



**MONETISING ASSETS.
ASSETISING MONEY.**



Forward-looking statements

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’ ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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MARG Limited is one of India's fastest growing infrastructure creators.

Pioneering the development of economic growth centres.

Capital asset creation marked by investments in five core values – team work, character, creativity and innovation, distinctive quality and positive attitude.

This is the result: a portfolio that now comprises of Karaikal Port, MARG Swarnabhoomi, Bijapur and Bellary airports, MARG Junction Mall and urban residential clusters.

These investments are already demonstrating that the widest good can reach the largest number in the shortest time.



Vision

Creating landmarks, building values

Mission

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

Core values

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

Legacy

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

Profile

MARG was established with the express purpose of engaging in civil engineering contracts. In 1997-98, the Company diversified into the development of real estate and infrastructure projects and with this experience, ventured into EPC contracts, road construction and other infrastructure businesses.

Business

MARG and its subsidiaries possess designing, construction, development and operational capabilities in marine construction, dredging, integrated townships, IT parks, commercial spaces and residential houses/apartments. The Company was an early mover in the development of residential and commercial spaces on the Old Mahabalipuram Road (OMR), Chennai's most prominent IT corridor.

Presence

MARG is headquartered in Chennai with operations across Tamil Nadu, Andhra Pradesh, Karnataka, Uttar Pradesh, Haryana and Delhi among other states.

Team

703 members as on 31 March 2010

Fund raising

MARG made its maiden public issue in April 1995. To meet growing fund requirements, it made an FCCB issue in June 2006 and a GDR issue in February 2007. The Company also made a series of preferential allotments across 2005-2009 to its promoters and other investors with the objective of infusing long-term capital. In May 2010, MARG had raised funds by way of Qualified Institutional Placement of shares to the tune of Rs 106.94 crs.

Certification

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

Listing

MARG's shares are listed on the Bombay Stock Exchange and The Madras Stock Exchange. While the Company's shares are also traded on the National Stock Exchange under the permitted securities category.



Key financials – 2009-10

(Rs cr)

Revenue growth		EBITDA growth		Profit after tax growth		Cash profit growth	
64% ↑		62% ↑		94% ↑		79% ↑	
2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
463.2	760.9	83.0	134.7	40.9	79.5	47.3	84.7
EBITDA margin		Net margin		RONW		ROCE	
2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
18%	18%	9%	10%	12%	20%	13%	16%

Four business verticals. One objective.

Unleashing economic prosperity.

VERTICAL 1

Infrastructure development

Strategic business unit	Subsidiary	MARG ownership in subsidiary	Project / brand name	Location	Key developments
A. Port	Karaikal Port Private Limited	100 percent	Karaikal Port	Karaikal, Puducherry	<ul style="list-style-type: none"> Phase I commercialised in June 2009 Cargo handling capacity of 5.2 MMTPA Phase IIA development in progress; expected completion by FY 2011-12
B. Ship repair yard	MARG Swarnabhoomi Port Private Limited	90 percent	Captive ship repair facility	Mugaiyur, Tamil Nadu	Formal approval received from the Government of Tamil Nadu for development of a captive ship repair yard with a minor port
C. Dredging	MARG International Dredging PTE Limited, Singapore	100 percent	–	–	<ul style="list-style-type: none"> Successful completion of dredging services for Phase I of Karaikal Port along with ongoing dredging for Phase 2A Ownership of a cutter suction dredger, MARG Cauvery Exploring opportunities for tapping external customers
D. Logistics	MARG Logistics Private Limited	100 percent	–	–	<ul style="list-style-type: none"> Currently engaged in providing end-to-end logistic services and solutions to Karaikal Port customers Exploring possibilities for acquiring third-party clients
Urban and industrial infrastructure (Integrated city)	New Chennai Township Private Limited	100 percent	MARG Swarnabhoomi (SEZs)	Seekinankuppam, 89 km from Chennai	<ul style="list-style-type: none"> Two SEZs in the field of engineering services and multi-services Total area of 312 acres in the processing zone and 300 acres in the non-processing zone for establishing residences, schools, hospitals, parks, recreation centres and malls, among others

VERTICAL 2

EPC (engineering-procurement-construction)

Engaged in the implementation of integrated turnkey solutions for greenfield and brownfield projects. MARG completed the following projects in the EPC space:

- Integrated port development for 5.2 MMT with two berths, breakwater and dredging of more than 16 million cubic meters
- Commercial space of over 0.75 million square feet
- Residential space of around 0.5 million square feet
- Wind power projects for over 100 MW
- Road construction projects of over 60 km

VERTICAL 3

Real estate development

Project	Subsidiary	Key line of activity
MARG Junction	Riverside Infrastructure (India) Private Limited	<ul style="list-style-type: none">■ Development of retail, commercial and leisure space in Chennai■ Project development in three phases with Phase I nearing advanced stages of completion
Urban smart homes		
Pushpadruma	Directly owned	<ul style="list-style-type: none">■ Development of a smart home project in Kalavakkam on the Old Mahabalipuram Road, Chennai■ Number of units to be constructed are 466, of which 395 have already been sold (as on March 31, 2010)■ Construction expected to be completed by June 2011 (Phase I)
Ultra luxury villas		
Tapovan	Sarang Infra Developers Private Limited	<ul style="list-style-type: none">■ Project comprising the development of premium villas in Pavunjur village off the East Coast Road in Chennai.■ Total units to be constructed are 124, of which 17 villas have been completed in Phase I
Integrated townships		
Vishwashakthi	Directly owned	<ul style="list-style-type: none">■ Project comprising an integrated township at Tirupathi, Andhra Pradesh■ Total units to be constructed include 513, of which 105 units have been sold (as on March 31, 2010) out of 192 of Phase I■ Development includes the construction of residential apartments, a school, serviced apartments, a convention centre, commercial complex and a club house■ Phase I project expected to be completed by June 2011
Affordable homes		
Navratna	New Chennai Township Pvt. Ltd	<ul style="list-style-type: none">■ Smart home project being developed at MARG Swarnabhoomi■ Total construction comprises 580 units, of which 360 have been sold (as on March 31, 2010)■ Construction completed and handing over is in progress and Phase I expected to be completed by December 2010 and Phase II by March 2011
Utsav	New Chennai Township Pvt. Ltd	<ul style="list-style-type: none">■ An affordable housing project developed at MARG Swarnabhoomi■ The total units to be constructed are 720; the first phase of 320 apartments was launched in October 2009, of which 324 units have been sold (as on March 31, 2010)■ Approvals were obtained and construction is poised to start in the first quarter of 2010-11



VERTICAL 4
Others

Project	Subsidiary/ special purpose vehicle	Key line of activity
Airport	MARG Aviations Pvt. Ltd (Special Purpose Vehicle)	<ul style="list-style-type: none">■ MARG got the LoA for the development and operation of a greenfield airport at Bijapur by the Government of Karnataka in November 2008 on a BOT basis under the public-private partnership (PPP) model for 30-year concession period extendable for another two similar terms.■ The total project cost for Phase I is estimated at around Rs 150 cr.■ The selection of master planners for this project is in progress.
Multi-level car parking (MLCP)	Future Parking Private Limited (Special Purpose Vehicle)	<ul style="list-style-type: none">■ The project for the development of multi-level car parking at Wallace Garden, Chennai, was awarded to the consortium of MARG and Apollo Hospitals Enterprise Limited in February 2009 on a BOT basis for 20 years.

Realising our vision one step at a time. Key developments of 2009-10.

MARG entered into a joint venture with Virginia Tech (USA) to set up the Virginia Tech MARG Swarnabhoomi campus (MoU signed on March 9, 2009) with an objective of fostering education as well as scientific and technological engagements.

MARG Limited and Karaikal Port Private Limited signed the share subscription agreement and shareholders’ agreement with the India Infrastructure Fund, managed by IDFC Project Equity Company Limited in March 2010. The fund will invest Rs 150 cr in the Karaikal Port Private Limited.

Karaikal Port received a total of 170 major vessels till March 31, 2010, since the completion of Phase 1 development by receiving its project cargo vessel on April 15, 2009. This includes coal, project cargo, cement, sugar and agro, OSV / PSV, among others.

Spiritual leader Sri Sri Ravi Shankar laid the foundation stone for the Art of Living Meditation Centre, the Swarnabhoomi Academy of Music and Utsav Residential project at MARG Swarnabhoomi on November 27, 2009.

MARG signed a project development agreement on January 18, 2010, with the Government of Karnataka to develop the Bijapur airport.



From the Chairman's desk

“We are redefining urbanism with unique, sustainable and inclusive models. MARG today stands for MODELS FOR ACCELERATED REGIONAL GROWTH.”

Dear Shareholders

“Never before in history has innovation offered so much to so many in so short a time”, Bill Gates wrote on the Internet revolution.

At MARG, I can say with conviction that we have embarked on an innovation-led development that few have attempted.

Today we are India's fastest-growing infrastructure organisation developing future ready cities and industrial clusters with a vision and commitment to create socially, economically and culturally sustainable models.

MARG is in the business of holistic

regional development that unlocks economic prosperity for all. We are perhaps the only company in India with a portfolio that comprises a port, SEZs, airport, commercial property (mall) and residential dwelling units (affordable housing, urban smart homes, integrated townships and ultra-luxury homes).



In doing so, we have created a unique and distinctive positioning that can be simply explained in just four words – assetising-money, monetising-assets. This exclusive identity translated into robust financials in 2009-10.

- Turnover increased 64 percent from Rs 463.2 cr in 2008-09 to Rs 760.9 cr
- EBITDA increased 62 percent from Rs 83 cr in 2008-09 to Rs 134.7 cr
- Interest cover increased 60 percent from 5.6 in 2008-09 to 9
- Cash profit increased 79 percent from Rs 47.3 cr in 2008-09 to Rs 84.7 cr
- Post-tax profit increased 94 percent from Rs 40.9 cr in 2008-09 to Rs 79.5 cr
- EPS (earnings per share, basic) increased 88 percent from Rs 16.0 in 2008-09 to Rs 30.1
- Book value per share increased 19 percent from Rs 134.7 in 2008-09 to Rs 160.3
- Return on capital employed increased from 13 percent in 2008-09 to 16 percent

Our corporate philosophy. Where it all begins.

At MARG, we build a community of assets that drive the economy.

Today's domestic scenario is characterised by a strong 'infrastructural deficit' that is not only staggering

economic growth but also affecting life quality. Our metros are saturated with a population overflow; our legacy power plants are unable to meet net energy requirements; our city roads are not broad enough to shoulder growing traffic; our airports are fewer than necessary, creating chaos on ground and in air; our inadequate seaports lead to long delays. Although the Central Government has allocated investments of over USD 510 billion for the Eleventh Five Year Plan period to reinforce the country's infrastructure, there is a fear that benefits will not translate into intended value in view of unconnected assets.

At MARG, we focus on the creation of economic centres that are 'uncity-like'. Importantly enough, our goal is to create completely integrated spaces where individuals from all walks of life can work and live together. This will go a long way in addressing the most fundamental individual need – of climbing the social and financial value chain. A community that is aspirational will create a self-sustaining ecosystem that will unleash prosperity not only within the community 'walls' but in the periphery as well.

The business of catering to basic individual needs – clean water, hygiene and sanitation; on-switch power, uncrowded transportation and access to quality leisure – is recession-proof. This

explains the solidity in our numbers in the last two years even as the world passed through a severe economic meltdown.

The next step. Assetising money.

A recent McKinsey report titled 'India's urban awakening: Building inclusive cities sustaining economic growth' stated that cities are integral to India's economic prosperity. In 2008, an estimated 340 million people lived in urban India, representing over a third of the country's population. Over the next 20 years, urban India is expected to create 70 percent of all new jobs in the country and these urban jobs will be twice as more productive as equivalent to, rural jobs. Consequently, the population of India's cities could swell to 590 million – or twice the population of the United States today – by 2030, constituting 40 percent of India's urban population. Over the next 20 years, we will witness an urban transformation the scale and speed of which has not transpired anywhere else in the world (except China). This will warrant the building of 700–900 million square metres of residential and commercial space in India.

Swarnabhoomi: At MARG, we are already preparing for the future. Our Swarnabhoomi project is spread across a