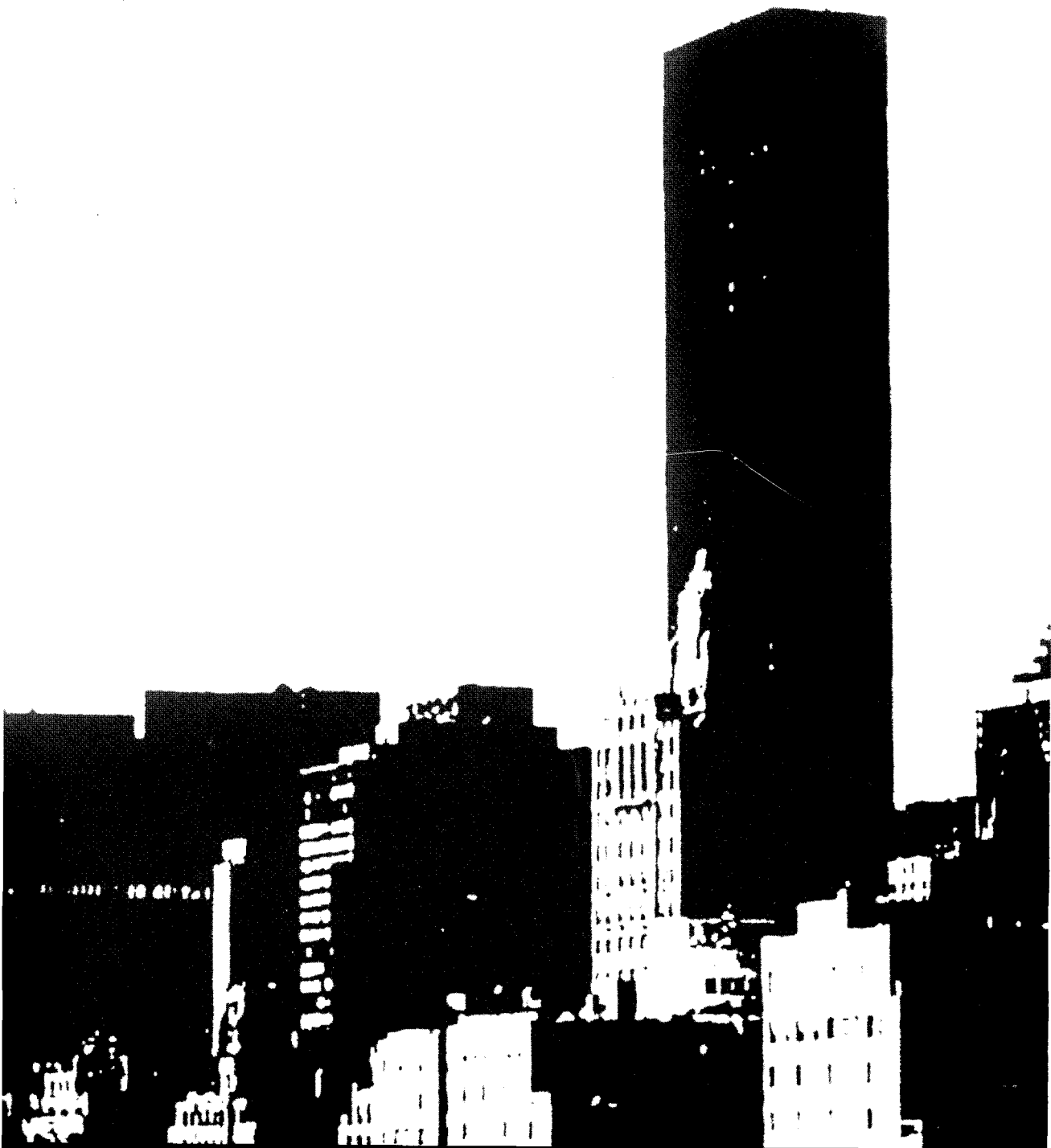


MARG Projects and Infrastructure Limited



Annual Report 2009-10

BOARD OF DIRECTORS

Mr. G Srinivasa Reddy
Mr. M Abdul Hakkem
Mr. Gouri Shanker Mishra
Mr. Sudhir N Shenoy

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Satyaki Praharaj

AUDITORS

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

BANKERS

State Bank of India
Axis Bank Limited

REGISTERED OFFICE

501, Apex Chambers, 5th Floor
No. 20, Thayagaraya Road
T. Nagar, Chennai – 600 017
Phone: 044 – 3221 1955

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Knack Corporate Services Private Limited
17/9, G V House
Thiruvakkam Street
Mandaveli, Chennai – 600 028
Phone : 044-2461 4424
E-mail : Knackcorp@gmail.com

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2010.

Financial Highlights

The financial results of the Company for the year ended 31st March 2010 is summarized as below;

(Rs In Lakhs)

Particulars	Yearended 31.03.2010	Yearended 31.03.2009
Income from Operations	7387.99	1769.15
Non-operating Income	45.03	150.99
Total Income	7433.02	1920.14
Expenditure	7019.12	1718.56
Gross Profit (Loss) (before depreciation, interest and tax)	413.90	201.58
Interest & Finance Charges	30.05	2.90
Depreciation	55.73	0.41
Profit (Loss) before Tax	328.12	198.27
Tax Expenses	62.39	25.79
Profit (Loss) after Tax	265.73	172.48
Brought Forward Profit (Loss)	807.61	635.13
Balance Carried to Balance Sheet	1073.34	807.61

Business Operations Overview and Future Prospects

The effect of Global Financial Crisis of September 2008 had its impact on most economies of the world upto first half of 2009. There was sign of recovery in the second half after the launch of stimulus package in the USA. A large domestic market, resilient central bank and the policy of steady and gradual liberalisation of capital account helped India in the faster mitigation of the adverse impact of global recession. Increase in plan expenditure, reduction in taxes and sector specific measures have helped India to soften the impact of global financial crisis.

Your Company has leveraged the opportunities available and smoothly sailed through the bad phase of the economy. Your Company is executing the contracts it has bagged. The Directors envisage further growth in the Company and expect to get more projects in coming future.

Dividend

The Board could not recommend any dividend for the year under review in order to build reserves for the future.

Opportunities and Challenges

The Company is successfully carrying out operations in constructions, projects and Infrastructure development. The Company is bidding for new projects in diversified sectors. The present economic situation has created fierce competition.

Fixed Deposits

The Company has not accepted any Deposit from Public during the period.

Directors

During the year Mr. Gouri Shanker Mishra, Director retires at this Annual General Meeting and being eligible offers himself for reappointment.

Directors Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, the Directors hereby confirm that:

- in the preparation of the Annual Accounts for the Financial Year 2009-10, the applicable Accounting Standards have been followed and that there are no material departures;
- they have selected such accounting policies in consultation with the statutory auditors 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 of the Company for the year;

- iii. they have taken proper and sufficient care to the best of their knowledge for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the Annual Accounts on a going concern basis.

Auditors

M/s K Ramkumar & Co, Chartered Accountants the Auditors of the Company holds office upto the conclusion of the forthcoming Annual General Meeting and has given their consent for re-appointment. Company has received a certificate under Section 224(1B) from the retiring auditors regarding their eligibility for re-appointment as the Company's Auditors for the year 2010-11.

Particulars of Employees

Information in accordance with the provisions of Sec.217 (2A) of the Companies Act, 1956 read along with the Companies (Particulars of Employees) Rules 1975 as amended, forms part of this Directors' Report. However, as per provisions of Sec.219(1)(b)(iv) of the Companies Act, 1956, the annual report and accounts excluding the aforesaid information are being sent to the shareholders of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company for the same.

Industrial Relations

Your Company enjoyed cordial industrial relations with workers at all project sites and with the employees. Management appreciates the employees for their dedicated services to the Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

Your company is not an industrial undertaking. Accordingly, particulars with regard to conservation of energy and technology absorption and

adaptation required to be given under these heads in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

There is no Foreign Exchange earning or outgo during the financial year 2009-10.

Corporate Governance

Your Directors adhere to the requirements set out by the Securities Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. Report on Corporate Governance as provided in Clause 49 of the Listing Agreement has been provided in a separate section forming part of the Directors Report.

The Management Discussion & Analysis Report

The Management Discussion & Analysis Report for the year ended under review, as stipulated under Clause 49 of the Listing Agreements is presented in a separate section forming part of the Directors Report.

Acknowledgement

Your Directors would like to express their grateful appreciation for assistance and co-operation received from the Banks, Government Authorities, Customers and Members during the year.

For and on behalf of the Board of Directors

G S Reddy
Wholetime Director

M Abdul Hakkeem
Director

Place : Chennai
Date : 29th May 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Scenario and Economic Recovery:

Your Company is executing the construction contracts secured by it. Further, the Company is looking for various other opportunities in projects and Infrastructure development.

The Indian Economy started looking up from the beginning of the second half of 2009. Accordingly, the economic growth rate too moved up and clearly came out from the clutches of economic slow down. Sound performance by industry and particularly, the infrastructure sector became buoyant indicating strong future growth ahead. The investment scenario in the country also started shaping up. The only hurdle in this process was high inflation threatening the industry due to a rate hike by RBI. Despite inflation, the RBI only marginally increased CRR and Repo rates to absorb the excess liquidity from the market and sustain the prevailing growth. So far as your Company is concerned, there is absolutely no problem in sourcing funds for development and growth.

Financial Performance

During the year 2009-10, the Company has grown in tandem with the economic growth. The Income from Operations has increased from 17.6 Crores to 73.88 Crores.

Opportunities, Threats, Risks and Concerns

Projects and Infrastructure is a very dynamic sector. Opportunities and risks are inherent in any business.

The economic slowdown of the industry prevailed during the first half of the last financial year affected all industries including infrastructure to some extent. In spite of that your Company remained immune to the slowdown and has achieved excellent growth during the year.

The problems faced by the sector was a runaway hike in input prices in the second half of the year in tandem with rising inflation and high employee cost for the infrastructure projects, especially for the government backed projects, increase in

the competition, increase in the property prices, increases in insurance premium. The economic policies of GOI, changes in the tax code and likely withdrawal of economic stimulus packages announced in 2009 may impact the continued growth rate in the business of the Company.

The Company's business, which is mostly of contracts for execution of projects, are affected by number of challenges including cancellation of contracts, increase in cost of inputs thus affecting the profitability of projects. Accordingly, company considers risk identification, monitoring and managing as most important. The company has adequate reporting and control mechanism to ensure timely information availability and facilitate proactive risk management. The risk identified by the clients which might have impact on the project and having cascading effect on the Company's business is thoroughly examined and action taken accordingly.

Outlook

There is a golden period waiting for infrastructure industries as economic growth of any country depends on the infrastructural development. According to estimates by CRISIL (rating agency), eight sectors like oil and gas, power, roads, ports, airports, railways, urban infrastructure and telecom together are expected to attract huge investment in the coming years.

Segmentwise / Productwise Performance

Your Company was operating only in one segment both in terms of business and geographical operations in the year 2009-10. Accordingly, segmental reporting in terms of Accounting Standard 17 is not applicable to the Company.

Internal Control System and Adequacy

The Company has adequate system of internal control in place. This is to ensure that assets are

safeguarded and all transactions are authorized, recorded and correctly reported. The internal audit function is empowered to examine the adequacy, relevance and effective control system, compliance with policies, plans and statutory requirements.

Material Developments in Human Resources

Your Company has a well-qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver at the time of need. Labour relations at all work site and at the headquarters of the Company continued to remain cordial throughout the year.

Cautionary Statement

The statements in report of the Board of Directors and the Management Discussion and Analysis Report describe the Company's outlook, estimates, performance or predictions with a forward

perspective considering the applicable business and economic regulations affecting the industry. Actual results could differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Management. The Management takes no responsibility for keeping the members updated on changes in these factors stated above apart from those, which may statutorily be required to be reported from time to time.

For and on behalf of the Board of Directors

G S Reddy
Wholetime Director

M Abdul Hakkeem
Director

Place : Chennai

Date : 29th May 2010

REPORT ON CORPORATE GOVERNANCE

1. Philosophy on Code of Governance

The Company believes in transparency, empowerment, accountability, motivation and fair business and corporate practices with all its stakeholders. As the Company grows, it continues to focus on raising the standards of corporate governance and adopting best systems and procedures. In India, Corporate Governance standards for listed Companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has complied with all the norms of corporate governance as

provided by Clause 49 of the Listing Agreement.

2. Board of Directors

Board is consisting of four directors out of which one director is Whole Time Director and three are Non-Executive and Independent Directors. The Directors on the Board are senior, competent and experienced people from different fields. The composition of the Board is in conformity with Clause 49 of the listing agreement, which stipulates that 50 percent of the Board should comprise non-executive Directors, and if the Chairman is non-executive, one-third of the Board should be independent.

The compositions and Category of Board of Directors during the year ended 31st March 2010 are given below:

Sl. No	Name(s) of Director (s)	Executive/ Non-Executive/ Independent	Number of Directorships in other Public Companies*		No. of Committee Chairmanship in other Companies**	
			Member	Chairman	Member	Chairman
1	Mr. G Srinivasa Reddy	WTD	Nil	Nil	Nil	Nil
2	Mr. M Abdul Hakkeem	NED/ID	11	Nil	Nil	Nil
3	Mr. Gouri Shanker Mishra	NED/ID	1	Nil	Nil	Nil
4	Mr. Sudhir N Shenoy	NED/ID	Nil	Nil	Nil	Nil

WTD – Whole Time Director; ED – Executive Director; NED - Non Executive; Director; ID – Independent Director NID – Non Independent Director

*Other directorship does not include directorship in Private Limited Company which are not Subsidiary of any Public Company, Section 25 Companies and Companies incorporated outside India.

**In accordance with Clause 49 of the Listing Agreement, Membership / Chairmanship of only Audit and Shareholders & Investor Grievance Committee has been considered.

Directors Profile:

Brief Resume of all Directors given below;

Mr. G Srinivasa Reddy, Whole Time Director, is a B.E, civil engineer by Qualification. He has over 26 years experience in the areas of project execution. He has executed grass-root level projects of Nagarjuna Fertilisers & chemicals Limited Ph-I & II, Oswal Chemicals & Fertilisers, Shahjahanpur unit. He has also worked in oil and gas exploration units of ONGC, BPCL and IOCL.

Mr. M Abdul Hakkeem, Director, is a Challenger Award Winner banker with more than 30 years of Experience. He is also a CAIIB. He has served in various capacities including management of Portfolio. His last working was with ING Vysya Bank Limited as Assistant Vice President.

Mr. Gouri Shanker Mishra, Director is a member of Institute of Company Secretaries of India having 9 years of experience in the Secretarial field and legal domain. Along with ACS, he also hold qualification of L.L.B. and MBA. He also holds directorship in companies engaged in infrastructure development, fishing harbour etc.

Mr. Sudhir N Shenoy, Director is a Chartered Accountant and Cost Accountant having more than 15 years of experience and vast knowledge in accounting system, system security and implementation of SAP.

Attendance of Directors at Board Meetings and at Annual General Meeting

The attendance record of the Directors at the Board Meetings during the year ended on 31st March 2010 and at the last Annual General Meeting (AGM) is as under:

Name of the Directors	No of Board Meetings held	Board Meetings At-tended	Atten-dance at last AGM
Mr. G Srinivasa Reddy	6	6	Present
Mr. M Abdul Hakkeem	6	6	Present
Mr. Gouri Shanker Mishra	6	3	Present
Mr. Sudhir N Shenoy	6	6	Present

During the financial year 2009-10, Six Board meetings were held on 25th May 2009, 30th June 2009, 31st July 2009, 30th September 2009, 30th October 2009 and 30th January 2010.

As mandated by Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information with the Company. Inter alia. the following information is provided to the Board.

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.