



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF MARG PROPERTIES LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Marg Properties Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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.

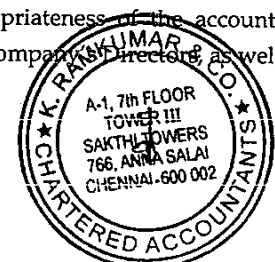
**Auditor's Responsibility**

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 thereunder.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting 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 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, and its loss and its cash flows for the year ended on that date.

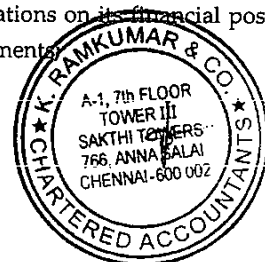
### Emphasis of Matter

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

- a) Note 26, 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.
- b) Note 28, regarding investments in and advances and receivables due from its subsidiaries aggregating to ₹ 290,12,247/- (PY ₹ 2,54,00,645/-) as on 31<sup>st</sup> March, 2015. No provision for diminution/recoverability is considered necessary for reasons stated therein.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('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 which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, 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, 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 sub 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) 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 25 to the financial statements.



**K. Ramkumar & Co.**  
CHARTERED ACCOUNTANTS

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K Ramkumar & Co  
Chartered Accountants  
Firm Registration no: 02830S

R. M. V.

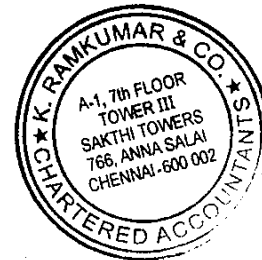
R M V Balaji

Partner

Membership no: 027476

Place: Chennai

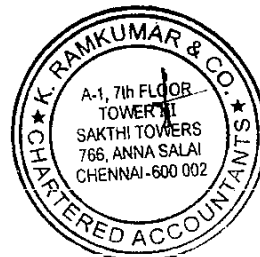
Date: 29<sup>th</sup> May, 2015



**K. Ramkumar & Co.**  
CHARTERED ACCOUNTANTS

**ANNEXURE TO AUDITORS' REPORT REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF MARG PROPERTIES 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.*
- 2)
  - a) *As explained to us, physical verification of inventory has been conducted by the management, at the end of the year.*
  - b) *The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.*
  - c) *The company is maintaining proper records of inventory and the discrepancies noticed on verification between physical stocks and book stocks were not material.*
- 3)
  - a) *The Company has granted unsecured loans parties, covered in the register maintained under section 189 of the Companies Act.*
  - b) *According to the information and explanations given to us, the principal amount of the loan given along with interest is repayable on call. The Subsidiaries have made repayments during the year as and when calls were made by the Company.*
  - c) *There is no overdue amount in respect of such loans granted to such companies.*
- 4) *In our opinion and according to the explanation given to us there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.*
- 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) *We have been informed that the Central Government has not prescribed the maintenance of Cost Records under the provisions of section 148 (1) of the Companies Act, 2013,*
- 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, Provident Fund, ESI and Professional Tax to the extent of ₹7,178,978/- (PY 24,54,898/- ), ₹960,521/- (PY 20,086/-) , ₹918,958/- (PY Nil), ₹2,348/- (PY 2,053 ), ₹235,297/- respectively, were in arrears as at 31st March 2015, for a period of more than six months from the date they became payable.*



# K. Ramkumar & Co.

CHARTERED ACCOUNTANTS

c) According to the records of the Company and the information and explanation given to us, the dues of Income Tax, which are in dispute, are as follows:-

(Amount in ₹)

Asst Year	Details of Demand				Forum Where Dispute is Pending
	Demand Raised by Dept.	Amount Paid under Protest			
		Till 31st March 2014	During 2014-15	Total	
2012-13	66,14,000	Nil	Nil	Nil	CIT (Appeals)-8

There are no dues of sales tax, service tax or other applicable statutory dues applicable to it which has not been deposited on account of any dispute.

d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, hence, clause (vii)(c) of the Order is not applicable to the Company.

- 8) *The Company's net worth is eroded and accumulated losses have exceeded more than fifty percent of its net worth as on 31<sup>st</sup> March, 2015. The company has incurred cash loss of ₹ 367,786,840/- during the financial year covered by audit and ₹ 43,420,348/- in the immediately preceding financial year.*
- 9) *According to the information and explanations given to us and as per the records produced by the company, the outstanding defaults in payment of principal/interest as on 31<sup>st</sup> March, 2015 were ₹ 415,94,888/- for a period less than 90 days and ₹ 783,385,560 /- for a period exceeding 90 days.*
- 10) According to the information and explanations given to us, the Company has given guarantees aggregating to ₹ 10,00,00,000/- (PY ₹ 10,00,00,000/-) for loans raised by others from Banks. In our opinion, the terms and conditions of the guarantees are prima facie not prejudicial to the interests of the company.
- 11) 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.
- 12) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of audit.

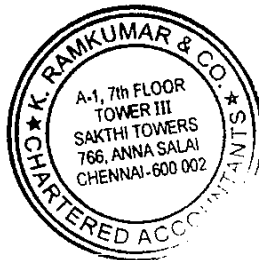
**For K Ramkumar & Co**  
Chartered Accountants  
Firm Registration no: 02830S

*R. M. V. Balaji*

**R M V Balaji**  
Partner

Membership no: 027476

Place: Chennai  
Date: 29<sup>th</sup> May, 2015



# MARG PROPERTIES LIMITED

## BALANCE SHEET

PARTICULARS	Note	As At	As At
		31-Mar-15	31-Mar-14
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	500,000	500,000
Reserves & Surplus	3	(414,477,131)	(42,067,619)
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	326,44,354	373,136,779
Deferred Tax Liability	5	-	92,865
Long-Term Provisions	6	3,516,140	1,191,411
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	7	339,667,472	395,923,869
Trade Payables	8	275,120,549	151,481,166
Other Current Liabilities	9	1,914,599,039	1,603,308,926
Short-Term Provisions	10	666,988	743,952
		<u>2,446,027,411</u>	<u>2,486,711,440</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets:			
Tangible Assets	11	8,636,943	13,250,174
Intangible Assets		814,160	1,128,861
Non-Current Investments	12	700,000	700,000
Deferred Tax Assets (Net)	5	1,447,903	-
Long-Term Loans and Advances	13	40,298,720	41,998,664
<b>CURRENT ASSETS</b>			
Inventories	14	1,222,469,030	1,197,261,226
Trade Receivables	15	157,232,468	169,653,854
Cash & Cash Equivalents	16	7,652,687	27,092,948
Short-Term Loans & Advances	17	1,006,677,258	1,005,422,714
		<u>2,446,027,411</u>	<u>2,486,711,440</u>

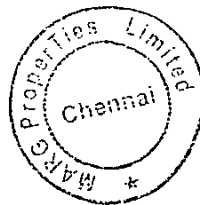
SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our Report of even date attached  
For K RAMKUMAR & CO.,  
Regn No: 028305  
Chartered Accountants

R. M. V.

R M V BALAJI  
Partner  
Membership No: 27476

Place : Chennai  
Date : 29-May-15



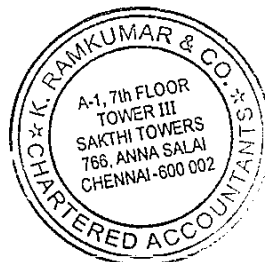
For and on behalf of Board of Directors

*G. R. Reddy*  
G R REDDY

Director

*V. P. Rajini Reddy*  
V P RAJINI REDDY

Director



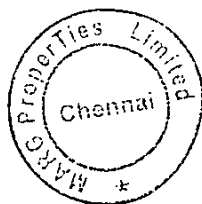
# MARG PROPERTIES LIMITED

## PROFIT & LOSS ACCOUNT

PARTICULARS	Note	Year Ended	Year Ended
		31-Mar-15	31-Mar-14
		₹	₹
<b>INCOME</b>			
Income from Operations	18	53,731,196	467,220,244
Other Income	19	3,452,142	14,762,121
		<u>57,183,338</u>	<u>481,982,365</u>
<b>EXPENSES</b>			
Cost of Projects / Operating Expenses	20	253,457,110	470,955,709
Personnel Expenses	21	5,737,998	16,956,248
Depreciation	11	3,544,734	2,007,051
Finance costs	22	147,465,902	16,695,418
Other Expenses	23	18,309,169	20,795,338
		<u>428,514,913</u>	<u>527,409,764</u>
<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>(371,331,575)</b>	<b>(45,427,399)</b>
Exceptional Items	34	1,618,705	-
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>(372,950,280)</b>	<b>(45,427,399)</b>
Extraordinary Items		-	-
<b>PROFIT BEFORE TAX</b>		<b>(372,950,280)</b>	<b>(45,427,399)</b>
<b>TAX EXPENSE</b>			
Current Tax		-	-
Deferred Tax (Income)	24	(1,140,768)	(32,942)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>(371,809,512)</b>	<b>(45,394,457)</b>
<b>PROFIT FOR THE PERIOD</b>		<b>(371,809,512)</b>	<b>(45,394,457)</b>
<b>EARNINGS PER SHARE</b>			
Basic (Face Value ₹ 10/-)		(7,436.19)	(907.89)
Diluted (Face Value ₹ 10/-)		(7,436.19)	(907.89)
<b>SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS</b>			

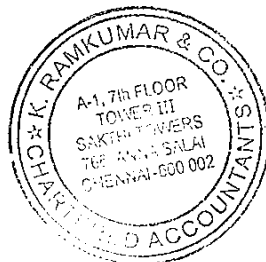
As per our Report of even date attached  
For K RAMKUMAR & CO.,  
Regn No: 028305  
Chartered Accountants

R M V BALAJI  
Partner  
Membership No: 27476  
Place : Chennai  
Date : 29-May-15



For and on behalf of Board of Directors

*G. R. K. Reddy*  
G R K REDDY  
Director  
*V. P. Rajini Reddy*  
V P RAJINI REDDY  
Director



# MARG PROPERTIES LIMITED

## CASH FLOW STATEMENT

S No	Particulars	Year Ended 31-Mar-2015 ₹	Year Ended 31-Mar-2014 ₹
<b>A CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
	Net Profit before Taxation and Extraordinary Items	(371,331,575)	(45,427,399)
	Adjustment for:		
	Depreciation	3,544,734	2,007,051
	Finance Costs (Net)	147,465,902	16,695,418
	<b>Operating Profit before Working Capital Changes</b>	<b>(220,320,939)</b>	<b>(26,724,930)</b>
	Decrease (Increase) in Trade Receivable	42,421,445	13,851,791
	Decrease (Increase) in Inventories	(25,204,802)	(36,770,052)
	Decrease (Increase) in Short-term Loans & Advances	(1,254,544)	28,023,803
	Decrease (Increase) in Long-term Loans & Advances	1,201,940	425,990
	Increase (Decrease) in Trade Payables	123,639,383	(53,722,534)
	Increase (Decrease) in Current Liabilities	160,280,811	(2,176,491)
	Increase (Decrease) in Short-term provisions	(76,964)	(249,189)
	Increase (Decrease) in Long-term provisions	(675,271)	(2,062,609)
	<b>Cash Generated from Operations</b>	<b>80,011,059</b>	<b>(79,404,221)</b>
	Income Tax Paid	-	-
	<b>Cash Flow before Extraordinary Items</b>	<b>80,011,059</b>	<b>(79,404,221)</b>
	Adjustment for Extraordinary Items (Preliminary Expenses)	-	-
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>80,011,059</b>	<b>(79,404,221)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
	Purchase of Fixed Assets	(35,808)	(125,721)
	Sale of Investments in Subsidiaries	-	-
	<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(35,808)</b>	<b>(125,721)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
	Proceeds from Short-term Borrowings	(56,256,488)	(234,568,646)
	Proceed from Long-term Borrowings	104,306,878	191,747,092
	Repayment of Long-term Borrowings	-	91,575,108
	Finance Costs (Net)	(147,465,902)	(16,695,418)
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(99,415,511)</b>	<b>32,058,136</b>
	<b>Net (Decrease) Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(19,440,261)</b>	<b>(47,471,806)</b>
	Cash and Cash Equivalents at beginning of Year	27,092,947	74,564,753
	<b>Cash and Cash Equivalents at end of Year</b>	<b>7,652,687</b>	<b>27,092,947</b>

As per our Report of even date attached

For K RAMKUMAR & CO.,

Regn No: 02830S

Chartered Accountants

R. M. V.

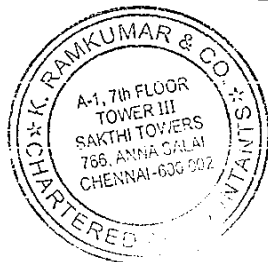
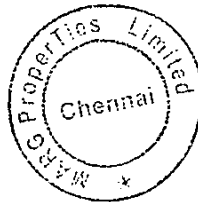
R M V BALAJI

Partner

Membership No: 27476

Place : Chennai

Date : 29-May-15



For and on behalf of Board of Directors

*G. R. K. Reddy*

G R K REDDY

Director

*V. P. Rajin Reddy*

V P RAJIN REDDY

Director



# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

### 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. 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 & expenses during the reporting period. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provisions for income taxes, useful life of fixed assets, accounting for work executed etc.
- c. Method of Accounting - The Company maintains its accounts on accrual basis.
- d. 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.

#### 1.2 REVENUE RECOGNITION

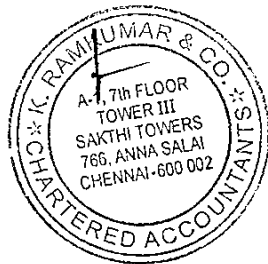
- a. Marketing Fee is chargeable and recognised on sales completed during the period. Cancellations if any are net off and the net sale value alone is considered as basis for recognition of Marketing Fee.
- b. Cost of Acquisition: All the related expenses viz. advertisement, business promotion incurred towards acquiring prospective customers and servicing customers are charged off to revenue irrespective of the success.
- c. In respect of property development and / or construction contracts, the Company follows percentage of 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 or actual cost incurred as compared to estimated total 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 when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customers 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.
- d. In respect of Other incomes, accrual system of accounting is followed.

#### 1.3 FIXED ASSETS & DEPRECIATION

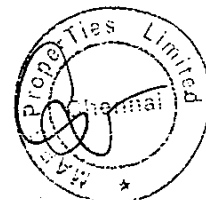
- a. The Fixed Assets are stated at cost of acquisition including interest paid on specific borrowings up to the date of acquisition / installation of the assets and improvement thereon less depreciation.
- b. In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalized.
- 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. 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 recognised in the profit and loss account.

#### 1.4 PRELIMINARY EXPENSES

Preliminary expenses are fully charged off in the year in which they are incurred.



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# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

### 1.5 OPERATING LEASES

Assets subject to operating leases are included under fixed assets or current assets as appropriate. Lease income is recognised in the profit and loss account on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the profit and loss account.

### 1.6 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. 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.

### 1.7 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.

### 1.8 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 recognised in the period in which the employee renders service.

#### b. Post Employee Benefits

##### • Provident Fund

The Company's contribution to Provident Fund is deposited with the Regional Provident Fund Commissioner and is charges to Profit and Loss account/relevant Project Cost every year.

##### • 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

##### • Leave Encashment

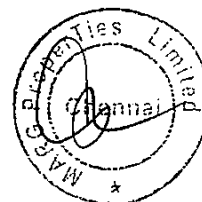
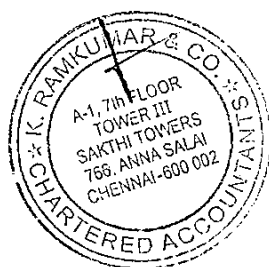
Provision for leave encashment in respect of un availed leave standing to the credit of employees is made on actuarial basis in accordance with AS 15 of The Institute of Chartered Accountants of India.

### 1.9 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 date. Gain and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

### 1.10 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 recognised 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 recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each Balance Sheet date unrecognised deferred tax assets of earlier years are re-assessed and recognised 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.



# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

### 1.11 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 Profit and Loss account in the year in which they are incurred.

### 1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- 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 recognised nor disclosed.

### 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.

## NOTE 2 : SHARE CAPITAL

### 2.1 Authorised, Issued, Subscribed and Paid up Capital:

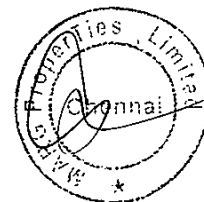
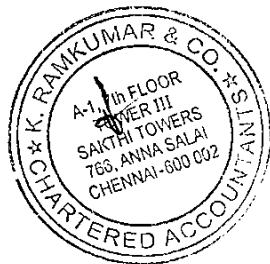
Particulars	As At	As At	As At	As At
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Nos	Nos	₹	₹
<b>Authorised Capital</b>				
Equity Shares face value of Rs. 10/- each	50,000	50,000	500,000	500,000
<b>Issued, Subscribed and Paid up Capital</b>				
Equity Shares face value of Rs. 10/- each	50,000	50,000	500,000	500,000

### 2.2 Reconciliation of number of Equity Shares Outstanding:

Particulars	As At	As At
	31-Mar-15	31-Mar-14
	Nos	Nos
Shares Outstanding at the beginning of the year	50,000	50,000
Add: Shares Issued during the year	-	-
Shares Outstanding at the end of the year	50,000	50,000

### 2.3 Equity Shares held by Group Companies:

Particulars	Class of Shares	As At	As At
		31-Mar-15	31-Mar-14
		Nos	Nos
By Holding Company	Equity	50,000	50,000
		50,000	50,000



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# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

### 2.4 Shareholders holding more than 5 % Equity Shares:

Name of the Shareholders	As At 31-Mar-15		As At 31-Mar-14	
	Nos	%	Nos	%
	Marg Limited	50,000	100%	50,000
	50,000	100%	50,000	100%

Particulars	As At 31-Mar-15	As At 31-Mar-14
	₹	₹

### NOTE 3 : RESERVES & SURPLUS

#### 3.1 Profit & Loss Account:

Balance at the beginning of the Year	(42,667,619)	2,720,837
Profit loss for the Period	(371,809,512)	(45,394,456)
Balance at the end of the year	(414,477,131)	(42,667,619)

### NOTE 4 : LONG-TERM BORROWINGS

#### 4.1 Secured Loans:

##### Term Loan:

##### From Banks & Financial Institution:

Secured by way of charge on immovable properties and receivables\*

326,134,354 373,136,779

\* Loans Guranteed by Directors

326,434,354 373,136,779

#### 4.2 Repayment Terms (Including current maturities)

##### Term Loan from Banks:

Loan of ₹ 43.06 Crores is repayable in 24 monthly instalments ending Oct-17

#### 4.3 Default on repayment of long term loans and interest thereon:

The Company defaulted in payment of principal for ₹ Nil (PY ₹ 15,00,00,000/-) for less than 90 days as on 31-Mar-15 and ₹ 71,04,66,049 (PY Nil ) for more than 90 days. Interest on loans for ₹ 415,94,888/- (PY ₹ 2,74,66,074/-) for a period less than 90 days and ₹ 729,19,512/- (PY ₹ 1,02,54,229/-) for a period more than 90 days as on 31-03-15.

### NOTE 5 : DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability

574,013 1,523,301

Deferred Tax Asset

1,621,916 1,430,436

(1,047,903) 92,865

### NOTE 6 : LONG-TERM PROVISIONS

#### Provision for employee benefits

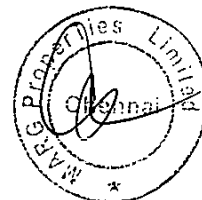
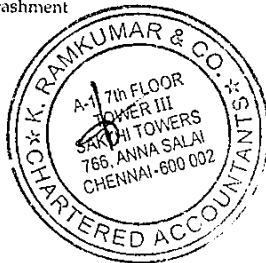
Gratuity

2,570,049 2,704,381

Leave Encashment

946,091 1,487,030

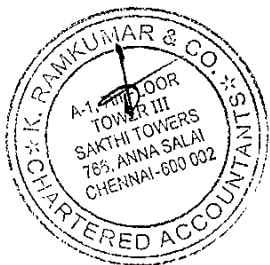
3,516,140 4,191,411



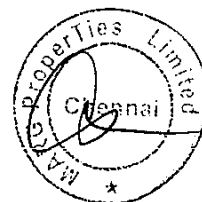
# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

Particulars	As At 31-Mar-15 ₹	As At 31-Mar-14 ₹
<b>NOTE 7 : SHORT-TERM BORROWINGS</b>		
<b>7.1 Secured Short-term Loans:</b>		
Loan from Others:		
Secured by way of Charge on immovable properties*	49,152,000	57,524,083
	<u>49,152,000</u>	<u>57,524,083</u>
* Loans Curanted by Directors		
<b>7.2 Unsecured Short-term Loans:</b>		
From Others:		
Loans From Holding Company	282,272,790	338,399,877
Loans From Subsidiaries	8,242,683	-
	<u>290,515,473</u>	<u>338,399,877</u>
	<u>339,667,473</u>	<u>395,923,960</u>
<b>7.3 Interest Default:</b>		
<p>The Company defaulted in payment of principal of ₹ 4,50,00,000/- (₹ PY 2,50,00,000/-) for a period of more than 90 days and Nil (₹ PY 2,00,00,000/-) for a period of less than 90 days as on 31-Mar-15 and Interest on loans for ₹ 1,27,32,169/- (₹ PY ₹ 50,37,169/-) as on 31-Mar-15 for a period more than 90 days.</p>		
<b>NOTE 8 : TRADE PAYABLE</b>		
Trade Payables	275,120,519	151,481,165
	<u>275,120,519</u>	<u>151,481,165</u>
<b>NOTE 9 : OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-term Debts	814,616,049	663,606,745
Interest Accrued but Not Due on Borrowings	4,935,815	1,722,867
Interest Accrued & Due on Borrowings	158,259,598	42,757,472
Share Application Money Pending for allotment *	540,000,000	540,000,000
Other Payables		
Advances from Customers	340,914,288	325,928,769
Expenses Payable	28,619,196	23,810,861
Creditors for Capital Goods	45,578	37,715
Statutory Dues	27,208,485	5,444,496
	<u>1,914,599,039</u>	<u>1,603,308,926</u>
* Share Application Money:		
<p>The authorised capital of the company is not sufficient to cover the increase in capital arising from the allotment of shares out of the share application money of ₹ 540,000,000/-. Hence the said amount is classified under "Other Current Liabilities"</p>		
<b>NOTE 10 : SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	61,196	54,035
Leave Encashment	40,164	69,435
Bonus	565,628	620,462
	<u>666,988</u>	<u>743,952</u>



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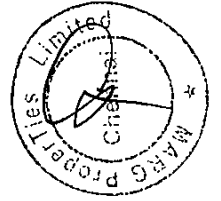


**MARG PROPERTIES LIMITED**  
**Notes To The Financial Statements**

**NOTE 11 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31-Mar-14	Additions	Deductions/ Transfers	As At 31-Mar-15	Up to 31-Mar-14	For the year	Deletions	Up to 31-Mar-15	As At 31-Mar-15	As At 31-Mar-14
<b>TANGIBLE ASSET</b>										
<b>OTHER ASSETS</b>										
Computers	4,622,442	-	-	4,622,442	2,565,569	1,814,327	-	4,379,896	242,546	2,056,873
Office Equipment	4,661,793	35,808	-	4,697,601	767,057	1,889,328	-	2,656,385	2,041,216	3,894,736
Furniture & Fittings	7,977,365	-	-	7,977,365	1,433,338	811,349	-	2,244,687	5,732,678	6,544,027
Motor Vehicles	1,025,550	-	-	1,025,550	271,012	134,034	-	405,046	620,504	754,538
<b>Total</b>	<b>18,287,150</b>	<b>35,808</b>	<b>-</b>	<b>18,322,958</b>	<b>5,036,976</b>	<b>4,649,039</b>	<b>-</b>	<b>9,686,015</b>	<b>8,636,943</b>	<b>13,250,174</b>
Previous Year	18,186,429	100,721	-	18,287,150	3,494,989	1,541,987	-	5,036,976	13,250,174	14,691,440
<b>INTANGIBLE ASSET</b>										
Computer Software*	2,561,149	-	-	2,561,149	1,232,288	514,401	-	1,746,689	814,460	1,328,861
<b>Total</b>	<b>2,561,149</b>	<b>-</b>	<b>-</b>	<b>2,561,149</b>	<b>1,232,288</b>	<b>514,401</b>	<b>-</b>	<b>1,746,689</b>	<b>814,460</b>	<b>1,328,861</b>
Previous Year	2,536,149	25,000	-	2,561,149	767,225	465,063	-	1,232,288	1,328,861	1,768,924

\* other than internally generated



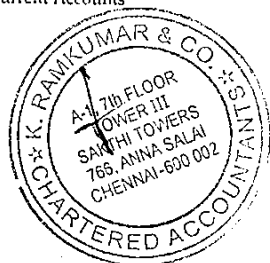
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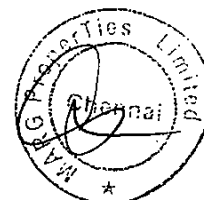
# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

Particulars			As At	As At
			31-Mar-15	31-Mar-14
			₹	₹
<b>NOTE 12 : NON-CURRENT INVESTMENTS</b>				
<b>12.1 Investments in Equity Shares</b>				
<b>(Non-Quoted, Non-Trade, Stated at Cost)</b>				
Company	Face Value	No of Shares		
	₹	31-Mar-15		
Aroopa Infradevelopers Pvt Ltd	10	10,000	100,000	100,000
Aprati Constructions Pvt Ltd	10	10,000	100,000	100,000
Magnumopus Infrastructure Pvt Ltd	10	10,000	100,000	100,000
Marg Business Park Pvt Ltd	10	10,000	100,000	100,000
Marg Hotels and Service Apartments Pvt Ltd	10	10,000	100,000	100,000
OMR Developers Pvt Ltd	10	10,000	100,000	100,000
Sarang Infradevelopers Pvt Ltd	10	10,000	100,000	100,000
<b>Grand total of Unquoted Investments</b>			<b>700,000</b>	<b>700,000</b>
<b>NOTE 13 : LONG-TERM LOANS AND ADVANCE</b>				
<b>13.1 Un-Secured and considered good</b>				
Capital Advance			-	151,940
Security Deposits			40,796,720	41,846,720
			<b>40,796,720</b>	<b>41,998,660</b>
<b>NOTE 14 : INVENTORIES</b>				
<b>14.1 Inventories</b>				
Stock of Materials at Site			468,904	1,609,272
Projects in Progress			1,126,643,950	1,100,300,779
Project Land in Stock			95,354,176	95,354,176
			<b>1,222,469,029</b>	<b>1,197,264,227</b>
<b>NOTE 15 : TRADE RECEIVABLES</b>				
<b>Unsecured and considered good</b>				
Outstanding for more than 6 months			21,150,409	11,865,629
Others			136,082,002	187,788,225
			<b>157,232,411</b>	<b>199,653,854</b>
<b>NOTE 16 : CASH &amp; CASH EQUIVALENTS</b>				
Cash Balance			15,912	135,670
Balances with Scheduled Banks				
In Current Accounts			7,636,775	26,957,278
			<b>7,652,687</b>	<b>27,092,948</b>



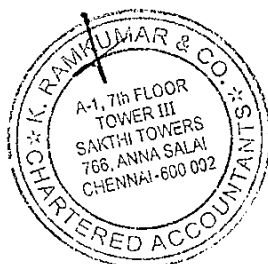
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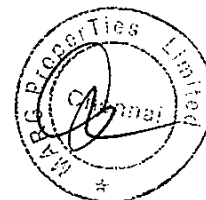
# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

Particulars	Year Ended	Year Ended
	31-Mar-15	31-Mar-14
	₹	₹
<b>NOTE 17 : SHORT-TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured and considered good</b>		
Advances to Subsidiaries	28,452,138	24,825,045
Others	114,000	100,000
Advances to Suppliers	926,522,184	936,375,372
Advances to Staff	1,441,635	1,585,655
Other Advances Recoverable	2,546,718	2,389,842
Prepaid Expenses	192,758	448,171
Prepaid Taxes	48,386,506	40,676,711
Security Deposit	181,250	181,250
	<u>1,007,837,189</u>	<u>1,006,582,646</u>
Less: Provision for Bad Debts	1,159,932	1,159,932
	<u>1,006,677,257</u>	<u>1,005,422,714</u>
	Year Ended	Year Ended
	31-Mar-15	31-Mar-14
	₹	₹
<b>NOTE 18 : INCOME FROM OPERATIONS</b>		
Income from Projects / Operations	53,731,196	467,220,244
	<u>53,731,196</u>	<u>467,220,244</u>
<b>NOTE 19 : OTHER INCOME</b>		
Prior Period Income	-	14,455,236
Flat Cancellation Charges	598,126	306,885
Sale of Scraps	1,290,538	-
Fire Charges Income	1,563,478	-
	<u>3,452,142</u>	<u>14,762,121</u>
<b>NOTE 20 : COST OF PROJECTS/OPERATING EXPENSES</b>		
<b>COST OF PROJECTS / OPERATING EXPENSES</b>		
<b>Opening Stock</b>		
Stock of Materials at Site	1,609,272	4,050,067
Projects in Progress	1,100,300,779	1,061,089,933
Project Land in Stock	95,354,176	95,354,176
	<u>1,197,264,227</u>	<u>1,160,494,176</u>
<b>Expenditure During the year</b>		
Cost of Projects / Operating Expenses	1,475,926,140	507,725,761
<b>Closing Stock</b>		
Stock of Materials at Site	468,904	1,609,272
Projects in Progress	1,126,645,950	1,100,300,779
Project Land in Stock	95,354,176	95,354,176
	<u>1,222,469,029</u>	<u>1,197,264,227</u>
<b>Cost of Projects / Operating Expenses</b>	<u>253,457,110</u>	<u>470,955,709</u>
	<u>253,457,110</u>	<u>470,955,709</u>



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# MARG PROPERTIES LIMITED

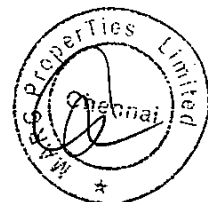
## Notes To The Financial Statements

Particulars	Year Ended	Year Ended
	31-Mar-15	31-Mar-14
	₹	₹
<b>NOTE 21 : PERSONNEL EXPENSES</b>		
Salaries & Allowances	1,177,937	12,906,891
Contribution to Funds	1,632,401	3,699,655
Recruitment & Training Expenses	55,224	25,632
Staff Welfare Expenses	1,224,233	2,388,838
Retirement Benefits	1,648,203	(2,064,769)
	<u>5,737,998</u>	<u>16,956,247</u>
<b>NOTE 22 : FINANCE COSTS</b>		
Interest	150,674,102	36,884,619
Less : Interest Recovered	3,511,964	21,310,000
Net Interest	147,162,138	15,568,619
Bank & Finance Charges	303,764	1,126,799
	<u>147,465,901</u>	<u>16,695,418</u>
<b>NOTE 23 : OTHER EXPENSES</b>		
Rent	4,291,321	4,750,582
Rates & Taxes	661,940	2,305
Communication Cost	1,390,022	1,522,309
Electricity Charges	1,108,807	597,341
Travelling and Conveyance	1,927,454	2,227,639
IT Services	215,163	391,628
Repairs & Maintenance	159,873	575,272
Secretarial Expenses	49,232	5,992
Advertisement & Business Promotion	69,901	26,697
Printing & Stationery	217,112	317,518
Postage and Courier Charges	25,582	151,202
Payment to Auditors		
- Statutory audit fee	225,000	225,000
- Other Services	-	-
Insurance Premium	622,008	593,155
Legal & Professional Charges	4,037,793	2,593,350
General Expenses	700	2,815
Office Maintenance	2,762,379	5,623,678
Donation	-	28,500
Bad Debts	-	-
Vehicle Maintenance	54,882	1,160,345
	<u>18,309,169</u>	<u>20,795,338</u>
<b>NOTE 24 : DEFERRED TAX EXPENSE</b>		
Deferred Tax Liability net off Deferred Tax (Asset) for the year	(1,140,768)	(32,942)
	<u>(1,140,768)</u>	<u>(32,942)</u>
<b>NOTE 25 : CONTINGENT LIABILITIES :</b>		
a. Estimated amount of liability on capital contracts : Nil (PY: Nil)		
b. Corporate Gurantees given to Banks in respect of loans taken by Holding Company: ₹ 100 Mn (PY ₹ 100 Mn)		
c. Income tax demand:		

Assessment Year	Amount of demand	Amount Paid Under Protest			Forum where dispute is pending
		Till 2013-14	During 2014-15	Total	
2012-13	66,14,000	Nil	Nil	Nil	CIT-(Appeals)-8



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# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

Particulars	Year ended	Year ended
	31-Mar-15	31-Mar-14
	₹	₹

### NOTE 26 : PREPARATION OF FINANCIAL STATEMENTS ON 'GOING CONCERN' BASIS

The Company has recorded a Net Loss of ₹ 37,18,09,511/- (PY ₹ 4,53,94,457/-) for the year ended 31st March, 2015 and there is negative net-worth as on 31st March, 2015. The Company has defaulted in payments due to Banks and others, towards principal and interest and statutory dues. Further there were lower cash inflows from existing projects.

Some of the loans of the company have been assigned to ARC and some of the banks are working for restructuring of loans. The Management is confident that the Company will be able to generate profit from its projects 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.

### NOTE 27: TERM LOANS

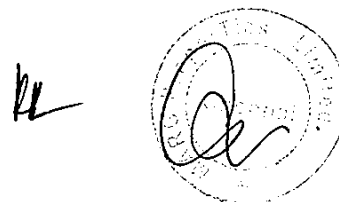
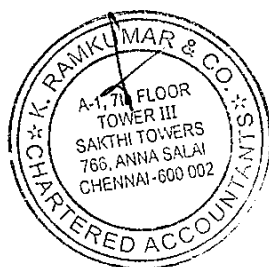
a) Bank of India and Punjab National Bank have transferred the entire outstanding along with interest to Edelweiss Asset Reconstruction Company ('the ARC') during the year. Since the revised terms of restructure with the ARC is yet to be finalised, the outstanding amount of ₹ 56,04,66,049/- in respect of these loans is included in Current Maturities of long term of borrowings in Note 10 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 the outstanding amount of ₹ 15 Crores is included in Current maturities of long term borrowings in Note 10.

### NOTE 28: INVESTMENTS AND ADVANCE DUE FROM SUBSIDIARY COMPANIES

The Company has invested in equity amounting to ₹ 6,00,000/- (PY ₹ 6,00,000/-) and an amount of ₹ 2,84,12,247/- (PY ₹ 2,48,00,645/-) is advanced as loan to its subsidiaries, 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 as on date no such action has been initiated 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 and loans outstanding from these subsidiaries as at 31st March, 2015.

### NOTE 29 : DEFERRED TAX LIABILITY :

<b>Deferred Tax Assets</b>		
Outstanding Deferred Tax Assets(Opening Balance)	1,430,435	1,397,494
Timing difference on account of employee benefits & business loss	1,140,768	32,942
Gross Deferred Tax Assets(A)	2,571,203	1,430,435
<b>Deferred Tax Liabilities</b>		
Outstanding Deferred Tax Liabilities(Opening Balance)	1,523,301	1,523,301
Timing Difference on account of Depreciation	-	-
Gross Deferred Tax Liabilities(B)	1,523,301	1,523,301
Net Deferred Tax Assets ( (A) Less (B) )	-	-
Net Deferred Tax Liability ( (B) Less (A) )	(1,047,902)	92,866



NOTE 30 : EMPLOYEE BENEFITS

A. GRATUITY

The company does not maintain any fund to pay for Gratuity

i) Amount recognised in the Profit and Loss A/c relevant Project Cost is as under

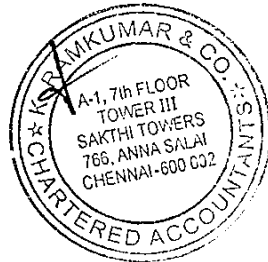
Particulars	Year ended	Year ended
	31-Mar-15	31-Mar-14
	₹	₹
Current service cost	1,611,082	953,182
Interest Cost	187,872	287,918
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	(829,795)	(1,219,997)
Transitional Liability recognised in the year	-	-
Expenses recognised in profit and Loss Account	<u>969,159</u>	<u>21,103</u>

ii) Movement in the liability recognised in the balance sheet during the year

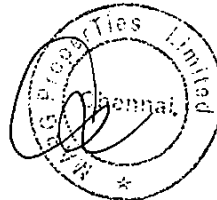
Particulars	As At	As At
	31-Mar-15	31-Mar-14
	₹	₹
Opening net liability	2,758,436	4,037,199
Expense as above	969,159	21,103
Contribution paid	(1,096,350)	(1,299,866)
Closing net liability	<u>2,631,245</u>	<u>2,758,436</u>

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

Particulars	As At	As At
	31-Mar-15	31-Mar-14
	₹	₹
Present value of the obligation	2,631,245	2,758,436
Fair value of plan assets	-	-
Difference	<u>2,631,245</u>	<u>2,758,436</u>
Unrecognised Transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
Liability recognised in the Balance Sheet	<u>2,631,245</u>	<u>2,758,436</u>



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# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

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

Particulars	Year ended 31-Mar-15	Year ended 31-Mar-14
<b>PRINCIPLE ACTUARIAL ASSUMPTIONS</b>		
(Expressed as weighted averages)		
Discount Rate	7.8%	8.5%
Salary escalation rate	8%	8%
Attrition rate	4%	4%

### B. LEAVE ENCASHMENT

The Company does not maintain any fund pay for leave encashment

i) Amount recognised in the Profit and Loss Account of relevant Project is as under :

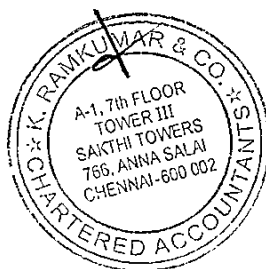
Particulars	Year Ended 31-Mar-15 ₹	Year Ended 31-Mar-14 ₹
Current service cost	432,807	543,938
Interest Cost	85,329	173,559
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	16,831	(885,818)
Transitional Liability recognised in the year	-	-
Past Service Cost - Non-Vested Benefits	-	-
Past Service Cost - Vested Benefits	-	-
<b>Expenses recognised in the statement of Profit and Loss Account</b>	<b>534,967</b>	<b>(168,321)</b>

ii) Movement of the Liability recognised in Balance Sheet is as under :

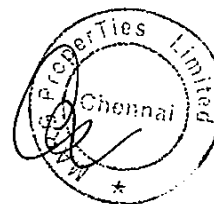
Particulars	As At 31-Mar-15 ₹	As At 31-Mar-14 ₹
Opening net liability	1,556,465	2,358,951
Expense as above	534,967	(168,321)
Contribution paid	(1,105,177)	(634,165)
<b>Closing net liability</b>	<b>986,255</b>	<b>1,556,465</b>

iii) Amount recognised in the Balance sheet during the year :

Particulars	As At 31-Mar-15 ₹	As At 31-Mar-14 ₹
Present value of the obligation	986,255	1,556,465
Fair value of plan assets	-	-
Difference	986,255	1,556,465
Unrecognised Transitional liability	-	-
Unrecognised past Service Cost - Non Vested Benefits	-	-
<b>Liability recognised in the Balance Sheet</b>	<b>986,255</b>	<b>1,556,465</b>



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# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

iv) For determination of Leave Encashment liability of the Company the following actuarial assumption were used :

Particulars	Year ended 31-Mar-15	Year ended 31-Mar-14
<b>PRINCIPAL ACTUARIAL ASSUMPTIONS</b>		
(Expressed as weighted averages)		
Discount Rate	7.8%	8.5%
Salary escalation rate	8%	8%
Attrition rate	4%	4%

### NOTE 31 : RELATED PARTY DISCLOSURES :

The following is the list of related parties:

- Holding Company - Marg Limited
- List of Subsidiaries

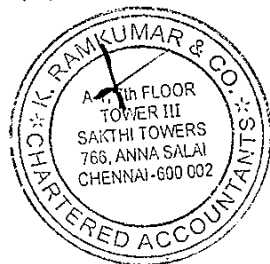
Sl	Company Name
1	Aprati Constructions Private Limited
3	Magnumopus Infrastructure Private Limited
5	MARG Hotels and Service Apartments Private Limited
7	Sarang Infradevelopers Private Limited

Sl	Company Name
2	Aroopa Infradevelopers Private Limited
4	MARG Business Park Private Limited
6	O M R Developers Private Limited

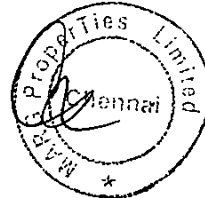
c. List of Fellow Subsidiaries, where control existed during the year:

Sl	Company Name
1	Advance Infradevelopers Private Limited
3	Akhil Infrastructure Private Limited
5	Amir Constructions Private Limited
7	Anuttam Constructions Private Limited
9	Arohi Infrastructure Private Limited
11	Atul Infrastructure Private Limited
13	Bharani Infrastructure Private Limited
15	Darpan Houses Private Limited
17	Dasha Infradevelopers Private Limited
19	Guiding Infradevelopers Private Limited
21	Kanchanajunga Infradevelopers Private Limited
23	Karaikal Power Company Private Limited
25	Marg Aviations Private Limited
27	Marg Infrastructure Developers Limited
29	Marg Logistics Private Limited
31	Marg Sri Krishnadevaraya Airport Private Limited
33	Marg Trading PTE Ltd
35	Navita Estates Private Limited
37	New Chennai Township Private Limited
39	Rainbow Habitat Private Limited
41	Saptajit Projects Private Limited
43	Shubham Vihar Private Limited
45	Sulekh Constructions Private Limited
47	Talin Infradevelopers Private Limited
49	Vyan Infraprojects Private Limited

Sl	Company Name
2	Agni Infradevelopers Private Limited
4	Anbar Nivas Private Limited
6	Anumanthai Beachside Resorts Private Limited
8	Archana Infradevelopers Private Limited
10	Ashram Infradevelopers Private Limited
12	Avatar Constructions Private Limited
14	Comex Infrastructure Private Limited
16	Darshan Homes Private Limited
18	Future Parking Private Limited
20	Hilary Constructions Private Limited
22	Karaikal Port Private Limited
24	Kirtidhara Infrastructure Private Limited
26	Marg Industrial Clusters Limited
28	Marg International Dredging PTE Ltd
30	Marg Marine Infrastructure Limited
32	Marg Swarnabhoomi Port Private Limited
34	Mukta Infrastructure Private Limited
36	Navrang Infrastructure Private Limited
38	Parivar Apartments Private Limited
40	Riverside Infrastructure (India) Private Limited
42	Shikha Infrastructure Private Limited
44	Signa Infrastructure India Limited
46	Swatantra Infrastructure Private Limited
48	Uttarak Infradevelopers Private Limited
50	Yuva Constructions Private Limited



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# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

d) Key Management Personnel (KMP)

G R K Reddy

e) Relative of KMP

V P Rajini Reddy - Wife of KMP

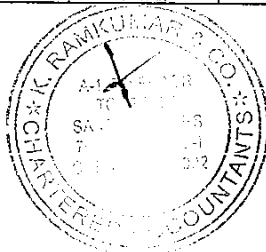
f) Entities over which KMP and/or their relatives exercise control:

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

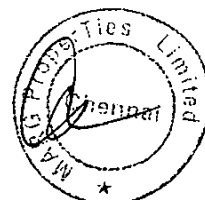
g) The following transactions were carried out with the related parties during the course of the business:

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Entities over which KMP of Holding Company and/or their relatives exercise control	
	Transactions							
	Year Ended		Year Ended		Year Ended		Year Ended	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Service rendered	2,619,636	7,938,574			-	-	-	-
Loan Received / (Re-Paid)	(56,127,088)	(296,822,543)	8,665,000	390,000	-	-	-	-
Converted to Share application					-	-	-	-
Interest Paid	31,059,053	-	1,153,976	-	-	-	-	-
Interest Received			3446304.00	45,232,262	14,000	-	-	-
Purchase of Land	8,882,500	51,530,000	51,401,160	46,733,440	-	-	-	-
Loans and advances Made			40,180,188	1,980,000	-	50,000	-	-
Advance to suppliers			15,309,242	(15,309,242)	-	-	-	-
Sale of Flats							0.00	11,625,902
Service Received	93,351,729	144,725,645	-	555	-	-	249,599	656,925
Common Expenses Allocated	9,865,111	19,819,358			-	-	-	-
Contract Advance Paid					-	-	-	-
Contract Advance Received					-	-	-	-
Guarantees and Collaterals	-	440,000,000	-	43,583,000	-	-	-	-
Guarantees and Collaterals	-	(233,042,500)	-	-	-	-	-	-

	Balances							
	As At		As At		As At		As At	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Share application money	540,000,000	540,000,000					-	-
Unsecured Loan	313,331,841	338,399,876	9,396,659				-	-
Investment								
Loans and advances			28,452,138	25,247,962	114,000	100,000	-	-
Advance to suppliers			85,843,183	177,244,342			84,717	-
Advance recd from the							11,625,902	11,625,902
Trade Payables	137,422,010	119,425,158		-			-	460,995
Trade receivables	2,565,764	462,333	-	-	20,747,264	10,784,617	1,023,260	1,023,260
Contract Advance Paid	472,939,734	483,597,251					-	-
Contract Advance Received							-	-
Guarantees and Collaterals	1,595,000,000	1,595,000,000	43,583,000	43,583,000	89,033,000	89,033,000	-	-
Guarantees and Collaterals	100,000,000	100,000,000	-	-			-	-



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# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

### NOTE 32: DISCLOSURE PURSUANT TO SECTION 186 OF THE COMPANIES ACT 2013

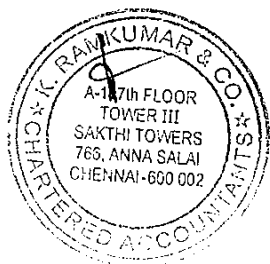
S.NO	NATURE OF TRANSACTION	PURPOSE	AS AT 31-MAR-15	AS AT 31-MAR-14
<b>INVESTMENTS IN SUBSIDIARIES</b>				
1	Aroopa Infradevelopers Pvt Ltd	Capital contribution	100,000	100,000
2	Aprati Constructions Pvt Ltd	Capital contribution	100,000	100,000
3	Magnumopus Infrastructure Pvt Ltd	Capital contribution	100,000	100,000
4	Marg Business Park Pvt Ltd	Capital contribution	100,000	100,000
5	Marg Hotels and Service Apartments Pvt Ltd	Capital contribution	100,000	100,000
6	OMR Developers Pvt Ltd	Capital contribution	100,000	100,000
7	Sarang Infradevelopers Pvt Ltd	Capital contribution	100,000	100,000
	<b>Total</b>		<b>700,000</b>	<b>700,000</b>
<b>LOANS &amp; ADVANCES</b>				
1	Marg Hotels and Service Apartments Pvt Ltd	Project funding/Working capital	39,891	25,000
2	Aprati Constructions Pvt Ltd	Project funding/Working capital	152,900	100,555
3	Aroopa Infradevelopers Pvt Ltd	Project funding/Working capital	270,587	250,000
4	OMR Developers Pvt Ltd	Project funding/Working capital	27,988,760	24,450,090
5	Yuva Constructions Private Limited	Project funding/Working capital	114,000	100,000
			<b>28,566,138</b>	<b>24,925,645</b>
<b>Gurantees</b>				
1	Marg Limited	For Funding	100,000,000	100,000,000

### NOTE 33: 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 the period end together with interest paid / payable under this Act have not been given.

### NOTE 34: AUDITORS' REMUNERATION

Particulars	Year Ended	Year Ended
	31-Mar-15	31-Mar-14
	₹	₹
Statutory Audit Fee	225,000	225,000
Tax Audit Fee	-	-
<b>TOTAL</b>	<b>225,000</b>	<b>225,000</b>



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# MARG PROPERTIES LIMITED

## Notes To The Financial Statements

NOTE 35: In accordance with the requirements of Schedule II to the Companies Act, 2013, the Company has re-assessed the useful lives of the depreciable assets. The depreciation for the year ended 31st March,2015 is higher by ` 31,54,828/- due to change in useful lives. The Exceptional Item of ` 16,18,705/- in the Statement of Profit or Loss represents the amount charged off in respect of assets whose remaining useful life is nil as at 01st April, 2014.

NOTE 36 : Earnings Per Share (EPS):

Particulars	Year Ended 31-Mar-15	Year Ended 31-Mar-14
Profit After Tax (₹)	(371,809,512)	(45,394,437)
For Basic & Diluted EPS		
Weighted average number of equity shares (Nos)		
For Basic &	50,000	50,000
For Diluted EPS	50,000	50,000
Earning Per Share (₹)		
Basic	(7,436.19)	(907.89)
Diluted	(7,436.19)	(907.89)
Nominal Value Per Share (₹)	10	10

NOTE 37 : PRESENTATION OF PREVIOUS YEAR'S FIGURES

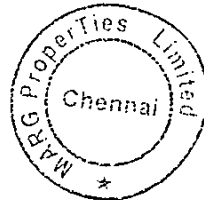
Previous year's figures have been regrouped / reclassified / rearranged wherever necessary to bring them in conformity with the current year figures.

As per our Report of even date attached  
For K RAMKUMAR & CO.,  
Regn No: 028305  
Chartered Accountants

*R.M.V.*

R M V BALAJI  
Partner  
Membership No. 27476

Place : Chennai  
Date : 29-May-15



For and on behalf of Board of Directors

*K.R. Reddy*  
K R REDDY  
Director  
*V.P. Rajini Reddy*  
V P RAJINI REDDY  
Director

