# Brighter TOMORROW

## Maral Overseas Limited
Annual Report 2011-12

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# 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 — *Senior Vice President*

**COMPANY SECRETARY**

Vikas Prakash

**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.)

**AUDITORS**

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

**BANKERS**

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

# MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy has been surfing in tough tides since 2008, the year 2011-12 being no different owing to the upheaval in the Euro-Zone, sustained weakness of the US real estate market, elevated commodity prices, overheating in certain emerging markets, geopolitical tensions and questions raised by rating agencies on the US economy. Indian economic environment also reacted in a similar manner but was among the front-runners with a growth of 6.9% in the year 2011-12 after having grown at the rate of 8.4 per cent in each of the two preceding years. The agriculture and service sectors continued to perform well, the weakening industrial growth entirely contributed to the India's slowdown. The manufacturing sector grew by 2.7 per cent and 0.4 per cent in the second and third quarters of 2011-12. The next year is expected to bring recovery to the Indian economy as it is expected to grow around 7% in 2012-13.

At sectoral level, agriculture and allied activities registered growth of around 2.5%, whereas services sector recorded splendid growth of 9.4% for the year 2011-12. Thus, dip in industrial growth to 3.9% majorly contributed to the declining overall GDP growth.

Inflation being the most variable factor of the purchasing power, being measured by the wholesale price index (WPI) was high during most of the financial year, though it dipped towards the end of the year. However, Monetary Policy decisions were taken by the Reserve Bank of India (RBI) to control inflation and inflationary trends.

The Indian Textiles Industry has an overwhelming presence in the economic life of the Country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation and export earnings of the Country. The textile industry in India is at the forefront. Indian Textiles industry was growing at 3-4% in the last 6 decades. Under 11th Five Year Plan (FYP) it was projected to accelerate to a growth rate of 16% in value and should reach the value of USD 115 billion (exports USD 55 billion and domestic market USD 60 billion) by 2012. The Indian textile industry is highly dependent on exports and about 27% of the foreign exchange earnings in India is through textiles. The domestic and international markets are on their way upward. Exports are likely to reach USD 32 billion in 2011-12 and domestic market USD 55 billion. Post quota regime, the technology upgradation remains the top strategic focus of the textile sector in order to maintain its competitiveness in the global market.

The Government of India has promoted a number of export promotion policies for the textile sector in the Union Budget 2011-12 and the Foreign Trade Policy 2009-14. This includes the various incentives under Focus Market Scheme and the Focus Product Scheme; broad basing the coverage of Market Linked Focus Product Scheme for textile products to increase the Indian share in the global trade for textile and clothing. The Government has also enhanced the 11th Five Year Plan allocation for TUFS from ₹ 8000 core to ₹ 15,404 crore. TUFS has helped catalyse an investment of ₹ 2 lakh crore since its inception. The additional allocation is expected to catalyse an additional investment of ₹ 46,900 crore.

**Opportunities and Threats**

Demographic trends in India are varying, with a rise in disposable income levels, consumer awareness and propensity to spend. Consumer preference has led to enlarged consumption on personal care and lifestyle products as well as branded products. These trends offer huge growth opportunities for companies across a variety of sectors, including textiles. To cater to this growing demand is the biggest challenge for the India's retail sector. Organized retail is playing a vital responsibility in structuring the Indian domestic market, by the rapid increase of supermarkets, malls, theme stores and franchises across urban India. India thus presents a large and energetic market for textiles and apparels, with a potential for constant growth. Further, the textile sector is highly export driven and considering that the world markets would see an improvement in their economic scenario, recovery in global demand conditions is considered to be the most important growth driver.

Foreign companies have been attracted to Indian market for two major considerations. First, the market size is one of the largest in the world. The consuming class in the finer and super premium segment is increasing significantly over the years and this has drawn the major focus of interest for foreign players. Secondly, foreign companies use India as a low cost production base for third country exports.

However, rapidly mounting inflationary pressures, high input costs continue to dominate the challenges faced by the textile sector in the country. The export oriented nature of the industry makes it vulnerable to global developments and therefore, exchange rate volatility is considered to be a major challenge. The global volatility in the cotton prices has become one of the biggest variable factors in the textile industry causing loss in valuation of the inventory.

**BUSINESSES**

Maral Overseas Limited (MOL) is one of India's largest vertically integrated textile Company. Its two ultra modern units can produce 1,500 tons of grey yarn, 115 tons of dyed yarn, 400 tons of dyed knitted fabric and 4,00,000 pieces of garments every month even as it constantly innovates to diversify and upgrade its products.

During the financial year ended March 31, 2012, the Company achieved a Turnover of ₹ 535.91 Crores against ₹ 510.39 Crores in the previous year ended the 31st March, 2011 and the operating profit of the Company is ₹ 43.95 Crores against ₹ 59.42 Crores in the previous year. During the year under review, the Company's exports (FOB value) were to the tune of ₹ 334.19 Crore and account for 62.33% of MOL's Turnover. The yarn business accounts for 60% (previous year 65.81%) while knitted fabric and textile made-ups business accounts for 23.60% (previous year 23.32%) and 16.40% (previous year 10.87%) respectively.

The Company has always been focused to create innovative products which are environmentally friendly, socially compliant, fashionable and add aesthetic value to the final product. The Company's effort has been to bridge the gap between Fashion, Environment and Social aspects. The Company expects that demand of textile products will increase with the gradual revival of the world economy.

**Yarn Business**

The performance of the Yarn Business was depressed during the year due to steep fall in cotton and yarn prices because of weak global economic sentiments. This business contributed ₹ 321.79 crores towards the turnover of the Company and took a hit on its margins substantially.

**Knitted Fabric Business**

The performance of the Fabric Business was satisfactory during the year, due to fall in price of raw material and strengthening of US Dollar. This business contributed ₹ 126.56 crores towards the turnover of the Company, with better margins.

**Garment Business**

The performance of the Garment Business made a significant comeback by turning profitable during the financial year and mitigating losses of the Company, due to improved capacity utilization, operational performance and rationalization of customer as well as product profile. This business contributed ₹ 87.55 crores towards the turnover of the Company.

**RISK MANAGEMENT**

**Market Risk**

Seasonality is a factor for the textile industry. It has been observed that the textile units who have command on the volatility of the business have maintained their market position. Further, raw-cotton is the major raw material for the textile industry. It accounts for around 65% of the cost of production and has significant impact on operational performance. A commodity like cotton is price sensitive, hence fluctuations in the prices would impact the procurement pattern. Indian textile units are increasingly influenced by international price movements also affecting the prices of raw-material and finished products thereby impacting realizations and profitability.

**Currency Risk**

Since the textile industry has a major portion of its revenue from exports, Indian rupee vis-à-vis other currencies such as US Dollar and Euro is important. The industry hedges currency risks by forward currency cover against sale contracts. Hence, movement in foreign currency vis-a-vis rupee has a direct impact on exports realization and import cost.

**Regulatory Risk**

In the recent past, the Government has implemented various policies and programmes to make the industry globally competitive. However, unfavourable changes in the government policies and the regulatory environment can adversely impact the performance of the Company.

**Internal Control Systems and their adequacy**

The Company is committed to the concept of internal controls and follows them sincerely. The Company has proper and adequate system of internal controls and policies in all its spheres of activities. The internal controls are handled and supplemented by regular Internal Audit of all the units of the Company which helps in improving efficiency and systems. The Company's Internal Control Systems ensure effective monitoring of operations to make sure that there is optimum utilization of resources and that all assets are safeguarded and protected against loss from unauthorized use and dispositions and that all transactions are authorized, recorded and reported diligently. The Management of the Company reviews the reports of the Internal Auditors in detail. The reports are discussed and reviewed in the Audit Committee and suitable steps to implement their recommendations are taken. An action taken report is also reviewed by the Committee.

**Human Resources**

The core of MOL's corporate philosophy is centered on its key stakeholders – i.e. employees. The Company acknowledges their valuable contribution towards the success of the organisation and actively encourages and supports their quest for higher performance challenges. At MOL, special attention is given towards putting in place a continuous process of enhancing existing skill levels and competence to keep pace with the Company's growth. Measures are also underway to introduce attitudinal changes in the employees to prepare them in anticipating the changing demands of the business environment. Moreover, efforts are made to inculcate an understanding of the complex internal and external customer expectations to ensure a better conformance.

The Company had 1710 employees at the end of financial year 2011-12. Industrial relations continued to be cordial during the year.

**Corporate Social Responsibility**

Corporate Social Responsibility (CSR) is one of the organizational missions of the LNJ Bhilwara Group which is committed to provide an environment of ethical and sustainable growth. At Maral Overseas Limited, CSR has been the cornerstone of success right from inception. The Company's objective is to help enrich the quality of life of the community and preserve ecological balance through strong environment consciousness. Company believes that a substantial business success can not 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, providing education to children of its employees; **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 which 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 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

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Third Annual Report of the Company and the audited financial statements for the year ended the 31st March, 2012.

### Financial Results

(₹ in Crore)

| | 31.03.12 Current Year | 31.03.11 Previous Year |
|---|---|---|
| **Turnover** | **535.91** | 510.39 |
| Profit/(Loss) from operations | **(1.95)** | 12.87 |
| Less: Taxation | **–** | – |
| **Profit / (Loss) after Tax** | **(1.95)** | 12.87 |
| Add: Balance brought forward from previous year | **(112.96)** | (123.73) |
| Add: Transfer from General Reserve | **3.71** | – |
| | **(111.20)** | (110.86) |
| **Appropriations:** | | |
| Proposed Dividend | **1.51** | 1.81 |
| Tax on Proposed Dividend | **0.25** | 0.29 |
| Balance carried to Balance Sheet | **(112.96)** | (112.96) |

### Dividend

The Company has received the approval of Ministry of Corporate Affairs under section 205A(3) of the Companies Act, 1956 to pay the dividend out of reserves on 8% Cumulative Redeemable Preference Shares (CRPS). Accordingly, 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 the Banks pursuant to the Corporate Debt Restructuring (CDR) Scheme approved by the CDR Cell under the aegis of Reserve Bank of India.

The dividend on CRPS will absorb ₹176 Lacs (inclusive of distribution tax). A proposal for declaration of the dividend on 8% CRPS will be placed before the shareholders at the ensuing Annual General Meeting.

No dividend is recommended on 3% CRPS held by promoters as well as Equity Shares of the Company.

### Operations

During the year under review the operations of the Company got affected on account of high volatility in cotton prices in the first half of the financial year under review and unremunerative realisations. This affected the profitability of the Company to a great extent coupled with other factors such as increased competition from the neighbouring Countries and recession in the global demand. The adverse results were further affected by mark to market loss on account of foreign exchange booking on account of export orders due to depreciation of Indian Rupee against US dollar.

Your Directors took several measures to over come the situation by adhering to cost cutting measures and by increasing the operational efficiencies. Your Directors feel pleasure in informing the members that operations of the Company showed recovery in the last quarter of the financial year under review.

Your Directors are hopeful that the Current Financial year will reflect positive trend in operational performance and profitability of the Company as evident from the results for the first half of the current financial year.

The Company achieved a Turnover of ₹ 535.91 Crores for the year ended the 31st March, 2012 against ₹ 510.39 Crores in the previous year ended the 31st March, 2011. The Company achieved an operating profit of ₹ 43.95 Crores against ₹ 59.42 Crores in the previous year.

During the period under review, your Company has been able to achieve a production of 16004 MT of cotton yarn (16562 MT), 1108 MT of dyed yarn (1117 MT), 3457 MT of grey knitted fabric (3050 MT), 4085 MT of processed fabric (3992 MT) and 45.44 lakhs pieces of textile made-ups (36.63 lakhs pieces). Due to adverse business condition the spinning unit had to be partially closed for 68 days in July/August, 2011 leading to a loss in production of 524.31 MT.

### Industry Scenario

With the high volatility in commodity prices, high interest rates and power costs and slack in demand in the key export markets, the textile and clothing industry has been facing tough times since the last one year. On global front the economic disruptions in the US and euro-zone on account of sustained weakness of demand sentiments, increasing commodity prices, overheating in certain emerging markets, geopolitical tensions and questions raised by rating agencies on the US economy contributed to the diminished performance of the textile industry. However, the last quarter of the year under review has brought marginal relief to the industry due to stability in the commodity prices and a slight improvement in global demand.

Your Directors hope that the improved market conditions and with the necessary corrective measures being taken, Company would be able to report improved performance in coming years.

### Directors

Shri D. N. Davar and Dr. Kamal Gupta, Directors, retire by rotation and being eligible, offer themselves for reappointment.

### 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 the 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 your Company has made cash profits in the financial year ended March 31, 2012 and preceding two financial years.

**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 in place adequate systems of internal control and procedures covering all financial and operating functions. The Audit Committee reviews the Internal Audit Reports and ensures that the Internal Control Systems are in place and functioning effectively in the organization to help ensure that applicable statutes and regulations are complied with and 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 2012, 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

**Ravi Jhunjhunwala**

Noida (U.P) Chairman

29th October, 2012 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. Installation of VFD in Humidification Plant for Pump.
2. VFD Installation for ID & FD Fans in Thermopack & Boiler.
3. Replacement of Main Motor of Unit 5 R/F with 55KW Energy Efficient motor and Inverter.
4. Installation of 45 KW VFD and energy efficient motor at Unit 4 Ring frame machine.
5. Augmentation & Modernization of effluent treatment plant.
6. Replacement of rewound motors by new energy efficient motors.
7. Automation of combustion system in thermopack for reduction in coal consumption and carbon emission.
8. Replacement of Air preheater of Thermopack to reduce coal consumption and carbon emission.
9. Switching of connection for Narmada Pumping station from non industrial to industrial feeder in order to reduce carbon emission.

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

1. Metering system for power measurement in Ring frame machine.
2. To replace the existing continuous suction with intermittent suction at Bale press area of Unit 5.
3. Control and monitoring of compressed air.
4. To replace Energy efficient VFD operated compressor with the existing compressor for Ring frame high pressure line.
5. Switching of fuel from coal to biomass for CDM consideration in Thermopack.

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

The Company will improve energy efficiency at plant thereby ensuring reduction of carbon emissions. The Company will also undertake CDM initiative.

**INFORMATION AS PRESCRIBED IN FORM A**

**(A) POWER AND FUEL CONSUMPTION**

| | Current Year 2011-12 | Previous Year 2010-11 |
|---|---|---|
| **1. Electricity** | | |
| a. Purchased | | |
| Units | **11,190,250** | 8,056,798 |
| Total amount (₹) | **56,604,802** | 38,993,377 |
| Rate Unit (₹) | **5.06** | 4.84 |
| b. Own Generation | | |
| (i) Through Diesel Generator | | |
| Units | **641,920** | 3,116,526 |
| Units / Litre of HSD / FO | **3.18** | 3.90 |
| Cost / Unit | **14.51** | 7.22 |
| (ii) Through Thermal Power Plant | | |
| Units | **61,234,400** | 65,966,830 |
| Units / Kg. of Coal | **1.01** | 1.00 |
| Gas | **-** | - |
| Cost / Unit | **4.03** | 3.46 |
| c. Sale | | |
| Units | **185,650** | 4,497,818 |

| | | Current Year 2011-12 | Previous Year 2010-11 |
|---|---|---|---|
| **2.** | **Coal** | | |
| | Quantity MT | **73,009,017** | 77,467,421 |
| | Total Cost | **297,845,339** | 270,172,568 |
| | Average Rate / KG | **4.08** | 3.49 |
| **3.** | **Furnace Oil / HSD/LDO** | | |
| | Quantity KL | **711** | 1,150 |
| | Total Cost | **27,243,650** | 33,330,637 |
| | Average Rate / Litre | **38.33** | 28.98 |
| **4.** | **Other / Internal generation** | **N.A.** | N.A. |

**(B) CONSUMPTION PER UNIT OF PRODUCTION**

| | | | |
|---|---|---|---|
| **I)** | **Electricity** | | |
| | Cotton Yarn (Kg.) | **3.35** | 3.28 |
| | Knitted Fabric (Kg.) | **0.33** | 0.35 |
| | Processed Fabric (Kg.) | **1.24** | 1.16 |
| | Garment (Pc.) | **0.20** | 0.29 |
| | Yarn Dyeing (Kg.) | **2.00** | 1.94 |

## II. TECHNOLOGY ABSORPTION

### A. RESEARCH AND DEVELOPMENT

The Company has a central development department, which undertakes products development activities for new products. During the period under review, the Company focused on production of more value added Yarn and Fabric. Besides this, the Company has a Quality Assurance Cell.

### B. EXPENDITURE INCURRED ON R&D

₹ / Lac

| | Current year | Previous year |
|---|---|---|
| Capital | **0.56** | 50.22 |
| Recurring | **141.65** | 98.47 |
| **Total** | **142.21** | 148.69 |
| Total R&D expenditure as percentage of total turnover | **0.27%** | 0.29% |

### C. 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 purchased new technology DM light in order to reduce energy consumption, improve quality and reduce carbon emission in fabric division.

## 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 year, the Company has earned Foreign Exchange of ₹ 33,418.50 Lac at FOB Price against an Outgo of ₹ 2,021.44 Lac compared to the previous year's Foreign Exchange Earning of ₹ 33,868.69 Lac and Outgo of ₹ 1,941.75 Lac.

# REPORT ON CORPORATE GOVERNANCE

**1. Company's Philosophy on Corporate Governance**

Corporate Governance is a tool to enhance the value of the stakeholders. Corporate Governance practice has helped the Company in achieving the goals in the most prudent and sustainable manner. It helps in attainment of highest level of transparency, accountability and equity in all its operation and interaction with the Shareholders. It ensures adherence to mandatory practices and compliances of laws and regulations. Therefore, the Company follows Corporate Governance envisaging timely disclosures, attainment of high level of transparency and has a strong and professional Board which seeks to achieve shareholders' trust and maximize shareholders' value.

**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, 2012, are given below:

| Name | Title | Category | No. of Meetings | | No. of other Directorships and Committee Membership/Chairmanship# | | |
|---|---|---|---|---|---|---|---|
| | | | Held | Attended | Directorships* | Committee@ Memberships | Committee Chairmanships |
| Shri L. N. Jhunjhunwala | *Chairman-Emeritus* | Promoter – Non-Executive | 4 | 0 | 6 | 2 | 1 |
| Shri Ravi Jhunjhunwala | *Chairman* | Promoter – Non-Executive | 4 | 4 | 12 | 4 | 2 |
| Shri Shekhar Agarwal | *Managing Director* | Promoter – Executive | 4 | 4 | 5 | 3 | 0 |
| Shri D. N. Davar | *Director* | Independent – Non-Executive | 4 | 4 | 13 | 8 | 5 |
| Dr. Kamal Gupta | *Director* | Independent – Non-Executive | 4 | 4 | 6 | 7 | 3 |
| Shri P.S. Dasgupta | *Director* | Independent – Non-Executive | 4 | 4 | 8 | 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.*

@ *Includes Committee Chairmanships.*

None of the Directors is a member of more than 10 Board level committees and Chairman of 5 such committees.

Independent Director means Director as mandated in Clause 49 of the Listing Agreement.

The Board of Directors meets regularly throughout the financial year. The meetings of the Board of Directors during the financial year ended 31st March, 2012 were held on the 26th April,2011, 26th July, 2011, 25th October, 2011 and the 24th January, 2012.

The previous Annual General Meeting of the Company was held on the 22nd September, 2011 and was attended by Dr. Kamal Gupta, Chairman of the Audit Committee.

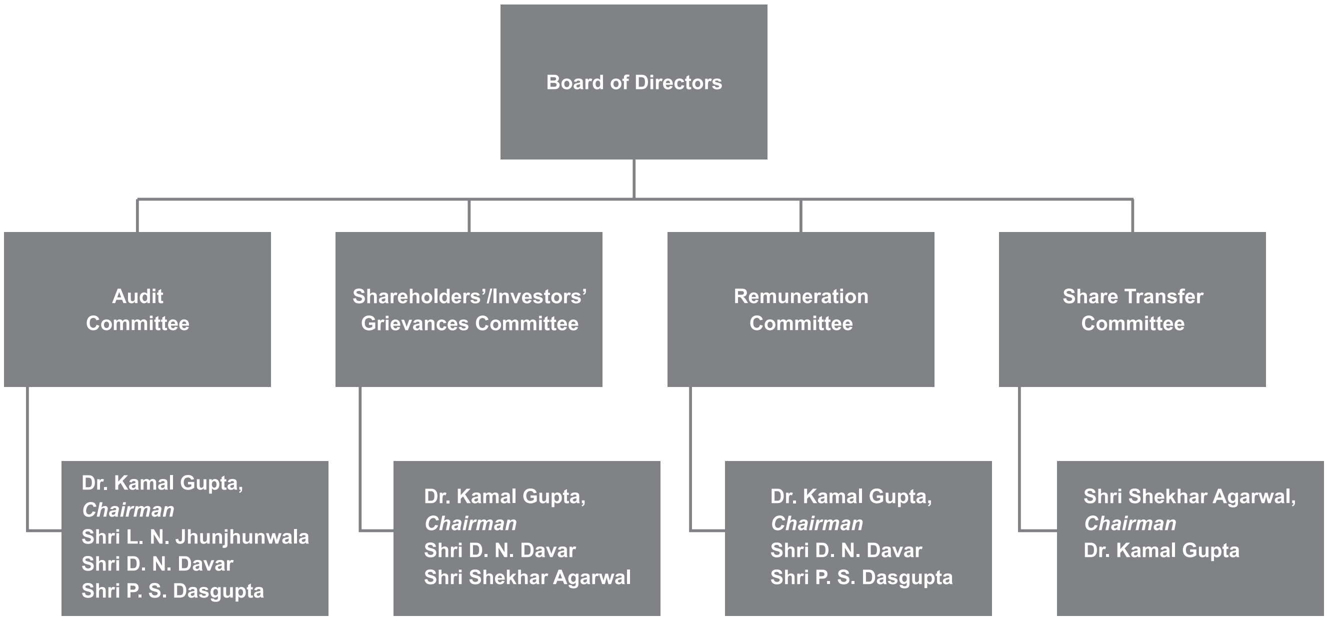
The information placed before the Board includes:

The Board has complete access to all information with the Company. The following information is regularly provided to the Board:

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Executive Officer, Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
- Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.

- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Details of investment of surplus funds available with the Company.

**Committees of the Board**




## 3. Audit Committee

The Audit Committee of members of the Board comprises of following Four Directors as on the 31st March, 2012:

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

All the members of the Audit Committee are Non-Executive Directors. Shri 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 representatives of the Statutory Auditors and Internal 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 Directors' 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.

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 26$^{th}$ April, 2011, 26$^{th}$ July, 2011, 25$^{th}$ October, 2011 and the 24$^{th}$ January, 2012. The attendance of the Committee members at these meetings was as follows:

| Name of the Member | No. of Meetings Held | No. of Meetings Attended |
|---|---|---|
| Shri L. N. Jhunjhunwala | 4 | 0 |
| Dr. Kamal Gupta | 4 | 4 |
| Shri D. N. Davar | 4 | 4 |
| Shri P. S. Dasgupta | 4 | 4 |

**4. Remuneration Committee**

In addition to being compliant with all the mandatory provisions of Clause 49 of the Listing Agreement, Company has put in place non mandatory recommendations like "Remuneration Committee".

The Remuneration Committee comprised of following three Non-Executive Independent Directors as on the 31st March, 2012:

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

Dr. Kamal Gupta is the Chairman of this Committee.

The composition of the Remuneration Committee remained unchanged during the year ended the 31st March, 2012. Further no meeting of Remuneration Committee was required to be held.

**Remuneration Policy**

The compensation terms of Executive Directors are recommended by the Remuneration Committee constituted by the Board of Directors of the Company and thereafter approved by the Shareholders in the General Meeting. The remuneration committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance, industry standards and various other factors. The Non-Executive Directors are paid sitting fee for attending the Board Meetings as well as other committee meetings.

**Remuneration Paid or Payable to Directors as on 31.03.2012**

**(Amt. in ₹)**

| Name of Director | Category | Sitting fee | Salaries, allowances and perquisites # | Commission | Total |
|---|---|---|---|---|---|
| Shri L. N. Jhunjhunwala | Promoter – Non-Executive | - | - | - | - |
| Shri Ravi Jhunjhunwala | Promoter – Non-Executive | 80,000 | - | - | 80,000 |
| Shri Shekhar Agarwal* | Promoter – Executive | - | 48,88,000 | - | 48,88,000 |
| Dr. Kamal Gupta | Independent – Non-Executive | 3,60,000 | - | - | 3,60,000 |
| Shri D. N. Davar | Independent – Non-Executive | 2,40,000 | - | - | 2,40,000 |
| Shri P. S. Dasgupta | Independent – Non-Executive | 1,60,000 | - | - | 1,60,000 |

*# includes retirement benefits excluding leave encashment & gratuity.*

** Shri Shekhar Agarwal, Managing Director holds 1.82% of Equity Shares as on 31.03.2012 in the Company.*

During the year ended 31st March, 2012, the Company did not advance any loans to any of its Directors. The Company does not have any Stock Option Scheme.

**Equity Shares and Convertible Instrument Held By Non-Executive Directors as on the 31st March, 2012.**

| Name of Director | Category | Number of Shares held | Convertible Warrant |
|---|---|---|---|
| Shri L. N. Jhunjhunwala | Promoter – Non-Executive | Nil | Nil |
| Shri Ravi Jhunjhunwala | Promoter – Non-Executive | Nil | Nil |
| Dr. Kamal Gupta | Independent – Non-Executive | 1,000 | Nil |
| Shri D. N. Davar | Independent – Non-Executive | 1,000 | Nil |
| Shri P. S. Dasgupta | Independent – Non-Executive | Nil | 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' Grievances Committee**

The Company's Shareholders' / Investors' Grievances Committee comprised of following Directors as on the 31st March, 2012:

1) Dr. Kamal Gupta - Independent Director
2) Shri D. N. Davar - Independent Director
3) Shri 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 ended the 31st March, 2012 on the 26th April, 2011, 26th July, 2011, 25th October, 2011 and the 24th January, 2012.

**Details of Shareholders'/Investors' Grievances Committee**

| Name of the Member | Category | No. of Meetings held during tenure | No. of Meetings Attended |
|---|---|---|---|
| Dr. Kamal Gupta | Independent – Non-Executive | 4 | 4 |
| Shri D. N. Davar | Independent – Non-Executive | 4 | 4 |
| Shri Shekhar Agarwal | Promoter – Executive | 4 | 4 |

The Company received 5 Complaints during the year ended the 31st March, 2012 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, 2012. No request for dematerialisation of Equity Shares of the Company was pending for approval as at the 31st March, 2012.

**Details of Shareholders' / Investors' Queries and Grievances received and attended by the Company**

| Sl. No. | Nature of Query/Complaint | Pending as on 1st April, 2011 | Received during the year | Addressed during the year | Pending as on 31st March, 2012 |
|---|---|---|---|---|---|
| 1. | Transfer / Transmission / Issue of Duplicate Shares | - | - | - | - |
| 2. | Non-receipt of Dividend & Non-receipt of Annual Report | - | 5 | 5 | - |
| 3. | Dematerialization / Rematerialization of shares | - | - | - | - |

The Company also has 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) Shri Shekhar Agarwal
2) Dr. Kamal Gupta

The Share Transfer Committee of the Company meets periodically under the chairmanship of Shri Shekhar Agarwal, Managing Director. All valid requests for share transfer received during the year were attended by the Company within the stipulated time limit.

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

**6. Management**

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

During the financial year ended the 31st March, 2012, 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 Note 2.9.8 to the Annual Accounts.

**7. 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 |
|---|---|---|---|---|
| 23rd December, 2009 | 2008-2009 | Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh – 451660 | 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 – 451660 | 10:30 A.M | Approval for the reappointment of Shri Shekhar Agarwal as Managing Director of the Company for a period starting from 1st January, 2011 to 31st March, 2013. |
| 22nd September, 2011 | 2010-2011 | Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh – 451660 | 11:00 A.M | Altered the Articles of Association regarding the service of notice and documents to any member of the Company, either by post or through electronic mode or by personal delivery. |

During the year ended 31st March 2012, no resolution was required to be passed through Postal Ballot.

**8. Disclosures:**

**(i) Basis of Related Party Transactions:**

- 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.

**(ii) Disclosure of Accounting Treatment:**

In preparation of Financial statements a similar treatment as given in the Accounting Standards has been followed. 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.

**(iii) Board Disclosures – Risk Management:**

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

**(iv) Non Compliance by the Company:**

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.

**(v) Compliance with Mandatory and Non-mandatory Requirements:**

The Company is compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreements. A certificate from Statutory Auditors to this effect is enclosed in the Annual Report. 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.

**9. Initiatives on Prevention of Insider Trading Practices**

The Company has a policy prohibiting Insider Trading in conformity with applicable regulations of the Securities and Exchange Board of India (SEBI). Necessary procedures have been laid down for directors, officers and designated employees, for trading in the securities of the Company. The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading Window closures, when the designated employees are not permitted to trade in the securities of the Company, are intimated to all designated employees, in advance, whenever required.

**10. Code of Conduct**

A code of conduct, evolved in line with the industry practices was adopted by the Board. A copy of code of conduct has been placed on the Company's website www.maraloverseas.com. All members of the Board and Senior Management have confirmed compliance with the code of conduct for the year under review.

**11. CEO/CFO certification**

In terms of Clause 49 of the Listing Agreement, the certification of CEO / CFO on the financial statements for the year form part of this Annual Report.

**12. 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.

**13. 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, Shri D. N. Davar and Dr. Kamal Gupta, are retiring by rotation and being eligible, offer themselves for re-appointment in the Annual General Meeting. Their brief resume is given below:

**Shri Dharmendar Nath Davar**

Shri Davar is an eminent professional who had started his career from Punjab National Bank as Superior Service Officer and left the services of PNB as Sr. Manager - Incharge of the Loan Department in 1968. Thereafter, he joined the IFCI as Sr. Manager in 1968 and retired as Executive Chairman in 1992 from IFCI. During the Tenure of Chairman of IFCI, he was on the Board and Executive Committee of IDBI, IRBI for nearly 8 years and also on the Board of LIC Housing Finance Co. He had been part time Consultant to the World Bank, UNIDO and KFW. Presently, he is on the Board of several reputed companies, training institutions and non-government (social) organizations.

**Dr. Kamal Gupta**

Dr. Kamal Gupta is an Independent Director of the Company and joined the Board on the 13th July, 1991. He is a qualified Chartered Accountant. He was earlier Technical Director of the Institute of Chartered Accountants of India. He has expertise in the areas of Finance, Accounting and Corporate Laws.

**Details of Directorships held in other Companies**

| Directors' Name | Name of the company in which Directorship held * | Committee Chairmanship | Committee Membership |
|---|---|---|---|
| Shri D. N. Davar | Ansal Properties & Infrastructure Ltd. | Audit Committee | – |
| | Adyar Gate Hotel Ltd | – | – |
| | CIMMCO Ltd. | – | Audit Committee |
| | Hero Fincorp Ltd. | Audit Committee | – |
| | HEG Ltd. | Audit Committee | – |
| | Indo–Continental Hotels & Resorts Ltd. | – | – |
| | Landmark Property Development Co. Ltd. | – | – |
| | OCL India Limited | Audit Committee | – |
| | Parsvnath Hotels Ltd. | – | – |
| | Parsvnath SEZ Ltd. | – | – |
| | RSWM Ltd. | – | 1. Audit Committee<br>2. Shareholders' / Investors' Grievances Committee |
| | Sandhar Technologies Ltd. | – | – |
| | Titagarh Wagons Ltd. | Audit Committee | – |
| Dr. Kamal Gupta | AD Hydro Power Ltd | – | Audit Committee |
| | Bhilwara Energy Ltd. | – | – |
| | HEG Ltd. | – | 1. Audit Committee<br>2. Shareholders' / Investors' Grievances Committee |
| | Malana Power Company Ltd. | – | Audit Committee |
| | PNB Gilts Ltd. | Audit Committee | – |
| | RSWM Ltd. | 1. Audit Committee<br>2. Shareholders' / Investors' Grievances Committee | – |

* *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 | : | Friday, 21st December 2012, 11.30 A.M. |
| Venue | : | Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone - 451 660, Madhya Pradesh. |

2. **Financial Calendar :**

| | | |
|---|---|---|
| Financial year | : | April, 2011 to March, 2012. |
| 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** : 14th December, 2012 (Friday) to 21st December, 2012 (Friday) (Both days inclusive).

4. **Equity Dividend Payment Date** : N/A

5. **Listing of Equity Shares on Stock Exchange :**
   1) Bombay Stock Exchange Ltd. (BSE)-Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
   2) National Stock Exchange of India Ltd. (NSE)- 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 Ltd. upto 31st March, 2013.*

6. **Stock Code:**

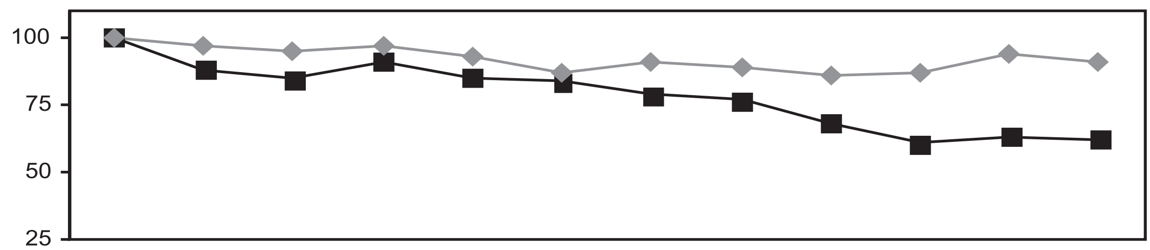
   Bombay Stock Exchange Ltd. (BSE) : 521018
   National Stock Exchange of India Ltd. (NSE) : MARALOVER

7. **Stock Market Data :**

   **Share Price of Maral Overseas Limited at BSE /NSE in 2011-12**

| Months | Bombay Stock Exchange Ltd. | | | National Stock Exchange of India Ltd. | | |
|---|---|---|---|---|---|---|
| | High | Low | Volume | High | Low | Volume |
| Apr-11 | 17.59 | 13.01 | 1,57,186 | 18.45 | 14.65 | 1,51,838 |
| May-11 | 15.50 | 12.70 | 1,08,166 | 16.45 | 12.75 | 1,03,863 |
| June-11 | 14.91 | 12.59 | 68,787 | 15.20 | 10.35 | 1,11,864 |
| July-11 | 16.06 | 11.50 | 1,64,371 | 16.00 | 12.00 | 1,91,849 |
| Aug-11 | 14.97 | 10.35 | 99,215 | 14.85 | 10.45 | 70,680 |
| Sep-11 | 14.74 | 10.70 | 66,266 | 15.45 | 10.55 | 68,999 |
| Oct-11 | 13.85 | 11.61 | 18,786 | 14.00 | 11.50 | 29,842 |
| Nov-11 | 13.50 | 8.68 | 37,202 | 13.60 | 8.15 | 50,884 |
| Dec-11 | 11.50 | 8.00 | 30,913 | 12.50 | 8.05 | 34,139 |
| Jan-12 | 10.70 | 8.40 | 41,497 | 10.55 | 8.15 | 36,419 |
| Feb-12 | 11.10 | 9.80 | 53,650 | 11.20 | 9.65 | 43,687 |
| Mar-12 | 10.95 | 8.75 | 73,302 | 10.90 | 8.30 | 92,303 |

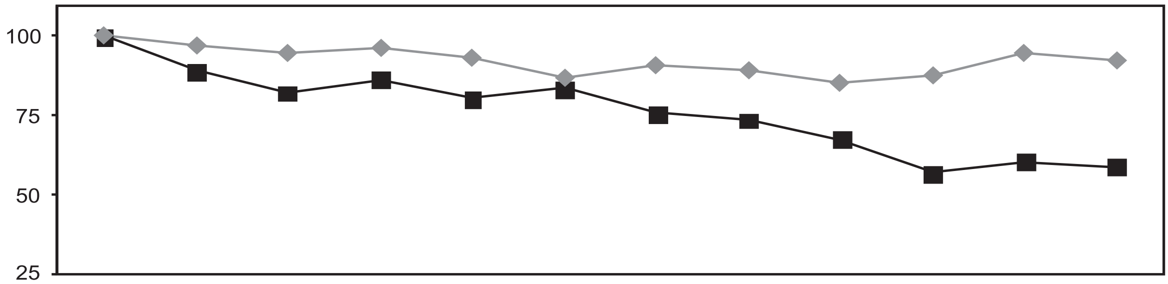
**Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2011)**




| | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MOL (High) | 100.00 | 88.12 | 84.76 | 91.30 | 85.11 | 83.80 | 78.74 | 76.75 | 65.38 | 60.83 | 63.10 | 62.25 |
| Sensex (High) | 100.00 | 97.19 | 95.27 | 96.57 | 93.08 | 86.88 | 90.39 | 89.36 | 85.83 | 87.12 | 93.50 | 91.06 |

*Source: Bombay Stock Exchange Ltd.*

**Performance in comparison with NIFTY (Both series indexed to 100 as on April, 2011)**




| | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MOL (High) | 100.00 | 89.16 | 82.38 | 86.72 | 80.49 | 83.74 | 75.88 | 73.71 | 67.75 | 57.18 | 60.70 | 59.08 |
| NIFTY (High) | 100.00 | 97.16 | 95.19 | 96.57 | 93.41 | 86.96 | 90.85 | 89.60 | 85.78 | 87.77 | 94.72 | 92.51 |

*Source: National Stock Exchange of India Ltd.*

**8. Registrar and Transfer Agents :**

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.

**9. 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 the 31st March, 2012 were 8,110 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 Practicing Company Secretary for due compliance of share transfer formalities.

**10. Distribution of Shareholding as on the 31st March, 2012.**

| No of Equity shares held | No. of Shareholders | % of Shareholders | No. of Shares | % of Shareholding |
|---|---|---|---|---|
| 1-500 | 16,110 | 87.31 | 24,21,443 | 5.83 |
| 501-1000 | 1,127 | 6.11 | 9,70,114 | 2.34 |
| 1001-10000 | 1,072 | 5.81 | 30,78,874 | 7.42 |
| 10001 and above | 126 | 0.68 | 3,50,08,785 | 84.34 |
| Shares in Transit | 16 | 0.09 | 28,784 | 0.07 |
| **Total** | **18,451** | **100.00** | **4,15,08,000** | **100.00** |

**Shareholding Pattern as on the 31st March, 2012**

| Category | | | No. of Shares held | Percentage of Shareholding |
|---|---|---|---|---|
| A. | Promoters & Promoter Group | | 3,11,09,829 | 74.95 |
| B. | Public Shareholding | | | |
| | I. | Banks | 300 | 0.00 |
| | II. | Financial Institutions and Insurance Companies, Mutual Funds & UTI | 20,409 | 0.05 |
| | III. | Foreign Institutional Investors | 5,800 | 0.01 |
| | IV. | NRIs | 56,453 | 0.14 |
| | V. | Bodies Corporate | 18,93,871 | 4.56 |
| | VI. | Individuals | 84,21,338 | 20.29 |
| | | **Total** | **4,15,08,000** | **100.00** |

11. **Dematerialisation of Shares and Liquidity :**

    A. **Equity Shares as on 31.03.2012**

| S. No. | Description | No. of Share holders | No. of Shares | % of Equity |
|---|---|---|---|---|
| 1. | Central Depository Services India Limited (CDSL) | 3,381 | 2,37,06,221 | 57.11 |
| 2. | National Securities Depository Limited (NSDL) | 8,441 | 1,69,61,569 | 40.87 |
| 3. | Physical | 6,629 | 8,40,210 | 2.02 |
| | **Total** | **18,451** | **4,15,08,000** | **100.00** |

The ISIN number for Equity Shares of the Company in NSDL and CDSL is **INE882A01013.** 4,06,67,790 equity shares were dematerialized till 31st March, 2012 which is 97.98% of the total paid-up equity share capital of the Company. Trading in Shares of the Company is permitted in dematerialized 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.

12. **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.

13. **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.)

14. **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 -4390300, Fax No. : 0120-4277841, 4277842
       E-mail : maral.investor@lnjbhilwara.com

**Shekhar Agarwal**
Managing Director
DIN-00066113

**Information pursuant to Clause 5A of the Listing Agreement**

The Company sent reminders to the shareholders informing about unclaimed Share Certificates lying with the Company in respect of 49 folios comprising of 5,700 shares. In response thereto, the Company received claims in respect of 600 shares from 6 shareholders. As required by clause 5A of the Listing Agreement the Company has transferred and dematerialised 5,100 shares to the “Maral Overseas Limited – Unclaimed Suspense Account”.

# AUDITORS' REPORT

**To the Members of**
**Maral Overseas Limited**

We have audited the attached Balance Sheet of Maral Overseas Limited as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto which are the amended version of the balance sheet, the statement of profit and loss and the cash flow statement approved by the Board of Directors of the Company earlier on 3rd May, 2012 and covered by our audit report dated 3rd May, 2012. Reference is invited to Note 1 in the amended financial statements which explain the revision. These amended financial statements which have been approved by the Board of Directors on 29th October, 2012 are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those 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.

This audit report is the amended version of our earlier audit report dated 3rd May, 2012 which stands superceded.

Without qualifying our report, we draw attention to Note 1 to the amended financial statements, relating to appropriations / adjustments relating to recognition of provision for proposed dividend.

In accordance with Standard on Auditing 560 (Revised) "Subsequent Events", our audit procedures relating to subsequent events for the matter stated in the paragraph above is performed until 29th October, 2012 and for all other subsequent events were carried out until 3rd May, 2012.

As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 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 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 2.2.1 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 2.7.6 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

   ii) In the case of the Statement of Profit and Loss, of the loss 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 |

Place: Noida (U.P.)
Date: 3rd May, 2012 except as to impact of Note 1 to the amended financial statements which is as of 29th October, 2012.

**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, 2012)**

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

   (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on verification were not material and have been properly dealt with in the books of accounts.

   (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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

   (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
   (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 exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time, where such market prices are available. In respect of transactions where comparable prices are not available and due to the specific nature of the items involved, we are unable to comment whether the transactions are made at prevailing market prices at the relevant time.
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, though there has been a minor delay in a few cases.
   (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
   (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess, 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 immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management and in view of the practice followed by the lenders, as explained in note 2.2.1 to these financial statements, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company did not raise any term loans during the year.
17. *According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have been used for long term investments to the extent of ₹ 2,199 lakhs, being the gap between current liabilities and current assets.*
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
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 the audit procedures performed and as per the information and explanations given by the management, 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 |

Place: Noida (U.P.)
Date: 3rd May, 2012 except as to impact of Note 1 to the amended financial statements which is as of 29th October, 2012.

**ANNEXURE 'B' TO AUDITORS' REPORT**

Referred to in Paragraph 9 (c) 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, 2012

| Name of the Statute | Nature of Dues | Amount ₹ in lacs | Forum where the dispute is pending |
|---|---|---|---|
| Income Tax Act | Regular income tax demand | 27.64 | CIT (Appeals) |
| Madhya Pradesh Parvesh Kar Adhiniyam | Entry Tax | 53.60 | M.P. Commercial Tax Appellate Board |
| 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 |
| | Denial of cenvat credit | 49.90 | Commissioner (Appeals) |
| | Duty demand | 85.41 | CESTAT (To be filed) |
| Sales Tax | Regular demand | 0.65 | Additional Commissioner (Appeals) |

# BALANCE SHEET AS AT 31ST MARCH, 2012

₹ / Lac

| | Notes | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| **Equity and Liabilities** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 2.1.1 | **7,236.20** | 7,236.20 |
| Reserves and Surplus | 2.1.2 | **(3,666.86)** | (3,296.25) |
| **Sub Total 'A'** | | **3,569.34** | 3,939.95 |
| **Non-Current Liabilities** | | | |
| Long Term Borrowings | 2.2.1 | **14,880.26** | 17,914.75 |
| Deferred Tax Liabilities (Net) | 2.2.2 | **–** | – |
| Other Long Term Liabilities | 2.2.3 | **87.86** | 243.16 |
| Long Term Provisions | 2.2.4 | **109.58** | 120.04 |
| **Sub Total 'B'** | | **15,077.70** | 18,277.95 |
| **Current Liabilities** | | | |
| Short Term Borrowings | 2.3.1 | **6,666.54** | 8,282.29 |
| Trade Payables | 2.3.2 | **3,216.66** | 6,634.11 |
| Other Current Liabilities | 2.3.3 | **4,610.85** | 3,957.84 |
| Short Term Provisions | 2.2.4 | **282.37** | 301.25 |
| **Sub Total 'C'** | | **14,776.42** | 19,175.49 |
| **Total (A+B+C)** | | **33,423.46** | 41,393.39 |
| **Assets** | | | |
| **Non Current Assets** | | | |
| Fixed Assets | | | |
| Tangible Assets | 2.4.1 | **19,673.54** | 21,214.27 |
| Intangible Assets | 2.4.2 | **49.47** | 8.94 |
| Capital Work-in-Progress | | **110.65** | 92.04 |
| Fixed Assets of Discontinuing Operations and Held for Sale | 2.4.3 | | 120.28 |
| Long-Term Loans and Advances | 2.4.4 | **871.87** | 659.86 |
| Other Non-Current Assets | 2.4.5 | **140.40** | 95.75 |
| **Sub Total 'A'** | | **20,845.93** | 22,191.14 |
| **Current Assets** | | | |
| Current Investments | 2.5.1 | **12.77** | 3.02 |
| Inventories | 2.5.2 | **6,576.84** | 10,804.18 |
| Trade Receivables | 2.5.3 | **3,782.69** | 5,659.50 |
| Cash and Bank Balances | 2.5.4 | **544.15** | 251.95 |
| Short Term Loans and Advances | 2.4.4 | **733.36** | 954.42 |
| Other Current Assets | 2.4.5 | **927.72** | 1,529.18 |
| **Sub Total 'B'** | | **12,577.53** | 19,202.25 |
| **Total (A+B)** | | **33,423.46** | 41,393.39 |
| Summary of significant accounting policies. | 1.1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
Maral Overseas Limited

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

**Shekhar Agarwal**
Managing Director
DIN : 00066113

**P. S. Puri**
Chief Financial Officer

**Vikas Prakash**
Company Secretary

Place: Noida (U.P.)
Date: 29th October, 2012

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

₹ / Lac

| | Notes | For the year ended 31.03.2012 | For the year ended 31.03.2011 |
|---|---|---|---|
| **Continuing Operations** | | | |
| Revenue from Operations | 2.6.1 | | |
| Sale of Products | | **50,968.32** | 49,375.26 |
| Sale of Services | | **323.21** | 88.32 |
| Other Operating Revenues | | **2,325.87** | 1,606.02 |
| | | **53,617.40** | 51,069.60 |
| Less: Excise Duty | | **(26.13)** | (30.59) |
| | | **53,591.27** | 51,039.01 |
| Other Income | 2.6.2 | **658.82** | 794.92 |
| **Total Revenue** | | **54,250.09** | 51,833.93 |
| Expenses: | | | |
| Cost of Materials Consumed | 2.7.1 | **34,728.40** | 31,242.99 |
| Purchases of Stock-in-Trade | 2.7.2 | **347.40** | 1,765.83 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 2.7.3 | **605.28** | (651.37) |
| Employee Benefits Expense | 2.7.4 | **4,139.32** | 3,646.69 |
| Finance Costs | 2.7.5 | **2,688.04** | 2,328.84 |
| Depreciation and Amortization Expense | 2.7.6 | **1,901.90** | 1,923.91 |
| Impairment Loss on Fixed Assets | | **–** | 402.44 |
| Other Expenses | 2.7.7 | **10,591.75** | 9,856.59 |
| **Total Expenses** | | **55,002.09** | 50,515.92 |
| **Profit / (Loss) Before Tax** | | **(752.00)** | 1,318.01 |
| Tax Expense: | | | |
| Current Tax | | **–** | – |
| Deferred Tax | | **–** | – |
| **Profit / (Loss) for the Period from Continuing Operations (A)** | | **(752.00)** | 1,318.01 |
| **Discontinuing Operations** | | | |
| Profit/(Loss) from Discontinuing Operations | 2.8.1 | **(18.62)** | (36.51) |
| Net Profit on Sale of Fixed Assets of Discontinuing Operations | | **575.31** | 5.17 |
| Tax Expense of Discontinuing Operations | | **–** | – |
| **Profit / (Loss) after Tax from Discontinuing Operations (B)** | | **556.69** | (31.34) |
| **Profit / (Loss) for the Year (A+B)** | | **(195.31)** | 1,286.67 |
| Earnings Per Equity Share (par value ₹ 10/- each) : | 2.9.1 | | |
| Basic | | **(0.99)** | 2.60 |
| Diluted | | **(0.99)** | 0.80 |
| Summary of significant accounting policies | 1.1 | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of Maral Overseas Limited

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

**Shekhar Agarwal**
Managing Director
DIN : 00066113

**P. S. Puri**
Chief Financial Officer

**Vikas Prakash**
Company Secretary

Place: Noida (U.P.)
Date: 29th October, 2012

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

₹ / Lac

| | For the Year Ended 31.03.2012 | For the Year Ended 31.03.2011 |
|---|---|---|
| **A. Cash Flow from Operating Activities** | | |
| Net Profit / (Loss) before Tax | **(195.31)** | 1,286.67 |
| Adjustments for: | | |
| Depreciation & Amortisation on Continuing Operation | **1,901.90** | 1,923.91 |
| Depreciation & Amortisation on Discontinuing Operation | **5.05** | 7.12 |
| Impairment Loss on Continuing Operation | **–** | 402.44 |
| Dividend Received | **(0.75)** | (1.21) |
| Interest Income | **(66.13)** | (36.94) |
| Interest Expense | **2,478.17** | 2,215.68 |
| Unrealised Foreign Exchange (Gain) / Loss | **21.13** | (94.24) |
| (Profit)/Loss on Sale of Fixed Assets | **(461.52)** | 17.93 |
| Provision for Doubtful Debts and Advances | **80.21** | 11.70 |
| Amortisation of Expenses | **3.41** | 3.41 |
| **Operating Profit before Working Capital Changes** | **3,766.16** | 5,736.47 |
| Movements in Working Capital: | | |
| Trade Receivables | **1,871.48** | (2,540.71) |
| Inventories | **4,227.33** | (5,051.77) |
| Loans & Advances and Other Assets | **500.37** | 361.83 |
| Liabilities | **(2,780.97)** | 2,672.44 |
| Provisions | **4.59** | 62.16 |
| **Cash From / (Used in) Operating Activities** | **7,588.96** | 1,240.42 |
| Direct Taxes Paid (Net of Refunds) | **(0.03)** | (2.39) |
| **Net Cash From / (Used in) Operating Activities** | **7,588.93** | 1,238.03 |
| **B. Cash Flows from Investing Activities** | | |
| Purchase of Fixed Assets | **(606.12)** | (802.41) |
| Sale of Fixed Assets | **612.56** | 30.53 |
| Advance Against Sale of Fixed Assets | **-** | 150.00 |
| Purchase of Current Investments | **(9.75)** | - |
| Investments in Bank Deposits (having Original Maturity of more than three months) | **(373.00)** | (1.25) |
| Interest Received | **52.11** | 31.40 |
| Dividend Received | **0.75** | 1.21 |
| Dividend Paid (including Tax Thereon) | **(209.23)** | (91.44) |
| **Net Cash from / (Used in) Investing Activities** | **(532.68)** | (681.96) |

₹ / Lac

| | For the Year Ended 31.03.2012 | For the Year Ended 31.03.2011 |
|---|---|---|
| **C. Cash Flows from Financing Activities** | | |
| Proceeds from Increase in Share Capital | **-** | 400.00 |
| Receipts from Term Borrowings | **-** | 683.62 |
| Increase/(Decrease) in Short Term Bank Borrowings | **(1,615.75)** | 3,445.20 |
| Repayment of Term Borrowings | **(3,013.83)** | (2,852.00) |
| Interest Cost | **(2,508.73)** | (2,272.12) |
| **Net Cash from / (Used in) Financing Activities** | **(7,138.31)** | (595.30) |
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | **(82.06)** | (39.23) |
| Opening Cash and Cash Equivalents | **251.95** | 291.18 |
| Closing Cash and Cash Equivalents | **169.89** | 251.95 |

**Notes**

| | | |
|---|---|---|
| 1. Components of Cash and Cash Equivalents | | |
| Cash on Hand | **18.99** | 14.18 |
| Cheques on Hand | **0.06** | 15.02 |
| Balances with Banks | | |
| In Current and Cash Credit Accounts | **132.30** | 159.78 |
| In Deposit Accounts, with Original Maturity of upto 3 months | **18.53** | 62.96 |
| Post Office Saving Account | **0.01** | 0.01 |
| As per the Balance Sheet | **169.89** | 251.95 |

2. Cash Flow of Continuing and Discontinuing Operations are:

| | Continuing Operations | | Discontinuing Operations | | Total | |
|---|---|---|---|---|---|---|
| | **2011-12** | 2010-11 | **2011-12** | 2010-11 | **2011-12** | 2010-11 |
| Net Cash from / (Used in) Operating Activities | **7,612.29** | 1,269.18 | **(23.36)** | (31.15) | **7,588.93** | 1,238.03 |
| Net Cash from / (Used in) Investing Activities | **(1073.28)** | (837.86) | **540.60** | 155.90 | **(532.68)** | (681.96) |
| Net Cash from / (Used in) Financing Activities | **(7,138.31)** | (595.30) | **-** | - | **(7,138.31)** | (595.30) |

Summary of significant accounting policies Note 1.1

As per our report of even date

For and on behalf of the Board of Directors of Maral Overseas Limited

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

**Mukesh Goyal**
Partner
Membership No. 081810

Place: Noida (U.P.)
Date: 29th October, 2012

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

**Ashim Agarwal**
Partner
Membership No. 084968

**Ravi Jhunjhunwala**
Chairman
DIN : 00060972

**Shekhar Agarwal**
Managing Director
DIN : 00066113

**P. S. Puri**
Chief Financial Officer

**Vikas Prakash**
Company Secretary

# SIGNIFICANT ACCOUNTING POLICIES

**1. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies Accounting Standards (AS) Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**Background for preparation of amended financial statements**

The Board of Directors had adopted the financial statements for the year ended 31st March 2012 in their meeting held on 3rd May 2012 and the statutory auditors' had issued their report dated 3rd May 2012 on those financial statements. The Company subsequently applied for and received approval under section 205A(3) of the Companies Act, 1956 from the Central Government vide their letter dated 25th October, 2012 for withdrawing ₹ 370.61 lacs from the accumulated profits earned in previous years and transferred to the free reserves, for declaring preference dividend for current year on the 8 per cent Cumulative Redeemable Preference Shares as well as to set off current year losses. Accordingly, the Board of Directors of the Company have proposed declaration of dividend on the 8 per cent Cumulative Redeemable Preference Shares allotted to the various banks and financial institutions, pursuant to the Corporate Debt Restructuring ('CDR') Package.

Necessary appropriations / adjustments under the main head 'Reserves and Surplus' have accordingly been recorded. Consequential amendments to the above recognition of provision for proposed dividend relate to short term provisions, disclosure of contingent liabilities not provided for and disclosure on segment reporting. These financial statements represent the amended version of the financial statements adopted by the Board of Directors earlier.

**1.1 Summary of Significant Accounting Policies**

**a. Change in Accounting Policy**

**Presentation and Disclosure of Financial Statements**

During the year ended the 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**b. 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.

**c. 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.

**d. 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.

**e. 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.

**f. 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".

**g. 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. 2.7.6 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.

**h. 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.

**i. 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 Statement of Profit and Loss 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 Statement of Profit & Loss.

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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss for the period.

**j. Government Grants**

Government grants, where reasonable certainty 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 Statement of Profit and Loss, either as income or deducted from related expenses, over the periods necessary to match them with their related costs.

**k. Miscellaneous Expenditure**

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

**l. 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 Statement of Profit and Loss 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.

**m. 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.

**n. 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.

**o. Earnings Per Share**

Basic earnings per share is computed by dividing the net profit after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS

**2. Notes to the Financial Statements**

**2.1.1 Share Capital**

₹ / Lac

| | | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| **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 & Fully Paid-up** | | | |
| 4,15,08,000 | (Previous year 4,15,08,000) Equity Shares of ₹ 10/- each | **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 - 12,00,000) 3 per cent Cumulative Redeemable Preference Shares ('3% CRPS') of ₹ 100/- each | **1,200.00** | 1,200.00 |
| | | **7,236.20** | 7,236.20 |

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| | 2011-12 | | 2010-11 | |
|---|---|---|---|---|
| | No. of Shares | ₹ / Lac | No. of Shares | ₹ / Lac |
| **Equity Shares** | | | | |
| At the beginning of the period | **41,508,000** | **4,150.80** | 41,508,000 | 4,150.80 |
| Issued during the period | – | – | – | – |
| Bought back during the period | – | – | – | – |
| Outstanding at the end of the period | **41,508,000** | **4,150.80** | 41,508,000 | 4,150.80 |
| **8 per cent Cumulative Redeemable Preference Shares** | | | | |
| At the beginning of the period | **1,885,400** | **1,885.40** | 1,885,400 | 1,885.40 |
| Issued during the period | – | – | – | – |
| Bought back during the period | – | – | – | – |
| Outstanding at the end of the period | **1,885,400** | **1,885.40** | 1,885,400 | 1,885.40 |
| **3 per cent Cumulative Redeemable Preference Shares** | | | | |
| At the beginning of the period | **1,200,000** | **1,200** | 800,000 | 800.00 |
| Issued during the period | – | – | 400,000 | 400.00 |
| Bought back during the period | – | – | – | – |
| Outstanding at the end of the period | **1,200,000** | **1,200.00** | 1,200,000 | 1,200.00 |

**b) Terms / rights attached to Equity Shares**

Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The holder of equity shares is entitled to receive dividend only after distribution of dividend to the holders of preference shares.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Terms / rights attached to Preference Shares**

Company has only one class of Cumulative Redeemable Preference Shares (CRPS) having a par value of ₹100/-. There are two series of CRPS, carrying differential dividend coupon rates.

First series of preference shares carrying a dividend coupon rate of 8%, allotted to the various banks and financial institutions, pursuant to the Corporate Debt Restructuring ('CDR') Package, are redeemable in four equal annual installments from 2016 to 2019. Second series of preference shares carrying a dividend coupon rate of 3%, allotted to promoters, against infusion of funds by them, pursuant to the Corporate Debt Restructuring ('CDR') Package, are redeemable on 31st March, 2019. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Each holder of preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to preference shares.

The holders of preference shares are entitled to a preferential right of repayment of capital on winding up vis-à-vis the holders of equity shares. The distribution will be in proportion to the number of shares held by the shareholders.

**d) Details of shareholders holding more than 5% shares in the Company**

| | **As at 31.03.2012** | | As at 31.03.2011 | |
|---|---|---|---|---|
| | **No. of Shares Held** | **% holding** | No. of Shares Held | % holding |
| **Equity shares of ₹ 10/- each fully paid** | | | | |
| Agarwal Trademart Private Limited | **19,760,000** | **47.61** | 19,760,000 | 47.61 |
| Essay Marketing Company Limited | **3,356,700** | **8.09** | 3,356,700 | 8.09 |
| **8 per cent CRPS of ₹ 100/- each fully paid** | | | | |
| IDBI Bank Limited | **94,600** | **5.02** | 94,600 | 5.02 |
| Indusind Bank Limited | **130,900** | **6.94** | 130,900 | 6.94 |
| J & K Bank Limited | **143,000** | **7.58** | 143,000 | 7.58 |
| Yes Bank Limited | **144,100** | **7.64** | 144,100 | 7.64 |
| State Bank of Hyderabad | **103,400** | **5.48** | 103,400 | 5.48 |
| Export-Import Bank of India | **328,900** | **17.44** | 328,900 | 17.44 |
| Central Bank of India | **425,700** | **22.58** | 425,700 | 22.58 |
| Axis Bank Limited | **337,700** | **17.91** | 337,700 | 17.91 |
| State Bank of India | **108,900** | **5.78** | 108,900 | 5.78 |
| **3 per cent CRPS of ₹ 100/- each fully paid** | | | | |
| Apeksha Vyapaar Private Limited | **475,000** | **39.58** | 475,000 | 39.58 |
| Ultramarine Impex Private Limited. | **200,000** | **16.67** | 200,000 | 16.67 |
| Sita Nirman Private Limited | **200,000** | **16.67** | 200,000 | 16.67 |
| Pawanputra Trading Private Limited | **200,000** | **16.67** | 200,000 | 16.67 |
| Shri Shantanu Agarwal | **125,000** | **10.41** | 125,000 | 10.41 |

The aforesaid disclosure is based upon percentages computed separately for each class & series of shares outstanding, as at the balance sheet date. As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e) The Company has not allotted any fully paid-up shares pursuant to contract(s) without payment being received in cash nor has allotted any fully paid-up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.

f) 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.

### 2.1.2 Reserves and Surplus

₹ / Lac

| | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|
| **Capital Reserve** | | |
| Balance as per the last Financial Statements | **123.47** | 123.47 |
| Add: Additions during the Period | **–** | – |
| **Closing Balance** | **123.47** | 123.47 |
| **Capital Redemption Reserve** | | |
| Balance as per the last Financial Statements | **2,000.00** | 2,000.00 |
| Add: Additions during the Period | **–** | – |
| **Closing Balance** | **2,000.00** | 2,000.00 |
| **Securities Premium Account** | | |
| Balance as per the last Financial Statements | **2,590.07** | 2,590.07 |
| Add: Additions during the Period | **–** | – |
| **Closing Balance** | **2,590.07** | 2,590.07 |
| **General Reserve** | | |
| Balance as per the last Financial Statements | **3,286.16** | 3,286.16 |
| Add: Transfer from Statement of Profit and Loss | **–** | – |
| Less: Transfer to Statement of Profit and Loss | **370.61** | – |
| **Closing Balance** | **2,915.55** | 3,286.16 |
| **Surplus / (Deficit) in the Statement of Profit and Loss** | | |
| Balance as per the last Financial Statements | **(11,295.95)** | (12,373.39) |
| Add: Amount Transferred from Statement of Profit and Loss | **(195.31)** | 1,286.67 |
| Add: Amount Transferred from General Reserve (refer note 1) | **370.61** | – |
| | **(11,120.65)** | (11,086.72) |
| **Appropriations:** | | |
| Proposed Dividend on Preference Shares | **150.83** | 180.03 |
| Tax on Dividend | **24.47** | 29.20 |
| Amount Transferred to General Reserve | **–** | – |
| **Closing Balance** | **(11,295.95)** | (11,295.95) |
| | **(3,666.86)** | (3,296.25) |

**Information with regard to Dividend is as follows :**

| | **Year Ended 31.03.2012** | | Year Ended 31.03.2011 | |
|---|---|---|---|---|
| | **Total ₹ / Lac** | **Per share ₹** | Total ₹ / Lac | Per share ₹ |
| Dividends proposed to be distributed to preference shareholders | | | | |
| 8% Cumulative Redeemable Preference Shares | **150.83** | **8.00** | 150.83 | 8.00 |
| 3% Cumulative Redeemable Preference Shares (full year) | **–** | **–** | 24.00 | 3.00 |
| 3% Cumulative Redeemable Preference Shares (proportionate) | **–** | **–** | 5.20 | 1.30 |
| Arrears of fixed Cumulative dividends on Preference Shares | **36.00** | | Nil | |

**2.2.1 Long Term Borrowings** ₹ / Lac

| | Non-Current Portion | | Current Maturities | |
|---|---|---|---|---|
| | **As at 31.03.2012** | **As at 31.03.2011** | As at 31.03.2012 | As at 31.03.2011 |
| Secured | | | | |
| Term Loans | | | | |
| From Banks | **11,284.02** | **13,720.48** | 2,158.04 | 2,195.18 |
| From Financial Institutions | **3,017.98** | **3,450.80** | 432.82 | 375.02 |
| Others | | | | |
| From Bank - Forex Derivative Loss Loan | **578.26** | **743.47** | 165.21 | 165.21 |
| | **14,880.26** | **17,914.75** | 2,756.07 | 2,735.41 |
| Amount disclosed under the head "Other Current Liabilities" (note 2.3.3) | | | (2,756.07) | (2,735.41) |
| | **14,880.26** | **17,914.75** | – | – |

a) Term Loans comprise of the following ₹ / Lac

| | As at 31.03.2012 | | | As at 31.03.2011 | | |
|---|---|---|---|---|---|---|
| | **Non-Current Portion** | **Current Maturities** | **Total** | Non-Current Portion | Current Maturities | Total |
| From Banks | | | | | | |
| Project Term Loans | **9,403.97** | **1,637.91** | **11,041.88** | 11,309.98 | 1,612.62 | 12,922.60 |
| Corporate Term Loans | **47.07** | **99.84** | **146.91** | 154.36 | 180.87 | 335.23 |
| Working Capital Term Loans | **1,832.98** | **420.29** | **2,253.27** | 2,256.14 | 401.69 | 2,657.83 |
| | **11,284.02** | **2,158.04** | **13,442.06** | 13,720.48 | 2,195.18 | 15,915.66 |
| From Financial Institutions | | | | | | |
| Project Term Loans | **2,969.88** | **384.37** | **3,354.25** | 3,354.25 | 326.57 | 3,680.82 |
| Corporate Term Loans | **48.10** | **48.45** | **96.55** | 96.55 | 48.45 | 145.00 |
| | **3,017.98** | **432.82** | **3,450.80** | 3,450.80 | 375.02 | 3,825.82 |

b) Terms of Repayment / Details of Security are as follows:

i) From Banks – Project Term Loans ₹ / lac

| Lending Institution | Rate of Interest | No. of Quarterly Installments | **Outstanding as at 31.03.2012** | Annual Repayment Schedule | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Axis Bank | 10.25% | 25 | **2,985.31** | 137.52 | 198.08 | 481.32 | 550.08 | 756.36 | 756.36 | 105.59 |
| Central Bank of India | 10.25% | 25 | **3,747.64** | 173.36 | 260.04 | 606.76 | 693.44 | 953.48 | 953.48 | 107.08 |
| State Bank of India | 10.25% | 25 | **976.55** | 44.04 | 44.04 | 154.14 | 176.16 | 242.22 | 242.22 | 73.73 |
| Canara Bank | 9.25% | 16 | **544.00** | 93.57 | 110.08 | 165.12 | 175.23 | | | |
| State Bank of Hyderabad | 9.25% | 16 | **830.27** | 142.94 | 168.16 | 252.24 | 266.93 | | | |
| J&K Bank | 9.25% | 16 | **46.86** | 8.98 | 10.56 | 15.84 | 11.48 | | | |
| J&K Bank | 8.25% | 7 | **3.03** | 1.82 | 1.21 | | | | | |
| J&K Bank | 8.25% | 8 | **497.16** | 270.45 | 226.71 | | | | | |
| Indus Ind Bank | 8.25% | 8 | **639.84** | 346.58 | 293.26 | | | | | |
| YES Bank | 8.25% | 8 | **771.22** | 418.67 | 352.55 | | | | | |
| | | | **11,041.88** | | | | | | | |

ii) From Banks – Corporate Term Loans ₹ / lac

| Lending Institution | Rate of Interest | No. of Quarterly Installments | **Outstanding as at 31.03.2012** | Annual Repayment Schedule | |
|---|---|---|---|---|---|
| | | | | 2012-13 | 2013-14 |
| Central Bank of India | 11.00% | 6 | **88.82** | 64.64 | 24.18 |
| J&K Bank | 11.00% | 8 | **28.60** | 14.32 | 14.28 |
| YES Bank | 11.00% | 8 | **17.23** | 8.62 | 8.61 |
| State Bank of India | 11.00% | 4 | **8.97** | 8.97 | |
| State Bank of Hyderabad | 11.00% | 1 | **0.38** | 0.38 | |
| Axis Bank | 11.00% | 1 | **1.70** | 1.70 | |
| Canara Bank | 11.00% | 1 | **1.21** | 1.21 | |
| | | | **146.91** | | |

iii) From Banks – Working Capital Term Loans ₹ / lac

| Lending Institution | Rate of Interest | No. of Quarterly Installments | **Outstanding as at 31.03.2012** | Annual Repayment Schedule | | | |
|---|---|---|---|---|---|---|---|
| | | | | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Bank of Baroda | 9.25% | 16 | **456.45** | 78.61 | 92.48 | 138.72 | 146.64 |
| State Bank of Indore | 9.25% | 16 | **397.90** | 68.63 | 80.74 | 121.11 | 127.42 |
| State Bank of Patiala | 9.25% | 14 | **259.32** | 55.08 | 64.80 | 97.20 | 42.24 |
| State Bank of Hyderabad | 9.25% | 16 | **442.29** | 76.16 | 89.60 | 134.40 | 142.13 |
| State Bank of Bikaner & Jaipur | 9.25% | 16 | **274.15** | 47.28 | 55.62 | 83.43 | 87.82 |
| Canara Bank | 9.25% | 16 | **255.93** | 44.06 | 51.84 | 77.76 | 82.27 |
| YES Bank | 9.25% | 16 | **37.22** | 6.41 | 7.54 | 11.31 | 11.96 |
| State Bank of India | 9.25% | 10 | **130.01** | 44.06 | 51.84 | 34.10 | |
| | | | **2,253.27** | | | | |

iv) From Financial Institutions ₹ / lac

| Lending Institution | | Rate of Interest | No. of Quarterly Installments | **Outstanding as at 31.03.2012** | Annual Repayment Schedule | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| EXIM Bank of India | Project | 10.25% | 25 | **2,901.04** | 133.57 | 200.36 | 467.51 | 534.29 | 734.65 | 734.65 | 96.01 |
| IDBI | Project | 8.25% | 8 | **453.21** | 250.80 | 202.41 | | | | | |
| EXIM Bank of India | Corporate | 11.00% | 8 | **96.55** | 48.44 | 48.11 | | | | | |
| | | | | **3,450.80** | | | | | | | |

v) Forex Derivative Loss Loan ₹ / lac

| Lending Institution | Rate of Interest | No. of Quarterly Installments | **Outstanding as at 31.03.2012** | Annual Repayment Schedule | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| YES Bank | 8.25% | 18 | **743.47** | 165.21 | 165.21 | 165.21 | 162.36 | 85.48 |

vi) Project Term Loans, Corporate Term Loans, Working Capital Term Loans from both banks & financial institutions are secured by first mortgage and charge created / to be created on all the present and future immovable & movable properties (other than current assets) of the Company, ranking pari-passu and second pari-passu charge on current assets of the Company.

Forex derivative loss loan is secured by way of residual charge on the fixed assets and current assets of the Company.

Project Term Loans, Corporate Term Loans, Working Capital Term Loans from both banks & financial institutions, alongwith working capital facilities from banks, are secured by pledge of stipulated promoters' equity shareholding, constituting 36% of the present equity capital, in favour of the lenders on pari-passu basis.

c) 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 institutions 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 is confident that all the conditions as stipulated will be complied with in agreement with the CDR Monitoring Committee.

d) The Company has incorporated impact of the CDR scheme in these financial statements, as approved vide the CDR letter dated March 26, 2009 and accepted by the lenders. Impact of the CDR scheme and related accounts as reflected in these financial statements are subject to final adjustments that may arise on settlement of pending issues and reconciliation of accounts with the lenders.

e) Some of the lenders follow 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. Accordingly, there is no continuing default in repayment of the principal loan and interest amounts.

**2.2.2 Deferred Tax (Net)** ₹ / Lac

| | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Depreciation | **2,468.30** | 2,508.81 |
| **Deferred Tax Assets** | | |
| Employee Benefits | **69.96** | 68.46 |
| Unabsorbed Depreciation | **2,337.27** | 2,368.73 |
| Others | **61.07** | 71.62 |
| **Net Deferred Tax** | **–** | – |

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.

**2.2.3 Other Long Term Liabilities** ₹ / Lac

| | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|
| Others | | |
| Advance Against Sale of Fixed Assets | **–** | 150.00 |
| Deposits under Staff Scheme for Fixed Assets | **24.99** | 43.40 |
| Securities Received | **62.87** | 49.76 |
| | **87.86** | 243.16 |

### 2.2.4 Provisions

₹ / Lac

| | Long-Term | | Short-Term | |
|---|---|---|---|---|
| | **As at 31.03.2012** | As at 31.03.2011 | **As at 31.03.2012** | As at 31.03.2011 |
| Provision for Employee Benefits | | | | |
| Gratuity (Note 2.9.7) | **–** | – | **69.99** | 55.85 |
| Superannuation | **–** | – | **30.61** | 29.29 |
| Compensated Absences | **109.58** | 120.04 | **5.43** | 5.80 |
| Others | | | | |
| Proposed Dividend on Preference Shares | **–** | – | **150.83** | 180.03 |
| Provision | | | | |
| For Tax on Proposed Dividend | **–** | – | **24.47** | 29.21 |
| For Wealth Tax | **–** | – | **1.04** | 1.07 |
| | **109.58** | 120.04 | **282.37** | 301.25 |

### 2.3.1 Short Term Borrowings

₹ / Lac

| | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|
| *Secured* | | |
| Loans Repayable on Demand | | |
| Working Capital Facilities from Banks | **6,666.54** | 8,282.29 |
| | **6,666.54** | 8,282.29 |

Loans repayable on demand, comprise of working capital facilities from banks and are secured by way of hypothecation first charge, ranking pari-passu, on stocks of raw-material, stock in process, finished goods, book debts / receivables and all current assets stored in the Company's factory premises, at all plants and / or elsewhere including those in transit covered by documents of title thereto, local and export usance bills and second pari-passu charge on the entire movable and immovable assets of the Company (fixed assets), both present and future.

Loans repayable on demand from banks, alongwith term loans from both banks & financial institutions are secured by pledge of stipulated promoters' equity shareholding, constituting 36% of the present equity capital, in favour of the lenders on pari-passu basis.

### 2.3.2 Trade Payables

₹ / Lac

| | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|
| Trade Payables | **3,216.66** | 6,634.11 |
| | **3,216.66** | 6,634.11 |

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 31.03.2012** | As at 31.03.2011 |
|---|---|---|---|
| (i) | Principal Amount Remaining Unpaid as at end of the Year | **46.70** | 207.31 |
| (ii) | Interest Due on above | **–** | – |
| 1. | Total of (i) & (ii) | **46.70** | 207.31 |

₹ /Lac

| S. No. | Particulars | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|---|
| 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) | **–** | – |

**2.3.3 Other Current Liabilities** ₹ / Lac

| | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|
| Current Maturities of Long-Term Borrowings (Note 2.2.1) | **2,756.07** | 2,735.40 |
| Interest Accrued but not due on Borrowings | **82.08** | 116.31 |
| Interest Accrued and due on Borrowings | **3.67** | - |
| Other Payables | | |
| Advance from Customers | **683.06** | 246.89 |
| Employee Related Liabilities | **415.52** | 438.97 |
| Statutory dues Payable | **135.25** | 85.22 |
| Mark-to-Market Loss on Forward Contracts | **21.13** | - |
| Others | **514.07** | 335.05 |
| | **4,610.85** | 3,957.84 |

**2.4.1 Tangible Assets** ₹ / Lac

| | Land | | Buildings | Plant & Equipment | Office Equipment | Furniture & Fixtures | Vehicles | Live Stock | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| | Freehold | Leasehold | | | | | | | |
| **Gross Block** | | | | | | | | | |
| At 1st April, 2010 | 42.43 | 36.60 | 6,593.87 | 36,353.88 | 101.32 | 443.75 | 190.85 | 2.66 | 43,765.36 |
| Additions | - | - | 3.58 | 630.04 | 3.95 | 12.34 | 61.81 | 1.16 | 712.88 |
| Disposals | - | - | - | 195.64 | 0.64 | 0.01 | 26.76 | - | 223.05 |
| **At 31st March, 2011** | **42.43** | **36.60** | **6,597.45** | **36,788.28** | **104.63** | **456.08** | **225.90** | **3.82** | **44,255.19** |
| Additions | - | - | 7.17 | 471.21 | 7.46 | 9.55 | 47.07 | - | 542.46 |
| Disposals | - | - | - | 1,475.92 | 50.05 | 214.48 | 62.69 | 0.12 | 1,803.26 |
| **At 31st March, 2012** | **42.43** | **36.60** | **6,604.62** | **35,783.57** | **62.04** | **251.15** | **210.28** | **3.70** | **42,994.39** |
| **Depreciation** | | | | | | | | | |
| At 1st April, 2010 | - | 4.83 | 1,765.73 | 18,553.66 | 61.06 | 293.50 | 124.80 | - | 20,803.58 |
| Charge for the year | - | 0.37 | 191.20 | 1,686.58 | 4.12 | 16.93 | 22.03 | - | 1,921.23 |
| Disposals | - | - | - | 146.35 | 0.43 | 0.01 | 19.51 | - | 166.30 |
| **At 31st March, 2011** | **-** | **5.20** | **1,956.93** | **20,093.89** | **64.75** | **310.42** | **127.32** | **-** | **22,558.51** |
| Charge for the year | - | 0.37 | 190.83 | 1,656.94 | 8.72 | 12.83 | 27.69 | - | 1,897.38 |
| Disposals | - | - | - | 1,045.67 | 35.60 | 135.07 | 53.08 | - | 1,269.42 |
| **At 31st March, 2012** | **-** | **5.57** | **2,147.76** | **20,705.16** | **37.87** | **188.18** | **101.93** | **-** | **23,186.47** |

| | Land | | Buildings | Plant & Equipment | Office Equipment | Furniture & Fixtures | Vehicles | Live Stock | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| | Freehold | Leasehold | | | | | | | |
| **Impairment Loss** | | | | | | | | | |
| At 1st April, 2010 | - | - | - | 89.00 | - | - | - | - | 89.00 |
| Charge for the year | - | - | - | 339.13 | 8.92 | 54.39 | - | - | 402.44 |
| Disposals | - | - | - | 9.03 | - | - | - | - | 9.03 |
| **At 31st March, 2011** | **-** | **-** | **-** | **419.10** | **8.92** | **54.39** | **-** | **-** | **482.41** |
| Charge for the year | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | 284.72 | 8.92 | 54.39 | - | - | 348.03 |
| **At 31st March, 2012** | **-** | **-** | **-** | **134.38** | **-** | **-** | **-** | **-** | **134.38** |
| **Net Block** | | | | | | | | | |
| **At 31st March, 2011** | **42.43** | **31.40** | **4,640.52** | **16,275.29** | **30.96** | **91.27** | **98.58** | **3.82** | **21,214.27** |
| **At 31st March, 2012** | **42.43** | **31.03** | **4,456.86** | **14,944.03** | **24.17** | **62.98** | **108.35** | **3.70** | **19,673.54** |

a. Buildings include ₹ 0.02 Lac representing cost of unquoted fully paid shares held in co-operative housing society.

b. Buildings include certain portion given on operating lease. It is not practicable to give separate disclosure of gross block, depreciation charge for the year, accumulated depreciation and net block in respect of the same.

c. 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.

**2.4.2 Intangible Assets** ₹ / Lac

| | Computer Software | **Total** |
|---|---|---|
| **Gross Block** | | |
| At 1st April, 2010 | 567.06 | 567.06 |
| Additions | - | - |
| Disposals | 0.42 | 0.42 |
| **At 31st March, 2011** | **566.64** | **566.64** |
| Additions | 45.04 | 45.04 |
| Disposals | - | - |
| **At 31st March, 2012** | **611.68** | **611.68** |
| **Depreciation** | | |
| At 1st April, 2010 | 555.44 | 555.44 |
| Charge for the year | 2.68 | 2.68 |
| Disposals | 0.42 | 0.42 |
| **At 31st March, 2011** | **557.70** | **557.70** |
| Charge for the year | 4.51 | 4.51 |
| Disposals | - | - |
| **At 31st March, 2012** | **562.21** | **562.21** |
| **Net Block** | | |
| **At 31st March, 2011** | **8.94** | **8.94** |
| **At 31st March, 2012** | **49.47** | **49.47** |

**2.4.3 Fixed Assets Pertaining to Discontinuing Operations and held for Sale** ₹ / Lac

| | Land | | Buildings | Plant & Equipment | Office Equipment | Furniture & Fixtures | Vehicles | Live Stock | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| | Freehold | Leasehold | | | | | | | |
| **Gross Block** | | | | | | | | | |
| At 1st April, 2010 | - | 17.70 | 113.74 | 216.91 | 10.85 | 8.89 | - | - | **368.09** |
| Additions | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | 13.38 | - | 1.13 | - | - | **14.51** |
| **At 31st March, 2011** | **-** | **17.70** | **113.74** | **203.53** | **10.85** | **7.76** | **-** | **-** | **353.58** |
| Additions | - | - | - | - | - | - | - | - | - |
| Disposals | - | 17.70 | 113.74 | 203.53 | 10.85 | 7.76 | - | - | **353.58** |
| **At 31st March, 2012** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Depreciation** | | | | | | | | | |
| At 1st April, 2010 | - | 1.21 | 17.96 | 142.83 | 4.37 | 7.05 | - | - | **173.42** |
| Charge for the year | - | 0.26 | 3.80 | 3.06 | - | - | - | - | **7.12** |
| Disposals | - | - | - | 10.34 | - | 1.11 | - | - | **11.45** |
| **At 31st March, 2011** | **-** | **1.47** | **21.76** | **135.55** | **4.37** | **5.94** | **-** | **-** | **169.09** |
| Charge for the year | - | 0.19 | 2.82 | 2.04 | - | - | - | - | **5.05** |
| Disposals | - | 1.66 | 24.58 | 137.59 | 4.37 | 5.94 | - | - | **174.14** |
| **At 31st March, 2012** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Impairment Loss** | | | | | | | | | |
| At 1st April, 2010 | - | - | - | 58.24 | 6.48 | 1.84 | - | - | **66.56** |
| Charge for the year | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | 2.33 | - | 0.02 | - | - | **2.35** |
| **At 31st March, 2011** | **-** | **-** | **-** | **55.91** | **6.48** | **1.82** | **-** | **-** | **64.21** |
| Charge for the year | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | 55.91 | 6.48 | 1.82 | - | - | **64.21** |
| **At 31st March, 2012** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Net Block** | | | | | | | | | |
| **At 31st March, 2011** | **-** | **16.23** | **91.98** | **12.07** | **-** | **-** | **-** | **-** | **120.28** |
| **At 31st March, 2012** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

**2.4.4 Loans & Advances** ₹ / Lac

| | **Long-Term** | | **Short-Term** | |
|---|---|---|---|---|
| | **As at 31.03.2012** | As at 31.03.2011 | **As at 31.03.2012** | As at 31.03.2011 |
| Unsecured, Considered Good unless stated otherwise | | | | |
| Capital Advances | **76.68** | 10.32 | | |
| Security Deposits | **164.68** | 111.14 | | |
| Loans and Advances to Related Parties | **-** | - | | 3.91 |
| Other Loans and Advances | | | | |
| Advances for Goods / Services | | | | |

| | Long-Term | | Short-Term | |
|---|---|---|---|---|
| | **As at 31.03.2012** | As at 31.03.2011 | **As at 31.03.2012** | As at 31.03.2011 |
| Unsecured, Considered Good | **–** | – | **506.51** | 420.89 |
| Doubtful | **–** | – | **7.44** | 3.44 |
| Excise Rebates / Refunds Receivable | | | | |
| Unsecured, Considered Good | **–** | – | **50.33** | 220.18 |
| Doubtful | **–** | – | **70.87** | - |
| Balances with Statutory Authorities | **79.29** | | **21.97** | 198.63 |
| Loans and Advances to Employees | **26.96** | 28.22 | **32.96** | 35.85 |
| Prepaid Expenses | **–** | – | **109.59** | 60.14 |
| Other Receivables | **–** | – | **12.00** | 14.82 |
| Direct Taxes Refundable (Net of Provisions) | **94.21** | 94.18 | – | – |
| Payments Under Protest | **430.05** | 416.00 | – | – |
| | **630.51** | 538.40 | **811.67** | 953.95 |
| Provision for Doubtful Advances | **–** | – | **(78.31)** | (3.44) |
| | **630.51** | 538.40 | **733.36** | 950.51 |
| | **871.87** | **659.86** | **733.36** | **954.42** |

Detail of Payments Under Protest is as follows: ₹ / Lac

| | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|
| Electricity Cess (Refer note 2.9.2) | **408.01** | 408.01 |
| Entry Tax | **20.84** | 7.44 |
| Others | **1.20** | 0.55 |
| | **430.05** | 416.00 |

Based on legal advice, discussions with the solicitors etc., the management believes that there is fair chance of decisions in the Company's favour in respect of all the items listed above and no value adjustment is considered necessary.

Direct taxes refundable represent amounts recoverable from the Income Tax Department for various assessment years. In respect of disputed demands, Company has filed appeals which are pending at various levels and for assessment years where the issues have been decided in favour of the Company, Company is in the process of reconciling / adjusting the same with the department. Necessary value adjustments shall be made on final settlement by the Department.

**2.4.5 Other Assets** ₹ / Lac

| | Non-current | | Current | |
|---|---|---|---|---|
| | **As at 31.03.2012** | As at 31.03.2011 | **As at 31.03.2012** | As at 31.03.2011 |
| Others | | | | |
| Export Benefits Receivable | | | **455.35** | 290.75 |
| Subsidies Receivable (TUFS) | | | **444.61** | 1,115.09 |
| Other Receivables | **21.29** | 13.89 | **24.35** | 25.69 |
| Mark-to-Market Gain on Forward Contracts | | | | 94.24 |
| Unamortised Expenses | **3.41** | 6.82 | **3.41** | 3.41 |
| Non-Current Bank Balances (Refer note 2.5.4) | **115.70** | 75.04 | | |
| | **140.40** | **95.75** | **927.72** | **1,529.18** |

In respect of subsidies receivable under the Technology Up-gradation Fund Scheme (TUFS) for Textiles established by Government of India, the lending institutions are in process of claiming reimbursement from the nodal agency in accordance with CDR letter dated March 26, 2009 and subsequent communications. Company expects the amount to be realized within next 12 months and is subject to adjustments that may arise on final settlement.

**2.5.1 Current Investments** ₹ / Lac

| | | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|---|
| | *(Valued at Lower of Cost and Fair Value, unless stated otherwise)* | | |
| | Investments in Equity Instruments | | |
| | *Quoted* | | |
| | BPL Engineering Limited | | |
| 7,700 | (Previous Year 7,700) Equity Shares of ₹10 each Fully Paid (#) (*) | **–** | – |
| | State Bank of Bikaner & Jaipur | | |
| 8,100 | (Previous Year 5,600) Equity Shares of ₹10 each Fully Paid | **12.77** | 3.02 |
| | | **12.77** | **3.02** |
| | Aggregate Amount of Quoted Investments | **12.77** | 3.02 |
| | Market Value of Quoted Investments | **32.62** | 29.09 |
| | Aggregate Amount of Unquoted Investments | **–** | – |
| | Aggregate Provision for Diminution in Value of Investments (#) | **5.78** | 5.78 |

* As per information available in public domain, shares of BPL Engineering Limited are suspended from trading on the National Stock Exchange of India Limited.

**2.5.2 Inventories (Valued at Lower of Cost and Net Realizable Value)** ₹ / Lac

| | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|
| Raw Materials (Refer Note 2.7.1) | **3,872.34** | 7,428.46 |
| [Includes Material in Transit ₹ 18.06 Lac; 2011: Nil] | | |
| Finished Goods (Refer Note 2.7.3) | **1,216.85** | 1,638.51 |
| [Includes Material in Transit ₹ 95.06 Lac; 2011: ₹ 33.42 Lac] | | |
| Work-in-Progress (Refer Note 2.7.3) | **1,017.45** | 1,109.88 |
| Stores and Spares | **170.52** | 199.57 |
| Others | | |
| Packing Materials | **20.65** | 29.16 |
| Fuels | **227.61** | 255.98 |
| Waste | **51.42** | 142.62 |
| | **6,576.84** | **10,804.18** |

**2.5.3 Trade Receivables** ₹ / Lac

| | | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|---|
| *Unsecured, Considered Good unless stated otherwise* | | | |
| Outstanding for a Period Exceeding Six Months from the Date they are due for Payment | | | |
| Unsecured, Considered Good | | **4.26** | 15.82 |
| Doubtful | | **117.45** | 207.06 |
| | | **121.71** | 222.88 |
| Provision For Doubtful Receivables | | **107.57** | 207.06 |
| | (A) | **14.14** | **15.82** |

| | | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| Other Receivables | | | |
| Unsecured, Considered Good | | **3,768.55** | 5,612.08 |
| Doubtful | | | 39.50 |
| | | **3,768.55** | 5,651.58 |
| Provision For Doubtful Receivables | | | 7.90 |
| | (B) | **3,768.55** | **5,643.68** |
| Total (A + B) | | **3,782.69** | **5,659.50** |

Trade receivables, outstanding for a period exceeding six months from the date they are due for payment, considered doubtful, include ₹ 9.88 lac (Previous year Nil) where the buyers have withheld payments on account of quality claims. Necessary provisions for these claims have been made pending final settlement.

Other trade receivables, considered doubtful, include ₹ Nil (Previous Year ₹ 31.60 lac) recoverable from Export Credit Guarantee Corporation of India Limited.

**2.5.4 Cash and Bank Balances** ₹ / Lac

| | Non-Current | | Current | |
|---|---|---|---|---|
| | **As at 31.03.2012** | As at 31.03.2011 | **As at 31.03.2012** | As at 31.03.2011 |
| ***Cash and Cash Equivalents*** | | | | |
| Balances with Banks | | | | |
| In Current and Cash Credit Accounts | | | **132.30** | 159.78 |
| In Deposit Accounts, with Original Maturity of upto 3 months | | | **18.53** | 62.95 |
| Cheques on Hand | | | **0.06** | 15.02 |
| Cash on Hand (Including Foreign Currency Notes) | | | **18.99** | 14.18 |
| Others | | | | |
| Post Office Saving Account | | | **0.01** | 0.01 |
| | | | **169.89** | **251.94** |
| ***Other Bank Balances*** | | | | |
| Held as Margin Money | **109.37** | 69.70 | **–** | – |
| Under Lien with Government Departments | **6.33** | 4.09 | **–** | – |
| Balances in Savings Account (Employees' Security) | **–** | – | **0.01** | 0.01 |
| Deposits with Original Maturity for more than 3 months but Less than 12 months | **–** | – | **373.00** | – |
| Deposits With Original Maturity For 12 Months And More | **–** | 1.25 | **1.25** | – |
| | **115.70** | **75.04** | **374.26** | **0.01** |
| Amount disclosed under the head "Other Non-Current Assets" (Refer note 2.4.5) | **(115.70)** | (75.04) | | |
| | **–** | – | **544.15** | **251.95** |

**2.6.1 Revenue from Operations** ₹ / Lac

| | | Year Ended 31.03.2012 | | Year Ended 31.03.2011 |
|---|---|---|---|---|
| Sale of Products | | | | |
| Manufactured Goods | | | | |
| Yarn | 25,973.35 | | 26,453.05 | |
| Fabric | 11,855.71 | | 11,873.58 | |
| Garments / Made-ups | 8,092.10 | | 5,534.08 | |
| Cotton / Other Waste | 4,613.83 | | 3,516.15 | |
| Traded Goods | | | | |
| Yarn | 433.33 | | 1,998.40 | |
| | | 50,968.32 | | 49,375.26 |
| Sale of Services | | | | |
| Job Charges | 323.21 | | 88.32 | |
| | | 323.21 | | 88.32 |
| Other Operating Revenues | | | | |
| Sale of Surplus Captive Power | 8.26 | | 303.87 | |
| Sale of Scrap | 168.82 | | 128.07 | |
| Export Incentives | 2,148.79 | | 1,174.08 | |
| | | 2,325.87 | | 1,606.02 |
| | | 53,617.40 | | 51,069.60 |
| Less: Excise Duty | | (26.13) | | (30.59) |
| | | 53,591.27 | | 51,039.01 |

**2.6.2 Other Income** ₹ / Lac

| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|---|---|
| Interest Income | 66.13 | 36.94 |
| Dividend on Current Investments | 0.75 | 1.21 |
| Other Non-operating Income | | |
| Exchange Gain, Net | 263.82 | 436.27 |
| Profit on Sale of Fixed Assets | 26.71 | 6.74 |
| Miscellaneous Income | 301.41 | 313.76 |
| | 658.82 | 794.92 |

Miscellaneous income includes adjustment relating to previous year ₹ 3.41 Lac (previous period ₹ 0.05 Lac)

### 2.7.1 Cost of Material Consumed

₹ / Lac

| | | Year Ended 31.03.2012 | | Year Ended 31.03.2011 |
|---|---|---|---|---|
| Raw Material Consumed | | | | |
| Cotton | **27,407.47** | | 24,469.22 | |
| Other Fibers | **401.06** | | 51.97 | |
| Dyes & Chemicals | **1,710.05** | | 1,459.73 | |
| Embellishments | **718.76** | | 473.02 | |
| | | **30,237.34** | | 26,453.94 |
| Purchases (for Consumption) | | | | |
| Yarn | **3,219.70** | | 3,662.09 | |
| Fabric | **624.53** | | 533.87 | |
| | | **3,844.23** | | 4,195.96 |
| Other Materials Consumed | | | | |
| Packing Materials | **646.83** | | 593.09 | |
| | | **646.83** | | 593.09 |
| | | **34,728.40** | | 31,242.99 |

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items etc.

Breakup of raw material inventory is as under :

₹ / Lac

| | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|
| Cotton | **3,733.77** | 7,227.57 |
| Other Fibers | **28.46** | 78.41 |
| Dyes & Chemicals | **73.81** | 94.31 |
| Embellishments | **36.30** | 28.17 |
| | **3,872.34** | 7,428.46 |

### 2.7.2 Purchases of Stock-in-Trade

₹ / Lac

| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|---|---|
| Purchases (for Trading) | | |
| Yarn | **347.40** | 1,765.83 |
| | **347.40** | 1,765.83 |

### 2.7.3 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ / Lac

| | Year Ended 31.03.2012 | Year Ended 31.03.2011 | (Increase) / Decrease |
|---|---|---|---|
| Inventories (at Close) | | | |
| Finished Goods | **1,216.85** | 1,638.51 | 421.66 |
| Work-in-Progress | **1,017.45** | 1,109.88 | 92.43 |
| Waste | **51.43** | 142.62 | 91.19 |
| | **2,285.73** | 2,891.01 | 605.28 |
| Inventories (at Opening) | | | |
| Finished Goods | **1,638.51** | 1,311.75 | (326.76) |
| Work-in-Progress | **1,109.88** | 863.32 | (246.56) |
| Waste | **142.62** | 64.57 | (78.05) |
| | **2,891.01** | 2,239.64 | (651.37) |
| | **605.28** | (651.37) | |

Breakup of Finished Goods is as under :

₹ / Lac

| | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|
| Finished Goods | | |
| Yarn | **631.37** | 945.46 |
| Fabric | **515.05** | 608.62 |
| Textile Made-ups | **70.43** | 84.43 |
| | **1,216.85** | 1,638.51 |

Breakup of Work in Progress is as under :

₹ / Lac

| | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|
| Work-in-Progress | | |
| Spinning & Yarn Dyeing | **472.48** | 691.38 |
| Knitting & Processing | **427.12** | 329.63 |
| Textile Made-ups | **117.85** | 88.87 |
| | **1,017.45** | 1,109.88 |

### 2.7.4 Employee Benefit Expense

₹ / Lac

| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|---|---|
| Salaries and Wages | **3,759.57** | 3,285.10 |
| Contribution to Provident and other Funds | **291.12** | 247.57 |
| Staff Welfare Expenses | **88.63** | 114.02 |
| | **4,139.32** | 3,646.69 |

**2.7.5 Finance Costs** ₹ / Lac

| | **Year Ended 31.03.2012** | Year Ended 31.03.2011 |
|---|---|---|
| Interest Expense | **2,462.78** | 2,215.06 |
| Interest Expense on Statutory Payments | **15.39** | 0.62 |
| Other Borrowing Costs | **93.92** | 100.54 |
| Exchange Difference to the Extent Considered as an Adjustment to Borrowing Costs | **115.95** | 12.62 |
| | **2,688.04** | 2,328.84 |

**2.7.6 Depreciation and Amortization Expense** ₹ / Lac

| | **Year Ended 31.03.2012** | Year Ended 31.03.2011 |
|---|---|---|
| Depreciation of Tangible Assets | **1,897.38** | 1,921.23 |
| Amortization of Intangible Assets | **4.52** | 2.68 |
| | **1,901.90** | 1,923.91 |

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 the 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 ₹ 137.63 Lac (Previous period - ₹ 230.16 Lac).

**2.7.7 Other Expenses** ₹ / Lac

| | **Year Ended 31.03.2012** | Year Ended 31.03.2011 |
|---|---|---|
| Consumption of Stores and Spare Parts | **1,268.62** | 1,189.65 |
| Job Work Charges | **1,535.77** | 1,425.05 |
| Power & Fuel | **4,068.57** | 3,615.39 |
| Repairs and Maintenance | | |
| Plant & Machinery | **153.76** | 109.81 |
| Buildings | **8.03** | 7.98 |
| Others | **88.45** | 89.75 |
| Insurance | **72.85** | 63.58 |
| Rent | **185.97** | 206.94 |
| Rates and Taxes, Excluding Taxes on Income | **151.17** | 38.47 |
| Prior Period Adjustments | **9.93** | 149.49 |
| Freight & Forwarding | **976.54** | 938.42 |
| Commission to Selling Agents | **503.34** | 603.38 |
| Other Selling Expenses | **500.74** | 411.46 |
| Provision for Doubtful Debts and Advances | **80.21** | 11.70 |
| Excise Duty (Incl. Adjustment in Stocks) | **(48.12)** | 36.37 |
| Loss on Sale / Discard of Fixed Assets | **140.50** | 29.85 |
| Other Expenses | **892.01** | 925.89 |
| Amortisation of Expenses | **3.41** | 3.41 |
| | **10,591.75** | 9,856.59 |

Other Expenses include following Payments to the Statutory Auditors (excluding Service Tax) ₹ / Lac

| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|---|---|
| As Auditor | | |
| Statutory Audit | **14.00** | 12.00 |
| Limited Review | **1.50** | 1.50 |
| Tax Audit | **1.00** | 1.00 |
| Other Services | **1.07** | 2.69 |
| Reimbursement of Expenses | **1.01** | 0.49 |

**2.8.1 Discontinued Operation**

In July, 2006, the Board of Directors 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. Company has completed the process of disposing the unit's remaining assets during the current financial year.

The carrying value of fixed assets (net block) as at March 31, 2011 pending disposal was ₹ 120.28 Lac. During the year Company has disposed all these assets and recognised a profit of ₹ 575.31 Lac on disposal.

Following statement shows the revenue and expenses of discontinuing operation: ₹ / Lac

| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|---|---|
| Revenue from Operations | – | – |
| Other Income | **3.19** | 1.87 |
| **Total Income** | **3.19** | 1.87 |
| Expenses | **16.76** | 31.26 |
| Depreciation | **5.05** | 7.12 |
| **Pre-Tax Profit / (Loss) from Operations** | **(18.62)** | (36.51) |
| Net Profit on Sale of Fixed Assets | **575.31** | 5.17 |
| **Profit / (Loss) Before Tax** | **556.69** | (31.34) |
| Taxation | | |
| **Profit / (Loss) After Tax** | **556.69** | (31.34) |

As at end of the year, the Carrying Amount of Assets & Liabilities of the Discontinued Operation were as follows: ₹ / Lac

| | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|
| Fixed Assets (Net Block) | – | 120.28 |
| Current Assets, Loans & Advances | – | 14.78 |
| **Total Assets** | – | **135.06** |
| Current Liabilities | – | 9.92 |
| Advance Towards Land | – | 150.00 |
| **Total Liabilities** | – | **159.92** |

The net Cash Flows Attributable to the Discontinuing Operation are as below: ₹ / Lac

| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|---|---|
| Net Cash from / (Used in) Operating Activities | **(23.36)** | (31.15) |
| Net Cash from / (Used in) Investing Activities | **540.60** | 155.90 |
| Net Cash from / (Used in) Financing Activities | – | – |
| Net Cash Inflows/(Outflows) | **517.24** | 124.75 |

### 2.9.1 Earnings Per Share

| | | 2011-12 | | 2010-11 | |
|---|---|---|---|---|---|
| | | **Basic** | **Diluted** | Basic | Diluted |
| **Numerator** | ₹ In Lac | | | | |
| Net Income / (Loss) for the Year | | **(195.31)** | **(195.31)** | 1286.67 | 1286.67 |
| Less: Dividend on Cumulative Preference Shares & Tax Thereon | | **217.14** | **217.14** | 209.23 | 209.23 |
| Add: Interest (Net of Tax) | | **-** | **-** | - | 1026.67 |
| Net Earnings / (Loss) for per Share Calculation | | **(412.45)** | **(412.45)** | 1077.44 | 2104.11 |
| **Denominator** | | | | | |
| Weighted Average Number of Equity Shares | | **4,15,08,000** | **4,15,08,000** | 4,15,08,000 | 4,15,08,000 |
| Dilutive Potential Equity Shares | | **-** | **-** | - | 22,02,69,915 |
| Total Average Equivalent Shares | | **-** | **4,15,08,000** | - | 26,17,77,915 |
| **Net Earnings / (Loss) Per Share** | Rupees | **(0.99)** | **(0.99)** | 2.60 | 0.80 |
| 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 2.1.1. Potential options may also arise in the event of default in payment due on loan funds. For the current year, diluted earnings per share is same as the basic calculation, as the inclusion of any equity options would be anti dilutive, but these options could be dilutive in future.

### 2.9.2 Contingent Liabilities not Provided for in respect of :

₹ / Lac

| | | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|---|
| a) | Claims Against the Company not Acknowledged as Debts | **13.00** | 14.56 |
| b) | Income Tax Matters in Dispute | **27.64** | 28.29 |
| c) | Sales Tax Matters in Dispute | **1.85** | 0.55 |
| d) | Excise / Customs / Service Tax Matters in Dispute | **378.81** | 322.07 |
| e) | Entry Tax Matters in Dispute | **74.45** | 74.45 |
| f) | 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 matter is now pending before the Supreme Court for final decision. The entire amount involved has been paid. | **408.01** | 408.01 |
| g) | The Madhya Pradesh Government imposed renewable energy obligation on power produced from captive power plants vide their Notification dated 09.11.2010. The same has been challenged by Company in the Hon'ble High Court of Madhya Pradesh, as being violative of Article 14 and 19 (1) (g) of the Constitution so far as these provisions relate to captive power plants. Liability estimated on a tentative basis. | **50.80** | 13.80 |
| h) | Arrears of dividends on Cumulative Preference Shares, excluding tax thereon (note 2.1.2) | **36.00** | – |

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the Company's favour in respect of all the items listed at (a) to (g) above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

**2.9.3 Obligations and Commitments Outstanding:**

₹ / Lac

| | | As at 31.03.2012 | As at 31.03.2011 |
|---|---|---|---|
| a) | Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) | **184.44** | 113.39 |
| b) | Bills discounted with banks | **3,760.49** | 3,310.92 |
| c) | Export obligations under the Export Promotion Capital Goods Scheme, remaining to be fulfilled within the specified period | **32,387.59** | 31,143.34 |

**2.9.4 Derivative instruments and unhedged foreign currency exposure**

**a) Foreign currency forward contracts outstanding as at the balance sheet date**

Amount in Lac

| Category | Purpose | Currency | As At 31.3.2012 | As At 31.3.2011 |
|---|---|---|---|---|
| Sell | Hedging | USD | **82.50** | 60.37 |
| | Hedging | Euro | **7.00** | 7.00 |

**b) Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date**

Amount in Lac

| | | As At 31.3.2012 | | As At 31.3.2011 | |
|---|---|---|---|---|---|
| Particulars | Currency | Amount in Foreign Currency | Amount in INR | Amount in Foreign Currency | Amount in INR |
| Trade Receivables | USD | **-** | **-** | 37.02 | 1,650.71 |
| | Euro | **-** | **-** | - | - |
| | GBP | **0.07** | **5.76** | 1.70 | 122.11 |
| Commission Payable | USD | **2.70** | **137.15** | 6.11 | 272.67 |
| | Euro | **0.07** | **5.02** | 0.07 | 4.31 |
| | GBP | **-** | **0.31** | 0.04 | 3.20 |
| Advance from Customer | USD | **1.59** | **80.87** | 1.07 | 47.67 |
| Import Creditors | USD | **0.85** | **43.33** | - | - |
| | Euro | **-** | **0.01** | - | - |

**2.9.5** a) The response to letters sent by the Company requesting confirmation of balances has been insignificant. In the management's opinion, adjustments on reconciliation of the balances, if any required, will not be material in relation to the financial statements of the Company and the same will be adjusted in the financial statements as and when the confirmations are received and reconciliations completed.

b) Inventories, loans & advances, trade receivables and other current / non-current assets are reviewed annually and in the opinion of the management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.

**2.9.6 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 31.03.2012 | As at 31.03.2011 |
|---|---|---|
| Within one year | **–** | 42.62 |
| One year to five years | **–** | – |

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 Statement of Profit & Loss on account of rental expense for these operating leases, for the year, is ₹ 1.93 Lacs (Previous period - ₹ 2.90 Lacs).

Future minimum commitments payable under these operating leases are as under: ₹/Lac

| | **As at 31.03.2012** | As at 31.03.2011 |
|---|---|---|
| Within one year | **–** | 1.93 |
| One year to five years | **–** | – |

**2.9.7 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 31.03.2012** | Year ended 31.03.2011 |
|---|---|---|
| Provident Fund | **179.46** | 153.49 |
| Superannuation Fund | **30.45** | 29.29 |

**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 statement of profit and loss are as follows: ₹/Lac

| | **Year ended 31.03.2012** | Year ended 31.03.2011 |
|---|---|---|
| Current Service Cost | **42.90** | 35.88 |
| Interest Cost | **29.68** | 23.61 |
| Expected Return on Plan Assets | **(29.33)** | (27.09) |
| Recognized Net Actuarial (Gain) / Loss | **26.74** | 23.46 |
| Total Included in 'Employee Benefit Expense' | **69.99** | 55.85 |
| Actual Return on Plan Assets | **21.14** | 17.43 |

The Amounts Recognized in the Balance Sheet are as follows: ₹/Lac

| | **As At 31.03.2012** | As At 31.03.2011 |
|---|---|---|
| Present Value of Obligation | **420.08** | 349.17 |
| Fair Value of Plan Assets | **350.09** | 293.32 |
| Net Liability | **69.99** | 55.85 |
| Amounts in Balance Sheet | **-** | - |
| Liability | **69.99** | 55.85 |
| Asset | **-** | - |
| Net Liability | **69.99** | 55.85 |

**Reconciliation of Benefit Obligations & Plan Assets for the period**

Changes in Present Value of Defined Benefit Obligation: ₹/Lac

| | **Year ended 31.03.2012** | Year ended 31.03.2011 |
|---|---|---|
| Obligations at Period beginning | **349.17** | 295.09 |
| Current Service Cost | **42.90** | 35.88 |
| Interest Cost | **29.68** | 23.61 |
| Benefits Paid / Payable | **(20.22)** | (19.20) |
| Actuarial (Gain) / Loss | **18.55** | 13.80 |
| Obligations at Period end | **420.08** | 349.17 |

Changes in the Fair Value of Plan Assets: ₹/Lac

| | **Year ended 31.03.2012** | Year ended 31.03.2011 |
|---|---|---|
| Plan Assets at Period beginning, at Fair Value | **293.32** | 270.86 |
| Expected Return on Plan Assets | **29.33** | 27.09 |
| Actuarial (Gain) / Loss | **(8.19)** | (9.66) |
| Contributions by Employer | **55.85** | 24.23 |
| Benefits Paid / Payable | **(20.22)** | (19.20) |
| Plan Assets at Period end, at Fair Value | **350.09** | 293.32 |

The Major Categories of Plan Assets as a Percentage of Total Plan Assets are as follows:

| | **As At 31.03.2012** | As At 31.03.2011 |
|---|---|---|
| Insurer Managed Funds | **100%** | 100% |
| Others | **–** | – |

The assumptions used in Accounting for the Gratuity Plan are set out as below:

| | **Year ended 31.03.2012** | Year ended 31.03.2011 |
|---|---|---|
| Discount Rate | **8.50%** | 8.00% |
| Expected Rate of Return on Plan Assets | **10.00%** | 10.00% |
| Future Salary Increase Rate | **6.00%** | 5.50% |
| Employee Turnover | | |
| Up to 30 Years | **3.00** | 3.00 |
| From 31 to 44 Years | **2.00** | 2.00 |
| Above 44 Years | **1.00** | 1.00 |

₹/Lac

| | **As At 31.03.2012** | As At 31.03.2011 |
|---|---|---|
| Expected Contribution to the Fund over next one year | 69.99 | 55.85 |

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.

Amounts for the Current and Previous Four Periods are as follows:

Defined Benefit Gratuity Plans ₹/Lac

| | **Year ended 31.03.2012** | Year ended 31.03.2011 | Period ended 31.03.2010 | Period ended 30.09.2009 | Year ended 31.03.2008 |
|---|---|---|---|---|---|
| Defined Benefit Obligation | **420.08** | 349.17 | 295.09 | 289.19 | 258.56 |
| Plan Assets | **350.09** | 293.32 | 270.86 | 240.92 | 206.14 |
| Surplus / (Deficit) | **(69.99)** | (55.85) | (24.23) | (48.28) | (52.42) |
| Experience Adjustments on Plan Liabilities | **(21.13)** | (15.42) | (12.82) | 21.77 | – |
| Experience Adjustments on Plan Assets | **(8.19)** | (9.66) | (1.03) | (0.19) | – |

**2.9.8 Related Party Disclosures**

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

a) Related Parties with whom transactions have taken place :

i) Key Management Personnel
- Shri Ravi Jhunjhunwala, Chairman
- Shri Shekhar Agarwal, Managing Director

ii) Relatives of Key Management Personnel
- Smt. Shashi Agarwal
- Shri Shantanu Agarwal
- Shekhar Agarwal (HUF)

iii) Enterprises Owned or Significantly Influenced by Key Management Personnel or their Relatives
- RSWM Limited
- HEG Limited
- BMD Private Limited
- Agarwal Trademart Private Limited
- Ultramarine Impex Private Limited
- Apeksha Vyapar Private Limited
- BSL Limited
- Cheslind Textiles Limited
- Pawanputra Trading Private Limited
- Sita Nirman Private Limited

b) Transactions with Related Parties:

₹/Lac

| | **2011-12** | 2010-11 |
|---|---|---|
| i) **For the Parties Referred to in item (i) above** | | |
| Sitting Fee paid to | | |
| – Shri Ravi Jhunjhunwala, Chairman | **0.80** | 0.80 |
| Remuneration paid to | | |
| – Shri Shekhar Agarwal, Managing Director | | |
| Salary and Allowances | **42.40** | 42.40 |
| Contribution to PF and Superannuation | **6.48** | 6.48 |
| Remuneration does not include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole | | |
| Consideration received for Assignment of Key Man Insurance Policy to | | |
| – Shri Shekhar Agarwal, Managing Director | **–** | 226.80 |

₹/Lac

| | | 2011-12 | 2010-11 |
|---|---|---|---|
| ii) | **For the Parties referred to in item (ii) above** | | |
| | Rent paid to | | |
| | – Smt. Shashi Agarwal | **2.25** | 2.25 |
| | – Shri Shantanu Agarwal | **2.25** | 2.25 |
| | – Shekhar Agarwal (HUF) | **1.50** | 1.50 |
| | Share Application Money received and refunded | | |
| | – Shri Shantanu Agarwal | **–** | 35.00 |
| iii) | **For the Parties referred to in item (iii) above** | | |
| | Sale of Materials | | |
| | – RSWM Limited | **554.54** | 522.05 |
| | – BSL Limited | **1.84** | – |
| | Purchase of Materials | | |
| | – RSWM Limited | **520.96** | 762.24 |
| | – BSL Limited | **8.50** | 5.05 |
| | – Cheslind Textiles Limited | **–** | 23.87 |
| | Outstanding 'Due from' | | |
| | – HEG Limited | **–** | 3.92 |
| | Outstanding 'Due to' | | |
| | – RSWM Limited | **24.79** | 37.21 |
| | – Ultramarine Impex Private Limited | **–** | 2.27 |
| | – Apeksha Vyapar Private Limited | **–** | 3.71 |
| | – Agarwal Trademart Private Limited | **–** | 55.59 |
| | – BSL Limited | **–** | 3.34 |
| | Rent paid | | |
| | – RSWM Limited | **55.04** | 55.04 |
| | Job Charges received | | |
| | – RSWM Limited | **0.29** | – |
| | Job Charges paid | | |
| | – RSWM Limited | **40.47** | 22.21 |
| | Reimbursement of Expenses paid | | |
| | – RSWM Limited | **115.31** | 111.54 |
| | – BMD Private Limited | **–** | 0.28 |
| | – HEG Limited | **–** | 0.06 |
| | – BSL Limited | **0.16** | – |
| | Interest received | | |
| | – RSWM Limited | **0.01** | – |
| | Interest paid | | |
| | – RSWM Limited | **–** | 0.37 |
| | Reimbursement of Expenses recovered | | |
| | – RSWM Limited | **16.50** | 7.85 |
| | – BMD Private Limited | **1.26** | 0.05 |
| | – HEG Limited | **0.05** | – |
| | 3% CRPS allotted to | | |
| | – Pawanputra Trading Private Limited | **–** | 200.00 |
| | – Sita Nirman Private Limited | **–** | 200.00 |
| | Share Application Money received and refunded | | |
| | – Agarwal Trademart Private Limited | **–** | 45.00 |

**2.9.9 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 & Unallocated 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 & Unallocated items". Capital expenditure includes expenditure incurred during the period on acquisition of segment fixed assets.

The Company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. 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) Business Segments** ₹ / Lac

| **Year Ended 31.03.2012** | Yarn* | Fabric | Textile Made-ups | Inter Segment & Unallocated Items | Consolidated Total |
|---|---|---|---|---|---|
| **Sales** | | | | | |
| External | 32,179.06 | 12,656.67 | 8,755.54 | - | 53,591.27 |
| Inter Segment | 12,126.96 | 4,162.36 | - | (16,289.32) | - |
| **Total Revenue** | 44,306.02 | 16,819.03 | 8,755.54 | (16,289.32) | **53,591.27** |
| **Segment Result (Continuing)** | **566.28** | **870.70** | **553.93** | - | **1,990.91** |
| **Segment Result (Discontinuing)** | - | - | - | **556.69** | **556.69** |
| Other Income | - | - | - | 0.75 | 0.75 |
| Unallocated Expense | - | - | - | (149.02) | (149.02) |
| Financial Costs | - | - | - | (2,594.64) | (2,594.64) |
| Taxes | - | - | - | - | - |
| **Net Profit** | - | - | - | - | **(195.31)** |
| Assets | 25,715.41 | 4,908.19 | 1,542.77 | 1,257.09 | **33,423.46** |
| Liabilities | 3,274.73 | 1,097.26 | 896.04 | 283.22 | **5,551.25** |
| **Capital Employed** | **22,440.68** | **3,810.93** | **646.73** | **973.87** | **27,872.21** |
| **Capital Expenditure** | | | | | |
| Tangible Assets | 274.26 | 190.28 | 77.92 | - | **542.46** |
| Intangible Assets | 45.04 | - | - | - | **45.04** |
| **Non Cash Expense** | | | | | |
| Depreciation & Amortisation | 1,340.15 | 494.83 | 66.92 | 5.05 | **1,906.95** |
| Impairment Losses | - | - | - | - | - |
| Other Non Cash Expense | - | - | - | 3.41 | **3.41** |

* Includes captive & standby power

₹ / Lac

| Year Ended 31.03.2011 | Yarn* | Fabric | Textile Made-ups | Inter Segment And unallocated Items | Consolidated Total |
|---|---|---|---|---|---|
| **Sales** | | | | | |
| External | 32,664.22 | 12,346.62 | 6,028.17 | - | 51,039.01 |
| Inter Segment | 11,888.55 | 2,910.30 | - | (14,798.85) | - |
| **Total Revenue** | **44,552.77** | **15,256.92** | **6,028.17** | **(14,798.85)** | **51,039.01** |
| **Segment Result (Continuing)** | **3,594.23** | **667.74** | **(617.11)** | - | **3,644.86** |
| **Segment Result (Discontinuing)** | - | - | - | **(31.34)** | **(31.34)** |
| Other Income | - | - | - | 1.21 | 1.21 |
| Unallocated Expense | - | - | - | (142.76) | (142.76) |
| Financial Costs | - | - | - | (2,185.30) | (2,185.30) |
| Taxes | | | | | |
| **Net Profit** | - | - | - | - | **1,286.67** |
| Assets | 32,969.46 | 4,968.01 | 1,763.03 | 1,692.89 | **41,393.39** |
| Liabilities | 6,181.72 | 1,310.45 | 533.94 | 494.88 | **8,520.99** |
| **Capital Employed** | **26,787.74** | **3,657.56** | **1,229.09** | **1,198.01** | **32,872.40** |
| **Capital Expenditure** | | | | | |
| Tangible Assets | 180.30 | 501.59 | 30.99 | - | **712.88** |
| Intangible Assets | - | - | - | - | - |
| **Non Cash Expense** | | | | | |
| Depreciation & Amortisation | 1,328.06 | 494.79 | 95.31 | 12.87 | **1,931.03** |
| Impairment Losses | - | - | 335.02 | 67.42 | **402.44** |
| Other Non Cash Expense | - | - | - | 3.41 | **3.41** |

* Includes captive & standby power

b) **Geographical Segments**

₹ / Lac

| Year Ended 31.03.2012 | North America | Europe | Gulf & Middle East | Far East & South East Asia | Africa | Rest of the World | India* | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Sales to External Customers | 825.84 | 8,128.90 | 2,807.36 | 18,442.48 | 3,204.24 | 438.02 | 19,744.43 | **53,591.27** |
| **Other Segment Information** | | | | | | | | |
| Segment Assets | 47.40 | 466.86 | 199.29 | 1,974.58 | 58.43 | - | 29,419.81 | **32,166.37** |
| Unallocated Assets | - | - | - | - | - | - | 1,257.09 | **1,257.09** |
| **Total Assets** | | | | | | | | |
| Capital Expenditure | | | | | | | | |
| Tangible Fixed Assets | - | - | - | - | - | - | 542.46 | **542.46** |
| Intangible Assets | - | - | - | - | - | - | 45.04 | **45.04** |

* Includes surplus captive & standby power

₹ / Lac

| Year Ended 31.03.2011 | North America | Europe | Gulf & Middle East | Far East & South East Asia | Africa | Rest of the World | India* | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Sales to External Customers | 725.81 | 5,537.75 | 1,587.11 | 22,082.46 | 3,778.30 | 579.90 | 16,747.70 | **51,039.03** |
| **Other Segment Information** | | | | | | | | |
| Segment Assets | 120.35 | 800.87 | 67.42 | 3,514.17 | 330.64 | 101.95 | 34,765.12 | **39,700.52** |
| Unallocated Assets | - | - | - | - | - | - | 1,692.89 | **1,692.89** |
| **Total Assets** | | | | | | | | |
| Capital Expenditure | | | | | | | | |
| Tangible Fixed Assets | - | - | - | - | - | - | 712.88 | **712.88** |
| Intangible Assets | - | - | - | - | - | - | - | - |

* Includes surplus captive & standby power

**2.9.10 Value of Imports Calculated on CIF basis in respect of :** ₹ / Lac

| | **Year Ended 31.03.2012** | Year Ended 31.03.2011 |
|---|---|---|
| Raw Materials (Including Purchases for Consumption) | **795.77** | 485.37 |
| Stores & Spare Parts | **491.10** | 412.79 |
| Capital Goods | **264.49** | 485.66 |

**2.9.11 Expenditure in Foreign Currency** ₹ / Lac

| | **Year Ended 31.03.2012** | Year Ended 31.03.2011 |
|---|---|---|
| Travelling | **37.02** | 52.26 |
| Commission & Claims | **404.95** | 477.36 |
| Professional & Consultation | **14.77** | 18.97 |
| Other Matters | **13.34** | 9.34 |

**2.9.12 Details of Imported and Indigenous Raw-Material, Stores & Spare Parts Consumed**

| | **Year Ended 31.03.2012** | | Year Ended 31.03.2011 | |
|---|---|---|---|---|
| | **₹ / Lac** | **%** | ₹ / Lac | % |
| Raw Materials (Including Purchases for Consumption) | | | | |
| Imported | **774.96** | **2.27%** | 551.59 | 1.80% |
| Indigenous | **33,306.61** | **97.73%** | 30,098.31 | 98.20% |
| Stores & Spare Parts | | | | |
| Imported | **96.12** | **7.58%** | 159.35 | 13.39% |
| Indigenous | **1,172.49** | **92.42%** | 1,030.30 | 86.61% |

**2.9.13 Earnings in Foreign Currency** ₹ / Lac

| | **Year Ended 31.03.2012** | Year Ended 31.03.2011 |
|---|---|---|
| FOB Value of Exports | **33,418.50** | 33,868.69 |
| Others (Freight, Insurance, Claims etc.) | **429.94** | 423.68 |

**2.9.14** Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors of
Maral Overseas Limited

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

**Shekhar Agarwal**
Managing Director
DIN : 00066113

**P. S. Puri**
Chief Financial Officer

**Vikas Prakash**
Company Secretary

Place: Noida (U.P.)
Date: 29th October, 2012

## FINANCIAL INDICATORS

₹ / Lac

| S. NO. | DESCRIPTION | 2006-2007 | 2007-2008 | 2008-2009 (18 months) | 2009-10 (6 months) | 2010-11 | 2011-12 |
|---|---|---|---|---|---|---|---|
| 1. | Net Turnover | 28,991.88 | 31,890.82 | 51,862.61 | 19,962.05 | 51,039.01 | **53,591.27** |
| 2. | PBIDT | (286.00) | 569.26 | 2,943.36 | 2,589.62 | 5,948.98 | **4,399.68** |
| 3. | Interest | | | | | | |
| | – Long Term | 728.55 | 1,186.18 | 2,132.08 | 783.14 | 1,503.39 | **1,448.23** |
| | – Short Term | 969.48 | 1,022.19 | 1,832.56 | 468.83 | 825.45 | **1,239.81** |
| | – Total | 1,698.03 | 2,208.37 | 3,964.64 | 1,251.97 | 2,328.84 | **2,688.04** |
| 4. | Depreciation | 1,701.70 | 2,648.93 | 3,125.42 | 978.73 | 2,333.47 | **1,906.95** |
| 5. | PBT | (3,685.73) | (4,288.04) | (4,146.70) | 358.92 | 1,286.67 | **(195.31)** |
| 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 | **(195.31)** |
| 8. | EPS (Weighted Avg.) | (11.26) | (20.64) | (19.24) | 0.69 | 2.60 | **(0.99)** |
| 9. | Equity Capital | 2,175.80 | 2,175.80 | 2,175.80 | 4,150.80 | 4,150.80 | **4,150.80** |
| 10. | Preference Capital | – | – | 1,885.40 | 2,685.40 | 3,085.40 | **3,085.40** |
| 11. | Return on Net Worth (%) | | | | | | |
| | (PAT/Net Worth) | (39.57) | (262.25) | (302.23) | 14.28 | 32.74 | **(5.23)** |
| 12. | Interest Cover<br>(PBIDT-Tax) / Interest | 0.56 | 0.17 | 0.73 | 2.06 | 2.55 | **1.64** |
| 13. | Debt - Equity | 3.54 | 13.62 | 17.79 | 9.32 | 5.25 | **4.72** |
| 14. | Return on Sales | (8.45) | (14.08) | (8.07) | 1.75 | 2.52 | **(0.36)** |
| 1. | Total Capital Employed | 35,998.19 | 32,130.42 | 30,264.93 | 30,104.51 | 32,862.18 | **25,211.55** |
| 2. | Net Worth | 6,192.64 | 1,712.71 | 1,385.33 | 2,448.88 | 3,929.73 | **3,562.53** |
| 3. | Total Debt | 29,805.54 | 30,418.00 | 28,879.60 | 27,655.63 | 28,932.45 | **24,302.86** |
| 4. | Term Debt | 21,939.98 | 23,323.00 | 24,644.80 | 22,818.54 | 20,650.16 | **17,636.33** |
| 5. | Gross Fixed Assets | 42,756.34 | 46,215.00 | 44,800.81 | 44,704.42 | 45,175.42 | **43,606.08** |

# QUANTITATIVE DATA

| YEAR | Grey YARN MT | Dyed YARN MT | FABRIC MT | PROCESSED FABRIC MT | GARMENT LAC PCS |
|---|---|---|---|---|---|
| **PRODUCTION** | | | | | |
| 2006-2007 | 11,747.810 | 656.562 | 3,041.150 | 2,858.950 | 60.520 |
| 2007-2008 | 14,817.600 | 930.323 | 2,451.690 | 2,753.470 | 53.510 |
| 2008-2009 (18 months) | 23,010.466 | 1,471.154 | 3,686.699 | 4,565.858 | 52.008 |
| 2009-2010 (6 months) | 8,451.985 | 548.161 | 1,348.028 | 2,043.342 | 17.991 |
| 2010-2011 | 16,561.793 | 1,116.575 | 3,049.562 | 3,991.994 | 36.629 |
| **2011-2012** | **16,003.764** | **1,107.807** | **3,457.123** | **4,084.656** | **45.443** |
| **SALES** | | | | | |
| 2006-2007 | 9,688.770 | 346.596 | 147.590 | 1,662.370 | 60.520 |
| 2007-2008 | 12,030.620 | 632.473 | 161.040 | 1,450.720 | 57.020 |
| 2008-2009 (18 months) | 18,384.479 | 985.689 | 158.056 | 3,439.541 | 53.608 |
| 2009-2010 (6 months) | 6,827.468 | 365.755 | 57.953 | 1,585.880 | 18.140 |
| 2010-2011 | 13,070.943 | 800.244 | 79.705 | 3,295.974 | 39.358 |
| **2011-2012** | **11,909.532** | **835.711** | **84.789** | **3,121.885** | **45.870** |

# FINANCIAL STATISTICS
# CAPITAL ACCOUNT

₹ / Lac

| YEAR | CAPITAL | RESERVES | NET-WORTH |
|---|---|---|---|
| 2006-2007 | 2,175.80 | 4,046.51 | 6,192.64 |
| 2007-2008 | 2,175.80 | (445.10) | 1,712.71 |
| 2008-2009 | 6,036.20 | (4,632.02) | 1,385.33 |
| 2009-2010 | 6,836.20 | (4,373.69) | 2,448.88 |
| 2010-2011 | 7,236.20 | (3,296.25) | 3,929.73 |
| **2011-2012** | **7,236.20** | **(3,666.86)** | **3,562.53** |

# REVENUE ACCOUNT

₹ / Lac

| YEAR | NET SALES | OPERATING COST | | | PBIDT | INTEREST | DEPRECIATION | PBT | TAX | PAT |
|---|---|---|---|---|---|---|---|---|---|---|
| | | RAW MATERIAL | PACKING COST | VALUE ADDED | | | | | | |
| 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 | 2,559.62 | 1,251.97 | 978.73 | 358.92 | 9.14 | 349.78 |
| 2010-2011 | 51,039.01 | 32,415.73 | 593.09 | 18,030.18 | 5,948.98 | 2,328.84 | 2,333.47 | 1,286.67 | – | 1,286.67 |
| **2011-2012** | **53,591.27** | **34,428.97** | **646.83** | **18,515.47** | **4,399.68** | **2,688.04** | **1,906.95** | **(195.31)** | **–** | **(195.31)** |

# 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, 2012, 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 Accountants 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 affairs 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

Place : Noida (U.P.)
Dated : 3rd May, 2012

# 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.

(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.

Place : Noida (U.P.)
Dated: 3rd May, 2012

**Shekhar Agarwal**
Managing Director &
Chief Executive Officer
DIN : 00066113

**P. S. Puri**
Chief Financial Officer

# NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of the Company will be held on Friday, the 21st December, 2012 at the Registered Office of the Company at Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, Madhya Pradesh – 451 660 at 11.30 A.M. to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date alongwith the Reports of Directors and Auditors thereon.
2. To declare the Dividend on 8% Cumulative Redeemable Preference Shares.
3. To appoint a Director in place of Shri D. N. Davar who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. Kamal Gupta 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 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 in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for creation of such mortgages and charges in addition to the existing mortgages and charges and hypothecations created by the Company as the Board may direct on the assets of the Company both present and future and the whole of the undertaking 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:-

   Central Bank of India for its financial assistance of ₹ 2408 Lacs

   together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to Central Bank under the Loan Agreements entered into by the Company in respect of the said borrowings.

   RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with Central Bank the documents for creating the aforesaid mortgage(s) and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."
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 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 viz. Bank of Baroda, State Bank of India, State Bank of Patiala, State Bank of Hyderabad, State Bank of Bikaner & Jaipur, Canara Bank and Export-Import Bank of India for granting to the Company Working Capital Facilities to the extent of ₹131.15 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 : 29th October, 2012 **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 Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 14th December, 2012 to Friday, the 21st December, 2012 (both days inclusive).
3. 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.
4. 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.
5. 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.
6. Members may please note that the unclaimed dividends for the financial years 1995-96 to 2001-02 have already been transferred to the Investor Education and Protection Fund. Further, no claims for dividends can be made for these years.
7. Members holding shares in physical form are requested to furnish their email ID through e-mail at **maral.investor@lnjbhilwara.com** and/or send letter to us quoting their Folio No. and e-mail ID to enable us to serve any document, notice, communication, annual reports etc. through e-mail. Members holding shares in demat form may get their email ID updated with their respective Depository Participants. We request the members to continue to support the Green Initiative introduced by MCA and make it a success.
8. 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.
9. Members holding shares in physical form are requested to dematerialize their holdings in their own interest.
10. In case of transfer of Shares, transferee is requested to furnish a copy of the PAN card to the RTA for registration of transfer of shares in physical form.

By order of the Board
**For Maral Overseas Limited**

Place : Noida (U.P.) **Vikas Prakash**
Date : 29th October, 2012 **Company Secretary**

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

**ITEM NO. 6**

The Company had approached Central Bank of India (Central Bank) for financial assistance in the form of Rupee Term Loan of ₹ 2408 lacs for financing essential capital expenditure (capex) towards replacement /balancing/modernization of old machinery in Sarovar Unit as approved by CDR Cell. The referred financial assistance(s) from the lenders is/are to be secured by mortgage/charge of the assets of the Company, both present and future.

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 mortgaging by the Company of its immovable and moveable properties as aforesaid in favour of Central Bank 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 the lenders and copies of relevant documents/correspondence 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.

**ITEM NO. 7**

The Company is availing working capital facilities from the consortium of banks viz. Bank of Baroda, State Bank of India, State Bank of Patiala, State Bank of Hyderabad, State Bank of Bikaner & Jaipur, Canara Bank and Export-Import Bank of India to the extent of ₹ 131.15 crore (Rupees One Hundred Thirty One Crore and Fifteen lacs). The terms and conditions of availment of the working capital limits and loan facilities 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/correspondence 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.

## ANNEXURE TO NOTICE
## 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 D. N. Davar** | **Dr. Kamal Gupta** |
| **Category** | | Independent - Non Executive | Independent - Non Executive |
| **Interse relationship** | | N.A. | N. A |
| **Date of Birth** | | 8th August, 1934 | 12th February, 1946 |
| **Date of Appointment** | | 27th July, 2004 | 13th July, 1991 |
| **Qualification** | | B.Com(Hons), M.A-Economics, CAIIB, Fellow of the Economic Development, Institute of the World Bank. | FCA, FICWA, Ph. D |
| **Expertise in specific functional areas** | | Consultant in the areas of finance, accounting and corporate laws. Part time consultant to World Bank, UNIDO and Kreditanstalt fur Weideraufbua (KFW) and former executive chairman of IFCI. | Consultant in the area of Finance, Accounting and Corporate Laws, Former Technical Director of The Institute of Chartered Accountants of India. |
| **List of Other Public Companies in which Directorships held** | | 1. Adayar Gate Hotel Ltd.<br>2. Ansal Properties & Infrastructure Ltd.<br>3. Cimmco Ltd.<br>4. HEG Ltd.<br>5. Hero Fincorp Ltd.<br>6. Indo–Continental Hotels & Resorts Ltd.<br>7. Landmark Property Development Co. Ltd.<br>8. OCL India Ltd.<br>9. Parsvnath Hotels Ltd.<br>10. Parsvnath SEZ Ltd.<br>11. RSWM Ltd.<br>12. Sandhar Technologies Ltd.<br>13. Titagarh Wagons Ltd. | 1. AD Hydro Power Ltd.<br>2. Bhilwara Energy Ltd.<br>3. HEG Ltd.<br>4. Malana Power Company Ltd.<br>5. PNB Gilts Ltd.<br>6. RSWM Ltd. |
| **Chairman/Member of the Committee of the Board of Directors of the Company** | | 1. Audit Committee - Member<br>2. Shareholders'/Investors' Grievance Committee - Member | 1. Audit Committee - Chairman<br>2. Shareholders'/Investors' Grievance Committee – Chairman |
| **Chairman/Member of the Committees of Directors of other Companies** | | | |
| a | **Audit Committee** | 1. Ansal Properties & Infrastructure Ltd. – Chairman<br>2. Cimmco Ltd. - Member<br>3. HEG Ltd.- Chairman<br>4. Hero Fincorp Ltd.- Chairman<br>5. OCL India Ltd. – Chairman<br>6. RSWM Ltd. – Member<br>7. Titagarh Wagons Ltd. – Chairman | 1. AD Hydro Power Ltd. – Member<br>2. HEG Ltd. – Member<br>3. Malana Power Company Ltd. - Member<br>4. PNB Gilts Ltd. – Chairman<br>5. RSWM Ltd. – Chairman |
| b | **Shareholders'/ Investors' Grievance Committee** | 1. RSWM Ltd. - Member | 1. RSWM Ltd. – Chairman<br>2. HEG Ltd. - Member |
| **No. of Equity Shares held in the Company** | | 1000 | 1000 |

Maral Overseas Limited

## 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 23rd Annual General Meeting of the Company to be held on Friday, the 21st day of December, 2012, at 11:30 A.M. and/or at any adjournment thereof.

As WITNESS my/our hand/hands this .......................................... day of ........................................................................ 2012.

Signed by the said ............................................................ ..........................................................................................

Address

Affix<br>15 Paise<br>Revenue<br>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, Madhya Pradesh, 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 23rd Annual General Meeting of the Company held on Friday, the 21st day of December, 2012, at 11:30 A.M. at the Registered Office of the Company at Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone - 451 660, Madhya Pradesh.

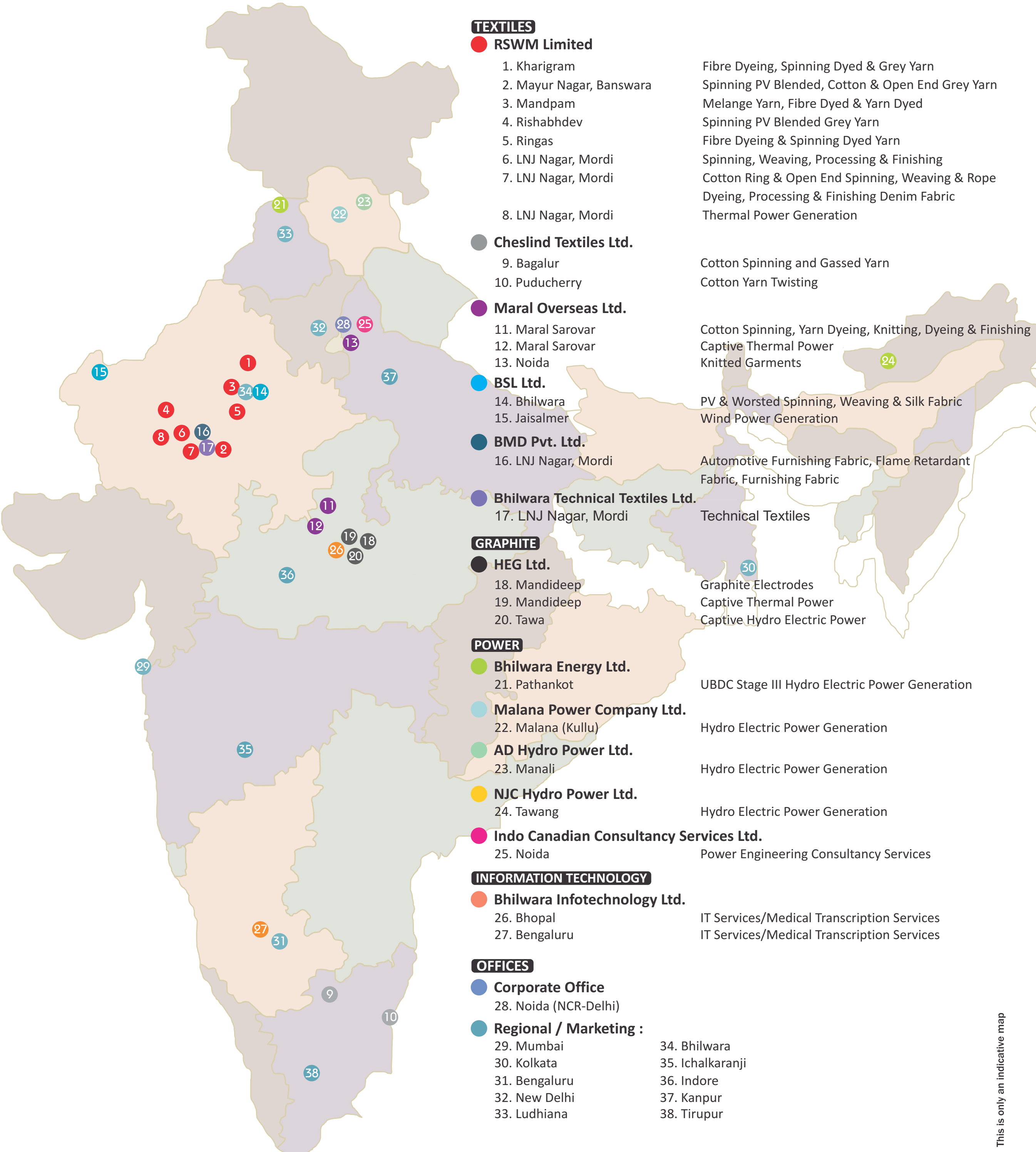
* Applicable for investors holding Shares in electronic form.

** Strike out whichever is not applicable

Signature of the Shareholder/Proxy/Representative**

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

# 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 III 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 Consultancy Services |

**INFORMATION TECHNOLOGY**

### Bhilwara Infotechnology Ltd.

| | |
|---|---|
| 26. Bhopal | IT Services/Medical Transcription Services |
| 27. Bengaluru | IT Services/Medical Transcription Services |

**OFFICES**

### Corporate Office

28. Noida (NCR-Delhi)

### Regional / Marketing :

| | |
|---|---|
| 29. Mumbai | 34. Bhilwara |
| 30. Kolkata | 35. Ichalkaranji |
| 31. Bengaluru | 36. Indore |
| 32. New Delhi | 37. Kanpur |
| 33. Ludhiana | 38. Tirupur |

This is only an indicative map

Maral Overseas Limited

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

BHILWARA GROUP LNJ
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