

MARG CONSTRUCTIONS LIMITED



ANNUAL REPORT

2003 - 2004



MARG CONSTRUCTIONS LIMITED

BOARD OF DIRECTORS

Mr. G. R. K. Reddy	-	Chairman & Managing Director
Mr. G. Raghava Reddy	-	Director
Mrs. V. P. Rajini Reddy	-	Director
Mr. Ramani Ramaswamy	-	Director
Mr. R. Rangarajan	-	Director

BANKERS :

Indian Overseas Bank
 Syndicate Bank
 UCO Bank
 Corporation Bank
 ING Vysya Bank Ltd.

AUDITORS:

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

Report Junction.com

REGISTERED OFFICE :

501, Apex Chambers,
 20, Thyagaraya Road,
 T.Nagar, Chennai 600 017.

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MARG CONSTRUCTIONS LIMITED

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the shareholders of Marg Constructions Limited will be held on Friday, the 31st day December, 2004 at "Sri Sai Subhodaya", 57/2B, Muttukadu Road, Thiruvanniyur, Chennai – 600 041, at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Director's Report, Audited Profit and Loss Account for the year ended 31st March 2004 and the Balance Sheet as at that date and the Auditor's report thereon.
2. To appoint a Director in place of Mr.R.Rangarajan who retires by rotation and being eligible candidate offer him selves for reappointment.
3. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution.

" RESOLVED THAT M/s. K. Ramkumar & Co., Chartered Accountants be and are hereby appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board, in addition to reimbursement of out of pocket expenses".

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE PROXY FORM, DULY STAMPED AND EXECUTED, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 26th December 2004 to Thursday 31st December 2004 (both days inclusive)
4. Members are requested to notify immediately changes, if any, in their address to the company, specifying full address in Block Capital with Pin Code of the Post Office.

BY ORDER OF THE BOARD

Place : Chennai
Date : 03/12/2004

G. R. K. Reddy
Managing Director

**MARG CONSTRUCTIONS LIMITED****DIRECTOR'S REPORT**

To

The Shareholders

Your Directors have the pleasure in presenting their 9th Annual Report on the business and operations of your company and the Audited statement of accounts for the year ended 31st March 2004.

FINANCIAL RESULTS

	Rs. In Lakhs	
	Year ended 31.03.2004	Year ended 31.03.2003
Gross Income :	158.53	311.42
Operating Profit :	158.53	144.80
Net Profit before Interest & Depreciation :	83.21	94.25
Less: Depreciation :	50.42	76.02
Preliminary Expenses Written Off :	1.83	1.83
Interest :	15.71	5.11
Profit before Tax :	15.24	11.27
Deferred Tax :	13.62	—
Provision for Tax :	18.60	7.25
Profit after Tax :	10.25	4.02
Profit available for Appropriation :	10.25	4.02
APPROPRIATIONS	Nil	Nil
DIVIDEND :	Nil	Nil
Transfer to General Reserve :	Nil	Nil
Balance retained in Balance Sheet :	10.25	4.02

OPERATIONS

The Company has completed the Phase I of software Technology Park "Digital Zone" at IT Highway, Karapakkam with a total outlay of Rs 30 Crores. The work on the second phase is in the advanced stage of completion and expected to be completed by end of December 2004. The Phase I has been let out to TCS who have also entered into an agreement to take the entire Phase II. The Board of Directors are confident of achieving greater heights in the field of promotion of Technology Parks .

DIVIDEND

Your Directors express their inability to recommend any dividend in view of inadequate profits.



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PUBLIC DEPOSITS

Your company has neither invited nor accepted any deposits from the public during the year.

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

The provisions of Section 217 (1) (e) of the Companies Act, 1956 relating to conservation of energy, technology absorption, and foreign exchange earning and outgo are not applicable to company for the period under review.

DIRECTOR'S RESPONSIBILITY STATEMENT: Sec.217 2(AA):

- (i) That in the preparation of the Annual Accounts for the financial year 2003-2004, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended 31st March 2004 and of the profit of the company for that period.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company for preventing and detecting fraud and other irregularities.
- (iv) That the Annual Accounts are prepared on a going concern basis.

AUDITORS AND AUDITORS REPORT

M/s. K. Ramkumar & Co., Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment as Auditors of the Company till the conclusion of the next Annual General Meeting. The Company has received a Certificate from the Auditors to the effect that their reappointment if made would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956.

REPLY TO AUDITORS REMARKS AT PARA NO.9 (a) (i) OF ANNEXURE TO AUDITORS REPORT

The company has been prompt in remitting the provident fund dues and the delays occurred due to accidental omission and are unintentional.

REPLY TO AUDITORS REMARKS AT PARA NO.9 (a) (ii) OF ANNEXURE TO AUDITORS REPORT

The Company has remitted the TDS amount subsequently.

DIRECTORS

Directors Mr. R. Rangarajan retire by rotation at this Annual General Meeting and being eligible offer himself for re-appointment.

**MARG CONSTRUCTIONS LIMITED**

The Director take on record the resignation of Mrs. G. Pushpalatha from her directorship and the company acknowledge her contribution and efforts to our company during her tenure of Director.

PERSONNEL

Your company strongly believes that the bedrock of success for your company is the capability and competence of the human resources and efforts continue to be made regularly to develop the people for improving the performance and values. The board places on record its appreciation of the hard work and dedicated efforts put in by all the employees. The relations between the Management and Employees continue to remain on all fronts.

The provisions of Section 217 (2-A) of the Companies Act, 1956 read with rules framed there under are not applicable as none of the employee is in receipt of remuneration in excess of the limit prescribed under the rules.

ACKNOWLEDGEMENT

Your Directors wish to place on record the valuable assistance and co-operation extended by Shareholders, Commercial Banks, Government Authorities, Employees and Suppliers.

The future prospect of the Company is bright and it would be the company's endeavor to merit the confidence of all concerned.

For and on behalf of the Board of Directors

Place : Chennai
Date : 03/12/2004

G. R. K. Reddy
Managing Director



MARG CONSTRUCTIONS LIMITED

REPORT ON CORPORATE GOVERNANCE

1. INTRODUCTION

Company Philosophy on Corporate Governance

The company believes in transparency, empowerment, accountability, motivation and fair business and corporate practices with all its stakeholders. These practices being followed since inception have helped the Company in its sustained growth.

The Securities and Exchange Board of India has introduced a code of Corporate Governance for implementations by all the Listed Companies vide an amendment to the Listing Agreement. As per this requirement, the compliance of this is required to be disclosed in the Directors' Report. The same is presented below:

2. BOARD OF DIRECTORS.

2.1 Composition.

As on the Board is consisting of 6 directors out of which 5 directors are non-executive and 2 directors are independent. The Independent Directors on the Board are senior, competent and respectable people from different fields. Active participation of the Independent Directors does add value in the decision making process of the Board of Directors.

The compositions of the Board of Directors during the year ended 31st March 2004 and as on the date of the Report as well as their brief resume are given below.

Name of the Directors	Brief Resume	Category
Mr. G R K Reddy	A post-graduate in Commerce with over 15 years of experience. He is the promoter director of the company and has been its Managing Director for the past 7 years.	Managing Director
Mrs. V P Rajini Reddy	B.Tech, is an engineer by Qualification. She has over nine years experience in the areas of Investment consultancy and Capital market operations. She also has over four years experience in the areas of CAD/CAM systems, Software Development and Training.	Director
Mr. G Raghava Reddy	B.E..M.I.E., with over 40 years of experience in construction of Nagarjuna Sagar Dam Diversion Tunnel, Nagarjuna Sagar dam right canal at Gundlakamma River, Krishna Delta Regulation System, Godavari barrage, Water supply canal to	Director

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	Visakapatnam steel plant, Spillway works for Yelleshwaram reservoir and multistory commercial and residential complex in Vijayawada and specialized in civil Engineering.	
Mr. R Rangarajan	I.I.T, more than 12 year of experience in various sectors like Power, Civil construction & Engineering, Business Development & Corporate Planning, Information Systems, Infrastructure sectors like Toll Roads, Water Supply and Seaports. He has honed his business skills by being able to not only conceive projects but also implementing them in a pragmatic manner. His diverse experience covers long stints in various Indian cities like New Delhi, Mumbai, and Chennai. He has led BOT projects in the infrastructure sector for Larsen & Toubro such as the Coimbatore Bypass and the Narmada Bridge	Director
Mr. Ramani Ramaswamy	I.I.T.(Manila), having more than 13 years of experience in various areas like Fertilizers, Construction, Business Development & Corporate Planning, Paper Board Packaging / Printing Trading, Shipping and Infrastructure development mainly Seaports. He sharpened his business acumen by being executive assistant to the Chairman of a very diversified group in Thailand with interests in Trading, Shipping, Manufacturing, Hotels and Gems & Jewelry. His diverse experience spans Indian cities like Bangalore, Kanpur, Chennai, and Surat and international locations like Manila and Bangkok. He was instrumental in forming a joint venture for power plant construction between the India based SPIC Group and Jurong Engineering Ltd., Singapore. He has also been a key coordinator for the first private sector initiatives in the Port sector in India.	Director


MARG CONSTRUCTIONS LIMITED
2.2 Meetings and attendance record of each Director.

During the year ended 31st March 2004, the Board of Directors met Twenty Five times. These were held on April 23rd 2003; May 23rd 2003; June 1st 2003; June 4th 2003; June 16 2003; July 28th 2003; July 29th 2003; July 30th 2003; September 8th 2003; September 23rd 2003; September 26th 2003; October 1st 2003; October 7th 2003; October 16th 2003; October 21st 2003; October 25th 2003; October 31st 2003; November 13th 2003; November 25th 2003; November 27th 2003; December 15th 2003; January 29th 2004; February 16th 2004; March 2nd 2004 and March 20th 2004.

Other than the Annual General Meeting, there was no General Meeting of the Share Holders of the Company held during the year ended 31st March 2004.

The attendance record of the Directors at the Board Meetings during the year ended on 31st March 2004 and at the last Annual General Meeting (AGM) is as under.

Name of the Directors	Attendance at Meetings	Attendance at last at AGM
Mr. G R K Reddy	25 out of 25	Present
Mrs. V P Rajini Reddy	21 out of 25	Present
Mr. G Raghava Reddy	10 out of 25	Present
Mrs. G Pushpalatha	8 out of 25	Present
Mr. R Ranga Rajan.	6 out of 25	Present
Mr. Ramani Ramaswamy.	6 out of 25	Present

2.3 Other Directorship etc.,

The details of Directorships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 25 Companies) held by the Directors as on 31st March 2004 are given below:

Name of the Directors	No. Of Other Director-ships in other Public Limited Co.
Mr. G R K Reddy	1
Mrs. V P Rajini Reddy	1
Mr. G Raghava Reddy	1
Mrs. G Pushpalatha	1
Mr. R Ranga Rajan.	1
Mr. Ramani Ramaswamy.	1


MARG CONSTRUCTIONS LIMITED
2.4 Remuneration of Directors.

The company pays the Managing Director the remuneration as per the respective agreements and as per the resolution as passed in its AGM. The other non-executive directors are not paid any sitting fees for attending the Board Meeting. The members of the committee have decided not to take any sitting fees for the time being for committee meetings.

The details of remuneration and sitting fee paid and provided to each directors during the year ended on March 31, 2004 are given below.

Name of the Directors	Salary	Salary	Service Contract upto
Mr. G R K Reddy	4,80,000/-	NA	25.07.2007
Mrs. V P Rajini Reddy	NA	NA	NA
Mr. G Raghava Reddy	NA	NA	NA
Mrs. G Pushpalatha	NA	NA	NA
Mr. R Ranga Rajan.	NA	NA	NA
Mr. Ramani Ramaswamy.	NA	NA	NA

Note:

Salary includes Basic Salary, Allowances and perquisites like payment of club membership fees etc.

2.5 Re-appointment of Directors.

The Director Mr.R.Rangarajan shall retire by rotation at the ensuing Annual General Meeting, and is eligible for re-appointment. The director offered himself for re appointment.

The brief particulars / resume of other directorships of the Directors retiring by rotation at the ensuing Annual General Meeting have been provided in paragraph 2.1 and 2.3 above.

3. AUDIT COMMITTEE

The Audit Committee was constituted on April 16th 2002 and the composition of the committee is as under:

Mrs. V. P. Rajini Reddy	: Chairman
Mr. Ramani Ramaswamy	: Member
Mr. R. Rangarajan	: Member

Out of the above members two members are non-executive and independent director's. The Company Managing Director Mr. G R K Reddy acts as Secretary to the Committee.

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the stock exchange. These broadly include approval of audit plan, review of financial reporting systems, internal control systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results,