Maral Overseas Limited

Passion to excel

Annual Report 2010-11

1961-2011
Golden Jubilee Year
BHILWARA GROUP
PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

The LNJ Bhilwara Group

*Established in 1961 *A USD 1 billion conglomerate *Among leading business groups in India *Diversified interests in textiles, graphite electrodes, power generation, power engineering, ITeS and consultancy services *Promoted by Shri L. N. Jhunjhunwala.

50 Glorious Years

A journey that began in 1961 with a single textile unit in the lesser known town of Bhilwara, Rajasthan has, over five decades, created one of India's leading business conglomerates, firmly etching itself in the global space.

Pioneering pedigree:

- Possesses India's second-largest spindle capacity
- Largest Indian producer and exporter of polyester/viscose blended yarn
- Provides largest range in grey, dyed and mélange yarns
- Possesses the world's largest single-location plant for graphite electrodes with an installed capacity of 66,000 TPA
- Commissioned India's first hydro-power project co-financed by the International Finance Corporation, Washington
- Emerged as the first merchant power producer in India's hydro sector

Awards and recognition:

- Winner of the SRTEPC (The Synthetic and Rayon Textiles Export Promotion Council) award for exports for the last 17 years – a record in the Indian textiles space and Rajiv Gandhi National Quality Award (RSWM Ltd.)
- Recipient of the CAPEXIL award for 19 consecutive years and the prestigious Rajiv Gandhi National Quality award (HEG Ltd.)
- Awarded the Greentech Environment Excellence Award (Malana Power Company Ltd)

Group Statistics

Number of Companies	No. of Manufacturing Facilities	Human Capital	Revenue	Exports	EBIDTA	Profit After Tax
14	24	25,000	₹ 4,739 crore	₹ 2,252 crore	₹ 900 crore	₹ 238 crore
March 31, 2011	March 31, 2011	March 31, 2011	2010-11	2010-11	2010-11	2010-11

CORPORATE INFORMATION

BOARD OF DIRECTORS

L. N. Jhunjhunwala	*Chairman-Emeritus*
Ravi Jhunjhunwala	*Chairman*
Shekhar Agarwal	*Managing Director*
D. N. Davar	*Director*
Dr. Kamal Gupta	*Director*
P. S. Dasgupta	*Director*

KEY EXECUTIVES

- **Corporate Office**
  P. S. Puri — *Chief Financial Officer*
- **Sarovar Unit**
  Tarun Baldua — *President*
- **Noida Unit**
  Naveen Maheshwari — *Vice President*

COMPANY SECRETARY
Vikas Prakash

AUDITORS
Doogar & Associates, New Delhi
Ashim & Associates, New Delhi

REGISTERED OFFICE
Maral Sarovar,
V. & P.O. Khalbujurg,
Tehsil Kasrawad, Distt. Khargone - 451 660 (M.P.)

CORPORATE OFFICE
Bhilwara Towers,
A-12, Sector-1,
Noida - 201 301 (U.P.)
Website: www.maraloverseas.com

WORKS :

- **Sarovar Unit**
  Maral Sarovar, V. & P.O. Khalbujurg,
  Tehsil Kasrawad, Distt. Khargone - 451 660 (M.P.)
- **Noida Unit**
  A-11, Hosiery Complex, Phase - II (Extension),
  Noida - 201 305 (U.P.)

BANKERS
State Bank of India
Bank of Baroda
Export-Import Bank of India
Central Bank of India
Industrial Development Bank of India Ltd
Axis Bank Ltd
Canara Bank
The Jammu & Kashmir Bank Ltd
State Bank of Patiala
State Bank of Hyderabad
State Bank of Bikaner & Jaipur
IndusInd Bank Ltd
Yes Bank Ltd

CONTENTS

MANAGEMENT DISCUSSION AND ANALYSIS

The global textile industry is undergoing growth, restructuring and relocation in the wake of dismantling of restrictions on the movement of textile products across the world. India's textiles and clothing industry holds significant status and is one of the largest contributing sectors of India's exports worldwide. The Role of Textile Industry in India's GDP at 4% also includes a hike in the investment flow both in the domestic market and the export production of textiles. It has been assumed that by the year 2012, the investment in textile industry is most likely to touch USD 38.14 billion. Textiles & Clothing employ 35 mn people directly and contributes to 9% of India's exports at $ 22 billion.

As per the Index of Industrial Production (IIP) data released by the Central Statistical Organisation (CSO), cotton textiles has registered a growth of 8.2 per cent during April to September 2010-11, while wool, silk and man-made fibre textiles have registered a growth of 2.2 per cent and textile products including wearing apparel have registered a growth of 3 per cent. Textiles, overall, constitutes 14 per cent of industrial production in India.

Further, as per the press release issued by Ministry of Textiles dated November 2, 2010, India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 per cent to 8 per cent and reach US$ 80 billion by 2020.

Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation. Besides, there are a large number of allied and ancillary industries dependent on this sector, such as those manufacturing machinery, accessories, stores, ancillaries, dyes & chemicals etc.

The Government has taken a number of steps for expansion of Textile Industry including technology upgradation and modernization of textile mills under the Technology Upgradation Fund Scheme and Technology Mission on cotton through various Mini Missions, support for industry infrastructure through Scheme for Integrated Textile Parks (SITP); Integrated Scheme for Development of Powerloom Sector along with Group Workshed Scheme for the sector, scheme for skill upgradation of textiles workers under the Integrated Skill Development Scheme and other capacity building programmes for the industry like Knitwear Technology Mission. In addition, various fiscal incentives are provided for exports of Textile & Clothing items under various provisions of the Foreign Trade Policy - 2009-14.

Also during the financial year ended March 31, 2011, the Ministry of Textiles informed a parliamentary panel that it proposes to allocate US$ 785.2 million for the modernisation of the textile industry.

In the last few years, India's textile sector is rapidly integrating with the global textile industry with alliances and acquisitions in the wake of dismantling of restrictions on the movement of textile products across the world. As a result, the Competition for India's textile companies became bigger and non-traditional. The Indian textile producers in order to sustain their existence, built up better competence with respect to cost, services, innovation, technology upgradation, value added products etc. to face these global challenges viz. tough competition with low cost producing neighboring countries, uncompetitive pricing, costly raw material etc. Further, due to elimination of quantitative restrictions, the Indian textile industry was also subjected to tough foreign competition due to low-cost imports from neighboring countries.

Maral Overseas Limited (MOL), realizing these challenges, is fully geared to meet them. The Company, in the past, undertook substantial investments in upgrading technology, building scales and creating cost efficient manufacturing operations and to focus on cost efficient operations, value added products, quality, competitive pricing, design, meeting delivery schedules etc. which have started to yield results.

Opportunities and Threats

The fundamental growth drivers of the Country's economy as well as Textile Industry, continue to remain strong despite the slowdown and inflationary conditions prevailing in the nation and also globally. With the introduction of the agreement on Textiles and Clothing by the WTO in 1995 and following the integration of the textiles and clothing sector under General Agreement on Tariffs and Trade (GATT) in 2005, this sector has undergone a significant transformation and further added to growth opportunities for Indian textile sector. Indian Textile and Clothing Industry has envisaged high growth prospects in the future considering the projections and targets set by the government. However, in order to achieve the growth, the production output of the Industry would need to be increased substantially from the current levels. The higher growth would be driven from manufacturing of more value added products and rise in usage of technical textiles, rising income and consumption levels. Recognizing the ability to capitalize on this opportunity, your Company had undertaken a few initiatives in last few years to bring about economies of scale by undertaking spinning capacity expansion, cost effective operations, captive quality power by installation of coal based thermal power plant, consolidation and restructuring of operations, reliable services to customers as well as making its presence felt in new markets through systematic innovations and higher levels of service based activities.

The threats to the segments in which the Company operates are severe competition among textile producers both domestic and globally through low-cost imports from neighboring countries, pricing pressures, stricter environment laws, inflation, steep increase in price of raw material more particularly, cotton.

Businesses

MOL is one of the leading manufacturer and exporter of cotton yarn, knitted fabric (both grey and processed) and knitted garments. During the year under review, cotton prices touched an all time high in over 140 years due to major demand from China and other countries and lower production in Pakistan due to floods. During the financial year ended March 31, 2011, the Company achieved a Turnover of ₹ 509.11 Crores against ₹ 199.62 Crores in the previous year ended the 31st March, 2010 (six months period) and the operating profit of the Company is ₹ 60.70 Crores against ₹ 25.89 Crores in the previous period.

During the period under review, the Company's exports (FOB value) were to the tune of ₹ 338.69 Crore and accounts for 66.55 % of MOL's Turnover. The yarn business accounts for 65.81% (Previous year 61.98%) while knitted fabric and textile made-ups business accounts for 23.32% and 10.87% respectively.

The Company is focused on value-addition and cost control, in order to be competitive and survive in global market. The Company expects that demand for fabrics and yarn is likely to increase in the months to come, as exports of textiles and apparel from the country should rise. The Company offers to its customers the finest quality of yarn which commands a premium in the global market. It is expected that increased demand for Indian yarn and fabric in the months to come would benefit the Company.

Yarn Business

The performance of the Yarn Business was satisfactory during the year despite increase in cotton price touching all time high. The market for yarn was buoyant, due to higher demand, not only in the domestic market but also in the world market. This business contributed ₹ 325.82 crores towards the turnover of the Company.

Knitted Fabric Business

The performance of the Fabric Business was satisfactory during the year, inspite of major resistance to price increase in fabric because of increase in raw material prices coupled with strengthening of Rupee. Fabric margins could have been better had market responded to price increase of yarn. This business contributed ₹ 123.01 crores towards the turnover of the Company.

Garment Business

The performance and profitability of this segment was not inline with the overall performance of the Company due to combination of global and domestic factors. During the year there was major resistance to price increase in garments and hence it could not absorb the spurt in raw material prices of yarn & fabrics and volatility in exchange rate. This business contributed ₹ 60.28 crores (11.84%) towards the turnover of the Company. During the year, about 35% of the garment capacity was shut down due to it not being viable.

Risk Management

Market Risk

The textile business is cyclical in nature and largely driven by market conditions across the globe. As the international markets are coming out of recession there had been good recovery in the demand of textile products. The spurt in the raw material prices, inflationary trend, strengthening of rupee are other factors which has a bearing on the profitability and the cost of production.

Your Company is making continuous efforts to explore new markets and identify value added products to its profile to maximize its realizations to achieve overall growth and maintain margins.

Currency Risk

There had been a lot of volatility in the currency market mainly due to the inflows and outflows of forex, which has determined the value of rupee in the recent years. During the year under review the rupee has been volatile which affected the prices of imported inputs and realization of finished goods. The Company hedges currency risks by taking offsetting positions to the tune of export orders-in-hand in the currency market and thus eliminating the risks of forex fluctuations to a large extent.

Regulatory Risk

The regulatory policies of the Government play a vital role in the functioning of the industry as a whole. The Government policies help in maintaining global competitiveness and at the same time catering to the domestic demand and growth. This is evident from the fact that during the year Government capped the export of cotton to 935 million kg to ensure the supply of cotton in the domestic market despite a phenomenal rise in the prices of cotton in the international market.

Internal Control Systems and their adequacy

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The Company takes abundant care to design, review and monitor the working of internal control system. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations. The Company has also in place, well documented policies on most aspects of its business which are regularly discussed and monitored by the Audit Committee of the Board. The Management of the Company and the Audit Committee regularly interact with internal & management auditors and seek their independent opinion on the policies and procedures being followed at its various units.

Human Resources

Your Company continued building sustainable competitive advantage through its human resource and maximizing human resource potential to match the market environment. Your Company also focused on the training and development of its people through various training and development programmes. In the past, the Company took various HR measures to bring it in line with the required business needs. Your Company has a strong dedicated work force of employees and they have shown commitment, competence and dedication in all areas of business.

The Company had 1545 employees at the end of 2010-11. Industrial relations continued to be cordial during the year.

Corporate Social Responsibility

Corporate Social Responsibility has always been an integral part of the LNJ Bhilwara Group's vision and the cornerstone of our Core Value of Good Corporate Citizenship. Company believes that a substantial business success cannot be achieved solely through maximizing short term profits. It requires market oriented yet responsible behaviour. Maral has a long tradition of community service and a strong sense of Corporate Social Responsibility towards various stakeholders viz **Employees**: providing a competitive and challenging work environment that respects his health, having ethical recruitment, remuneration, promotion and other policies that allows him to move to better living conditions, ensuring a safe working environment for them, having fair policies for the solution of employee disputes; **Shareholders**: presenting a fair picture of the company's financial position and profit/loss to the shareholders; **Government:** providing the necessary information to the government as and when required, timely payment of the due taxes and duties, abiding by the laws and regulations of the land in which the Company operates, contributing to the economy through exports; **Customers:** Focus on service & reliability to see whether it adds value in the eyes of our customers, enhancing products quality, ensuring reasonable prices and quick response to market needs; **Investors:** giving the investors a true and fair picture of the financial condition of the business; **Suppliers:** making competitive and timely payment to the suppliers for the products purchased as well as maintaining an amicable relationship with them; **Competitors:** indulging in ethical and healthy competition for the betterment of the industry; **Society:** undertaking community development and area development programmes and creating job opportunities; **Environment:** ensuring the purchase of environment-friendly supplies, ensuring a pollution-free process of production, having an efficient system for the disposal of waste, making the product and the process of production as environment-friendly as possible, protecting the environment by planting trees and supporting the community around us.

Cautionary Statement

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on 'Risk Management'. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Second Annual Report of the Company and the audited financial statements for the year ended 31st March, 2011.

Financial Results

(₹ in Crore)

	31.03.2011 Current Year (12 months)	31.03.2010 Previous Year (6 months)
Net Turnover	**509.11**	**199.62**
Profit/(Loss) from operations	**12.87**	3.59
Less: Taxation	**–**	0.09
Profit / (Loss) after Tax	**12.87**	3.50
Add: Balance brought forward from previous year	**(123.73)**	(126.32)
Balance carried to Balance Sheet	**(112.96)**	(123.73)

Financial Year

The last financial year ended 31st March, 2010 of the Company comprised of only 6 months period as the financial year prior to that was extended by six months and ended on 30th September, 2009 for an 18 months' period. However, the accounts of the Company for the year ended the 31st March, 2011 have been prepared for the twelve months period i.e. from 1st April, 2010 to 31st March, 2011.

Operations

Your Directors feel pleasure in informing the members that due to a number of steps taken by the management in the last couple of years, including the successful implementation of CDR package, the operations of the Company improved during the year under review, despite a few impediments such as quantitative restriction on export of cotton yarn in last quarter of the financial year and a very steep rise in the prices of raw cotton.

The Company achieved a Turnover of ₹ 509.11 Crores for the year ended the 31st March, 2011 against ₹ 199.63 Crores in the previous year ended the 31st March, 2010 (six months period). The Company achieved an operating profit of ₹ 60.70 Crores against ₹ 25.89 Crores in the previous six months period.

During the period under review, your Company has been able to achieve a production of 16562 MT of cotton yarn (8452 MT), 1117 MT of dyed yarn (548 MT), 3050 MT of grey knitted fabric (1348 MT), 3992 MT of processed fabric (2043 MT) and 36.63 lakhs pieces of textile made-ups (17.99 lakhs pieces).

Dividend

Your Directors recommend to the Annual General Meeting, a preference dividend @ 8% p.a i.e ₹ 8/- per share on 18,85,400 Cumulative Redeemable Preference Shares (CRPS) of ₹ 100/- each issued to various Banks/ Institutions; @ 3% p.a. i.e. ₹ 3/- per share on 8,00,000 Cumulative Redeemable Preference Shares (CRPS) of ₹ 100/- each and ₹ 1.30 on 4,00,000 Cumulative Redeemable Preference Shares (CRPS) of ₹ 100/- each issued to persons forming part of promoter and promoter group, in accordance with CDR package.

The dividend on CRPS will absorb ₹ 209.23 Lacs (inclusive of distribution tax). A proposal for confirmation of the dividend on CRPS will be placed before the shareholders at the ensuing Annual General Meeting.

No dividend is recommended on the Equity Shares.

Industry Scenario

The textile industry in the Country of late has responded positively vis-à-vis the recovery in the global economies, particularly in the U.S and Europe. The margins improved due to revival in demand and improvement in sentiments across the globe. The textile industry, during the period under review, underwent a lot of global events impacting the overall industry scenario. The cotton crop in many producing countries such as China & Pakistan failed due to natural calamities faced by these countries. Fortunately our country had a slightly better crop of cotton in the current cotton year. In order to ensure cotton supply for domestic consumers, the Government capped cotton exports from India at 935 million kgs.

The rise in cotton imports by countries like China, Bangladesh, Pakistan & others coupled with a stagnant world supply of cotton resulted in an all time high in prices of cotton globally. The down stream industry except the retail, was able to absorb a major part of this raw material cost increase.

Your Directors are optimistic that the current uptrend in demand will continue to enable your Company to report further improvement in its performance in years to come.

Directors

Mr. Ravi Jhunjhunwala and Mr. P. S. Dasgupta, Directors, retire by rotation and being eligible, offer themselves for reappointment.

Potentially Sick Company

Your Directors are pleased to inform that with the corrective/ effective measures taken by the Company including implementation of Corporate Debt Restructuring (CDR) package in the last year, the operations of the Company have improved considerably which resulted in improvement in profitability over the previous years.

Auditors

M/s. Doogar & Associates and M/s. Ashim & Associates, Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company, and are eligible for re-appointment.

The observations of the Auditors are explained wherever necessary, in the appropriate notes to the accounts.

Upto financial year 1999-2000, the Company was treating plant & machinery of spinning unit as continuous process plant and, was accordingly charging depreciation based on an estimated useful life of 18 years. The estimated useful life was revised to 13 years on basis of the then available technology indicators. From 2008-2009, based on usage, technology and efficiency parameters, the Company, in order to reflect a more appropriate preparation/ presentation of financial statements, has revised the estimated useful life of such plant & machinery by reinstating the same to 18 years.

The Company, during the period 2008-2009, reported its potential sickness to the Board for Industrial and Financial Reconstruction in accordance with the Section 23(1)(a)(ii) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Your Directors further state that with the corrective/effective measures taken and improvement in market conditions, the Company has made Net profit in the financial period ended March 31, 2010 and year ended March 31, 2011.

Corporate Governance

Report on Corporate Governance along with the Certificate of Auditors, M/s. Doogar & Associates and M/s. Ashim & Associates, Chartered Accountants, confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, forms part of the Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report, as required by clause 49 of listing agreement, forms part of the Annual Report.

Internal Control Systems

Your Company has maintained appropriate internal control systems supplemented by internal/management audits covering all financial and operating functions. Such audits ensures that responsibilities are executed effectively. The Audit Committee reviews and ensures that the Internal Control System operates effectively in the organization and then recommends to the Board any changes in the system of Internal Controls, procedures and practices which they determine to be appropriate. Details on the composition and functions of the Audit Committee can be found in the chapter on Corporate Governance of the Annual Report.

Particulars of Employees

There was no employee drawing remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and any amendment thereto.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, are given as per Annexure-I to the Directors' Report.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and they have 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 on 31st March 2011, and of the profit or loss of the Company for the year ended on that date;
- proper and sufficient care has been taken 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;
- the Annual Accounts have been prepared on a going concern basis.

Acknowledgements

Your Directors take this opportunity to express their appreciation for the assistance and continued support of the Customers, Suppliers, Bankers, Financial Institutions, Central and State Governments and Shareholders. Your Directors also acknowledge the dedicated service rendered by the Employees of the Company at all levels.

for and on behalf of the Board

Noida (U.P.) **Ravi Jhunjhunwala**
April 26, 2011 Chairman
DIN - 00060972

ANNEXURE - I TO DIRECTORS' REPORT

Statement of particulars pursuant to Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

1. Replacement of high energy consumer machine with new energy efficient machine for fabric dying.
2. Condition monitoring of electric motor to reduce energy losses.
3. Control and monitoring of compressed air.
4. Energy audit by external agency.
5. Replacement of rewound motors by energy efficient motors.
6. Reduction in auxillary power consumption in Captive Thermal Power Plant by taking various energy conservation measures.

(b) Additional Investment & proposals, if any, being implemented for reduction of consumption of energy :

1. Replacement of Higher efficiency Motor in ringframe Unit - 3.
2. Installation of VFD in Humidification Plant for Pump.
3. VFD Installation for ID & FD Fans in Thermopack.
4. Installation of variable frequency drive in spg Unit - 4.
5. Replacement of 45KW motor and drive with 55 KW motor and drive to improve specific power consumption.
6. Installation of automatic air and fuel control system in Thermopack.
7. Control and monitoring of compressed air.
8. Modernization of effluent treatment plant.
9. Replacement of rewound motors by energy efficient motors.
10. Power monitoring system for power measurement in ring frame machine.
11. Replacement of Higher efficiency Motor in ringframe Unit - 1 & 2.
12. To replace existing compressor with Energy efficient VFD operated compressor.
13. Switching of fuel in Thermal Power Plant from coal to biomass to reduce emmissions.
14. Replacement of 12 nos of old finisher drawframe with new technology machine.
15. Replacement of 8 nos of old Speed frame with new technology inverter driven machine.

(c) Impact of measures at (a) & (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

Impact of measure (a)

1. Reduction in specific power consumption at Fabric Dyeing and Spinning.
2. Reduction in auxillary power consumption in Captive Thermal Power Plant thus reduction in emission.

Impact of measure (b)

1. Reduction in specific power consumption at Fabric Dyeing and Spinning.

INFORMATION AS PRESCRIBED IN FORM A

(A) POWER AND FUEL CONSUMPTION

	31.03.2011 (12 Months)	31.03.2010 (6 Months)
1. Electricity		
a. Purchased		
Units	**8,056,798**	1,849,382
Total amount (₹)	**38,993,377**	9,018,324
Rate Unit (₹)	**4.84**	4.88
b. Own Generation		
(i) Through Diesel Generator		
Units	**3,116,526**	508,026
Units / Litre of HSD / FO	**3.90**	2.57
Cost / Unit	**7.22**	10.53

	31.03.2011 (12 Months)	31.03.2010 (6 Months)
(ii) Through Thermal Power Plant		
Units	**65,966,830**	37,320,630
Units / Kg, of Coal	**1.00**	1.08
Gas	**–**	–
Cost / Unit	**3.46**	2.78
c. Sale		
Units	**4,497,818**	3,283,805
2. Coal		
Quantity KG	**77,467,421**	40,259,628
Total Cost	**270,172,568**	121,618,353
Average Rate / KG	**3.49**	3.02
3. Furnace Oil / HSD		
Quantity KL	**1149.943**	556.91
Total Cost	**33,330,637**	17,867,948
Average Rate / Litre	**28.98**	32.08
4. Other / Internal generation	**N.A.**	N.A.

(B) CONSUMPTION PER UNIT OF PRODUCTION		
I) Electricity		
Cotton Yarn (Kg.)	**3.28**	3.19
Knitted Fabric (Kg.)	**0.35**	0.34
Processed Fabric (Kg.)	**1.16**	1.25
Garment (Pc.)	**0.29**	0.26
Yarn Dying (Kg.)	**1.94**	1.95

II. TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT

1. Specified areas in which Research & Development carried out by the Company and future plan of action:

R&D done by Company by using different types of yarn like supima/ lenzing micro modal (50/50 %), coolmax, bamboo, vortex, viscose, modal, Polyester/cotton, slub yarn, acrylic/modal, milk yarn etc. .By using these yarn we have developed different types of knitted fabric & structure of 1x1 rib, Single jersy, interlock. These high value added products developed for apparel section.

In technical textile(special finish) we have developed antibacterial, wicking finish (moisture management), Alovera finish, DWR finish (teflon finish),anti UV finish.

Future plan of action :

Reduce process route & lead time of fabric by adding new technology in terms of high speed m/c, yarn, new beneficial fabric (low cost).

2. Benefits derived as a result of above R&D:

Profits increase by value addition to our products, cost reduction by value engineering, exposer of Company in market by new development.

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1. Efforts in brief, made towards technology absorption and innovation

The Company has continued efforts in reducing the cost as well as enhance the capacity utilization by improving the quality and process time in dyed fabric and Yarn Division.

2. Benefit derived as a result of the above efforts

The Company has produced more value added export quality fabric and yarn in the competitive environment.

3. In case of recently imported technology, the requisite information in brief

The Company has not recently imported any technology.

III. Foreign Exchange Earnings and Outgo.

The Company is exporting Yarn, Fabric and Garments. The Company is working upon the Export Product-Mix by increasing value added items on perpetual basis. During the twelve month period, the Company has earned Foreign Exchange of ₹ 33868.69 Lac at FOB Price against an Outgo of ₹ 1817.92 Lac compared to the previous period’s six month Foreign Earning of ₹ 12,858.95 Lac and Outgo of ₹ 675.61 Lac.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

Maral Overseas Limited (MOL) is committed to high standards of Corporate Governance and has in place appropriate structures and reporting systems. The Company believes that the governance process should ensure that the available resources are utilized in a manner that meets the aspirations of all its stakeholders. Therefore, the Company follows Corporate Governance envisaging timely disclosures, the attainment of high level of transparency and has a strong and professional Board which seeks to achieve shareholders trust and maximize shareholder value. The Board ensures that the Corporate Governance processes are directed to achieve the referred purpose and the Company follows the same in practice and spirit.

2. Board of Directors

The present strength of the Board is Six Directors, comprising of the Chairman-Emeritus, Chairman, Managing Director and three Independent Directors. The Chairman-Emeritus, Chairman and the Managing Director are Promoter Directors. The Managing Director is Executive and all the other Directors are Non-Executive. All the three Independent Directors are professionals and have expertise in their respective functional areas.

The Composition of the Board, their attendance at the Board Meetings held during the year alongwith the number of Directorships, Memberships held in various Committees in other Companies during the financial year ended the 31st March, 2011, are given below:

Sl. No.	Name	Title	Category	No. of Meetings		No. of other Directorships and Committee Membership/Chairmanship#		
				Held	Attended	Directorships*	Committee Memberships	Committee Chairmanships
1.	Mr. L. N. Jhunjhunwala	*Chairman-Emeritus*	Promoter - Non-Executive	4	0	6	2	1
2.	Mr. Ravi Jhunjhunwala	*Chairman*	Promoter – Non-Executive	4	4	9	4	2
3.	Mr. Shekhar Agarwal	*Managing Director*	Promoter – Executive	4	4	5	3	0
4.	Mr. D. N. Davar	*Director*	Independent – Non-Executive	4	4	14	8	5
5.	Dr. Kamal Gupta	*Director*	Independent – Non-Executive	4	4	6	7	3
6.	Mr. P.S. Dasgupta	*Director*	Independent – Non-Executive	4	3	7	8	2

* *Excludes Directorships held in private limited companies, Foreign Companies, Membership of Management Committee of various chambers/ bodies/section 25 Companies.*

\# *Includes Audit and Shareholders/Investors Grievance Committees only.*

The Board of Directors meets regularly throughout the financial year. The meetings of the Board of Directors during the financial year ended 31st March, 2011 were held on the 27th April, 2010, 27th July, 2010, 25th October, 2010 and the 25th January, 2011.

The previous Annual General Meeting of the Company was held on the 14th September, 2010 and was attended by Dr. Kamal Gupta, Chairman of the Audit Committee and Mr. Shekhar Agarwal, Managing Director of the Company.

3. Audit Committee

The Audit Committee of members of the Board comprises of following Four Directors as on the 31st March, 2011:

1) Mr. L. N. Jhunjhunwala
2) Dr. Kamal Gupta
3) Mr. D. N. Davar
4) Mr. P. S. Dasgupta

All the members of the Audit Committee are Non-Executive Directors. Mr. L. N. Jhunjhunwala, Chairman-Emeritus is a Promoter Director. The other Directors are Independent Directors with Dr. Kamal Gupta being the Chairman of the Audit Committee.

Dr. Kamal Gupta, Chairman of the Audit Committee, possesses high degree of accounting and financial management expertise and all members of the Committee have sound accounting and financial knowledge.

The Company Secretary of the Company is the Secretary to the Committee. Invitees to the Audit Committee include the Chief Financial Officer, Chief Coordinator- Internal Audit and the representative of the Statutory Auditors, Internal Auditors and Cost Auditors.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the

official heading the department, reporting structure coverage and frequency of internal audit.

- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

MOL has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.
- If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice.

With regard to information on related party transactions, whenever applicable, the Audit Committee is presented with the following information:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

Pursuant to its terms of reference, the Audit Committee is empowered to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Audit Committee of the Company met four times during the period under review. The meetings were held on the 27th April, 2010, 27th July, 2010, 25th October, 2010 and the 25th January, 2011. The attendance of the Committee members at these meetings was as follows:

Name of the Member	No. of Meetings Attended
Mr. L. N. Jhunjhunwala	0
Dr. Kamal Gupta	4
Mr. D. N. Davar	4
Mr. P.S. Dasgupta	3

4. Remuneration Committee

The Remuneration Committee considers, approves and recommends to the Board the remuneration payable to Managerial personnel coming within the purview of applicable provisions of the Companies Act, 1956.

The Remuneration Committee comprised of following Three Non-Executive Independent Directors as on the 31st March, 2011:

1) Dr. Kamal Gupta
2) Mr. D.N. Davar
3) Mr. P.S. Dasgupta

Dr. Kamal Gupta is the Chairman of this Committee.

A meeting of the Remuneration Committee was held during the year on the 27th July, 2010, for the purpose of fixing the remuneration of Mr. Shekhar Agarwal consequent upon his reappointment as Managing Director of the Company for a period starting from 1st January, 2011 to 31st March, 2013. This meeting was attended by Dr. Kamal Gupta and Mr. D.N. Davar.

Table 1 gives details of the remuneration paid to Directors during the year ended the 31st March, 2011.

Table: 1 - Remuneration Paid or Payable to Directors as on 31.03.2011 (₹)

Name of Director	Category	Sitting fee	Salaries, Allowances and Perquisites #	Commission	Total (₹)
Mr. L. N. Jhunjhunwala	Promoter - Non-Executive	–	–	–	–
Mr. Ravi Jhunjhunwala	Promoter - Non-Executive	80,000	–	–	80,000
Mr. Shekhar Agarwal*	Promoter - Executive	–	48,88,000	–	48,88,000
Dr. Kamal Gupta	Independent - Non-Executive	3,60,000	–	–	3,60,000
Mr. D. N. Davar	Independent - Non-Executive	2,60,000	–	–	2,60,000
Mr. P.S Dasgupta	Independent - Non-Executive	1,20,000	–	–	1,20,000

 # includes retirement benefits excluding leave encashment & gratuity.

** Mr. Shekhar Agarwal, Managing Director holds 1.82% of Equity Shares as on 31.03.2011 in the Company.*

During the year ended the 31st March, 2011, the Company did not advance any loans to any of its Directors. The Company does not have any Stock Option Scheme.

Table 2 gives details of the shares held by the Non-Executive Directors as on the 31st March, 2011.

Table: 2 - Equity Shares Held by Non-Executive Directors as on the 31st March, 2011.

Name of Director	Category	Number of Shares held
Mr. L. N. Jhunjhunwala	Promoter - Non-Executive	Nil
Mr. Ravi Jhunjhunwala	Promoter - Non-Executive	10
Dr. Kamal Gupta	Independent - Non-Executive	1,000
Mr. D. N. Davar	Independent - Non-Executive	1,000
Mr. P.S. Dasgupta	Independent - Non-Executive	Nil

The Non-Executive Directors are paid sitting fees for attending the Board meetings as well as Committee meetings. There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

5. **Shareholders/Investors Grievance Committee**

The Company's Shareholders/Investors Grievance Committee comprised of following Directors as on the 31st March, 2011:

1) Dr. Kamal Gupta- Independent Director
2) Mr. D. N. Davar- Independent Director
3) Mr. Shekhar Agarwal- Managing Director

Dr. Kamal Gupta is the Chairman of this Committee and the Company Secretary of the Company is the Compliance Officer. The terms of reference of the Committee include redressal of Shareholders and Investors complaints relating to transfer and transmission of shares, non-receipt of Annual Reports, Dividend Warrants and to ensure expeditious share transfer process. The Committee also reviews the status of Investors' grievances and redressal mechanism.

The Committee met four times during the year under review ended the 31st March, 2011 on the 27th April, 2010, 27th July, 2010, 25th October, 2010 and the 25th January, 2011.

Ten Complaints were received during the year ended 31st March, 2011 all of which were redressed/answered to the satisfaction of the shareholders. No Investor Grievance remained unattended /pending for more than 30 days. There were no complaints pending disposal as on the 31st March, 2011. No request for dematerialisation of Equity Shares of the Company was pending for approval as at the 31st March, 2011.

The Company has constituted a Share Transfer Committee to look after requests for transfer/ transmission of equity shares, issue of duplicate share certificates, consolidation/split/ replacement of share certificates and for re-materialisation of shares. The Share Transfer Committee presently comprises of:

1) Mr. Shekhar Agarwal
2) Dr. Kamal Gupta

The Share Transfer Committee of the Company meets as often as required under the chairmanship of Mr. Shekhar Agarwal, Managing Director. All valid requests for share transfer received during the year have been acted upon by the Company within the stipulated time limit.

The Board of Directors has also delegated the authority to approve the share transfers to Mr. Shekhar Agarwal, Managing Director and Mr. P.S. Puri, Chief Financial Officer who attend and approve the share transfer requests on a fortnightly basis.

6. **Code of Conduct**

MOL's Board has laid down a code of conduct for all Board members and designated senior management of the Company. All Board members and designated senior management personnel have affirmed compliance with this Code of Conduct. The code of conduct is displayed on the website of the Company www.maraloverseas.com. A declaration signed by Mr. Shekhar Agarwal, Managing Director and Chief Executive Officer and Mr. P.S. Puri, Chief Financial Officer, to this effect is enclosed at the end of this report.

7. **Management**

The Management Discussion and Analysis Report forms part of the Annual Report.

During the financial year ended the 31st March, 2011, there were no material financial or commercial transactions by the Company with its Promoters, Directors, Management or relatives, etc. that may have potential conflict with the interests of the Company at large.

As required by Accounting Standards-AS-18, the details of related party transactions are given in Schedule 16 to the Annual Accounts.

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

The Board has also laid down the procedures to inform the Board Members about the Risk assessment and minimization procedures.

8. **General Body Meetings**

The details of the location and time of the Annual General Meetings held during the preceding 3 years are as follows:

Annual General Meetings (AGM)

Date of AGM	Relevant Financial Year	Venue/Location where held	Time of Meeting	Special Resolution
29th September, 2008	2007-2008	Maral Sarovar, V & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh – 451 660.	2.00 P.M.	--
23rd December, 2009	2008-2009	Maral Sarovar, V & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh – 451 660.	2.30 P.M	Approval to issue of Shares under Section 81(1A) of the Companies Act, 1956.
14th September, 2010	2009-2010	Maral Sarovar, V & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh – 451 660.	10.30 A.M	Approval for the reappointment of Mr. Shekhar Agarwal as Managing Director of the Company for a period starting from 1st January, 2011 to 31st March, 2013

During the year ended 31st March 2011, no resolution was required to be passed through Postal Ballot.

9. Compliances

No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority relating to capital markets during the last three years.

The Company is compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreements. The Company has also complied to an extent with the non-mandatory requirements of Clause 49 of the Listing Agreements such as constitution of a Remuneration Committee.

10. Means of Communication

The quarterly and annual audited results are sent immediately to the Stock Exchanges after they are approved by the Board of Directors. The Company publishes its results in at least one prominent national and regional newspaper. The same are also displayed on Company's website at www.maraloverseas.com.

The Company has designated an email-id maral.investor@lnjbhilwara.com

11. Shareholders

Re-Appointments of Directors

Five of the Directors of your Company are liable to retire by rotation. Of these Directors, at least one-third retires every year and if eligible, propose themselves for the re-appointment. This year, Mr. Ravi Jhunjhunwala & Mr. P.S. Dasgupta, are retiring by rotation and being eligible, offer themselves for re-appointment in the ensuing Annual General Meeting. Their brief resume is given below:

Mr. Ravi Jhunjhunwala

Mr. Ravi Jhunjhunwala is a Non-Executive Promoter Director of the Company. Shri Ravi Jhunjhunwala, holds a Bachelor degree in Commerce from Delhi University and Master in Business Administration from the Centre D'etudes Industrielles (CEI) Geneva. Shri Ravi Jhunjhunwala joined HEG Limited as a Management Trainee and having gone through a very well planned grooming in all aspects of Business Management and was later assigned the reins of HEG as Managing Director. His leadership has enabled the group to establish a presence in more than 75 countries across five continents today. He is also active on number of National Management forums and is associated with various chambers of commerce including CII.

Mr. P.S. Dasgupta

Mr. P.S. Dasgupta is an Independent- Non executive Director of the Company. Mr. P.S. Dasgupta holds Post Graduate Diploma in Corporate Laws & Labour Laws, LLB and B.A. Eco. (H). Mr. P.S. Dasgupta is renowned international corporate lawyer and represents a leading law firm in Delhi. He serves as a director on the Board of various national and multinational corporates doing business in India.

Details of Other Directorship Held in Other Companies

Directors Name	Name of the Company in which Directorship held*	Committee Chairmanship	Committee Membership
Mr. Ravi Jhunjhunwala	HEG Ltd.	–	Shareholders' / Investors' Grievance Committee
	RSWM Ltd.	–	–
	Malana Power Company Ltd.	Audit Committee	–
	Bhilwara Energy Ltd.	–	–
	Indo Canadian Consultancy Services Ltd.	–	–
	BSL Ltd.	–	Shareholders' / Investors' Grievance Committee
	AD Hydro Power Ltd.	Audit Committee	–
	Cheslind Textiles Ltd.	–	–
	India Glycols Ltd.	–	–
Mr. P. S. Dasgupta	Cummins India Ltd.	–	1. Audit Committee 2. Shareholders' / Investors' Grievance Committee
	Otis Elevator Co. India Ltd.	–	1. Audit Committee 2. Shareholders' / Investors' Grievance Committee
	Timken India Ltd.	Audit Committee	–
	Tricone Projects India Ltd.	–	Audit Committee
	Asian Hotel (North) Ltd.	–	–
	Bhilwara Technical Textiles Ltd.	Shareholders' / Investors' Grievance Committee	Audit Committee
	Ester Industries Ltd.	–	–

* *Excludes Directorships held in private limited companies, Foreign Companies, Membership of Management Committee of various chambers/ bodies/section 25 Companies.*

SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Day, Date and Time	:	Thursday, 22nd September, 2011, 11.00 A.M.
Venue	:	Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone -451 660, Madhya Pradesh

2. Financial Calendar

Financial year	:	April, 2010 to March, 2011
Quarterly Financial reporting	:	Within 45 days from the end of each quarter except fourth quarter when audited annual results are published within 60 days

3. Dates of Book Closure : 16th September, 2011 (Friday) to 22nd September, 2011 (Thursday) (Both days inclusive)

4. Equity Dividend Payment Date : N/A

5. Listing of Equity Shares on Stock Exchange

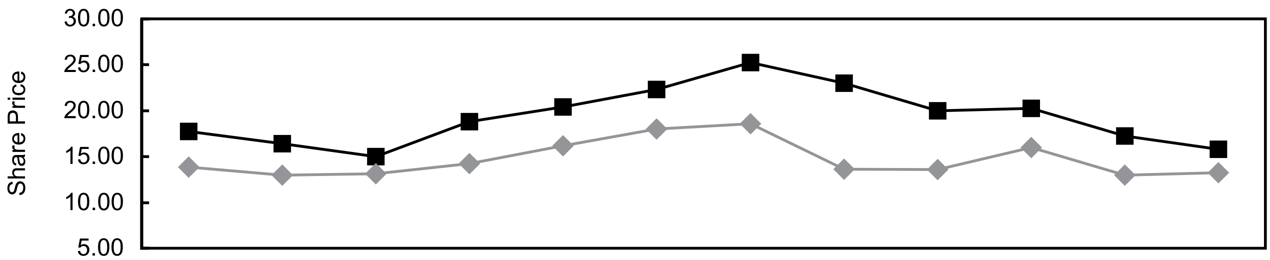
1) Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
2) National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

Listing fee as prescribed has been paid to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited upto 31st March, 2012.

6. Stock Code

Bombay Stock Exchange Ltd. : 521018
National Stock Exchange of India Ltd. : MARALOVER

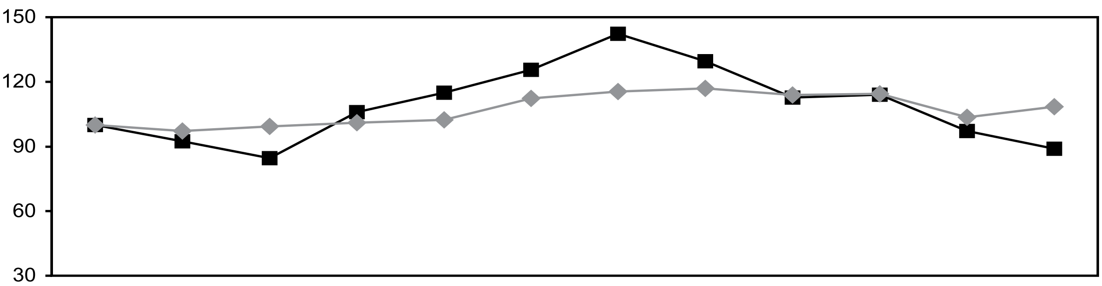
7. Stock Market Data: Monthly High Low (in ₹) at BSE



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
High	17.75	16.40	15.02	18.82	20.40	22.30	25.25	23.00	20.00	20.25	17.25	15.80
Low	13.85	13.00	13.15	14.25	16.20	18.00	18.60	13.65	13.60	16.00	13.00	13.25

Source : Bombay Stock Exchange Ltd.

8. Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2010)



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
MOL (High)	100.00	92.39	84.62	106.03	114.93	125.63	142.25	129.58	112.68	114.08	97.18	89.01
Sensex (High)	100.00	97.17	99.29	101.05	102.37	112.30	115.55	116.96	113.88	114.50	103.56	108.46

Source : Bombay Stock Exchange Ltd.

9. Registrar and Transfer Agent

M/s MCS Limited is the Registrar & Share Transfer Agent of the Company. The Shareholders may contact M/s MCS Ltd. for matters related to Share Transfers etc. at the following address:

MCS Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020
Phone No (s) : 011 - 41406149 - 52, Fax No : 011 - 41709881, E- Mail : admin@mcsdel.com

10. Share Transfer System

The matters related to Share Transfer and transmission etc. are attended by the delegated authorities on fortnightly basis. Share transfers are registered and returned within 30 days from the date of receipt, if the documents are in order in all respects. The total number of shares transferred during the financial year ended 31st March, 2011 were 9200 shares. As per the requirement of clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities.

11. Distribution of Shareholding as on the 31st March, 2011

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	16,479	87.28	24,96,056	6.01
501-1000	1,148	6.08	9,92,380	2.39
1001-10000	1,071	5.67	31,13,591	7.50
10001 and above	125	0.66	3,48,05,392	83.85
Shares in Transit	58	0.31	1,00,581	0.24
Total	**18,881**	**100.00**	**4,15,08,000**	**100.00**

12. Dematerialisation of Shares and liquidity

A. Equity Shares

The ISIN number for Equity Shares of the Company in NSDL and CDSL is **INE882A01013**.

4,05,02,080 Equity shares were dematerialised till 31st March, 2011, which is 97.58% of the total paid-up Equity Share Capital of the Company. Trading in Shares of the Company is permitted in dematerialised form only.

B. Cumulative Redeemable Preference Shares (CRPS)

The ISIN numbers for 18,85,400 8% Cumulative Redeemable Preference Shares of ₹ 100/- each of the Company in NSDL and CDSL is as follows:-

INE882A04017

INE882A04025

INE882A04033

INE882A04041

The Company has also issued 12,00,000 3% Cumulative Redeemable Preference Shares of ₹ 100/- each, to the persons falling under promoters and promoters group in physical form.

13. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

14. Plant Locations:

1) Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone - 451660, Madhya Pradesh.
2) A-11, Hosiery Complex, Phase-II (Extension), Noida – 201 305 (U.P.)

15. Address for Correspondence

Investor correspondence should be addressed to:

1. Registrar & Share Transfer Agent :

MCS Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020
Phone No (s) : 011-41406149-52, Fax No : 011-41709881, E -Mail : admin@mcsdel.com

2. Company Secretary,

Maral Overseas Limited, Bhilwara Towers, A-12, Sector 1, Noida- 201301 (U.P.)
Phone No: 0120 -2541810, Fax No. : 0120-2531648, E-mail :maral.investor@lnjb.com

Shekhar Agarwal
Managing Director
DIN - 00066113

Noida (U.P.)
26th April, 2011

AUDITORS' REPORT

To the Members of
Maral Overseas Limited

We have audited the attached Balance Sheet of Maral Overseas Limited as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 'A' a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

a) We have 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 appears from our examination of those books;

c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f) Without qualifying our opinion, we draw attention to:

   Note 5 of Schedule 15B to these financial statements wherein the Company has given effect to the financial restructuring package approved by the Corporate Debt Restructuring Cell ('CDR') and the various lenders. In view of the status of CDR scheme as explained therein, the Management is confident of being able to continue and operate the business as a going concern and accordingly, these financial statements have been prepared on a going concern basis.

g) The Company, has considered certain plant & machinery as continuous process and charged depreciation accordingly. This being a technical matter, we cannot form an independent opinion on such classification of assets and are therefore unable to comment thereon. (Refer Note no.4 of Schedule 15B to these financial statements).

   Subject to matter stated in paragraph (g) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Doogar & Associates	For Ashim & Associates
Chartered Accountants	Chartered Accountants
Firm Registration No. 000561N	Firm Registration No.006064N
Mukesh Goyal	**Ashim Agarwal**
Partner	Partner
Membership No. 081810	Membership No.084968

Noida (U.P.)
26th April, 2011

ANNEXURE 'A' TO AUDITORS' REPORT

(Referred to in the Auditors' Report of even date to the members of Maral Overseas Ltd for the year ended 31st March, 2011)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. While management has physically verified certain fixed assets during the year, the verification, in accordance with the phased programme, for the other assets was in progress as at end of the year. As informed to us, no material discrepancies were noticed on such verification, to the extent carried out.

   (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

2. (a) The inventory, except material lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

   (b) The procedures for physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.

   (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.

3. (a) The Company has not granted any loans to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses 4 (iii) (b) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.

   (b) The Company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses 4 (iii) (f) of the Companies (Auditor's Report) Order, 2003 is not applicable.

   (c) As explained, interest payable, being carried forward from previous period, was payable on demand and was not due for payment during the year.

4. In our opinion, and according to the information and explanations given to us during the course of the audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods & services. We did not observe any major weaknesses in internal control during the course of our audit.

5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
   (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and aggregating during the year to Rupees five lakhs or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, where such market prices are available.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
8. We have broadly reviewed the records, including the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of Company's products and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us and as per the books and records examined by us, there are no arrears of undisputed material statutory dues outstanding as on the date of balance sheet for a period exceeding six months from the date they became payable.

   Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act,1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
   (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues of the specified status as at the end of the year, which have not been deposited on account of a dispute are referred to in Annexure 'B'.
10. *The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash losses in the current financial year and the immediately preceding financial period.*
11. In view of the practice followed by the lenders, as more fully explained in note 5 of schedule 15B to these financial statements and according to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Provisions of the order applicable to chit funds, nidhi, mutual benefit fund / societies are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and as per the books and records examined by us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lender.
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, we report that no funds raised on short term basis have been used for long term investments. However, it is noted that the losses had to be met from the overall sources of funds.
18. The Company has made preferential allotment of preference shares to companies covered in the register maintained under Section 301 of the Act, pursuant to the terms of the CDR scheme (Refer note 5 of schedule 15B to these financial statements). In our opinion the terms and conditions of issue of the cumulative redeemable preference shares are not prejudicial to the interests of the Company.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue, during the year.
21. Based on our examination of the books and records of the Company and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Doogar & Associates	For Ashim & Associates
Chartered Accountants	Chartered Accountants
Firm Registration No. 000561N	Firm Registration No.006064N
Mukesh Goyal	**Ashim Agarwal**
Partner	Partner
Membership No. 081810	Membership No.084968

Noida (U.P.)
26th April, 2011

ANNEXURE 'B' TO AUDITORS' REPORT

Referred to in Paragraph 9 (b) of Annexure 'A' a statement on the matters specified in the Companies (Auditors' Report) Order, 2003 of Maral Overseas Limited for the year ended 31st March, 2011

Name of the Statute	Nature of Dues	Amount ₹ In lacs	Forum where the dispute is pending
Income Tax Act	Disputed regular income tax demands	8.34	ITAT appeal disposed. Effect to be given
Income Tax Act	Disputed regular income tax demands	27.64	CIT (Appeals)
Madhya Pradesh Parvesh Kar Adhiniyam	Entry Tax	42.21	Addl. Commissioner (Commercial Tax)
Central Excise Act	Duty on scrap sale	152.57	CESTAT
	Duty rate on debonded goods	88.69	CESTAT
	Duty on shortage of cotton	5.47	CESTAT

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE		As at 31.03.2011 ₹ / Lac		As at 31.03.2010 ₹ / Lac
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	**7,236.20**		6,836.20	
Reserves & Surplus	2a	**4,713.54**		4,713.54	
			11,949.74		11,549.74
Loan Funds					
Secured	3	**28,932.45**		27,655.63	
			28,932.45		27,655.63
Deferred Tax Liability			**–**		–
TOTAL			**40,882.19**		39,205.37
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		**45,175.42**		44,700.52	
Less : Depreciation & impairment		**23,831.93**		21,688.00	
Net Block		**21,343.49**		23,012.52	
Capital Work in Progress		**102.36**		3.90	
			21,445.85		23,016.42
Investments	5		**3.02**		3.02
Current Assets, Loans & Advances	6				
Inventories		**10,804.20**		5,752.43	
Sundry Debtors		**5,668.20**		3,130.49	
Cash & Bank Balances		**327.00**		422.50	
Loans & Advances		**3,147.27**		3,363.05	
		19,946.67		12,668.47	
Less : Current Liabilities & Provisions	7				
Liabilities		**8,103.72**		5,333.71	
Provisions		**429.64**		249.69	
		8,533.36		5,583.40	
Net Current Assets			**11,413.31**		7,085.07
Miscellaneous Expenditure (to the extent not written off or adjusted)	8		**10.22**		13.63
Profit & Loss Account	2b		**8,009.79**		9,087.23
TOTAL			**40,882.19**		39,205.37
NOTES ON ACCOUNTS	15				

As per our report of even date

For Doogar & Associates
Chartered Accountants
Firm Registration No. 000561N

Mukesh Goyal
Partner
Membership No.081810

Noida (U.P.)
26th April, 2011

For Ashim & Associates
Chartered Accountants
Firm Registration No.006064N

Ashim Agarwal
Partner
Membership No. 084968

Ravi Jhunjhunwala
Chairman
DIN : 00060972

P.S. Puri
Chief Financial Officer

Shekhar Agarwal
Managing Director
DIN : 00066113

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE		Year Ended 31.03.2011 (12 Months) ₹ / Lac		Period Ended 31.03.2010 (6 Months) ₹ / Lac
Income					
Gross Turnover	9	**50,941.52**		19,971.42	
Less : Excise Duty		**30.59**		9.37	
Net Turnover			**50,910.93**		19,962.05
Other Income	10		**872.75**		386.97
Increase / (Decrease) in Stocks	11		**651.36**		138.05
Net Profit / (Loss) on sale of fixed assets (Discontinuing operation)			**5.17**		(0.04)
			52,440.21		20,487.03
Expenditure					
Materials	12		**36,627.99**		13,479.38
Operating & Other Expenses	13		**9,741.91**		4,418.03
Financial Expenses	14		**2,450.17**		1,251.97
			48,820.07		19,149.38
Profit Before Depreciation, Amortisation & Impairment			**3,620.14**		1,337.65
Depreciation & Amortisation			**1,931.03**		978.73
Impairment Loss (Refer note 8 & 10 of Schedule 15B)			**402.44**		-
Profit before Tax			**1,286.67**		358.92
Profit from continuing operations before tax (Refer Note 9 of Schedule 15B)		**1,318.01**		351.38	
Taxation - Adjustment for earlier years		**–**		(9.14)	
Profit from continuing operations after tax - (a)			**1,318.01**		342.24
Profit / (Loss) from discontinuing operations before tax (Refer Note 9 of Schedule 15B)			**(31.34)**		7.54
Profit / (Loss) from discontinuing activities after tax - (b)			**(31.34)**		7.54
Profit After Taxation (a + b)			**1,286.67**		349.78
Balance brought forward from previous year			**(12,373.39)**		(12,631.73)
			(11,086.72)		(12,281.95)
Appropriations					
Proposed dividend on					
– Preference Shares			**180.03**		78.42
Tax on Dividend			**29.20**		13.02
Balance Carried to Balance Sheet			**(11,295.95)**		(12,373.39)
			(11,086.72)		(12,281.95)
Earnings Per Share (equity shares, par value ₹ 10 each)					
Basic			**2.60**		0.69
Diluted			**0.80**		0.28
NOTES ON ACCOUNTS	15				

As per our report of even date

For Doogar & Associates
Chartered Accountants
Firm Registration No. 000561N

Mukesh Goyal
Partner
Membership No.081810

Noida (U.P.)
26th April, 2011

For Ashim & Associates
Chartered Accountants
Firm Registration No.006064N

Ashim Agarwal
Partner
Membership No. 084968

Ravi Jhunjhunwala
Chairman
DIN : 00060972

P.S. Puri
Chief Financial Officer

Shekhar Agarwal
Managing Director
DIN : 00066113

SCHEDULES TO STATEMENT OF ACCOUNTS

		As at 31.03.2011 ₹ / Lac	As at 31.03.2010 ₹ / Lac
1. Share Capital			
Authorised			
4,40,00,000	(Previous year 4,40,00,000) Equity Shares of ₹ 10/- each	**4,400.00**	4,400.00
31,00,000	(Previous year 31,00,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	**3,100.00**	3,100.00
		7,500.00	7,500.00
Issued, Subscribed & Paid-up			
4,15,08,000	(Previous year 4,15,08,000) Equity Shares of ₹ 10/- each fully paid up	**4,150.80**	4,150.80
18,85,400	(Previous Year - 18,85,400) 8 per cent Cumulative Redeemable Preference Shares ('8%CRPS') of ₹ 100 each	**1,885.40**	1,885.40
12,00,000	(Previous Year - 8,00,000) 3 per cent Cumulative Redeemable Preference Shares ('3%CRPS') of ₹ 100 each	**1,200.00**	800.00
		7,236.20	6,836.20

Notes : 1. Equity Share Capital includes 16,68,837 equity shares issued for consideration other than cash, pursuant to the Scheme of merger of erstwhile Asian Knitwears Limited.

2. 8 per cent (CRPS) allotted to the various banks and financial institutions, pursuant to the Corporate Debt Restructuring ('CDR') Package, are redeemable in four equal annual instalments from 2016 to 2019.
3. 3 per cent (CRPS) allotted to promoters, against infusion of funds by them, pursuant to the Corporate Debt Restructuring ('CDR') Package, are redeemable on 31st March, 2019.
4. The CDR package grants a right to the various banks and financial institutions to convert 20% of their debt outstanding beyond seven years from the date of CDR Letter i.e March 26, 2009 into equity shares, as per SEBI guidelines / loan covenants, whichever is applicable.

2a. Reserves and Surplus	As at 31.03.2010 ₹ / Lac	Additions ₹ / Lac	Deductions ₹ / Lac	**As at 31.03.2011 ₹ / Lac**
Capital Reserve	123.47	–	–	**123.47**
Capital Redemption Reserve Account	2,000.00	–	–	**2,000.00**
Share Premium Account	2,590.07	–	–	**2,590.07**
	4,713.54	–	–	**4,713.54**
2b. Profit & Loss Account (Debit Balance)				
As per profit & loss account	12,373.39	(1,286.67)	209.23	**11,295.95**
Less: Balance in General Reserve	(3,286.16)	–	–	**(3,286.16)**
	9,087.23	(1,286.67)	209.23	**8,009.79**

3. Secured Loans	**As at 31.03.2011 ₹ / Lac**	As at 31.03.2010 ₹ / Lac
Debenture	**–**	–
Loans and Advances from banks and financial institutions		
(i) Rupee Term Loans	**20,650.16**	22,818.54
(ii) Working Capital	**8,282.29**	4,837.09
(iii) Interest Accrued and Due	**–**	–
Loans and advances from subsidiaries	**–**	–
Other Loans and Advances	**–**	–
	28,932.45	27,655.63

Notes :

1. Term loans are secured by a first charge on all the present and future immovable & movable properties (other than current assets) (other than those situated in the State of Jammu & Kashmir) of the Company ranking pari-passu, subject to prior charges in favour of the Company's bankers on current assets of the Company for availing working capital facilities.
2. Forex derivative loss loan of ₹ 909 lacs is secured with residual charge on the fixed assets and current assets of the Company (other than those situated in the State of Jammu & Kashmir).
3. Term Loans repayable in next 12 months ₹ 2,761 lac (Previous Year - ₹ 2,734 lac).
4. Working capital facilities from banks are secured by way of hypothecation first charge on stocks of raw material, stock in process, finished goods, book debts and all current assets of the Company and second pari-passu charge on the entire immovable properties of the Company, both present and future (other than those situated in the State of Jammu & Kashmir).
5. Term loans and working capital facilties are secured by pledge of stipulated promoter's equity shareholding in favour of the lenders on pari-passu basis.

(₹ / Lac)

4. Fixed Assets

Particulars	Gross Block				Depreciation, Impairment & Amortisation					Net Block	
	As At 01.04.2010	Additions During The Year	Sale/ Adj.	**As At 31.03.2011**	As At 01.04.2010	For The Year	Sale/ Adj.	Impair-ment	**As At 31.03.2011**	**As At 31.03.2011**	As At 31.03.2010
A Fixed Assets											
Land - Lease Hold	36.60	–	–	**36.60**	4.82	0.37	–	–	**5.19**	**31.41**	31.78
- Free Hold	42.43	–	–	**42.43**	–	–	–	–	**–**	**42.43**	42.43
Building	6,593.87	3.58	–	**6,597.45**	1,765.74	191.20	–	–	**1,956.94**	**4,640.51**	4,828.13
Plant & Machinery	36,353.86	630.04	195.64	**36,788.26**	18,642.66	1,686.58	155.38	339.13	**20,512.99**	**16,275.27**	17,711.20
Furniture & Office Equip.	545.07	16.29	0.65	**560.71**	354.55	21.05	0.44	63.31	**438.47**	**122.24**	190.52
Vehicles	190.86	61.81	26.76	**225.91**	124.81	22.03	19.51	–	**127.33**	**98.58**	66.05
Livestock	2.66	1.16	–	**3.82**	–	–	–	–	**–**	**3.82**	2.66
B Intangibles											
Software	567.06	–	0.42	**566.64**	555.44	2.68	0.42	–	**557.70**	**8.94**	11.62
Total (A + B)	44,332.41	712.88	223.47	**44,821.82**	21,448.02	1,923.91	175.75	402.44	**23,598.62**	**21,223.20**	22,884.39
C Capital Work in Progress											
Building										**2.72**	–
Plant & Machinery										**89.32**	2.52
Capital Advances											
(Unsecured, Considered good)										**10.32**	1.38
Total (C)										**102.36**	3.90
D Held for Disposal											
Land - Lease Hold	17.71	–	–	**17.71**	1.22	0.26	–	–	**1.48**	**16.23**	16.49
Building	113.74	–	–	**113.74**	17.96	3.80	–	–	**21.76**	**91.98**	95.78
Plant & Machinery	216.92	–	13.38	**203.54**	201.06	3.06	12.66	–	**191.46**	**12.08**	15.86
Furniture & Office Equip.	19.74	–	1.13	**18.61**	19.74	–	1.13	–	**18.61**	**–**	–
Total (D)	368.11	–	14.51	**353.60**	239.98	7.12	13.79	–	**233.31**	**120.29**	128.13
Grand Total	44,700.52	712.88	237.98	**45,175.42**	21,688.00	1,931.03	189.54	402.44	**23,831.93**	**21,445.85**	23,016.42
Previous Year	44,789.30	143.33	232.11	**44,700.52**	20,898.41	978.73	189.14	–	**21,688.00**	**23,016.42**	

Notes:
- i. Buildings include ₹ 1,500/- paid for acquiring shares in housing society.
- ii Fixed assets held for disposal, include assets belonging to the discontinued operations (Refer Note No.9 of Schedule 15 - Notes on Accounts)
- iii Opening balance of gross block, depreciation and net block are adjusted for reclassification of asset categories inter se. These do not have any impact on the aggregate depreciation charge / provision.

	As at 31.03.2011 ₹ / Lac	As at 31.03.2010 ₹ / Lac
5. Investments		
Investments in Government or Trust Securities	**–**	–
Investment in shares, debentures or bonds		
(i) Quoted		
A. Current		
7,700 (Previous year 7,700) Equity Shares of ₹ 10/- each fully paid-up of BPL Engineering Limited	**5.78**	5.78
5,600 (Previous year 5,600) Equity Shares of ₹ 10/- each fully paid-up of State Bank of Bikaner & Jaipur	**3.02**	3.02
(ii) Unquoted		
Immovable Properties	**–**	–
Investments in the capital of partnership firms	**–**	–
Balance of unutilized monies raised by issue	**–**	–
	8.80	8.80
Less : Provision for diminution in value of Investments	**5.78**	5.78
	3.02	3.02

Notes :
1. Market value ₹ 29.09 Lacs (Previous Year - ₹ 25.40 Lacs).
2. None of the Investments are trade investments.

		As at 31.03.2011 ₹ / Lac		As at 31.03.2010 ₹ / Lac
6. Current Assets, Loans & Advances				
A. CURRENT ASSETS				
INVENTORIES				
(at Lower of cost or net realizable value)				
Raw Materials		**7,305.98**		2,770.37
Stores and spare parts		**199.57**		272.91
Packing Materials		**29.18**		7.87
Dyes & Chemicals		**94.31**		86.88
Embellishments		**28.17**		39.30
Fuels		**255.98**		335.45
Stock-in-trade				
– Finished goods	**1,638.51**		1,311.76	
– Stock in process	**1,109.88**		863.32	
– Waste	**142.62**	**2,891.01**	64.57	2,239.65
		10,804.20		5,752.43
SUNDRY DEBTORS				
(a) Debts outstanding for a period exceeding six months				
(i) Debts considered good in respect of which the Company is fully secured	**–**		–	
(ii) Debts considered good for which the Company holds no security other than the debtor's personal security and	**26.32**		138.09	
(iii) Debts considered doubtful or bad	**207.06**	**233.38**	329.23	467.32
(b) Other Debts				
(i) Debts considered good in respect of which the Company is fully secured	**–**		–	
(ii) Debts considered good for which the Company holds no security other than the debtor's personal security and	**5,610.28**		2,992.40	
(iii) Debts considered doubtful or bad	**39.50**	**5,649.78**	–	2992.40
Less : Provision for doubtful debts (Refer note below)		**(214.96)**		(329.23)
		5,668.20		3,130.49
Note: Provision for doubtful debts has been created after taking into consideration probability of recovery from the credit guarantee agency.				
CASH & BANK BALANCES				
Cash Balance on hand (including cheques and stamps in hand)		**29.20**		25.98
Bank Balance -				
(a) With Scheduled Banks				
Current Account	**159.78**		265.19	
Deposit Account #	**129.22**		70.01	
Margin Money Account #	**8.78**		61.30	
Savings Bank Account (Employees' Security Deposit)	**0.01**	**297.79**	0.01	396.51
(b) With Others				
Post Office Saving Account	**0.01**	**0.01**	0.01	0.01
		327.00		422.50
# Includes pledged with :				
Government Departments ₹ 4.09 Lacs (Previous Year ₹ 4.09 Lacs)				
Bank as Margin ₹ 69.70 Lacs (Previous Year ₹ 122.22 Lacs)				

	As at 31.03.2011 ₹ / Lac	As at 31.03.2010 ₹ / Lac
B. LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances and loans to subsidiaries	**–**	–
Advances and loans to partnership firms in which the Company or any of its subsidiaries is a partner	**–**	–
Bills of Exchange	**–**	–
Advances recoverable in cash or in kind or for value to be received	**2,893.11**	3,131.50
Excise and other deposits	**254.16**	231.55
	3,147.27	3,363.05
	19,946.67	12,668.47
7. Current Liabilities & Provisions		
CURRENT LIABILITIES		
Acceptances	**–**	–
Sundry Creditors		
Total outstanding dues to Micro and Small enterprises (Refer Note 7 of Schedule 15B)	**207.31**	21.75
Total outstanding dues of creditors other than Micro and Small enterprises	**5,637.05**	3,355.68
Subsidiary companies	**–**	–
Advance payments and unexpired discounts for the portion for which value has still to be given	**429.47**	273.17
Investor Education and Protection fund shall be credited by the :		
(i) Unpaid Dividend	**–**	–
(ii) Unpaid application money received by the companies for allotment of securities and due for refund	**–**	–
(iii) Unpaid Matured Deposits	**–**	–
(iv) Unpaid Matured debentures	**–**	–
(v) Interest accrued on (i) to (iv)	**–**	–
Other Liabilities	**1,713.58**	1,510.36
Interest accrued but not due	**116.31**	172.75
	8,103.72	5,333.71
PROVISIONS		
Provision for Taxation	**8.35**	8.35
Proposed dividends		
– On Preference Shares	**180.03**	78.42
For Tax on Dividend	**29.20**	13.02
For contingencies	**–**	–
For provident fund scheme	**–**	–
For insurance, pension and similar staff benefit schemes		
– Gratuity	**55.85**	24.23
– Leave Encashment	**118.92**	100.27
– Medical Leave	**6.93**	9.12
– Supperannuation	**29.29**	15.84
Other provisions		
– Wealth Tax	**1.07**	0.44
	429.64	249.69
	8,533.36	5,583.40

			As at 31.03.2011 ₹ / Lac		As at 31.03.2010 ₹ / Lac
8	**Miscellaneous Expenditure**				
	(To the extent not written off or adjusted)				
	Share Issue Expenses		**10.22**		13.63
			10.22		13.63
			Year Ended 31.03.2011 (12 months) ₹ / Lac		Period Ended 31.03.2010 (6 months) ₹ / Lac
9	**Turnover**				
	Export Sales		**34,291.31**		13,052.10
	Deemed Export Sales		**177.19**		177.18
	Domestic Sales		**11,937.73**		4,544.28
	Domestic Waste Sales		**3,272.90**		1,178.69
	Job Charges		**88.32**		3.23
	Export Incentives		**1,174.07**		1,015.94
			50,941.52		19,971.42
10	**Other Income**				
	Insurance and Other Claims		**12.33**		–
	Exchange Gain, Net		**421.09**		120.19
	Miscellaneous Income		**431.38**		221.93
	Dividends on Non Trade Investment		**1.21**		–
	Profit on sale of fixed assets (Continuing operations)		**6.74**		44.85
			872.75		386.97
11	**Increase / (Decrease) in Stocks**				
	Stock in Trade (At close)				
	Finished Goods	**1,638.51**		1,311.76	
	Stock in Process	**1,109.88**		863.32	
	Waste	**142.62**		64.57	
			2,891.01		2,239.65
	Stock in Trade (At opening)				
	Finished Goods	**1,311.76**		1,235.40	
	Stock in Process	**863.32**		799.95	
	Waste	**64.57**		66.25	
			2,239.65		2,101.60
			651.36		138.05

		Year Ended 31.03.2011 (12 months) ₹ / Lac		Period Ended 31.03.2010 (6 months) ₹ / Lac
12 Purchases & Materials Consumed				
Purchases		**5,961.80**		2,257.00
Raw Material Consumed				
Stock at opening	**2,770.37**		1,087.74	
Purchases	**29,056.80**		10,311.86	
Less: Cotton Sold	**–**		92.32	
Less: Stock at close	**7,305.98**		2,770.37	
		24,521.19		8,536.91
Packing Materials		**593.09**		278.73
Dyes & Chemicals		**1,459.73**		692.44
Embellishments		**473.02**		199.36
Stores		**355.27**		91.75
Fuels		**3,263.89**		1,423.19
		36,627.99		13,479.38
13 Operating & Other Expenses				
Salaries, Wages & Benefits				
Salaries, Wages, Bonus & Gratuity etc.	**3,300.55**		1,512.73	
Contribution to Provident Fund, ESI etc.	**189.47**		86.66	
Employee Welfare & Other Expenses	**112.02**		58.36	
		3,602.04		1,657.75
Job Charges		**1,425.05**		687.52
Power		**409.45**		97.84
Repairs & Maintenance				
Machinery (including spares)	**852.10**		418.02	
Building	**21.52**		10.18	
Others	**130.50**		66.49	
		1,004.12		494.69
Insurance Charges		**63.83**		28.29
Rent		**209.61**		107.11
Rates & Taxes		**37.40**		10.87
Traveling & Conveyance		**230.12**		81.26
Managerial Remuneration (including sitting fee)		**57.08**		28.34
Miscellaneous Expenses		**670.10**		272.18
Freight & Forwarding		**938.43**		465.29
Commission to selling agents		**600.82**		217.15
Other Selling Expenses		**411.46**		152.45
Provision for doubtful debts		**11.70**		84.07
Loss on sale of fixed assets (Continuing operations)		**29.85**		14.88
Excise Duty (Incl. adjustment on stocks)		**36.37**		12.55
Wealth Tax		**1.07**		0.44
Amortisation of miscellaneous expenditure		**3.41**		5.35
		9,741.91		4,418.03

			Year Ended 31.03.2011 (12 months) ₹ / Lac		Period Ended 31.03.2010 (6 months) ₹ / Lac
14 Financial Expenses					
Interest					
On Term Loans (net of TUFF subsidy)	**1,503.39**			783.14	
On Working Capital	**620.99**			242.63	
Others	**91.30**			60.26	
	2,215.68			1,086.03	
Less : Interest Income (T.D.S. ₹ 1.44 Lacs Previous Year ₹ 0.49 lacs)	**36.94**			11.53	
			2,178.74		1,074.50
Bank charges & other financial expenses			**271.43**		177.47
			2,450.17		1,251.97

15. Accounting Policies & Notes on Accounts

A. Accounting Policies

1) General

The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3) Revenue Recognition

i) Income is accounted for on accrual basis in accordance with Accounting Standard (AS) 9 - "Revenue Recognition".

ii) Sale is recognised on dispatch to customer.

iii) Insurance and other claims are recognised in accounts on lodgment to the extent these are measurable with reasonable certainty of acceptance. Excess/shortfall is adjusted in the year of receipt.

4) Inventories

Inventories are valued at lower of cost, computed on a weighted average basis, and estimated net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work-in-progress include costs of conversion and other costs in bringing the inventories to their present location and condition.

5) Investments

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. The current investments are stated at lower of cost or quoted / fair value computed category wise.

6) Fixed & Intangible Assets

i) Fixed assets are stated at historical cost less provision for impairment losses, if any, depreciation and amortization.

ii) Borrowing costs eligible for capitalisation incurred, in respect of acquisition / construction of a qualifying asset, till the asset is substantially ready for use, are capitalised as part of the cost of that asset.

iii) Pre-operative, trial run and incidental expenses relating to the projects are carried forward to be capitalised and apportioned to various assets on commissioning of the project.

iv) Intangible assets are recognised on the basis of recognition criteria as set out in Accounting Standard (AS) 26 – "Intangible Assets".

7) Depreciation & Amortisation

Depreciation & Amortisation for the year has been accounted on the following basis:

i) Plant & machinery, building, furniture & office equipment, on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 (Also refer note no. 4 of this Schedule-Notes on Accounts).

ii) Vehicles, on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.

iii) Leasehold land is amortised over the period of lease.

iv) Free hold land and live stock are not depreciated.

v) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

vi) Software costs are amortised, on straight line method, at the rate applicable for computers specified in Schedule XIV to the Companies Act, 1956, which is a fair representation of the period of time over which the asset is expected to be used.

vii) In the case of assets where an impairment loss is recognized, the revised carrying amount is depreciated over the remaining estimated useful life.

8) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount being the higher of the asset's net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognised impairment losses are reversed where the recoverable amount increases because of a favourable change in the estimates used to determine the recoverable amount since the last impairment was recognised. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization), had no impairment loss been recognised in prior years.

9) Foreign Currency Transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the profit and loss account of the period.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at exchange rates prevailing on the last working day of the accounting year. The resultant exchange differences are recognized in the profit & loss account.

Forward contracts are entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date as well as future transactions in respect of which either firm commitments have been made or which are highly probable forecast transactions. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period.

In relation to the forward contracts entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated and recorded in accordance with AS-11. The exchange difference on such a forward exchange contract is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the profit and loss account in the reporting period in which the exchange rates change.

Derivative financial instruments not covered by AS-11, relating to a firm commitment or a highly probable forecast transaction, which qualify for hedge accounting and where Company has met all the conditions of AS-30, are fair valued at balance sheet date and resultant exchange gain / loss accounted for in the balance sheet as per provisions of AS-30. This gain / loss would be recorded in profit and loss account when the underlying transactions affect earnings. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting are recorded at fair value at the reporting date and the resultant exchange gain / loss credited / debited to profit and loss account for the period.

10) Government Grants

Government grants, where reasonable certainity exists that the ultimate collection will be made, are recognized as follows:

i) Grants of the nature of promoter's contribution are credited to Capital Reserve.

ii) Grants related to specific depreciable fixed assets are deducted from gross values of the related fixed assets in arriving at their book value.

iii) Grants related to revenue are recognised on a systematic basis in the Profit and Loss Account, either as income or deducted from related expenses, over the periods necessary to match them with their related costs.

11) Miscellaneous Expenditure

i) Premium paid on resetting of interest rate on term loans is amortised over balance period of the respective loans.

ii) Share issue expenses are amortised over a period of five years or earlier on annual appraisal.

12) Employee Benefits

The Company's employee benefits primarily cover provident fund, superannuation, gratuity and compensated absences.

Provident fund and Superannuation fund are defined contribution schemes and the Company has no further obligation beyond the contributions made to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation made at the end of the year. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gains and losses are immediately recorded to the profit and loss account and are not deferred.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. Accumulating compensated absences are provided for based on actuarial valuation.

13) Tax On Income

i) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.

ii) Deferred tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rates and laws for continuing operations.

Deferred tax assets in the event of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognized only where there is virtual certainty of realization.

Deferred tax assets on other accounts are recognized only to the extent there is reasonable certainty of realization.

The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess realization.

14) **Provisions and Contingent Liabilities**

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the possibility of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the possibility of outflow of resources embodying economic benefits is remote.

B. Notes on Accounts

	As at 31.03.2011 (₹ in lacs)	As at 31.03.2010 (₹ in lacs)
1) **Contingent liabilities not provided for in respect of :**		
i) Counter guarantees given in respect of Guarantees given by the Company's bankers	**149.53**	203.75
ii) Duties & tax liabilities disputed by the Company	**339.64**	396.78
iii) Claims not acknowledged by the Company	**1.56**	50.40
iv) Unexpired Letters of Credit	**732.30**	418.26
2) **Obligations and commitments outstanding :**		
i) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	**113.39**	155.19
ii) Bills discounted with banks	**3310.92**	2362.75

3) The Government of Madhya Pradesh had imposed electricity cess on captive generation of electricity vide the Madhya Pradesh Upkaar (Dwitiya Sanshodhan) Adhiniyam, 2005. The imposition of cess was challenged by the Company along with other industrial units before the Hon'ble High Court of Madhya Pradesh. In the meanwhile the State Government passed legislation revoking imposition of the cess effective 17.8.2007. The Hon'ble High Court dismissed the petition and issue is now pending before the Supreme Court for final decision. Pending disposal of the case, Company feels that no provision is considered necessary in respect of above matter. Amount involved & paid on this account ₹ 408 lacs (Previous year ₹ 408 lacs), not included under note no. B (1) (ii) of this Schedule.

4) Upto financial year 1999-2000, Company was treating plant & machinery of spinning unit as continuous process plant and accordingly charging depreciation based on an estimated useful life of 18 years. The estimated useful life was then revised to 13 years on basis of the then available technology indicators.

From 2008-2009, based on usage, technology and efficiency parameters, the Company, in order to reflect a more appropriate preparation/ presentation of financial statements, revised the estimated useful life of such plant & machinery by reinstating the same to 18 years.

Had the depreciation been provided at rates applicable for triple shift operations, the depreciation charge for the period would have been higher by ₹ 230.16 lacs (Previous period – ₹ 112.20 lacs)

5) (i) The Company's financial restructuring package was approved under the Corporate Debt Restructuring mechanism (CDR) by the CDR Empowered Group vide their letter dated March 26, 2009 ('CDR letter') and subsequent approvals from the various financial institution and banks received .

The CDR scheme included inter-alia reduction of interest rate on loans, rescheduling of loan repayments, conversion of interest payable into funded interest term loan, conversion of certain portion of the working capital into term loan and conversion of part term loan into preference shares. The restructuring package also stipulated conditions to be complied with by the Company and its promoters relating inter-alia to disposal of surplus assets, fresh infusion of additional equity by promoters, arrangement for additional infusion of term loan and working capital from existing lenders and bringing in funds by promoters to bridge shortfall of funding, if any. The Company has taken necessary action to ensure compliance with the above conditions, and is confident that all the conditions as stipulated will be complied with in agreement with the CDR Monitoring Committee.

(ii) Some of the lenders have been following the practice to recover suo motto, payment of both principal as well as interest from the working capital facility advanced by them, where applicable, or from the current account under instructions from the Company. It is regarded as accepted practice that the due date for payment shall be the date next following the date when interest is charged. Any delay on part of the lender to recover payment, either in line with past practice or specific instructions given in this regard by the Company, is not attributable to default on part of the Company.

6) Miscellaneous income includes provision for diminution in value of investments written back during the year of ₹ Nil (Previous Period – ₹ 2.86 lacs).

7) The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company, on the basis of information and records available with them.

This information has been relied upon by the auditors. Disclosure as required under section 22 of the Act, is as under. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regard to filing of memorandum, from the respective suppliers.

₹ / Lac

S. No.	Particulars	**As at 31.03.2011**	As at 31.03.2010
(i)	Principal amount remaining unpaid as at end of the year	**207.31**	21.75
(ii)	Interest due on above	**–**	–
1.	Total of (i) & (ii)	**207.31**	21.75
2.	Interest paid on delayed payment of principal, paid along with such interest during the year	**–**	–
3.	Interest due on delayed payment of principal, paid without such interest during the year	**–**	–
4.	Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	**–**	–
5.	Total interest due and payable together with that from prior year(s)	**–**	–

8) During 2007-08 the Company closed its garment division at the Sarovar unit. Major part of the machinery has since been relocated to another manufacturing facility. In respect of the assets not relocated, the management has recognized an impairment loss of ₹ 67.42 lacs based on the estimated net selling price realizable for such assets. This impairment has been shown under un-allocated items in the segment information.

Company had closed the garment division as per provisions of the Industrial Disputes Act, 1947 after ensuring due compliance with all stipulated regulatory provisions. The Company's action for closure was challenged by the District Labour Officer before the local civil court. Company in the meanwhile obtained stay from the Hon'ble High Court of Madhya Pradesh precluding the local authorities from initiating any action for recovery of wages after the date of closure. The Hon'ble High Court has referred matter to the Industrial Tribunal. The Company's Special Leave Petition before the Hon'ble Supreme Court challenging the terms of reference to the Industrial Tribunal was dismissed. Company does not foresee any further liability on the above accounts.

9) In July, 2006, the Board of Directors had resolved substantive downsizing of the Company's manufacturing facility at Jammu in the State of Jammu & Kashmir. After obtaining necessary approval for closure from the state regulatory authorities in March, 2007, the Board of Directors formally approved closure of the unit and relocation/disposal of its assets in May, 2007.

Jammu unit's operations have been shown under unallocated items in the segment information. The Company expects to complete the process of disposing the unit's remaining assets during the financial year 2011-12.

As at end of the year, the carrying amount of assets & liabilities of the discontinued operation were as follows:

₹ / Lac

	As at 31.03.2011	As at 31.03.2010
Fixed assets (Net Block)	**120.28**	128.12
Current assets, loans & advances	**14.78**	19.08
Total Assets	**135.06**	147.20
Current liabilities	**9.92**	17.02
Advance towards land	**150.00**	-
Total Liabilities	**159.92**	17.02

The following statement shows the revenue and expenses of continuing and discontinuing operation:

₹ / Lac

	Continuing Operations		**Discontinuing Operation**		**Total**	
	2010-11	2009-10	**2010-11**	2009-10	**2010-11**	2009-10
Net sales from operations	**50,910.93**	19,962.05	**–**	–	**50,910.93**	19,962.05
Other income	**870.88**	361.92	**1.87**	25.04	**872.75**	386.96
Total income	**51,781.81**	20,323.97	**1.87**	25.04	**51,783.68**	20,349.01
Operating expenses	**48,013.65**	18,720.65	**38.36**	17.44	**48,052.01**	18,738.09

₹ / Lac

	Continuing Operations		Discontinuing Operation		Total	
	2010-11	2009-10	**2010-11**	2009-10	**2010-11**	2009-10
Pre-tax profit / (loss) from operations	**3,768.16**	1,603.32	**(36.49)**	7.60	**3,731.67**	1,610.92
Net Profit on sale of fixed assets of discontinuing operation	**–**	–	**5.17**	(0.04)	**5.17**	(0.04)
Financial expenses	**2,450.15**	1,251.94	**0.02**	0.02	**2,450.17**	1,251.96
Profit / (loss) before tax	**1,318.01**	351.38	**(31.34)**	7.54	**1,286.67**	358.92
Taxation	–	(9.14)	**–**	–	–	(9.14)
Profit / (loss) after tax	**1,318.01**	342.24	**(31.34)**	7.54	**1,286.67**	349.78

10) As part of a restructuring exercise being undertaken in respect of the garment operations at Noida, the management has identified certain assets as surplus and recognized an impairment loss of ₹ 335.02 lacs based on the estimated net selling price realizable for such assets.

11) Adjustment relating to previous year includes Expenses ₹ 149.49 lacs and Income ₹ 0.05 lacs (Previous period Expenses ₹ 3.22 lacs and Income ₹ Nil)

12) The following were the unadjusted foreign exchange contracts & unhedged exposures as at the balance sheet date

Category	Purpose	Currency / Pair of currency	As at 31.3.2011	As at 31.3.2010
A **Outstanding forward exchange contracts**				
Sell	Hedging	INR - USD	**60,37,495**	84,61,417
	Hedging	Euro – USD	**7,00,000**	4,00,000
B **Unhedged foreign currency exposures**				
Receivables		USD	**37,01,975**	–
		Euro	**–**	38,815
		GBP	**1,69,761**	1,06,981

13) **Deferred taxes**

Deferred taxes arise because of difference in treatment between financial accounting and tax accounting, known as "Timing differences". The tax effect of these timing differences is recorded as "deferred tax assets" (generally items that can be used as a tax deduction or credit in future periods) and "deferred tax liabilities" (generally items for which the Company has received a tax deduction, but have not yet been recorded in the statement of income).

The principal components of the net deferred tax balance are as follows:

₹ / Lac

	As at 31.03.2011	As at 31.03.2010
Deferred tax liabilities		
Depreciation	**2,508.81**	2,612.17
Deferred tax assets		
Employee benefits	**68.46**	49.65
Voluntary retirement scheme	**–**	122.76
Unabsorbed depreciation	**2,368.73**	2,328.48
Others	**71.62**	111.28
Net deferred tax liability / (assets)	**–**	**–**

Recognition of deferred tax assets has been restricted to the extent of deferred tax liabilities available. Based on schedule of reversal of timing differences giving rise to deferred tax liabilities, the management believes there is requisite degree of virtual certainty that the deferred tax assets, to the extent recognized, would be realised.

	2010-2011 ₹ /Lac	2009-2010 ₹ /Lac
14) **Auditors' remuneration**		
Audit Fee	**12.00**	6.00
Tax Audit	**1.00**	0.50
Certification	**4.21**	3.85
Reimbursement of Expenses	**0.49**	0.31
15) **(a) Managerial Remuneration**		
Salary	**42.40**	21.20
Provident Fund Contribution	**2.88**	1.44
Contribution to Superannuation	**3.60**	0.50
	48.88	23.14

The above excludes provisions for leave encashment and gratuity which are determined based on an actuarial valuation done on an overall basis for the Company. As no commission is payable to the Managing Director, the computation of net profits in accordance with Section 309 (5) read with Section 349 of the Companies Act, 1956, has not been given.

(b) Payments to Directors:		
Sitting fee	**8.20**	5.20
	8.20	5.20

16) **Lease Commitments**

a) The Company leases space for office and other facilities under various operating leases for periods ranging between three to five years along with options that permit renewals for additional periods.

Future minimum commitments in respect of the operating leases that have remaining non-cancelable terms are set out below.

₹ /Lac

	As at 31.03.2011	As at 31.03.2010
Within one year	**42.62**	53.19
One year to five years	**–**	42.62

b) The Company has taken motor cars on operating lease, which are non-cancelable for tenure of four years. The total amount recognised in the profit & loss account on account of rental expense for these operating leases, for the year, is Rs. 2.90 Lacs (Previous period - Rs. 2.14 Lacs).

Future minimum commitments payable under these operating leases are as under:

₹ /Lac

	As at 31.03.2011	As at 31.03.2010
Within one year	**1.93**	2.90
One year to five years	**–**	1.93

17) **Employee benefit obligations**

Defined contribution plans

The Company makes contributions towards provident fund and superannuation fund, to defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the Trustees of the 'Maral Overseas Limited Senior Executive Superannuation Fund'. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The amounts recognized as expense for defined contribution plans are as follows:

₹ /Lac

	Year ended 31.03.2011 (12 Months)	Period ended 31.03.2010 (6 Months)
Provident fund	**153.49**	70.69
Superannuation fund	**29.29**	14.92

Defined benefit plan

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Insurance Scheme of ICICI Prudential Life Insurance Company Limited, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

The amounts recognized in the balance sheet are as follows: ₹ /Lac

	As At 31.03.2011	As At 31.03.2010
Present value of obligation	**349.17**	295.09
Fair value of plan assets	**293.32**	270.86
Net liability	**55.85**	24.23
Amounts in balance sheet		
Liability	**55.85**	24.23
Asset	**–**	–
Net liability	**55.85**	24.23

The amounts recognized in the profit and loss account are as follows: ₹ /Lac

	Year ended 31.03.2011 (12 Months)	Period ended 31.03.2010 (6 Months)
Current service cost	**35.88**	15.93
Interest cost	**23.61**	10.12
Expected return on plan assets	**(27.09)**	(12.71)
Recognized net actuarial (gain) / loss	**23.46**	3.05
Total included in 'salaries, wages & benefits'	**55.85**	16.40
Actual return on plan assets	**17.43**	11.67

Reconciliation of benefit obligations & plan assets for the period

Changes in present value of defined benefit obligation ₹ /Lacs

	Year ended 31.03.2011 (12 Months)	Period ended 31.03.2010 (6 Months)
Obligations at period beginning	**295.09**	289.19
Current service cost	**35.88**	15.93
Interest cost	**23.61**	10.12
Benefits paid / payable	**(19.20)**	(21.73)
Benefits paid directly	**–**	(0.45)
Curtailments paid directly	**–**	–
Actuarial (gain) / loss	**13.80**	2.02
Obligations at period end	**349.17**	295.09

Changes in the fair value of plan assets ₹ /Lac

	Year ended 31.03.2011 (12 Months)	Period ended 31.03.2010 (6 Months)
Plan assets at period beginning, at fair value	**270.86**	240.92
Expected return on plan assets	**27.09**	12.71
Actuarial (gain) / loss	**(9.66)**	(1.03)
Contributions by employer	**24.23**	40.00
Benefits paid / payable	**(19.20)**	(21.73)
Plan assets at period end, at fair value	**293.32**	270.86

The major categories of plan assets as a percentage of total plan assets are as follows: ₹ /Lac

	As at 31.03.2011	As at 31.03.2010
Insurer managed funds	**100%**	100%
Others	**–**	–

The assumptions used in accounting for the gratuity plan are set out as below:

	Year ended 31.03.2011 (12 Months)	Period ended 31.03.2010 (6 Months)
Discount rate	**8.00%**	7.00%
Expected rate of return on plan assets	**10.00%**	10.00%
Future salary increase rate	**5.50%**	4.50%

		₹ /Lac
Expected contribution to the fund over next one year	**55.85**	24.23

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards.

The discount rate is based on prevailing market yields of Indian government bonds, as at the balance sheet date, consistent with the currency and estimated term of the post employment benefit obligations.

The expected rate of return on plan assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The Company adopted AS-15 (Revised) from April 1, 2007 and has accordingly given the following disclosure prospectively from this date:

Defined benefit gratuity plans ₹ /Lac

	Year ended 31.03.2011	Period ended 31.03.2010 (6 Months)	Period ended 30.09.2009 (18 Months)	Year ended 31.03.2008
Defined benefit obligation	**349.17**	295.09	289.19	258.56
Plan assets	**293.32**	270.86	240.92	206.14
Surplus / (deficit)	**(55.85)**	(24.23)	(48.28)	(52.42)
Experience adjustments on plan liabilities	**(15.42)**	(12.82)	21.77	–
Experience adjustments on plan assets	**(9.66)**	(1.03)	(0.19)	–

18) **Earnings per share**

Basic earning per share is computed by dividing the net profit or loss for the year available to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares in issue, adjusted for the effect of all dilutive potential equity shares that were outstanding during the year. Dilutive potential equity shares are weighted for the period they were outstanding and are deemed converted as of beginning of the year, unless they have been issued at a later date.

The following table sets forth the computation for basic and diluted earnings per share: ₹ /Lac

		2010-2011		2009-2010	
		Basic	**Diluted**	Basic	Diluted
Numerator					
Net income / (loss) for the year		**1286.67**	**1286.67**	349.77	349.77
Less: Dividend on Cumulative Preference Shares		**209.23**	**209.23**	91.44	91.44
Add: Interest (net of tax)		**–**	**1026.67**	–	349.67
Net earnings / (loss) for per share calculation		**1077.44**	**2104.11**	258.33	608.00
Denominator					
Weighted average number of equity shares		**4,15,08,000**	**4,15,08,000**	3,72,75,857	3,72,75,857
Dilutive potential equity shares		**–**	**22,02,69,915**	–	17,99,89,783
Total average equivalent shares		**4,15,08,000**	**26,17,77,915**	3,72,75,857	21,72,65,640
Net earnings / (loss) per share	Rupees	**2.60**	**0.80**	0.69	0.28
Nominal value per share	Rupees	**10**	**10**	10	10

Potential equity options exist in the form of right of CDR lenders to convert 20% of their debt outstanding beyond seven years from the date of CDR Letter into equity capital, more fully explained in Note 5 of this schedule. Potential options may also arise in the event of default in payment due on loan funds.

19) **Related Party Disclosure**

Following information regarding related parties has been determined on the basis of criteria specified in AS-18 "Related Party Disclosures".

a) Related parties

i) Key management personnel
- Mr. Ravi Jhunjhunwala, Chairman
- Mr. Shekhar Agarwal, Managing Director

ii) Relatives of key management personnel
- Mrs. Shashi Agarwal
- Mr. Shantanu Agarwal
- Shekhar Agarwal (HUF)

iii) Enterprises over which any person described in (i) & (ii) above is able to exercise significant influence
- RSWM Limited
- HEG Limited
- BMD Private Limited
- Agarwal Trademart Private Limited
- Mayur Knits Private Limited
- Ultramarine Impex Private Limited
- Apeksha Vyapar Private Limited
- Indo Canadian Consultancy Services Limited
- BSL Limited
- Bhilwara Spinners Limited
- Cheslind Textiles Limited
- Pawanputra Trading Private Limited
- Sita Nirman Private Limited

b) Transactions with related parties:

₹ /Lac

	2010-11 (12 months)	2009-10 (6 months)
i) **For the parties referred to in item (i) above**		
Sitting fees paid to		
– Mr. Ravi Jhunjhunwala, Chairman	**0.80**	0.40
Remuneration paid to		
– Mr. Shekhar Agarwal, Managing Director (Note 14 of this schedule)	**48.88**	23.14
Consideration for assignment of key man insurance policy to		
– Mr. Shekhar Agarwal, Managing Director	**226.80**	–
ii) **For the parties referred to in item (ii) above**		
Rent paid to		
– Mrs. Shashi Agarwal	**2.25**	1.12
– Mr. Shantanu Agarwal	**2.25**	1.13
– Shekhar Agarwal (HUF)	**1.50**	0.75
3%CRPS allotted to		
– Mr. Shantanu Agarwal	**–**	125.00
Share application money received and refunded		
– Mr. Shantanu Agarwal	**35.00**	–
iii) **For the parties referred to in item (iii) above**		
Sales (as a proportion to turnover)		
– RSWM Limited	**1.03%**	1.44%
– BSL Limited	**0%**	0%
– Indo Canadian Consultancy Services Limited	**–**	0%
Purchase of materials (as a proportion to materials consumed)		
– RSWM Limited	**2.08%**	1.09%
– BSL Limited	**0.01%**	0.01%
– Cheslind Textiles Limited	**0.07%**	–
Sale of cotton to		
– RSWM Limited	**–**	66.21
Outstanding 'Due from'		
– RSWM Limited	**–**	6.04
– Indo Canadian Consultancy Services Limited	**–**	0.07
– BSL Limited	**–**	0.72
– HEG Limited	**3.92**	3.92
Outstanding 'Due to'		
– RSWM Limited	**37.21**	–
– Ultramarine Impex Private Limited	**2.27**	2.27
– Apeksha Vyapar Private Limited	**3.71**	3.71
– Agarwal Trademart Private Limited	**55.59**	60.14
– Mayur Knits Private Limited	**–**	5.87
– BSL Limited	**3.34**	–
Investment - Provision for diminution in value		
– Bhilwara Spinners Limited	**–**	(2.57)
Investment sold		
– Bhilwara Spinners Limited	**–**	13.50

₹ /Lac

	2010-11 (12 months)	2009-10 (6 months)
Rent paid		
– RSWM Limited	**55.04**	29.25
Job charges paid		
– RSWM Limited	**22.21**	–
Reimbursement of expenses paid		
– RSWM Limited	**111.54**	33.62
– BMD Private Limited	**0.28**	0.85
– HEG Limited	**0.06**	12.96
Interest paid		
– RSWM Limited	**0.37**	0.30
– Ultramarine Impex Private Limited	**–**	1.68
– Apeksha Vyapar Private Limited	**–**	3.16
Consultancy charges paid		
– Indo Canadian Consultancy Services Limited	**–**	1.65
Reimbursement of expenses recovered		
– RSWM Limited	**7.85**	0.22
– BMD Private Limited	**0.05**	0.29
Equity shares allotted to		
– Agarwal Trademart Private Limited	**–**	1975.00
3%CRPS allotted to		
– Ultramarine Impex Private Limited	**–**	200.00
– Apeksha Vyapar Private Limited	**–**	475.00
– Pawanputra Trading Private Limited	**200.00**	–
– Sita Nirman Private Limited	**200.00**	–
Share application money received and refunded		
– Agarwal Trademart Private Limited	**45.00**	–

20) **Segment information**

The Company is currently organized into three business operating segments: Yarn, Fabric and Textile Made-ups. The Company's business segments offer different products and require different technology and marketing strategies.

Yarn includes bought out yarn as well as production of cotton yarn over a wide range of counts, which besides being sold, is also used for further value addition in fabric. It also includes surplus captive & standby power. Fabric includes both bought out fabric as well as the value added activities relating to knitting, dyeing and processing. Textile Made-ups, comprise of made-ups made for renowned international brands.

The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the note on significant accounting policies.

Transfer prices for inter segment revenues are generally set on an arm's length basis and are eliminated in consolidation.

Revenue and direct expenses in relation to segments are categorized based on items that are individually identifiable or allocable on a reasonable basis to that segment. Revenue and expenses, besides financial costs and taxes that are not allocated to operating segments, are included under "inter segment & un-allocated items".

Assets and liabilities represent assets (both tangible and intangible) employed in operations and liabilities owed to third parties that are individually identifiable or allocable on a reasonable basis to that segment. Assets and liabilities excluded from allocation to operating segments, are included under "inter segment & un-allocated items".

Segment assets employed in the Company's various business segments are all located in India. Capital expenditure includes expenditure incurred during the period on acquisition of segment fixed assets.

Geographical revenues are segregated based on location of the customer who is invoiced. North America comprises the United States of America, Canada and Mexico; Europe includes continental Europe (both the east and west), Ireland and the United Kingdom; Africa includes Mauritius; Asian continent has been segregated into the Middle East & Gulf countries while the rest of Asia, other than India has been covered under Far East & South East Asia; Rest of the World comprises all other places except those mentioned above and India.

a) **Segment data** ₹ /Lac

	Yarn*	Fabric	Textile Made-ups	Inter Segment and unallocated Items	Consolidated Total
Sales					
External	**32,582**	**12,301**	**6,028**	**–**	**50,911**
	(12,372)	(4,932)	(2,658)	(–)	(19,962)
Inter segment	**11,889**	**2,910**	**–**	**(-)14,799**	**–**
	(3,381)	(1,174)	(–)	(- 4,555)	(–)
Total revenue	**44,470**	**15,211**	**6,028**	**(-)14,799**	**50,911**
	(15,753)	(6,106)	(2,658)	(- 4,555)	(19,962)
Segment result (Continuing)	**3,594**	**668**	**(-) 617**	**–**	**3,645**
	(1,339)	(303)	(- 174)	(–)	(1,468)
Segment result (Discontinuing)	**–**	**–**	**–**	**(-) 31**	**(-) 31**
	(–)	(–)	(–)	(8)	(8)
Other income				**1**	**1**
				(3)	(3)
Unallocated expense				**(-) 143**	**(-) 143**
				(- 42)	(- 42)
Financial costs				**(-) 2,185**	**(-) 2,185**
				(- 1,078)	(- 1,078)
Taxes				**–**	**–**
				(- 9)	(- 9)
Net profit	**3,594**	**668**	**(-) 617**	**(-) 2,358**	**1,287**
	(1,339)	(303)	(- 174)	(- 1,118)	(350)
Assets	**32,982**	**4,968**	**1,763**	**1,683**	**41,396**
	(25,838)	(4,533)	(3,813)	(1,504)	(35,688)
Liabilities	**6,194**	**1,310**	**534**	**495**	**8,533**
	(3,449)	(1,079)	(788)	(267)	(5,583)
Capital employed	**26,788**	**3,658**	**1,229**	**1,188**	**32,863**
	(22,389)	(3,424)	(3,025)	(1,237)	(30,105)
Capital expenditure	**180**	**502**	**31**	**–**	**713**
	(95)	(31)	(17)	(–)	(143)
Non cash expense					
Depreciation & Amortisation	**1,328**	**495**	**95**	**13**	**1931**
	(675)	(245)	(56)	(3)	(979)
Impairment	**–**	**–**	**335**	**67**	**402**
	(–)	(–)	(–)	(–)	(–)
Other non cash expense	**3**	**–**	**–**	**–**	**3**
	(5)	(–)	(–)	(–)	(5)

* Includes captive & standby power

b) Revenues from customers by geographic region

₹ / Lac

Geographic Segments	Yarn*	Fabric	Textile Made-ups	Total
North America	88	59	578	725
	(15)	(33)	(534)	(582)
Europe	2,667	29	2,842	5,538
	(1,012)	(28)	(873)	(1,913)
Gulf & Middle East	388	–	1,199	1,587
	(136)	–	(810)	(946)

₹ / Lac

Geographic Segments	Yarn*	Fabric	Textile Made-ups	Total
Far East & South East Asia	14,854 (4,660)	6,807 (2,653)	421 (121)	22,082 (7,434)
Africa	3,556 (1,805)	222 (35)	– (–)	3,778 (1,840)
Rest of the World	461 (337)	119 (–)	– (–)	580 (337)
India*	10,568 (4,407)	5,065 (2,183)	988 (320)	16,621 (6,910)
Total	**32,582** **(12,372)**	**12,301** **(4,932)**	**6,028** **(2,658)**	**50,911** **(19,962)**

* Includes surplus captive & standby power

21) **Additional information pursuant to Schedule VI to the Companies Act, 1956.**

a) Installed Capacity *

	Unit	Current Year	Previous Period
Spindles	Nos.	**75600**	75600
Knitted Fabric	MT/Annum	**5400**	5000
Processed Fabric	MT/Annum	**5229**	5229
Dyed Yarn	MT/Annum	**1000**	1000
Readymade Garments	Lac Pcs. /Annum	**48**	48

* As certified by the Management. Since the Company's installations can technically be considered as multi-purpose plants, their capacity is variable in line with process improvements and the product mix adopted from time to time. The figures given in relation to installed capacities, are therefore, approximate and refer to an assumed product mix.

b) Production, Turnover & Stocks ₹ / Lac

		Opening Stocks		Production % / Purchases			Captive Consumption	Turnover		Closing Stock	
	Unit	Qty.	Value	Qty.		Value	Qty.	Qty.	Value	Qty.	Value
Yarn *	MT	237.431 (242.955)	324.94 (248.49)	18,590.468 (9,522.382)	@ @	– (–)	5,253.510 (2,700.438)	13,070.943 (6,827.468)	26,484.53 (9,440.44)	503.446 (237.431)	857.10 (324.94)
Dyed Yarn	MT	41.620 (48.527)	78.50 (79.90)	1,536.580 (721.699)	$ $	– (–)	743.702 (362.851)	800.244 (365.755)	2,270.78 (772.24)	34.254 (41.620)	88.36 (78.50)
Knitted Fabric	MT	106.002 (153.117)	183.88 (195.52)	4,487.439 (2,285.802)	# #	– (–)	4,356.944 (2,274.964)	79.705 (57.953)	73.54 (76.55)	156.792 (106.002)	344.14 (183.88)
Processed Fabric	MT	131.606 (131.791)	331.19 (279.11)	4,245.753 (2,093.046)	^ ^	– (–)	988.044 (507.351)	3,295.974 (1,585.880)	11,800.05 (4,704.94)	93.341 (131.606)	264.48 (331.19)
Garments/ Made-ups	Lac Pcs	4.268 (4.417)	393.25 (432.38)	36.629 (17.991)		– (–)	– (–)	39.358 (18.140)	5,534.08 (2,446.56)	1.539 (4.268)	84.43 (393.25)
Cotton/Other Waste	MT	156.426 (155.673)	64.57 (66.25)	7,432.006 (3,636.537)		– (–)	– (–)	7,411.681 (3,635.784)	3,516.15 (1,511.52)	176.751 (156.426)	142.62 (64.57)

* Includes surplus captive & standby power

Notes :

	Unit	2010-2011	2009-2010
@ Includes outside production/purchases	MT	**2,028.675**	1,070.397
$ Includes outside production/purchases	MT	**420.005**	173.538
# Includes outside production/purchases	MT	**1,437.877**	937.774
^ Includes outside processing/purchases	MT	**253.759**	49.704

% Production excludes quantities produced for third parties under contract with the Company

		Unit	2010-2011 Qty	2010-2011 Value ₹ / Lac	2009-2010 Qty	2009-2010 Value ₹ / Lac
c)	**Raw Material Consumed**					
	Cotton	MT	**24,024.989**	**24,469.22**	11,898.533	8,518.34
	Viscose	MT	**28.404**	**51.97**	12.969	18.58
	Yarn purchased	MT	**1,398.025**	**3,662.10**	612.377	1,323.14
	Fabrics purchased	MT	**186.136**	**533.87**	123.777	222.46
				28,717.16		10,082.52
d)	**Value of Imports calculated on CIF basis in respect of :**					
	Raw Materials			**429.57**		262.36
	Stores & Spares (including Dyes, Chemicals & Embellishments)			**468.59**		274.45
	Capital Goods			**485.66**		17.82
e)	**Expenditure in Foreign Currency**					
	Travelling			**52.26**		25.14
	Commission and others			**381.84**		95.83
f)	**Earnings in Foreign Currency**					
	FOB value of Exports			**33,868.69**		12,858.95
	Others (Freight, Insurance, Claims etc.)			**423.68**		218.17

		2010-2011 Value ₹ / Lac	2010-2011 %	2009-2010 Value ₹ / Lac	2009-2010 %
g)	**Details of imported and indigenous Raw Material & Stores consumed**				
	Raw Material				
	– Imported	**495.79**	**1.73**	499.04	4.95
	– Indigenous	**28,221.36**	**98.27**	9,583.46	95.05
	Stores & Spares (including Dyes, Chemicals & Embellishments)				
	– Imported	**215.15**	**7.43**	193.75	14.89
	– Indigenous	**2,679.64**	**92.57**	1,107.14	85.11

22 a) Figures in brackets, wherever given, are in respect of previous period.

b) Figures for the previous period are of six months ended 31st March, 2010 and hence are not strictly comparable with those of current year.

c) Previous period's figures have been regrouped and recast wherever considered necessary.

The Schedules referred to in Balance Sheet and Profit & Loss Account form an integral part of the accounts.

Signed for identification Schedule 1 to 15

For Doogar & Associates
Chartered Accountants
Firm Registration No. 000561N

Mukesh Goyal
Partner
Membership No.081810

Noida (U.P.)
26th April, 2011

For Ashim & Associates
Chartered Accountants
Firm Registration No.006064N

Ashim Agarwal
Partner
Membership No. 084968

Ravi Jhunjhunwala
Chairman
DIN : 00060972

P.S. Puri
Chief Financial Officer

Shekhar Agarwal
Managing Director
DIN: 00066113

SCHEDULE - VI
PART - IV
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	00008255	State Code	10
Balance Sheet Date	31 03 2011		

II. Capital Raised during the year (Amount in Rupees Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	400

III. Position of Mobilisation and Deployment of Funds (Amount in Rupees Thousands)

Total Liabilities	4082219	Total Assets	4082219
Sources of Funds		**Application of Funds**	
Paid-up Capital	723620	Net Fixed Assets	2134349
Reserves & Surplus	471354	Investments	302
Secured Loans	2893245	Net Current Assets	1141331
Unsecured Loans	NIL	Miscellaneous Expenditure	1022
Deferred Tax Liability	NIL	Accumulated Losses	800979
		Deferred Tax Assets	NIL

IV. Performance of Company (Amount in Rupees Thousands)

Turnover	5094152	Total Expenditure	5115354
+/- Profit/Loss before tax	+128667	+/- Profit/Loss after tax	+128667
Earning per share (in ₹)	2.60	Dividend Rate (%)	0.00

V. Generic Names of Three Principal Products / Services of the Company (As per monetary terms)

Item Code No. (ITC Code)	Product Description
52.00	COTTON COMBED HOSIERY YARN
60.00	COTTON KNITTED FABRIC
61.00	COTTON KNITTED GARMENT

Ravi Jhunjhunwala
Chairman
DIN : 00060972

Shekhar Agarwal
Managing Director
DIN: 00066113

Noida (U.P.)
26th April, 2011

P.S. Puri
Chief Financial Officer

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

₹ / Lac

		Year Ended 31.03.2011 (12 months)		Period Ended 31.03.2010 (6 months)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before tax		**1,286.67**		358.92
Adjustments for:				
Depreciation & amortisation		**1,931.03**		978.73
Impairment loss		**402.44**		–
Dividend received		**(1.21)**		–
Financial Charges		**2,178.74**		1,074.50
Diminution in value of investments		**–**		(2.86)
(Profit)/Loss on sale of Fixed Assets (Net)		**17.94**		(29.92)
Provision for doubtful debts		**11.70**		84.07
Miscellaneous Expenditure written off		**3.41**		5.35
Operating profit before working capital changes		**5,830.72**		2,468.79
Adjustments for:				
Trade Receivables		**(2,549.41)**		85.38
Inventories				
Raw material & Packing material	**(4,556.92)**		(1,682.64)	
Stock in process	**(246.56)**		(63.37)	
Finished Goods & Waste	**(404.80)**		(74.68)	
Stores,spares & others	**156.51**	**(5,051.77)**	(190.07)	(2,010.76)
Loans & Advances		**277.58**		(57.79)
Trade Payables	**2,826.45**		764.57	
Provisions	**62.16**	**2,888.61**	(9.19)	755.38
Deferred Revenue Expenditure		**–**		(0.13)
Cash from operating activities		**1,395.73**		1,240.87
Taxes Paid		**–**		–
Net cash from operating activities		**1,395.73**		1,240.87
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of fixed assets		**(811.35)**		(135.72)
Sale of fixed assets		**30.52**		72.89
Sale of investments		**–**		13.50
Interest received		**31.40**		13.00
Dividend received		**1.21**		–
Dividend Paid (Including Tax)		**(91.44)**		–
Net Cash used in investing activities		**(839.66)**		(36.33)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from increase in share capital	**400.00**		2,775.00	
Receipts from Term Borrowings	**683.62**		455.85	
Receipts from Unsecured Loans	**–**		200.00	

₹ / Lac

		Year Ended 31.03.2011 (12 months)		Period Ended 31.03.2010 (6 months)
Increase\ (Decrease) in Short Term Bank Borrowings	**3,445.20**	**4,528.82**	602.29	4,033.14
Repayment of Term Borrowings	**(2,852.00)**		(1,835.80)	
Repayment of Unsecured Loans	**–**		(2,575.00)	
Interest Cost	**(2,272.12)**	**(5,124.12)**	(1,150.92)	(5,561.72)
Net Cash from financing activities		**(595.30)**		(1,528.58)
Net increase in Cash and Cash equivalents		**(39.23)**		(324.04)
Opening Cash and Cash equivalents		**291.18**		615.22
Closing Cash and Cash equivalents		**251.95**		291.18

Notes

1. Cash and cash equivalents consist of cash on hand and demand deposits with bank
2. Cash and cash equivalents included in the cash flow statement comprise of the following amounts:

Cash, Cheques & Stamps in hand		**29.20**		25.98
Balances with bank		**297.79**		396.51
Post Office Saving Account		**0.01**		0.01
As per the Balance Sheet		**327.00**		422.50
Less: Deposits under lien	**65.01**		65.01	
Margin Money Account	**8.78**		61.30	
Employees Security - Savings Account	**0.01**		0.01	
- Deposit Account	**1.25**	**75.05**	5.00	131.32
Closing cash & cash equivalents as restated		**251.95**		291.18

3. Cash flows of continuing and discontinuing operations are:

	Continuing Operations		Discontinuing Operations		Total	
	2010-11	2009-10	**2010-11**	2009-10	**2010-11**	2009-10
Net cash from / (used in) operating activities	**1,276.97**	1,228.75	**118.86**	12.12	**1,395.73**	1,240.87
Net cash from / (used in) investing activities	**(845.56)**	(36.47)	**5.90**	0.14	**(839.66)**	(36.33)
Net cash from / (used in) financing activities	**(595.30)**	(1,528.58)	**–**	–	**(595.30)**	(1,528.58)

4. Previous period's figures have been rearranged wherever necessary

As per our report of even date

For Doogar & Associates
Chartered Accountants
Firm Registration No. 000561N

Mukesh Goyal
Partner
Membership No.081810

For Ashim & Associates
Chartered Accountants
Firm Registration No.006064N

Ashim Agarwal
Partner
Membership No. 084968

Ravi Jhunjhunwala
Chairman
DIN : 00060972

P.S. Puri
Chief Financial Officer

Shekhar Agarwal
Managing Director
DIN: 00066113

Noida (U.P.)
26th April, 2011

FINANCIAL INDICATORS

₹ / Lac

S. NO.	DESCRIPTION	2006-2007	2007-2008	2008-2009 (18 months)	2009-10 (6 months)	**2010-11**
1.	Net Turnover	28,991.88	31,890.82	51,862.61	19,962.05	**50,910.93**
2.	PBIDT	(286.00)	569.26	2,943.36	2,589.62	**6,070.31**
3.	Interest					
	– Long Term	728.55	1,186.18	2,132.08	783.14	**1,503.39**
	– Short Term	969.48	1,022.19	1,832.56	468.83	**946.78**
	– Total	1,698.03	2,208.37	3,964.64	1,251.97	**2,450.17**
4.	Depreciation	1,701.70	2,648.93	3,125.42	978.73	**2,333.47**
5.	PBT	(3,685.73)	(4,288.04)	(4,146.70)	358.92	**1,286.67**
6.	Provision for Income Tax	(1,235.14)	203.57	40.22	9.14	**–**
7.	PAT	(2,450.59)	(4,491.61)	(4,186.92)	349.78	**1,286.67**
8.	EPS (Weighted Avg.)	(11.26)	(20.64)	(19.24)	0.69	**2.60**
9.	Equity Capital	2,175.80	2,175.80	2,175.80	4,150.80	**4,150.80**
10.	Preference Capital	–	–	1,885.40	2,685.40	**3,085.40**
11.	Return on Net Worth (%)					
	(PAT/Net Worth)	(39.57)	(262.25)	(302.23)	14.28	**32.74**
12.	Interest Cover (PBIDT-Tax) / Interest	0.56	0.17	0.73	2.06	**2.48**
13.	Debt - Equity	3.54	13.62	17.79	9.32	**5.25**
14.	Return on Sales	(8.45)	(14.08)	(8.07)	1.75	**2.53**
1.	Total Capital Employed	35,998.19	32,130.42	30,264.93	30,104.51	**32,862.18**
2.	Net Worth	6,192.64	1,712.71	1,385.33	2,448.88	**3,929.73**
3.	Total Debt	29,805.54	30,418.00	28,879.60	27,655.63	**28,932.45**
4.	Term Debt	21,939.98	23,323.00	24,644.80	22,818.54	**20,650.16**
5.	Gross Fixed Assets	42,756.34	46,215.00	44,800.81	44,704.42	**45,175.42**

QUANTITATIVE DATA

YEAR	Grey YARN MT	Dyed YARN MT	FABRIC MT	PROCESSED FABRIC MT	GARMENT LAC PCS
PRODUCTION					
2005-2006	11786.826	164.151	2849.389	2951.374	67.622
2006-2007	11747.810	656.562	3041.150	2858.950	60.520
2007-2008	14817.600	930.323	2451.690	2753.470	53.510
2008-2009 (18 months)	23010.466	1471.154	3686.699	4565.858	52.008
2009-2010 (6 months)	8451.985	548.161	1348.028	2043.342	17.991
2010-2011	**16561.793**	**1116.575**	**3049.562**	**3991.994**	**36.629**
SALES					
2005-2006	9263.748	45.094	82.757	961.814	64.251
2006-2007	9688.770	346.596	147.590	1662.370	60.520
2007-2008	12030.620	632.473	161.040	1450.720	57.020
2008-2009 (18 months)	18384.479	985.689	158.056	3439.541	53.608
2009-2010 (6 months)	6827.468	365.755	57.953	1585.880	18.140
2010-2011	**13070.943**	**800.244**	**79.705**	**3295.974**	**39.358**

FINANCIAL STATISTICS
CAPITAL ACCOUNT

₹ / Lac

YEAR	CAPITAL	RESERVES	NET-WORTH
2005-2006	2175.80	6497.10	8620.16
2006-2007	2175.80	4046.51	6192.64
2007-2008	2175.80	(445.10)	1712.71
2008-2009	6036.20	(4632.02)	1385.33
2009-2010	6836.20	(4373.69)	2448.88
2010-2011	**7,236.20**	**(3,296.25)**	**3,929.73**

REVENUE ACCOUNT

₹ / Lac

YEAR	NET SALES	OPERATING COST			PBIDT	INTEREST	DEPRECIATION	PBT	TAX	PAT
		RAW MATERIAL	PACKING COST	VALUE ADDED						
2005-2006	24,522.88	12,452.24	451.59	11,619.05	2,630.52	1,209.02	1,646.24	(224.74)	(274.18)	49.44
2006-2007	28,991.88	15,109.49	525.21	13,357.18	(286.00)	1,698.03	1,701.70	(3,685.73)	(1,235.14)	(2,450.59)
2007-2008	31,890.82	16,976.71	502.25	14,411.86	569.26	2,208.37	2,648.93	(4,288.04)	203.57	(4,491.61)
2008-2009 (18 months)	51,862.61	34,532.19	708.74	16,621.68	2,943.36	3,964.64	3,125.42	(4,146.70)	40.22	(4,186.92)
2009-2010 (6 months)	19,962.05	13,200.65	278.73	6,482.67	2,589.62	1,251.97	978.73	358.92	9.14	349.78
2010-2011	**50,910.93**	**36,034.90**	**593.09**	**14,282.94**	**6,070.31**	**2,450.17**	**2,333.47**	**1,286.67**	**–**	**1,286.67**

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
Maral Overseas Limited

We have examined the compliance of conditions of Corporate Governance by Maral Overseas Limited, for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the listing Agreement), issued by the Institute of Chartered Accountant of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affair of the Company.

For Doogar & Associates
Chartered Accountants
Firm Registration No. 000561N

Mukesh Goyal
Partner
Membership No. 081810

For Ashim & Associates
Chartered Accountants
Firm Registration No. 006064N

Ashim Agarwal
Partner
Membership No. 084968

Noida (U.P.)
26th April, 2011

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY.

We, Shekhar Agarwal, Managing Director & Chief Executive Officer and P.S. Puri, Chief Financial Officer, of Maral Overseas Limited, hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by Maral Overseas Limited during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting in Maral Overseas Limited and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee
  (i) Significant changes in internal control over financial reporting during the year;
  (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).

(f) We further declare that all Board members and designated senior management have affirmed compliance with the Code of Conduct for the current year.

Noida (U.P.)
26th April, 2011

Shekhar Agarwal
Managing Director &
Chief Executive Officer
DIN : 00066113

P. S. Puri
Chief Financial Officer

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of the Company will be held on Thursday, the 22nd September, 2011 at the Registered Office of the Company at Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, Madhya Pradesh – 451 660 at 11:00 A.M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date alongwith the Reports of Directors and Auditors thereon.
2. To declare the Dividend on Cumulative Redeemable Preference Shares.
3. To appoint a Director in place of Shri Ravi Jhunjhunwala who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri P. S. Dasgupta who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6 To consider and if deem fit to pass with or without modifications, the following resolutions as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner set out below:

   The existing Article 154 be substituted as under:

   The Company shall comply with the provisions of Section 53, 171, 172 and 190 of the Act as to the service of notices and documents to any member of the Company, either by post or through electronic mode or by personal delivery."

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation of Second Charge subject to the First Charge of the Term Lenders on all the immovable and movable properties of the Company, wheresoever situated, present and future, and the whole of the undertaking of the Company except the asset relating to erstwhile Jammu unit of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of the Consortium Banks led by Bank of Baroda and for granting to the Company Working Capital Facilities to the extent of ₹ 156.50 Crores or to any enhancements in the limits in future from time to time."

By order of the Board
For Maral Overseas Limited

Place : Noida (U.P.) **Vikas Prakash**
Date : 3rd August, 2011. **Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
2. The relevant Explanatory Statement pursuant to the section 173(2) of the Companies Act, 1956, in respect of business under item no. 6 & 7, and relevant details in respect of item No.(s) 3 & 4 pursuant to Clause 49 of the Listing Agreement are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16th September, 2011 to Thursday, 22nd September, 2011 (both days inclusive).
4. Members are requested to:
   (i) Quote their folio number in all correspondence with the Company.
   (ii) Notify immediately to the Company all changes with respect to their bank details, mandate, nomination, Power of Attorney and Change of Address. Members holding shares in electronic form should send their requests regarding the same to their respective Depository Participants.
5. Members who are holding Company's shares in electronic form are required to bring details of their Depository Account such as Client ID and DP ID Numbers for identification.
6. Members seeking any information/clarification with regard to accounts and audit are requested to write to the Company in advance and their queries should reach the Registered Office of the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information/clarification ready.
7. Members may please note that the unclaimed dividends for the financial years 1994-95 to 2000-02 have already been transferred to the Investor Education and Protection Fund. Further, No claims for dividends can be made for these years.
8. Members holding shares in physical form are requested to furnish their email ID through e-mail at **maral.investor@lnjb.com** and/or send letter to us quoting their Folio No. and e-mail ID for sending necessary communication/information in future. Members holding shares in demat form may get their email ID updated with their respective Depository Participants. The Annual Report of the Company will also be available on the website of the Company, www.maraloverseas.com. Documents in physical form shall be sent to members upon request.

By order of the Board
For Maral Overseas Limited

Place : Noida (U.P.) **Vikas Prakash**
Date : 3rd August, 2011. **Company Secretary**

ANNEXURES TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

As the members are aware that Ministry of Corporate Affairs has vide its Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 introduced "Green Initiatives in the Corporate Governance" by allowing service of notice / documents by a company to its shareholders through electronic mode.

Your Company has always initiated and supported environmental friendly practices. The Company proposes to amend its Articles of Association in line with the aforesaid circulars i.e. to enable the service of documents to the members by the Company also through electronic mode.

Your Directors recommend the resolution as special resolution for your approval.

None of the Directors is concerned or interested in the resolution.

Item No. 7

The Company is availing working capital facilities from the consortium of banks led by Bank of Baroda to the extent of ₹ 156.50 crores. The terms and conditions of the availment of the working capital limits from Banks stipulate a second charge on all the fixed assets of the Company in favour of the Banks. Accordingly the Company wishes to create a second charge in their favour.

Section 293(1)(a) of the Companies Act, 1956, provides inter-alia that the Board of Directors of the Company shall not, without the consent of members of the Company in general meeting sell, lease or otherwise dispose off the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking. Since the creation of second charge by the Company on its fixed assets may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copies of sanction letters received from these Banks and copies of relevant documents are open for inspection at the Registered Office of the Company during the office hours on any working day prior to the date of meeting.

Your Directors recommend the resolution for approval.

None of the Directors is concerned or interested in the resolution.

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreements)

Name of Director		Shri Ravi Jhunjhunwala	Shri P. S. Dasgupta
Category		Promoter- Non Executive	Independent Director, Non Executive
Interse Relationship		N. A.	N. A.
Date of Birth		28.10.1955	30.06.1955
Date of Appointment		27.11.1996	20.10.2003
Qualification		B.Com (H), MBA	B.A. Eco (H), LLB, Post Graduate Diploma in Corporate Laws & Labour Law.
Expertise in specific functional areas		Industrialist with diversified business experience	Renowned International Corporate Lawyer and represent a leading Law firm in Delhi.
List of Public Companies in which Directorships held		1. HEG Ltd. 2. RSWM Ltd. 3. Malana Power Company Ltd. 4. Bhilwara Energy Ltd. 5. Indo Canadian Consultancy Services Ltd. 6. BSL Ltd. 7. AD Hydro Power Ltd. 8. Cheslind Textiles Ltd. 9. India Glycols Ltd.	1. Cummins India Ltd. 2. Otis Elevator Co. India Ltd. 3. Timken India Ltd. 4. Tricone Projects India Ltd. 5. Asian Hotel (North) Ltd. 6. Bhilwara Technical Textiles Ltd. 7. Ester Industries Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company		–	Audit Committee-Member
Chairman/Member of the Committees of Directors of other Companies			
a)	**Audit Committee**	1. Malana Power Company Ltd.-Chairman 2. AD Hydro Power Ltd.-Chairman	1. Timken India Ltd.-Chairman 2. Cummins India Ltd.-Member 3. Otis Elevator Co. India Ltd.-Member 4. Tricone Projects India Ltd.-Member 5. Bhilwara Technical Textiles Ltd.-Member
b)	**Shareholders'/ Investors Grievance Committee**	1. HEG Ltd.-Member 2. BSL Ltd.-Member	1. Bhilwara Technical Textiles Ltd. - Chairman 2. Cummins India Ltd.-Member 3. Otis Elevator Co. India Ltd.-Member
No. of Equity Shares held in the Company		10	NIL

PROXY FORM

MARAL OVERSEAS LIMITED

Regd. Office : Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, - 451 660, Madhya Pradesh

DP Id* .... Folio No. ....

Client Id* .... No. of Share(s) held ....

I/We ....

of ....

being a member/members of Maral Overseas Ltd., hereby appoint ....

of .... failing him ....

of .... or failing him ....

of .... as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Thursday, the 22nd day of September, 2011 at 11:00 A. M. and at any adjournment thereof.

As WITNESS my/our hand/hands this .... day of .... 2011.

Signed by the said ....

Address

Affix
15 Paise
Revenue
Stamp

Note : The Proxy must be deposited at the Registered Office of the Company at Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone - 451 660 (M.P.) not less than forty eight hours before the time of holding the meeting.

* Applicable for investors holding Shares in electronic form.

ATTENDANCE SLIP

MARAL OVERSEAS LIMITED

Regd. Office : Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, - 451 660, Madhya Pradesh

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

DP Id* .... Folio No. ....

Client Id* .... No. of Share(s) held ....

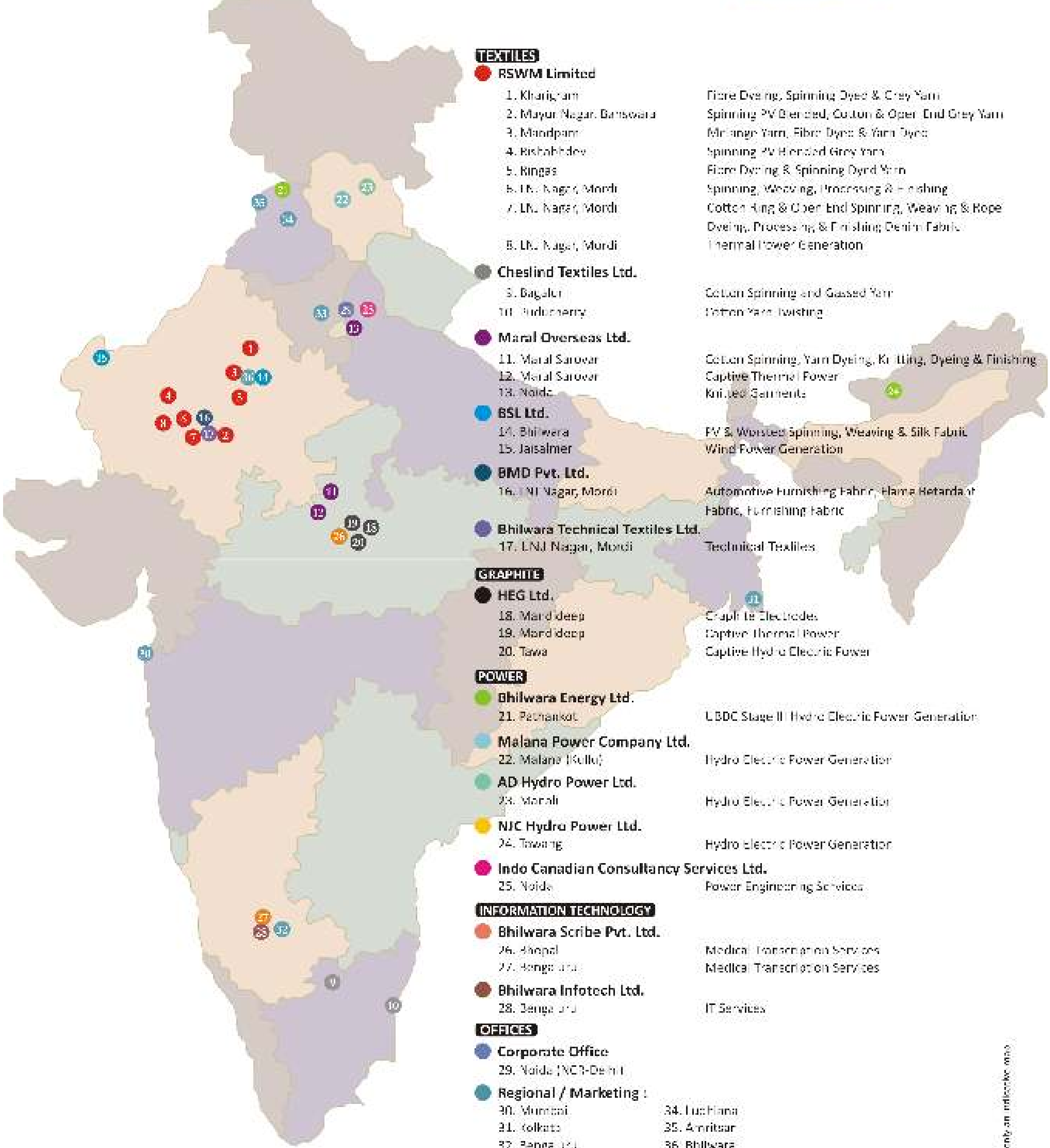
Name and address of the Shareholders :

I hereby record my presence at the 22nd Annual General Meeting of the Company held on Thursday, the 22nd day of September, 2011 at 11:00 A.M. at the Registered Office of the Company at Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone - 451 660 (M.P.).

* Applicable for investors holding Shares in electronic form.
** Strike out whichever is not applicable

Signature of the Shareholder/Proxy/Representative**

Nationwide Network



TEXTILES

RSWM Limited

1. Kharigram	Fibre Dyeing, Spinning Dyed & Grey Yarn
2. Mayur Nagar, Banswara	Spinning PV Blended, Cotton & Open End Grey Yarn
3. Mandpam	Melange Yarn, Fibre Dyed & Yarn Dyed
4. Rishabhdev	Spinning PV Blended Grey Yarn
5. Ringas	Fibre Dyeing & Spinning Dyed Yarn
6. LNJ Nagar, Mordi	Spinning, Weaving, Processing & Finishing
7. LNJ Nagar, Mordi	Cotton Ring & Open End Spinning, Weaving & Rope Dyeing, Processing & Finishing Denim Fabric
8. LNJ Nagar, Mordi	Thermal Power Generation

Cheslind Textiles Ltd.

9. Bagalur	Cotton Spinning and Gassed Yarn
10. Puducherry	Cotton Yarn Twisting

Maral Overseas Ltd.

11. Maral Sarovar	Cotton Spinning, Yarn Dyeing, Knitting, Dyeing & Finishing
12. Maral Sarovar	Captive Thermal Power
13. Noida	Knitted Garments

BSL Ltd.

14. Bhilwara	PV & Worsted Spinning, Weaving & Silk Fabric
15. Jaisalmer	Wind Power Generation

BMD Pvt. Ltd.

16. LNJ Nagar, Mordi	Automotive Furnishing Fabric, Flame Retardant Fabric, Furnishing Fabric

Bhilwara Technical Textiles Ltd.

17. LNJ Nagar, Mordi	Technical Textiles

GRAPHITE

HEG Ltd.

18. Mandideep	Graphite Electrodes
19. Mandideep	Captive Thermal Power
20. Tawa	Captive Hydro Electric Power

POWER

Bhilwara Energy Ltd.

21. Pathankot	UBDC Stage II Hydro Electric Power Generation

Malana Power Company Ltd.

22. Malana (Kullu)	Hydro Electric Power Generation

AD Hydro Power Ltd.

23. Manali	Hydro Electric Power Generation

NJC Hydro Power Ltd.

24. Tawang	Hydro Electric Power Generation

Indo Canadian Consultancy Services Ltd.

25. Noida	Power Engineering Services

INFORMATION TECHNOLOGY

Bhilwara Scribe Pvt. Ltd.

26. Bhopal	Medical Transcription Services
27. Bengaluru	Medical Transcription Services

Bhilwara Infotech Ltd.

28. Bengaluru	IT Services

OFFICES

Corporate Office

29. Noida (NCR-Delhi)

Regional / Marketing :

30. Mumbai
31. Kolkata
32. Bengaluru
33. New Delhi
34. Ludhiana
35. Amritsar
36. Bhilwara

This is only an indicative map

Maral Overseas Limited

Registered Office:
Maral Overseas Limited
Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad,
Distt. Khargone - 451 660, Madhya Pradesh
Website : www.maraloverseas.com / www.lnjbhilwara.com

BHILWARA LNJ GROUP
PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL