores)	(₹ In Crores)
Margin money	27.81	26.71
Fixed Deposit with Bank	94.69	61.49
Unclaimed Dividend with bank	0.12	0.12
	122.62	88.32

NOTE 46 : 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-Director and wife of the CMD

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

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

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

- 1 Global Infoserv Limited
- 2 Marg Digital Infrastructure Private Limited
- 3 Marg Project and Infrastructure Limited
- 4 Marg Realities Limited

F. Particulars of transactions with the related parties during the period in the ordinary course of the business:

Particulars	Rs. In Crores												Rs. In Crores						
	Associates			KMP and Relatives			Entities over which KMP and Relatives have control / significant influence			Associates			KMP and Relatives			Entities over which KMP and Relatives have control / significant influence			
	Standalone						Subsidiaries						Transactions						
	Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		
31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16		
Services rendered / Sale of Flat	-	-	-	-	-	-	-	-	-	-	-	0.36	1.41	-	-	-	-	0.36	1.41
Lease rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	-	-	-	1.31	-	3.42	-	-	-	-	-	-	0.01	-	-	-	1.31	-	3.43
Contracts and Services received	-	-	-	-	-	-	-	-	-	-	-	0.00	0.37	-	-	-	-	0.00	0.37
Allocation of common expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Advances received(Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration, Commission & Sitting Fee	-	-	0.22	0.22	-	-	-	-	-	-	-	-	-	-	-	0.22	0.22	-	-
Due on account of Share Invoked	-	-	(0.15)	0.37	0.45	0.45	-	-	-	-	-	-	-	-	-	(0.15)	0.37	0.45	0.45
Purchase / (Sale) of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Application money given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments made in Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments made in CCPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of CCPS Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Equity Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Investment Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Advances made / (Repaid) [Net]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received / (Repaid) (Net)	-	-	(0.05)	0.13	-	-	-	-	-	-	-	-	-	-	-	(0.05)	0.13	-	-
Guarantees and Collaterals issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees and Collaterals received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance to Suppliers	-	-	-	-	0.07	0.05	-	-	-	-	-	-	-	-	-	-	-	0.07	0.05

Particulars	Rs. In Crores						Rs. In Crores											
	Associates		KMP and Relatives		Entities over which KMP and Relatives have control / significant influence		Associates		KMP and Relatives		Entities over which KMP and Relatives have control / significant influence							
	Standalone						Subsidiaries						Balances					
	Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Investments in Equity	-*	-*	-	-	-	-	-	-	-	-	-	-	-*	-*	-	-	-	-
Investments in CCPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share application money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	-	-	-	-	0.03	0.04	-	-	-	-	7.76	8.56	-	-	-	-	7.79	8.60
Trade Payables	-	-	-	-	0.48	0.48	-	-	-	-	12.00	12.05	-	-	-	-	12.48	12.52
Loans & Advances Receivable	1.10	1.10	-	-	1.61	1.68	-	-	-	-	11.76	0.25	1.10	1.10	-	-	13.36	1.93
Loans Payable	-	-	9.42	9.48	20.70	27.07	-	-	-	-	0.08	0.06	-	-	9.42	9.48	20.79	27.13
Remuneration ,Commission & Sitting Fee payable	-	-	2.05	2.04	-	-	-	-	-	-	-	-	-	-	2.05	2.04	-	-
Due on account of Share Invoked	-	-	6.70	6.85	4.75	4.75	-	-	-	-	-	-	-	-	6.70	6.85	4.75	4.75
Contract Advances received(net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees issued	-	-	-	-	80.00	80.00	-	-	-	-	-	-	-	-	-	-	80.00	80.00
Guarantees and Collaterals received	-	-	-	-	959.02	959.02	-	-	-	-	-	-	-	-	-	-	959.02	959.02
Advance from Customer	-	-	-	-	-	-	-	-	1.16	1.16	-	-	-	-	1.16	1.16	-	-
Advance to Suppliers	-	-	-	-	0.83	0.83	-	-	-	-	-	-	-	-	-	-	0.83	0.83

* includes Rs. 39,000/- in associate

NOTE 47 : SEGMENT REPORTING

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

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

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

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

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

PRIMARY SEGMENT INFORMATION:

(₹ In Crores)

	Particulars	EPC		URBAN INFRASTRUCTURE DEVELOPMENT		PORT & LOGISTICS		LEASING		UNALLOCABLE		TOTAL	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
		1	Segment Revenue										
	External Turnover	54.41	95.08	12.38	6.51	370.22	262.85	14.78	16.04	3.06	0.06	454.85	380.54
	Inter Segment Turnover	18.17	17.05	-	-	-	-	0.02	0.02			18.19	17.07
	Total Turnover	72.58	112.13	12.38	6.51	370.22	262.85	14.80	16.06	3.06	0.06	473.04	397.61
2	Segment Result before Interest & Taxes												
	Segment Result before Interest & Taxes	(27.43)	10.51	(26.74)	(11.36)	131.70	56.67	13.39	13.24	0.05	-	90.97	69.06
	Less: Inter Segment Result											29.41	2.62
												61.56	66.44
	Less: Unallocable Expenses											23.42	48.09
	Less: Interest and Finance Charges											300.90	419.39
	Add: Interest Income											6.00	8.18
	Less: Prior period / Exceptional Items											-	0.33
	Profit Before Tax											(256.76)	(393.19)
	Current Tax											0.30	4.14
	Deferred Tax											5.91	(4.87)
	Profit after Tax											(262.97)	(392.46)
3	Other Information												
	Segment Assets	859.62	933.04	865.32	843.68	2,016.84	2,018.11	864.63	802.14	421.34	420.68	5,027.74	5,017.65
	Segment Liabilities	1,756.30	1,618.76	1,144.80	1,103.08	2,321.18	2,201.61	660.70	596.89	241.23	317.09	6,124.21	5,837.43
	Capital Expenditure/(sale)-Net	-	(19.30)	(5.12)	0.00	-	1.11	5.12	61.06	0.08	15.68	0.08	58.55
	Depreciation for the year	18.86	24.17	1.07	1.72	51.62	51.65	3.76	13.12	2.99	1.20	78.29	91.86
	Non Cash Expenses (Income) (other than depreciation)	-	3.70	-	-	0.07	2.45	-	-	-	-	0.07	6.15

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 48 : OPERATING LEASES

• **Operating Leases**

a) **Cancelable Lease:**

Total rental charges under cancelable operating lease was ₹ 2.30 Crores year ended 31-Mar-17 (Previous ₹ 1.65 Crores).

NOTE 49 : AUDITORS' REMUNERATION

Following are the details of Auditors' remuneration:

Particulars	Year Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
Statutory & Tax Audit Fees	0.37	0.53
Certification	0.09	0.09
Reimbursement of Expenses	0.01	0.03
Total	0.47	0.63

NOTE 50 : FOREIGN CURRENCY TRANSACTIONS

Particulars	Year Ended 31-Mar-17 (₹ In Crores)	Year Ended 31-Mar-16 (₹ In Crores)
a) Value of Imports calculated on CIF Basis :		
i) Components, embedded goods and spare-parts	-	-
ii) Material	-	-
ii) Capital goods	-	-
b) Expenditure in foreign currencies:	-	-
i) Traveling expenses	-	-
ii) Professional/Consultancy Fees & Others	1.49	3.21
iii) Hire Charges	-	-

NOTE 51 : EARNINGS PER SHARE (EPS)

Particulars	31-Mar-17	31-Mar-16
a. Profit After Tax (₹ In Crores)		
For Basic EPS	(262.97)	(392.46)
For Diluted EPS	(262.97)	(392.46)
b. Weighted average number of equity shares (Nos in Lacs)	-	-
For Basic EPS	381.19	381.19
Adjustment for Diluted EPS		
Add: Weighted average number of potential shares on account of Employee Stock Options	-	0.00
Add: Weighted average number of potential shares on account of Preferential allotment of shares/Warrants	-	-
	-	-
For Diluted EPS	381.19	381.19
c. Earning Per Share (₹)		
Basic	(68.99)	(102.95)
Diluted	(68.99)	(102.95)
d. Nominal Value Per Share (₹)	10.00	10.00

NOTE 52 : 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-17		As At 31-Mar-16	
	USD in Crores	INR in Crores	USD in Crores	INR in Crores
Creditors for Services	(0.62)	(40.34)	(0.62)	(41.16)
Advance to Creditors for Spares import	0.04	2.83	0.04	2.89
Loan given to Subsidiary	0.30	19.73	0.31	20.19
Dividend Receivable	0.01	0.56	0.01	0.57
Total	(0.27)	(17.22)	(0.26)	(17.50)

Conversion rate applied:

1 USD= ₹ 64.8589 (Previous year ₹ 67.1753)

NOTE 53 :

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 54 :

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

Particulars	As At 31-Mar-17 (₹ In Crores)	As At 31-Mar-16 (₹ In Crores)
Goodwill	16.54	16.54
Capital Reserve*	(0.00)	(0.00)
Goodwill (Net of capital reserve) on consolidation	16.54	16.54

* include `(2,330)/- as on 31-Mar-17 and 31-Mar-16

NOTE 55: SPECIFIED BANK NOTES (SBN)

Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is provided below.

Particulars	SBN	Other Denominations	Total
Closing Cash in hand as on November 8, 2016	96,71,875	-	96,71,875
(+) Permitted Receipts		5,87,300	5,87,300
(-) Permitted Payments		5,63,187	5,63,187
(-) Amount deposited in Banks	89,34,500	-	89,34,500
Closing Cash in hand as on December 30, 2016	7,37,375	24,113	7,61,488

NOTE 56 : 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 A R KRISHNAN & ASSOCIATES
Regn No: 009805S
 Chartered Accountants

A.SENTHIL KUMAR
Partner
Membership No: 214611

Place : Chennai
 Date : 29-May-17

For and on behalf of Board of Directors

G R K REDDY
Chairman & Managing Director

V P RAJINI REDDY
Director

KARANJIT SINGH JASUJA
Director

R B SRINIVASAN
Chief Financial Officer



CIN: L45201TN1994PLC029561

Registered Office: 'Marg Axis', 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041

Email: investor@marggroup.com, Phone: 044-3221 1944

NOTICE TO MEMBERS

Dear Shareholder(s),

NOTICE is hereby given that the Twenty-second Annual General Meeting of the members of MARG Limited will be held on Wednesday, 27th September, 2017 at 3.00 p.m. at 'Hotel Park Plaza', 142, Rajiv Gandhi Salai, Thoraippakkam, Chennai – 600 097, India to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1: Adoption of Audited Financial Statements:

To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2017 and the reports of Auditors thereon and pass the following resolution(s) as an **Ordinary Resolution(s)**:

(a) **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

(b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2017 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

Item No. 2: Re-appointment of Mrs. V P Rajini Reddy, Director, who retires by rotation:

To appoint a Director in place of Mrs. V P Rajini Reddy (DIN: 00904123), who retires by rotation and being eligible, offers herself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. V P Rajini Reddy (DIN: 00904123), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Item No. 3: Ratification of appointment of Statutory Auditors:

To ratify the appointment of M/s. A R Krishnan & Associates, Chartered Accountants, Chennai (Firm Registration No.009805S) as Statutory Auditors and to fix their remuneration and in this regard, pass the following resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. A R Krishnan & Associates, Chartered Accountants, Chennai (Firm Registration No.009805S), as Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of 23rd Annual General Meeting of the Company at such remuneration plus applicable tax and reimbursement of out-of pocket expenses in connection with the audit, if any, as may be fixed by the Board of Directors on recommendation of the Audit Committee."

SPECIAL BUSINESS:

Item No. 4: Re-appointment of Mr. G R K Reddy as Chairman and Managing Director:

To consider and if thought, to pass with or without modification (s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. G R K Reddy, as Chairman & Managing Director of the Company for a period of five years w.e.f 1st April, 2017 to 31st March, 2022, without any managerial remuneration, taking into the account the financial position of the Company."

"RESOLVED FURTHER THAT the Board is authorized to revise, vary or amend the terms and conditions of his appointment including payment of any remuneration payable to Mr. G R K Reddy, at any time, during his tenure as Chairman & Managing of the Company, as the Board may at its discretion deem fit and necessary, subject to the financial position of the company and in accordance with the provisions of the Companies Act, 2013, including any other statutory modification (s) or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

Item No. 5: Ratification of remuneration payable to Mr. G Sundaresan, Practicing Cost Accountant, appointed as Cost Auditors of the Company for Financial Year 2017-18:

To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2018 and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice convening this meeting, to be paid to the Mr. G Sundaresan, Practicing Cost Accountant (Membership No. 11733), appointed by the Board of Directors of the Company as Cost Auditors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2018, be and is hereby ratified."

By the Order of the Board
For MARG Limited

Sd/-
Nithya K
Company Secretary

Place: Chennai

Date: 9th August, 2017

Registered office:

'Marg Axis', 4/318, Rajiv Gandhi Salai,
Kottivakkam, Chennai – 600 041, Tamilnadu, India

CIN: L45201TN1994PLC029561

Website: www.marggroup.com;

E-mail: investor@marggroup.com

Tel: +91 44 32211944

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE TWENTY SECOND ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, DULY COMPLETED, STAMPED AND SIGNED SHOULD, BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. **A PERSON CAN ACT AS A PROXY FOR ONLY 50 MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. ABLANK PROXY FORM IS ENCLOSED.**
3. Corporate Members intending to send their authorized representative(s) to attend the Meeting pursuant to section 113 of Companies Act 2013 are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
4. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting.

The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members/Proxies are requested to kindly take note of the following:
 - (i) Copies of Annual Report will not be distributed at the venue of the meeting.
 - (ii) Attendance Slip, as sent herewith, is required to be produced at the venue duly filed-in and signed, for attending the Meeting.
7. The Register of Members and Share Transfer Books of the Company shall remain closed for 7 days from 21st September, 2017 to 27th September, 2017 (both days inclusive).
8. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under, will be available for inspection by the members at the AGM.
9. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business Item No. 4 & 5 to be transacted at the Meeting is annexed hereto.
10. In terms of Section 152 of the Act, Mrs. V P Rajini Reddy (DIN: 00904123), Director, retire by rotation at the

Meeting and being eligible, offer herself for re-appointment. Details of Directors retiring by rotation, as required to be provided pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided in **Annexure A of this Notice**.

11. Mrs. V P Rajini Reddy, is deemed to be interested in the Ordinary Resolution set out at Item No.2, of the notice with regard to her re-appointment. The relatives of Mrs. V P Rajini Reddy may be deemed to be interested in the said resolution to the extent of their shareholding interest, if any, in the Company.
12. The Company's Registrar & Transfer Agents for its share registry (both, physical as well as electronic) is Cameo Corporate Services Limited ("**Cameo**") having its office at "Subramanian Building", 1, Club House Road, Chennai – 600 002. (UNIT: MARG Limited).
13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar & Transfer Agent of the Company.
14. Electronic copy of the Notice of the 22nd AGM of the Company, *inter alia*, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form and the Annual Report of the Company for the financial year 2016-17 is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 22nd AGM of the Company *inter alia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form and the Annual Report of the Company for the financial year 2016-17 is being sent through permitted mode of dispatch.
15. **Members, who have not registered their e-mail address so far, are requested to register their e-mail address with the Company (RTA)/ Depository Participant(s) for receiving all communications including Annual Reports, Notices, etc. from the Company electronically.**
16. Members may also note that the Notice of the 22nd AGM and the Annual Report for the financial year 2016-17 will also be available on the Company's website www.marggroup.com for downloading.
17. **Voting through electronic means:**
 - i. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide members, facility to exercise their right to vote at the 22nd AGM by electronic means and the business mentioned in the Notice may be transacted through remote e-voting. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the **AGM (remote e-voting)** will be provided by provided by **Central Depository Services (India) Limited (CDSL)**.

- ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. **The voting rights of Members shall be in proportion to the equity shares held by them in the paid up Equity Share Capital of the Company as on Wednesday, 20th September, 2017 ('cut-off date').**
- v. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- vi. **The remote e-voting facility commences on Sunday, 24th September, 2017 (9.00 a.m.) (IST) and ends on Tuesday, 26th September, 2017 (5.00 p.m.) (IST). During this period, members may cast their vote electronically.** The remote e-voting module shall be disabled for voting thereafter by CDSL and voting through electronic means shall not be allowed beyond the said date and time.
- vii. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- viii. Any person, who becomes a member of the Company after the dispatch of Notice of AGM and holding shares as on the cut-off date, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or by contacting Cameo at investor@cameoindia.com to cast their vote. The detailed procedure for obtaining user ID and password is also provided in this Notice
- ix. In case of any queries or issues regarding e-voting, members are requested to refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evotingindia@cdslindia.com. In case of any grievances connected with the facility of voting through electronic means, please contact **Central Depository Services (India) Limited (CDSL)**, 17th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001, Tel: 022-22728588
- x. Mr. Satyaki Praharaj, Practising Company Secretary (Membership No. FCS 6458 and CoP No.10755) Chennai, has been appointed as the Scrutinizer to scrutinize the remote e-voting as well as physical voting process in a fair and transparent manner.
- xi. The Scrutinizer shall within a period not exceeding 2 (two) working days from the conclusion of the remote e-Voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make Scrutinizers' Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Result on resolutions shall be declared on or after the AGM of the Company. The Result declared along with the Scrutinizers' Report shall be placed on the Company's website www.marggroup.com and on the website of CDSL within 2 (two) days of passing of the resolutions at the AGM and communicated to the stock exchanges.

- i. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM i.e. Wednesday, 27th September, 2017.

The procedure and instructions for remote e-voting is furnished in this notice as Annexure B.

18. The Annual Report of the Company for the financial year 2016-17 circulated to the Members of the Company will also be made available on the Company's website www.marggroup.com
19. Members may please note that no gifts shall be distributed at the venue of the meeting.
20. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

**By the Order of the Board
For MARG Limited**

**Sd/-
Nithya K
Company Secretary**

**Place: Chennai
Date: 9th August, 2017**

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 4:

Mr. G R K Reddy, has been discharging his duties as Chairman and Managing Director of the Company from 25th July 1997 and since then he has been re-appointed upon expiry of his tenure of five years. The Board at its Meeting held on 14th March, 2017 has re-appointed him as the Managing Director for a further period of five years w.e.f 1st April 2017 to 31st March 2022 upon completion of his earlier term which expired on 31 March 2017.

The Board, on recommendation of the Nomination and Remuneration Committee, has approved his appointment without any remuneration to the Managing Director.

Mr.GRK Reddy, Promoter of MARG Group, has a protagonist role for rapid growth of the Group as one of India's fastest growing infrastructure development companies. Later the Company, under Mr.GRK Reddy's leadership took a bold step and entered port development by bidding for the Karaikal Port in Puducherry Union territory, which later became one of the largest private ports in India.

Today the group is spread across multiple infrastructure sectors including Ports, Special Economic Zones, dredging, Integrated Townships, IT Parks, Commercial Spaces Residential Houses/Apartments, EPC and logistics.

The Company has entered into agreement with Mr. G R Reddy. The Agreement is open for inspection by the Members at the Registered Office of the Company on any working day between 10 a.m. and 12 noon (excluding Saturdays, Sundays and public holidays) upto and including the day of the Annual General Meeting.

The Board of Directors recommends the adoption of the Special Resolution at Item No.4 of the accompanying Notice for approval by the Member.

Memorandum of Interest:

None of the Directors except, Mr. G R K Reddy and Mrs. V P Rajini Reddy are interested or concerned in the resolution to the extent of their shareholding.

ITEM NO. 5:

The Board on recommendation of the Audit Committee has approved the appointment of Mr. G Sundaresan, Practicing Cost Accountant, Chennai as the Cost auditors to conduct audit of the Cost records of the Company for the Financial Year ending 31st March, 2018.

The Board has approved the payment of Rs. 25,000/- as audit fee payable to the Cost Auditors plus applicable tax and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for the Financial Year 2017-18 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors recommends the Ordinary Resolution set out at item No.5 of the Notice for approval by Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out in the item no.5 of the accompanying Notice.

**By the Order of the Board
For MARG Limited**

**Sd/-
Nithya K
Company Secretary**

Place: Chennai

Date: 9th August, 2017

Registered office:

'Marg Axis', 4/318, Rajiv Gandhi Salai,
Kottivakkam, Chennai – 600 041, Tamilnadu, India

CIN: L45201TN1994PLC029561

Website: www.marggroup.com;

E-mail: investor@marggroup.com

Tel: +91 44 32211944;

Annexure A

Details of Directors seeking appointment/re-appointment at the Annual General Meeting appointment at the Annual General Meeting scheduled to be held on September 27, 2017 (Pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Mrs. V P Rajini Reddy
Date of Birth and Age	24.07.1967, 50
DIN	00904123
Date of First Appointment to the Board	05.01.2001
Qualifications	AMP (Advanced Management Program) from Harvard Business School and holds an Engineering Degree (Civil).
Experience in Specific Functional Area	Having an impressive 21 years of experience under her belt in high-caliber management. She has founded Exemplarr Worldwide Limited an ITeS (Information Technology enabled Services) company with a vision of generating rural employment in the year 1999. She is having hands on experience in building and scaling the team, travelling extensively across the globe for client acquisition and client management.
Relationship with any Director(s) and Key Managerial Personnel of the Company	Relative (spouse) of Mr. G R K Reddy, Chairman & Managing Director.
Directorship hold in other listed Companies	Nil
Memberships in the Committees of Board of other listed Companies as on 31 st March, 2017	Nil
No. of Shares held in the Company as on 31 st March, 2017	Nil
No. of. Meetings of the Board attended during the financial year 2016-17	6

Annexure B

PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company
 - Enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department</p> <p>Members who have not updated their pan with the company/depository participant are requested to use the first two letters of their name followed by last 8 digits of Folio no / client id in the PAN field.</p> <p>In case the Folio no is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.</p> <p>Eg. If your name is Ramesh Kumar with Folio number 838 then enter RA00000838 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account / folio in dd/mm/yy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account / folio.</p> <p>Please enter DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the dividend Bank details field as mentioned in Instruction (v)</p>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Institutional Shareholders & Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com



CIN: L45201TN1994PLC029561

Registered Office: 'Marg Axis', 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041
Tel: +91 44 32211944 • E-mail: investor@marggroup.com • Website: www.marggroup.com

ATTENDANCE SLIP

Venue of the Meeting : 'Hotel Park Plaza', 142, Rajiv Gandhi Salai, Thoraippakkam, Chennai – 600 097
Day, Date & Time : Wednesday, 27th September, 2017 at 3.00 p.m.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of Shares held	

*Applicable for investors holding shares in Electronic form.

I certify that I am registered shareholders/proxy for the register shareholders of the Company.

I hereby record my presence at the 22nd Annual General Meeting of the Company on Wednesday, 27th September, 2017 at 3.00 p.m. at 'Hotel Park Plaza', 142, Rajiv Gandhi Salai, Thoraippakkam, Chennai – 600 097.

Signature of Shareholder /Proxy

Notes:

1. Electronic copy of the Annual Report for 2017 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for financial year 2016-17 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email ids are not registered with the Company or have requested for a hard copy.



CIN: L45201TN1994PLC029561

Registered Office: 'Marg Axis', 4/318, Rajiv Gandhi Salai, Kottivakkam, Chennai – 600 041
Tel: +91 44 32211944 • E-mail: investor@marggroup.com • Website: www.marggroup.com

Form No. MGT 11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Venue of the Meeting : 'Hotel Park Plaza', 142, Rajiv Gandhi Salai, Thoraippakkam, Chennai – 600 097
Day, Date & Time : Wednesday, 27th September, 2017 at 3.00 p.m.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the member(s)	
Registered Address	
Email Id	
DP Id*	
Client Id*	
Folio No.	

*Applicable for investors holding shares in Electronic form.

I / We, being the member(s) ----- shares of MARG Limited, hereby appoint the following as my/our Proxy to attend vote on a poll (for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Wednesday, 27th September, 2017 at 3.00 p.m. and at any adjournment thereof) in respect of such resolutions as are indicated below:

1. Name: _____ Registered address: _____
Email id: _____ Signature: _____
or failing him/her

2. Name: _____ Registered address: _____
Email id: _____ Signature: _____
or failing him/her

3. Name: _____ Registered address: _____
Email id: _____ Signature: _____
or failing him/her

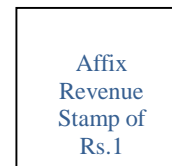
** I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Resolution No.	Resolution	Number of Shares held	For	Against
ORDINARY BUSINESS				
1	Consider and adopt: (a) the audited financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2017 and the report of Auditors thereon			
2	Re-appointment of Mrs. V P Rajini Reddy (DIN 00904123), Director who retires by rotation			
3	Ratification of Appointment of M/s. A R Krishnan & Associates., Chartered Accountants (Firm Registration No. 009805S), as Statutory Auditors of the Company			
SPECIAL BUSINESS				
4	Re-appointment of Mr. G R K Reddy as Chairman and Managing Director			
5	Ratification of remuneration payable to Mr. G Sundaresan, Practicing Cost Accountant, appointed as Cost Auditors of the Company for FY 2017-18			

Signed this _____ day of _____ 2017.

Signature of the member : _____

Signature of the proxy holder(s) : _____



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

It is optional to indicate your preference. If you leave the 'for', 'against', 'abstain', column blank against any or all resolutions, your proxy will be entitled to vote in the manner he/she may deem applicable.

