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CORPORATE INFORMATION



Chairman & Managing Director
MR. G R K REDDY

DIRECTORS

Mr. Sreedhar Challa
Mr. R Dinesh
Mrs. V Revathi

COMPANY SECRETARY

Mr. Nawal Kishore

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

Sri Sai Subhodaya Apartments
No.57/2B, East Coast Road
Thiruvanmiyur, 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



DIRECTORS' REPORT

To,
The Members
MARG Limited

Your Directors are presenting the 25th Annual Report together with the Financial Statements for the financial year ended 31st March 2020.

1. FINANCIAL RESULTS

(Rs. in Crores)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Income from operations	0.85	18.38
Non-operating Income	27.57	3.72
Total income	28.42	22.55
Profit/(loss) before Depreciation, Finance Cost and Tax Expense (EBDIT)	(6.40)	(9.34)
Depreciation	6.83	8.24
Interest & Finance charges	-	0.04
Profit/(Loss) before tax	(13.23)	(17.62)
Tax Expense		
Current Tax	NIL	NIL
Deferred Tax	NIL	NIL
Profit/(Loss) after Tax	(13.23)	(17.62)
Balance in Profit & Loss Account	(204.67)	(187.10)
Amount available for appropriation	(217.87)	(204.67)
Dividend	Nil	Nil
Dividend tax	Nil	Nil
Amount transferred to General Reserve	Nil	Nil
Balance in Profit and Loss Account	(217.87)	(204.67)

During the Financial Year 2019-20, total revenue of the Company stands at Rs. 28.42 Crores as against Rs. 22.55 Crores in the previous year. The EBDIT is (Rs. 6.40 Crores), compared to previous year of (Rs. 9.34 Crores). The Company incurred net loss of Rs. 13.23 Crores during the financial year ended March 31, 2020 as compared to net loss of Rs. 17.62 Crores in the previous year. This is primarily due to slow down of operation, lack of fund availability 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, 2020.

3. BUSINESS HIGHLIGHTS 2019-20

MARG Revenue Stands at Rs. 28.42 Crores in the Financial Year 2019-20.

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.

Mr. Sreedhar Challa (DIN: 06468225) Independent Director of the company, resigned w.e.f 14.02.2020. Mr. R Dinesh (DIN 00845119) continues as an Independent Director of the company. Mrs. Elumalai Usha (DIN: 05303130) has been appointed as Independent Director on 12.11.2020.

5. MEETINGS

During the year under review, the Board of Directors met 4 (Four) times* on October 9, 2019, October 30, 2019, November 14, 2019 and February 14, 2020.

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 14, 2020.

*on 28/05/2019 the NCLT Chennai, passed an order admitting the petition filed by ICICI Bank (Financial Creditor) and appointed an Interim Resolution Professional to oversee the activities of the Company and the Board of Directors was put in suspension. Later the above order was vacated by NCLAT by its order dated 30/09/2019.

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.

The requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2019 issued by the Ministry of corporate Affairs, Government of

India. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors, who were appointed in the Annual General Meeting held on March 14, 2017 for a period of 5 years.

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.

B. SECRETARIAL AUDIT REPORT

The Board had appointed Mrs. Neha Agrawal, Company Secretary in Whole-time Practice (Membership No. FCS 7707) as Secretarial Auditor for the financial year ended 31st March, 2020 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

The requirement to maintain cost accounting records and appointment of Cost Auditor in accordance with the provisions of Companies (Cost Records and audit) Rules, 2014 is not applicable for the financial year 2019-20.

8. SUBSIDIARY COMPANIES STATUS

Your Company has total of 56 subsidiaries* as on 31st March 2020, out of which 4 Non wholly-owned subsidiaries and 52 Wholly-owned subsidiaries, 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.

In accordance with Section 129(3) of the Act, Consolidated Financial Statements of the Company and all its subsidiaries forms part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC - 1 is enclosed herewith as Annexure D to the Boards report. The statement also provides the details of performance and financial position of each of the subsidiaries.

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 cultural 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 2019-20 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 2019-20 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 claims lie against the IEPF or the Company after transfer. The details of unclaimed dividend are posted on the website of the Company.

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 Mrs. Neha Agrawal, Practising Company Secretary is set out in the 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 2019-2020.

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, 2020, Your Directors hereby confirmed that

- i. In the preparation of the Annual Accounts for the financial year ended 31st March 2020, the applicable accounting standards has been followed and there were no material departures;
- ii. 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 at the end of the financial year and of the profit or loss account of the Company for the year.
- iii. The directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The directors have prepared annual accounts for the financial year ended 31st March 2020 on a "going concern basis".
- v. The directors have 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 FY 19-20. The relevant Para nos. of the report and reply are as under:

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, 2020 regarding the providing interest for loans assigned to Asset Reconstruction Company (ARCs), the management is of the opinion that since the company has already entered into proposal with ARC for converting debt to equity providing for the interest shall not be viable.

(ii) In respect to Note No. 31-33 to the audited financial statements of the year ended 31st March, 2020 regarding the charging the interest on loans that are given to Subsidiaries, the management hereby clarifies that Outstanding in Borrowings from Banks, Financial Institutions and ARC had become NPA due to this no interest is charged. In respect of loan receivable from Subsidiaries, no interest is provided as subsidiaries unable to service loans and interest to its outstanding loans from bankers as it has become NPA, we continue not to provide Interest and burden the subsidiary companies.

(iii) In respect to Note No. 34(c) to the audited financial statements of the year ended 31st March, 2020 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.

(iv) In respect to Note No. 35 to the audited financial statements of the year ended 31st March, 2020 regarding the investment in Karaikal Port Private Limited (KPPL), the management is working towards reinstatement of Invoked shares in favour of MARG limited, whereby shares held by Marg Limited in KPPL will be reinstated thereupon will be pledged back to EARC. We have not given necessary effect to the investment value as post reinstatement Marg Limited will again hold Equity shares to the extent of 40.56% in KPPL.

(v) In respect to Note No. 36 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, 2020, the management hereby clarifies that 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. 55 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.

(viii) In respect of valuation of this investment in Karaikal Port Private Limited with a carrying value at cost of Rs.249.79 Crores, the management hereby clarifies that until restructuring agreement implemented by KPPL, there is no sanctity of valuation of shares as of now and same will be done on post implementation of Master Restructuring Agreement by KPPL.

(ix) In respect of non-current investment in subsidiaries / step down subsidiaries aggregating to Rs. 317.13 Crore as at 31 March 2020, the management hereby clarifies that since the asset is not the continuity asset and as per the 12 A proposal Submitted by the company to NCLAT as settlement plan, all the assets of the group companies which has been collateralised to lenders which has to be liquidated as per the time frame given in the proposal which requires valuation process to be executed before liquidating the asset. Due to this reasons, It is not valued for the time being.

(x) In respect of Provision to be made towards the interest payable to MSMEs, We feel that since we are only settling for the value less than the principle to all stake holder depending upon the financial situation, adding any further liability without any realistic effect does not have any effect hence not considered.

(xi) In respect of OTS Agreements, please note that since the principle term loan (step down loans) is never routed through P & L any impact on the same will be only on general reserves and hence recorded accordingly

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 to Note No. 31 to the audited financial statements of the year ended 31st March, 2020 regarding the investment in New Chennai Township Private Limited the management hereby clarifies that the consolidated financials of Marg Group includes unaudited financials of New Chennai township Pvt Ltd (NCTPL) for FY 1920 as they are under IRP. Like, Marg Limited, we are working towards moving NCTPL out of NCLT/NCLAT proceeding at the earliest.

c) In respect to Note No. 33(b) to the audited financial statements of the year ended 31st March, 2020 regarding the Arohi Infrastructure Private Limited (Arohi), the management hereby clarifies that even though TATA capital has lodged claim with Marg IRP in the capacity as guarantor, Marg IRP rejected the claim as they have already lodged their claim in Arohi which was accepted by Arohi IRP which is now under liquidation process. In spite of that Marg limited has proposed settlement plan under 12A scheme which is repayable over a period of one year based on the liquidation value of the collaterals offered to Tata capital. We expect that Arohi to be out of liquidation process.

d) In respect of deductions made/amount withheld by some customers reference is drawn to Note No. 34 (a& b) which is self explanatory and the management is in the process of renegotiating/necessary legal forum to recover the best possible way extent over couple of years.;

e) In respect to Note No. 16 and 28(b), the regarding the settlement plan with Edelweiss Asset Reconstruction Company Ltd (EARC), the management hereby clarifies that in line with 12 A proposal submitted, EARC has taken up the same for the committee approval post which Master Restructuring Agreement will be signed subject to the company satisfying the conditions precedent given in their initial in principal approval. The company, however, complied with a conditions to in-principal approval and issued Equity shares of the extent of 24.99% to EARC converting part unsustainable portion of debt. However other precedent conditions are to be satisfied.

f) In respect to Note. 31, Phoenix ARC Private Limited, The company has filed a resolution plan and is hopeful of getting a vacation order on the above admission order of NCLT.

g) In respect to note 28(c), as the company is in the process of setting one time settlement with all lenders, COVID 19 impacted the investors sentiments initially, however we feel it would come on track as investor can never wait too long for their golden opportunities arising out of this COVID 19.

REFER ANNEXURE-A TO THE AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS:

Point 7(a) & 7(b) of Annexure A 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 PARAGRAPH (QUALIFIED OPINION) OF ANNEXURE B TO THE AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS:

The delay in updating the register of fixed assets and recording of expenses transactions met out of staff imprest advances are not intentional and the company has taken necessary steps to update it as soon as possible.

REFER BASIS OF QUALIFIED OPINION 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, 2020 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, 2020 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, 2020 regarding the investment in Karaikal Port Private Limited (KPPL), the Management is working towards reinstatement of Invoked shares in favour of MARG limited, whereby shares held by Marg Limited in KPPL will be reinstated thereupon will be pledged back to EARC. We have not given necessary effect to the investment value as post reinstatement Marg Limited will again hold Equity shares to the extent of 40.56% in KPPL.

(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 38 of the consolidated financial statements is self explanatory.

(v) In respect to the matter 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, 2020, 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 valuation of this investment in Karaikal Port Private Limited with a carrying value at cost of Rs.249.79 Crores, the management hereby clarifies that until restructuring agreement implemented by KPPL, there is no sanctity of valuation of shares as of now and same will be done on post implementation of Master Restructuring Agreement by KPPL.

(viii) 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.

(ix) 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 2019-20.

(x) 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 other expenses of Rs. 0.82 Crores (PY Rs. 2.26 Crores) during the year ended 31st March, 2020.

(xi) 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.

(xii) In respect of qualifications pertaining to obtaining balance confirmation w.r.t Marg Properties Limited, Riverside Infrastructure (India) Private Limited, SarangInfradevelopers Private Limited and Magnumopus Infradevelopers Private Limited please note we are in the process of implementing one time settlement with all stake holders hence confirmation of balance does not impact as in reality these may be closed for a realistic value equivalent the value of the collateral offered to such stake holder. regarding customers ,once apartments are delivered the same will be closed by transferring from respective CWIP

(xiii) In respect to balance confirmation Bank/ARCs as on 31st March, 2020 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.

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 to Note No. 2, the regarding the settlement plan with Edelweiss Asset Reconstruction Company Ltd (EARC), the management hereby clarifies that in line with 12 A proposal submitted, EARC has taken up the same for the committee approval post which Master Restructuring Agreement will be signed subject to the company satisfying the conditions precedent given in their initial in principal approval. The company, however, complied with a conditions to inprincipal approval and issued Equity shares of the extent of 24.99% to EARC converting part unsustainable portion of debt. However other precedent conditions are to be satisfied.

e) In respect to Note No. 33(5) (a) to the audited financial statements of the year ended 31st March, 2020 regarding the Arohi Infrastructure Private Limited (Arohi), the management hereby clarifies that even though TATA capital has lodged claim with Marg IRP in the capacity as guarantor, Marg IRP rejected the claim as they have already lodged their claim in Arohi which was accepted by Arohi IRP which is now under liquidation process. In spite of that Marg limited has proposed settlement plan under 12A scheme which is repayable over a period of one year based on the liquidation value of the collaterals offered to Tata capital. We expect that Arohi to be out of liquidation process.

f) In respect to Note No. 32 (II) to the audited financial statements of the year ended 31st March, 2020 regarding the investment in New Chennai Township Private Limited, the management hereby clarifies that the consolidated financials of Marg Group includes unaudited financials of New Chennai township Pvt Ltd (NCTPL) for FY 1920 as they are under IRP. Like, Marg Limited, we are working towards moving NCTPL out of NCLT/NCLAT proceeding at the earliest.

g) In respect to Note No. 32 (V) to the audited financial statements of the year ended 31st March, 2020 regarding the investment in Marg Trading Pte Ltd, the management is working on to remove the deregistration of Marg trading in ACRA. This does affect the recoverability of Investment Value and advances.

h) In respect of deductions made/amount withheld by some customers reference is drawn to Note No. 41 which is self explanatory;

i) In respect of case filed in Tamilnadu Real Estate Regulation Authority (TNRERA) against Marg Properties Limited, please note company has already formed the customer association and opened escrow account to ensure the project completion is assured as each and every penny of customer remittance will only be used for project completion , hence we feel those opted for refund also take up the flat on completion of the project

j) In respect to note 30(c) regarding COVID 19, as we are in the process of setting one time settlement with all lenders, this COVID19 impacted the investors sentiments initially, however we

feel it would come on track as investor can never wait too long for their golden opportunities arising out of this COVID 19.

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) of the Companies Act, 2013 and rules made thereunder either to the Company or to 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 June, 2020

Annexure A**SECRETARIAL AUDIT REPORT**

To
The Members
Marg Limited
Sri Sai Subhodaya Apartment,
No.57/2B, East Coast Road,
Thiruvanniyur,
Chennai,
Tamil Nadu 600041

Dear Members

Sub: My reports of even dates is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The Verification was done to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of account of the Company.
4. Whereever required, I have obtained the management representation about the compliance of laws, rules and regulations.
5. The Compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of management, My opinion was limited to the verification of procedures on test basis.
6. The Secretarial Audit report in neither an assurance as to the further viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Raigarh
Date: 29/06/2020

Signature.....
Name: Neha Agrawal
CP No. 8065
FCS No.7077
UDIN-F007707B000461545