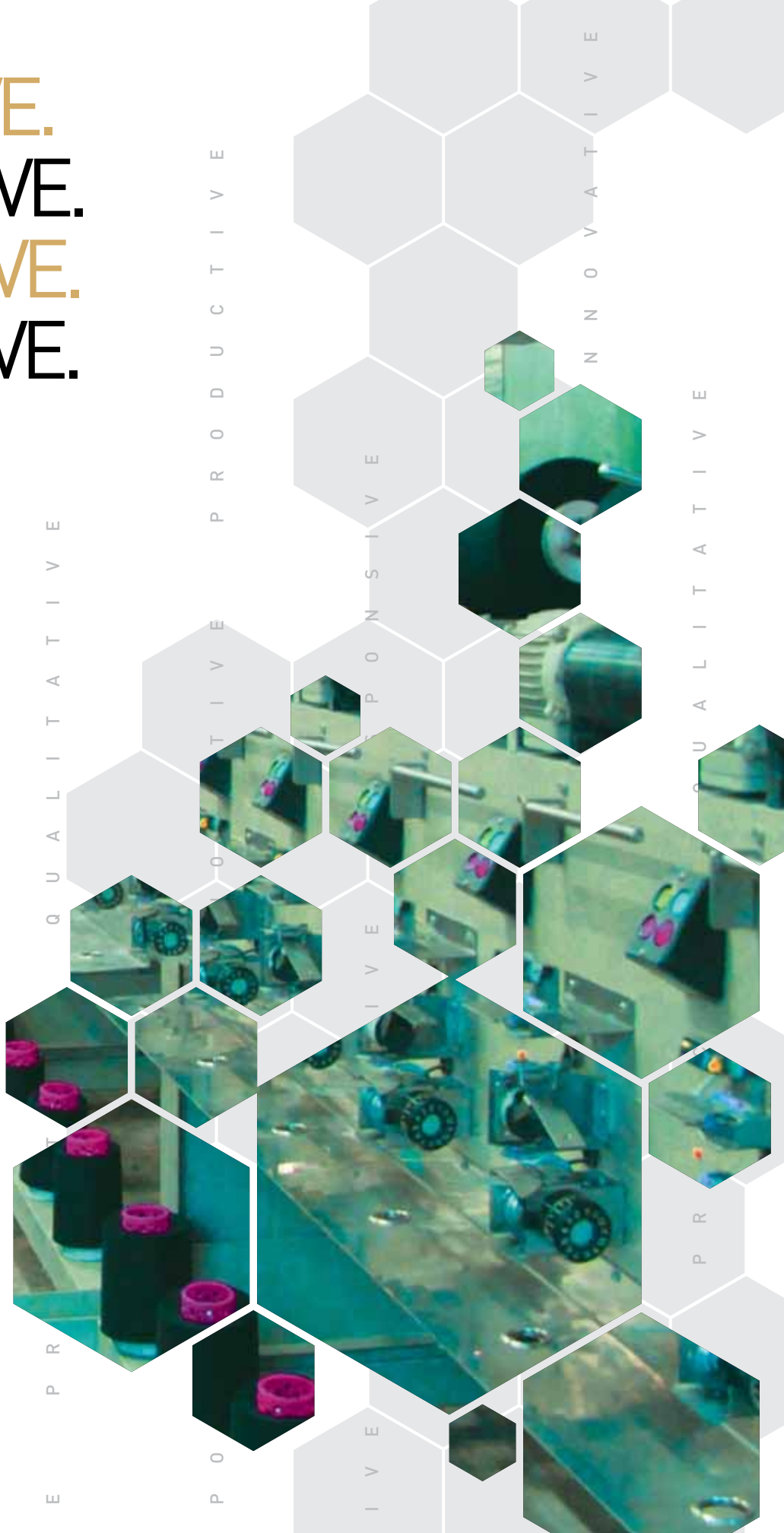


INNOVATIVE.  
PRODUCTIVE.  
QUALITATIVE.  
RESPONSIVE.



R E S P O N S I V E

Q U A L I T A T I V E

P R O D U C T I V E

I N N O V A T I V E

Q U A L I T A T I V E

R E S P O N S I V E

P R O



*Maral Overseas Limited*

ANNUAL REPORT  
2013-14

E P R

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I V E

# ACROSS THE PAGES



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## CORPORATE INFORMATION

**L. N. Jhunjhunwala**

**Chairman-Emeritus**

### BOARD OF DIRECTORS

Ravi Jhunjhunwala

*Chairman*

Shekhar Agarwal

*Managing Director*

D. N. Davar

*Director*

Dr. Kamal Gupta

*Director*

P. S. Dasgupta

*Director*

Shantanu Agarwal

*Director*

### KEY EXECUTIVES

- **Corporate Office**

P. S. Puri

*Chief Financial Officer*

- **Sarovar Unit**

Suresh Chand Maheshwari

*President*

- **Noida Unit**

Naveen Maheshwari

*Senior Vice President*

### COMPANY SECRETARY

Sweta Garg

### 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](http://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.)

C-126, Sector-63, Noida - 201 307 (U.P.)

Shri L. N. Jhunjhunwala has resigned from the Directorship of the Company w.e.f. 21st April, 2014.

### 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

The global economy clocked subdued growth of 2.1 per cent in 2013. While most of the developed economies continued to grapple with the challenge of framing appropriate fiscal and monetary policy actions after the financial crisis witnessed during 2008 onward a number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new domestic and international headwinds during 2013. The world economy has been witnessing a sliding trend in growth, from 3.9 percent in 2011 to 3.1 percent in 2012 and 3 percent in 2013.

However, some signs of improvement were witnessed during the last quarter of the financial year. The euro economies are finally seeing reversal of protracted recession. The economy of United states has strengthened with the growth of few large emerging economics, including China and India who managed to backstop the deceleration they experienced in the past two years and veered upward moderately. World gross product (WGP) is forecast to grow at a pace of 3.0 and 3.3 per cent in 2014 and 2015, respectively.

The growth in the South Asia remained lacklustre in 2013, due to various factors which hampered activities, particularly in the region's major economies such as India, Iran and Pakistan. The region's total gross domestic product grew by 3.9 per cent in 2013, the slowest pace in almost two decades, after increasing by 4.2 per cent in 2012. However, the growth is forecast to pick up gradually to 4.6 per cent in 2014 and 5.1 per cent in 2015, supported by stronger external demand, a mild recovery in domestic demand in India and improved economic conditions in Iran.

Among developed countries, the United States of America is estimated to grow at a meagre pace of 1.6 per cent in 2013, significantly lower than the 2.8 per cent growth of the previous year. Fiscal tightening and a series of political gridlocks over budgetary issues during the year have weighed heavily on growth. However, the global economic growth is expected to increase over the next two years with continuing signs of improvement. While the average growth of middle-income countries continues to be the highest, growth for the least developed countries is expected to strengthen in 2014-2015.

The Textile sector plays a key role in the Indian Economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings. The Indian Textiles Industry is an economic stalwart. Currently, it contributes about 14 percent to India's industrial production, 2 percent to the GDP and 11 percent to the country's export earnings. The Textiles Sector provides direct employment to over 35 million people in India, holding the position of the second largest provider of employment after agriculture. Thus, the growth and all around development of this industry has a direct bearing on the nation's economic strength.

India accounts for 22 per cent of the world's installed capacity of spindles and is one of the largest exporters of yarn in international market. It has the second highest spindleage in the world after China. India is the second highest producer of cotton after China contributing about 21.6% of world production. India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. In the global exports of Textiles, India ranked as the third largest exporter, trailing EU-27 and China, as per WTO data – 2011 (latest). In the liberalized post-quota period, India has emerged as a major sourcing destination for buyers from all over the globe.

#### Opportunities and Threats

India is home to the second largest population in the world. Hence, the

demand for textile products in India is very large and is growing at an increasing rate in tandem with the increase in disposable income of the people. A very high proportion of young and working population is also a favourable factor influencing domestic demand for textiles and garments. The presence of extensive institutional support base in the form of Central and State Government agencies, Textile Research Associations etc, along with the supportive government policy regime and the enthusiastic entrepreneurial base provide a strong platform for the growth of textile industry.

With the phasing out of the quota regime and easy access to the market, most of the developed countries witnessed a decline in the Textile and garment industry which in turn created fresh opportunities for exports from developing countries like India. Moreover, the need for investments in the textile industry especially in spinning, weaving, processing and garments made-up segments by way of encouraging policies by the government for investment are met through continuation of such scheme during the 12th five year plan.

Despite India being a large producer, its share in the global exports continue to remain low because of impact due to exchange rate fluctuation, high interest and transaction costs, archaic labour laws, and other hidden subsidies provided to other countries. The continuation of recessive trends in India has also cast its shadow on the textile industry, which led to increase in price of raw material along with the decline in the purchasing power. The under developed infrastructure along with the high cost of power remains to be a serious handicap in the development of textiles industry.

#### BUSINESSES

Maral Overseas Limited (MOL) is one of India's largest vertically integrated textile companies. During the year under review, the price of cotton kept on fluctuating although the price in the international market was higher than the price at which the cotton was available in the domestic market. However, after the second quarter of the fiscal year, the price of the cotton was high due to the absence of China and US in the market and India remained a significant exporter.

During the financial year ended the 31st March, 2014, the Company achieved a Turnover of ` 653.32 crore against ` 558.90 crore in the previous year ended the 31st March, 2013 and the operating profit of the Company was ` 87.57 crore against ` 65.74 crore in the previous year.

During the year under review, the Company's exports (FOB value) were to the tune of ` 365.93 crore and accounted for 56 % of MOL's turnover. The yarn business accounted for 56.6 % (Previous year 59.9 %) while knitted fabric and garment business accounted for 24.5 % (22.4 %) and 18.9 % (17.7%) respectively.

The Company offers to its customers the finest quality of yarn, fabrics and fashion garments which command a premium in the market. Further, in order to ensure smooth operations, the Company has undertaken a modernization programme at Sarovar unit. The Company has also undertaken an expansion programme for its garment activity in an additional leased premise in Noida. Company's focus is on creating innovative products which are environment friendly, socially compliant, fashionable and add aesthetic value to the final product.

#### Yarn Business

The Yarn Business has contributed significantly to the performance and profitability of the Company. The production in the yarn segment has surpassed the projections made by the Company. This business contributed ` 369.50 crore towards the turnover of the Company.

#### Knitted Fabric Business

The performance of the Fabric Business improved during the year.



However, the export turnover from this segment remained challenging due to global conditions but efforts were made by the Management to increase the overall profitability and productivity of the segment. This business contributed ₹ 160.10 crore towards the turnover of the Company.

#### Garment Business

The performance of the Garment segment remained satisfactory during the year due to better machine utilization and improvement in other operational efficiencies. This business contributed ₹ 123.70 crore towards the turnover of the Company. The Company is in dialogue with some e-commerce sites and reputed customers to augment sales. Considering the consistent performance of the division, the Company has undertaken expansion and is adding some more lines to boost production.

#### RISK MANAGEMENT

##### Market Risk

The textile business is cyclical in nature and largely driven by market condition across the globe. It has been observed that the textile units who have command on the volatility of the business have maintained their market position. However, with the increase in inflation, the price of the raw material increases, which in turn leads to decrease in the purchasing power of the consumer. This affects the overall demand for textiles.

##### Currency Risk

Since the major portion of revenue of textile industry is from export mainly to USA and Europe, the change in conversion rate of Indian rupee vis-a-vis other currencies such as Dollar and Euro has a great impact on the total earning of the industry.

##### Regulatory Risk

The regulatory policies of the Government play a vital role in the functioning of the industry as a whole. The Government of India is rigorously implementing various programmes and has launched various scheme such as Integrated Skill Development Scheme (ISDS). The scheme ISDS has been launched with the objective to build the capabilities of those institutions that currently provide training and skill development programmes in the textile and apparel sectors.

##### Internal Control System and their adequacy

The Company has an adequate internal control system commensurate with the size and assets of the Company. The systems ensure that the transactions done are properly authorised, providing significant assurance of reliability of financial information at a reasonable cost. The internal auditors also assess the opportunities for improvement in the business processes and provide recommendations which can add value to the organisation.

The Company prepares an Annual Business Plan by using an appropriate risk based methodology. This plan is submitted to the Audit Committee for their review and concurrence at the beginning of the financial year. The findings of the audits are reported to the Audit Committee at every quarterly meeting. The Audit committee addresses the issues raised by the internal auditors. Separate discussions are held with the internal auditors to focus on compliance issues and to conduct detailed review of the processes and internal controls in the Company.

##### Corporate Social Responsibility

Corporate Social Responsibility has always been an integral part of the LNJ Bhilwara Group's vision and the cornerstone of our Core Value of Good Corporate Citizenship. We always strive to contribute to our society and environment in positive ways. We encourage our staff to be aware of the impact on environment of any actions taken by them. We also encourage our businesses to think broadly and creatively about their role in society. The Company's vision of substantial growth derives

from both, business decisions as well as Corporate Social Responsibility initiatives. The aim of the Company is to make a difference to the life of the community we serve i.e **Employees:** providing healthy competition and challenging work environment which make them capable enough to survive in all conditions without compromising with his/her health, remuneration, ethical recruitment, promotions and other aspects that help them to have a better living condition and to ensure primary education to their children; **Shareholders:** presenting a true and fair view of the affairs of the Company which help them to review the position of the Company and then to take a wise decision accordingly; **Government:** fulfilling all the statutory obligations by making timely payments of all the dues, providing of all the necessary information as and when required, abiding by all the laws and regulations of the land where the Company operates, contribution to the economy by way of exports; **Customers:** meeting the demands of the customers by providing them quality product at the right time, innovating products to meet the demand according to the changing environment, welcoming the feedback and primarily, creating value to the customers; **Investors:** presenting a true picture of the business which help them to repose an enduring trust on the business which in turn will help in the growth of the business of the Company; **Suppliers:** making competitive and timely payment to the suppliers for the products and services they provide as well as maintaining an amicable relationship with them; **Competitors:** indulging in the ethical and healthy competition for the betterment of the industry; **Society:** perpetuating and promoting norms for the betterment of the society, undertake development intervention in consultation with the community to complement the efforts of local Government agencies; **Environment:** invested in activities that proactively nurture the environment, adopted the mantra of reuse and recycle, ensuring the purchase of environment friendly supplies, ensuring a pollution free process of production, having an efficient system for the disposal of waste, protecting the environment by planting trees and supporting the community around us. The Company is in the process of finalising a CSR policy in accordance with the requirements of the Companies Act, 2013 and the rules framed thereunder.

##### Human Resources

To nurture new talent and to retain the existing talent, the Company undertook several initiatives. The Company has made efforts to emphasize the need for enhancing the skills of all the employees. The Company always strives to provide the strategic support to its diverse workforce. The Company believes that continuous development of its human resources fosters engagement and drives competitive advantage.

The Company continue to maintain healthy relations with its employees without any interruption in work. As on 31st March, 2014, the Company had 1626 employees.

##### Cautionary Statement

*This report contains forward-looking statements based on beliefs of Company's management. The words 'anticipate', 'believe', 'estimate', 'forecast', 'expect', 'intend', 'plan', 'should', and 'project' are used to identify forward-looking statements. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. By their nature, these expectations and projections are only estimates and could be materially different from actual results in the future. Readers are cautioned not to place undue reliance on the forward looking statements.*

## DIRECTORS' REPORT

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Fifth Annual Report of the Company and the audited financial statements for the year ended the 31st March, 2014.

## Financial Results

	(` in Crore)	
	31.03.14 Current Year	31.03.13 Previous Year
<b>Turnover</b>	<b>653.32</b>	558.90
Profit/(Loss) from operations	31.15	24.18
Less: Taxation	1.69	-
<b>Profit / (Loss) after Tax</b>	<b>29.46</b>	24.18
Add: Balance brought forward from previous year	(91.39)	(112.96)
	<b>(61.93)</b>	(88.78)
<b>Appropriations:</b>		
Proposed Dividend on Preference Shares	1.87	2.23
Tax on Proposed Dividend	0.32	0.38
Balance carried to Balance Sheet	<b>(64.12)</b>	(91.39)

## Dividend

Your Directors recommend to the members, a preference dividend @ 8% p.a. i.e. ` 8/- per share on 18,85,400 Cumulative Redeemable Preference Shares (CRPS) of ` 100/- each issued to various Banks/ Institutions and @ 3% p.a. i.e. ` 3/- per share on 12,00,000 Cumulative Redeemable Preference Shares (CRPS) of ` 100/- each issued to persons forming part of promoter and promoter group as per the CDR package.

The aforesaid dividend on CRPS will absorb ` 218.58 lac (inclusive of distribution tax). A proposal for confirmation of the dividend on CRPS will be placed before the shareholders at the ensuing Annual General Meeting.

In the light of carried forward losses, no dividend is recommended on Equity Shares.

## Operations

Your Directors feel pleasure in informing the members that as a result of varied improvement measures undertaken by the management in the past few years, your Company, during the year under review, recorded further overall growth in turnover and profitability.

The Company achieved a Turnover of ` 653.32 crores for the year ended the 31st March, 2014 against ` 558.90 crores in the previous year, ended the 31st March, 2013. The Company achieved a net profit of ` 29.46 crores against ` 24.18 crores in the previous year.

During the period under review, your Company has been able to achieve production of 17332 MT of cotton yarn (16852 MT), 1406 MT of dyed yarn (1300 MT), 3692 MT of grey knitted fabric (3592 MT), 4737 MT of processed fabric (4103 MT) and 53.35 lac pieces of garments (43.65 lac pieces), without any expansion in capacity.

## Industry Scenario

The Textile Industry in India plays a significant role in the overall economic development of the country and is in fact, the second largest contributor to the Gross Domestic Product after Agriculture sector. It is also one of the largest contributing sectors to our Country's exports. The Cotton textile industry in India plays a global role since ages with now a major share in the international trade of cotton yarn.

The Industry began the year on a positive note and maintained its momentum throughout the year. During the most part of the year China and US remained major importers in the global market and India remained the major exporter of Cotton Yarn which in turn led to overall increase in the profitability of the Industry. Fluctuations in the exchange rate also played a significant role in the fortunes of textile industry.

The year under review was generally marked by stability for the textile industry with increase in the demand for cotton yarn. Your Directors are looking forward to the momentum provided by the financial year 2013-14 though, the current scenario indicates a slight depression in the demand and decline in margins. Your Directors are hopeful to meet the challenges that may arise out of this.

## Modernization and Expansion

Your Directors, in their previous report, informed the members about implementation of the modernization programme. Your Directors have pleasure in informing the members, that against the modernization programme, the Company has incurred a capex of ` 31.55 crore during the year under review. This has resulted in significant improvement in quality and productivity leading to higher profitability. Your Directors feel pleasure in informing you that the Company has embarked upon a further modernization plan to replace some of the equipments which are very old, to ensure further improvements in the productivity and profitability of the Company. The modernization plan will involve a further capex of ` 40.00 crores.

Your Directors further inform the members that, encouraged with the performance of Garment Division, your Company, in order to decongest and de-risk its operations, is shifting some of the Garment activity to an additional location at Noida. Your Company is also planning to install further production lines at this additional location in order to boost production, turnover and profitability of the Garment division.

## Directors

Your Directors inform the members that Shri L. N. Jhunjunwala, Chairman-Emeritus and the founder of the Group expressed his desire to relinquish the office of Director so to devote his time to philanthropic activities where he had been deeply involved for a long time. Your Directors respecting his desire accepted his request to resign from the Board and urged him in all earnestness to continue as the Chairman-Emeritus, which he has very kindly accepted. Your Directors honour and taken pride in the contribution of Shri L. N. Jhunjunwala since the inception of the Company.

Shri Ravi Jhunjunwala, Director retire by rotation and being eligible offer himself for reappointment.

Your Directors further inform the members that in accordance with the provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement as per SEBI Circular dated 17th April, 2014, the



Company is required to appoint the Independent Directors on the Board to hold office for one more term of five consecutive years and such independent directors shall not be liable to retire by rotation. Dr. Kamal Gupta, Shri D. N. Davar and Shri P. S. Dasgupta have been serving the Board for more than five years. Therefore it is proposed to appoint all of them as Independent Directors for one more term of five consecutive years commencing from ensuing Annual General Meeting.

Shri Shantanu Agarwal was co-opted on the Board as Additional Director with effect from 22nd April, 2014, liable to retire by rotation, and he shall hold office up to the date of ensuing Annual General Meeting. The Board recommends the appointment of Shri Shantanu Agarwal.

#### **Auditors Appointment**

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, if any, are explained wherever necessary, in the appropriate notes to the accounts.

#### **Corporate Governance**

The Company has been practicing good Corporate Governance over a period of time and lays emphasis on transparency, accountability and integrity. Company conforms to the code of corporate governance as stipulated under the Listing Agreement which is also published on the website of the Company.

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**

The systems in the operations of the Company ensure that the information which is provided to the management is timely and reliable. The annual business plan is presented to the Audit Committee at the beginning of every financial year and regular updates are presented on a quarterly basis to the Committee. The Action Taken Report of the previous meeting is presented in the ensuing meeting and members are regularly updated about the actions taken.

These systems also provide a robust structure which in turns help in the compliance of various laws and statutes which automatically translate into financial and operational discipline thereby increasing profit margins and protecting the assets of the Company. These systems ensure that transactions are executed in accordance with specified policies and resources are deployed prudently as per the business plan.

The Company's internal control systems comprise of audit and compliance by in-house staff supplemented by internal audit checks by the internal auditors.

The internal auditors independently evaluate the adequacy of internal controls and periodically audit the majority of the transactions in value terms. Internal Auditors report directly to the Audit Committee of the Board.

#### **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.

#### **Particulars of Employees**

Statement of particulars of Employees as required to be furnished pursuant to Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is attached hereto and is given in Annexure-II forming part of this 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, 2014, and of the profit 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**

The board greatly appreciates the commitment and dedication of its employees across all levels who have contributed to the growth and sustained success of the Company. We would like to thank all our clients, vendors, bankers, other business associates, Central and State Government for their continued support and encouragement during the year.

The directors also thank the investors for their continued faith in the Company.

For and on behalf of the Board

**Ravi Jhunjunwala**

Chairman

DIN - 00060972

Noida (U.P)  
22th April, 2014

## 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. Old technology machines replaced with current technology high productive machines and lesser power consumption.
2. Conventional tube lights & electronic ballast replaced with LED lights in spinning area.
3. Low efficiency monoblock pumps replaced with energy efficient pump.
4. Control and monitoring of compressed air.
5. To reduce the auxiliary power consumption of Thermal Power plant by 0.5%.

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

1. Installation of central energy monitoring system.
2. Replacement of oil fired boiler with FBC, coal fired boiler.
3. Replacement of existing compressor of Ring frames with energy efficient VFD operated compressor for high pressure line.
4. Replacement old technology machines with latest technology high productive machines for less power consumption.
5. Replacement of belt driven system with direct coupling system in ring frame machine.
6. To add rinsing feature in yarn dyeing machine, in order to reduce utility consumption and doffing cycle.

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

The company will improve energy efficiency at plant resulting in reduction of carbon emissions.

## INFORMATION AS PRESCRIBED IN FORM A

	Current Year 2013-14	Previous Year 2012-13
<b>(A) POWER AND FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
<b>a. Purchased</b>		
Units	8,213,816	11,328,183
Total amount (₹)	59,051,890	61,933,458
Rate / Unit (₹)	7.19	5.47
<b>b. Own Generation</b>		
<b>(i) Through Diesel Generator</b>		
Units	224,081	375,227
Units / Litre of HSD / FO	4.65	3.18
Cost / Unit	18.16	15.16
<b>(ii) Through Thermal Power Plant</b>		
Units	68,140,280	63,668,720
Units / Kg. of Coal	1.06	1.03
Gas	-	-
Cost / Unit	3.79	4.02
<b>c. Sale</b>		
Units	82,000	324,950
<b>2. Coal</b>		
Quantity MT	76,961,350	74,847,225
Total Cost	316,526,421	306,525,391
Average Rate / KG	4.11	4.10
<b>3. Furnace Oil / HSD</b>		
Quantity KL	154	337
Total Cost	9,253,047	15,890,698
Average Rate / Litre	60.19	47.19
<b>4. Other / Internal generation</b>	N.A.	N.A.
<b>5. CNG/PNG</b>		
Quantity SCM	165,765	-
Total Cost	8,501,223	-
Average Rate / SCM	51.28	-





	Current Year 2013-14	Previous Year 2012-13
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>I) Electricity</b>		
Cotton Yarn (Kg.)	3.28	3.32
Knitted Fabric (Kg.)	0.36	0.33
Processed Fabric (Kg.)	1.17	1.27
Garment (Pc.)	0.20	0.22
Yarn Dying (Kg.)	1.76	1.87

**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 strong focus on quality assurance.

**B. EXPENDITURE INCURRED ON R&D**

	Current year 2013-14	Previous year 2012-13
Capital	-	-
Recurring	165.43	153.44
<b>Total</b>	<b>165.43</b>	<b>153.44</b>
Total R&D expenditure as percentage of total turnover	0.25%	0.27%

**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 yarn and in the competitive environment.

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

Not Applicable.

**III. FOREIGN EXCHANGE EARNING 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 ` 36593.00 Lac at FOB Price against an Outgo of ` 3537.26 Lac compared to the previous year's Foreign Exchange Earning of ` 34,124.23 Lac and Outgo of ` 2762.46 Lac.

**ANNEXURE - II TO DIRECTORS' REPORT****Statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956****A. Persons employed throughout the financial year & paid ` 60 Lacs p.a. or more.**

S. No.	Name of Employee	Designation	Remuneration (In Lacs)	Qualification	Experience (Year)	Commencement of Employment	No. of Shares Held	Whether Permanent/ Contractual	Age (Years)	Last Employed		
										Organisation	Post Held	Duration (Years)
1	Sh. Shekhar Agarwal	Managing Director	102.83	B.Tech. (ME) M.Sc (Chicago)	37	27.01.1989	755,573	Contractual	62	RSWM Ltd.	Vice Chairman & Managing Director	25
2	Sh. P. S. Puri	Chief Financial Officer	72.79	B.Com (Hons) FCA	42	01.10.2012	550	Permanent	67	RSWM Ltd.	President Corporate Finance	16

**NOTES:**

- None of the employee is holding more than 2% of the paid-up capital of the Company.
- None of the above employee is relative of any Director of the Company.
- None of the person was employed for the part of the year in receipt of remuneration aggregating to ` 5,00,000/- or more per month.

## REPORT ON CORPORATE GOVERNANCE

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

Corporate Governance continue to remain as a core area of investors focus. The Company has embedded the policy of corporate governance in the fundamental principle of business. The Company always believe that timely disclosures, transparency and accountability in all the transactions goes a long way in creating the good corporate governance practices and preserving the trust of the shareholders and stakeholders. The Board acknowledges its responsibilities towards the shareholders and stakeholders for creation and safeguarding their wealth. The Company's Corporate Governance Philosophy derives from the values of Integrity, Fairness, Transparency, Excellence, Accountability & Responsibility. It emphasizes wealth creation for society, protection & interest enhancement for all stakeholders, without compromising the environment and health of society at large. It fundamentally believes that good Corporate Governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory/ regulatory requirements. The philosophy of the Company is to maintain the level of ethics in all its dealings in order to achieve its goal of building the trust of investors in the Company.

**2. Board of Directors**

During the year, the Board comprises of 6 directors consists of Chairman-Emeritus, Chairman, Managing Director and three Independent Directors which are drawn from diverse fields / professions. The Chairman-Emeritus, Chairman and the Managing Director are Promoter Directors. There is an optimum combination of Executive and Non- Executive director, which is in conformity with Clause 49 of the Listing Agreement. All, the Directors except the Managing Director, are liable to retire by rotation.

The name and categories of Directors on the Board, their attendance at the Board Meetings held during the year along with the number of Directorships, Memberships held in various Committees in other Companies during the financial year ended the 31st March, 2014, 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**	<i>Chairman-Emeritus</i>	Promoter - Non-Executive	4	–	6	2	1
Shri Ravi Jhunjhunwala	<i>Chairman</i>	Promoter - Non-Executive	4	4	12	4	2
Shri Shekhar Agarwal	<i>Managing Director</i>	Promoter - Executive	4	4	5	3	–
Shri D. N. Davar	<i>Director</i>	Independent - Non-Executive	4	4	12	8	5
Dr. Kamal Gupta	<i>Director</i>	Independent - Non-Executive	4	4	6	8	3
Shri P.S. Dasgupta	<i>Director</i>	Independent - Non-Executive	4	2	9	8	2

\* Excludes Directorships held in Private Limited Companies, Foreign Companies, Membership of Management Committee of various Chambers/Bodies/Section 25 Companies.

\*\* Shri L. N. Jhunjhunwala has resigned from the Directorship of the Company w.e.f. 21st April, 2014.

# Includes Audit and Shareholders'/Investors' Grievance Committees of Public Limited Companies.

@ Includes Committee Chairmanships.

Shri Shantanu Agarwal has been appointed as a Director of the Company w.e.f. 22nd April, 2014.

None of the Directors is a member of more than 10 Board level committees and Chairman of 5 such committees across all the Companies in which he is a Director.

Independent Director means Director as mandates 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 the 31st March, 2014 were held on the 30th April, 2013, 23rd July, 2013, 29th October, 2013 and the 3rd February, 2014. The gap between two meetings did not exceed four months.

Agenda paper containing all the necessary information are sent well in advance to all the directors of the Company.

The previous Annual General Meeting of the Company was held on the 30th September, 2013 and was attended by Dr. Kamal Gupta, Chairman of the Audit Committee

**The information placed before the Board includes:**

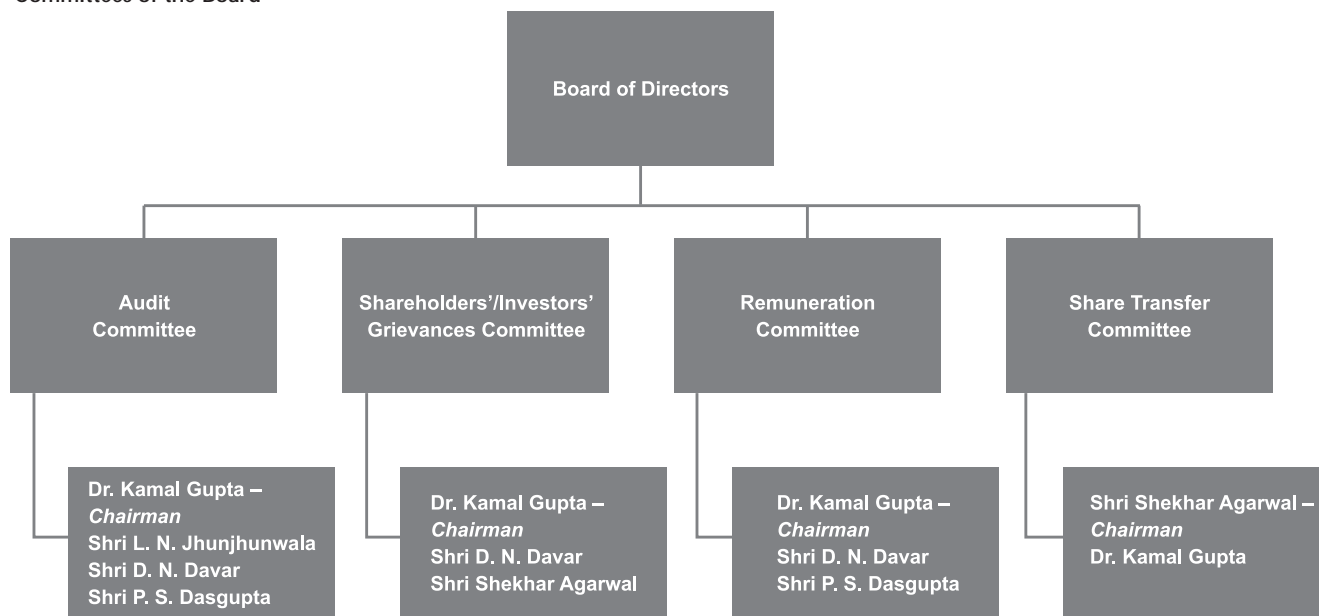
The Board has complete access to all information with the Company. The following information is regularly provided to the Board:

- 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 Financial Officer and Company Secretary.



- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial 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 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 scope of activities of Audit Committee is as set out in Clause 49 of the Listing Agreement read with section 292A of the Companies Act, 1956. The Audit Committee of members of the Board comprises of following four Directors as on the 31st March, 2014:

- 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 Chairman of the Audit Committee was present at the last AGM of the Company.

Mr. Vikas Prakash, Company Secretary of the Company, was the Secretary of the Committee till the 25th July, 2013. Thereafter Shri P.S. Puri was acting as the Compliance Officer of the Company. Ms. Sweta Garg has been appointed as Company Secretary of the Company w.e.f. 31st March, 2014 and she is acting as the Compliance Officer and Secretary to the Committee. Invitees to the Audit Committee include the Chief Coordinator- Internal Audit and the representative 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 Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to Financial Statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors and 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.

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 expertise, when considered necessary.

M/s. K.G. Goyal & Co., Cost Accountants, was appointed as Cost Auditors of the Company pursuant to Section 233B of the Companies Act, 1956. The Cost Audit report for the financial year ended the 31st March, 2013, was filed in XBRL mode on the 24th September, 2013, the due date of which was 30th September, 2013.

The Audit Committee of the Company met four times during the period under review. The meetings were held on the 30th April, 2013, 23rd July, 2013, 29th October, 2013 and the 3rd February, 2014. 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. Jhunjunwala*	4	--
Dr. Kamal Gupta	4	4
Shri D. N. Davar	4	4
Shri P.S. Dasgupta	4	2

\* Shri L. N. Jhunjunwala has resigned from the Directorship of the Company w.e.f. 21st April, 2014.



#### 4. Shareholders'/Investors' Grievance Committee

The Company's Shareholders'/Investors' Grievance Committee comprised of following Directors as on the 31st March, 2014:

- 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. Shri Vikas Prakash, Company Secretary of the Company, was the Secretary of the Committee till the 25th July, 2013. Thereafter Shri P.S. Puri has been acting as the Compliance Officer of the Company. 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. Ms. Sweta Garg is appointed as Company Secretary and Compliance Officer of the Company w.e.f. 31st March, 2014.

The Committee met four times during the year under review ended the 31st March, 2014 on the 30th April, 2013, 23rd July, 2013, 29th October, 2013 and the 3rd February, 2014.

##### Details of Shareholders'/Investors' Grievance Committee

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

The Company received Complaints during the year ended the 31st March, 2014 all of which were redressed/answered to the satisfaction of the shareholders. No Investor Grievance remained unattended /pending for more than 15 days. There were no complaints pending disposal as on the 31st March, 2014. No request for dematerialization of Equity Shares of the Company was pending for approval as at the 31st March, 2014.

##### Details of Shareholders'/Investors' Queries and Grievances received and attended by the Company during the year ended the 31st March, 2014.

Sl. No.	Nature of Query/Complaint	Pending as on 1st April, 2013	Received during the year	Addressed during the year	Pending as on 31st March, 2014
1.	Transfer / Transmission / Issue of Duplicate Shares	-	-	-	-
2.	Non-receipt of Dividend & Non-receipt of Annual Report	-	6	6	-
3.	Dematerialization/Rematerialization of shares	-	1	1	-

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

The Board of Directors has also delegated the authority to approve the share transfers to 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.

A qualified practising Company Secretary carries out a Reconciliation of Share Capital Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and places the report for the perusal of the Board.

#### 5. 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, 2014:

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

Dr. Kamal Gupta is the Chairman of this Committee.

No meeting was held during the financial year ending 31st March, 2014.

##### Remuneration Policy

The compensation terms of executive directors are approved by the Board of Directors upon recommendation of the Remuneration Committee and subsequently 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.

## Remuneration Paid or Payable to Directors as on the 31st March, 2014

Name of Director	Category	Sitting fee	Salaries, allowances and perquisites #	Commission	Total (₹)
Shri L. N. Jhunjunwala	Promoter - Non-Executive	--	--	--	--
Shri Ravi Jhunjunwala	Promoter - Non-Executive	80,000	--	--	80,000
Shri Shekhar Agarwal*	Promoter - Executive	--	1,05,21,470	78,57,130	1,83,78,600
Dr. Kamal Gupta	Independent - Non-Executive	3,40,000	--	--	3,40,000
Shri D. N. Davar	Independent - Non-Executive	2,40,000	--	--	2,40,000
Shri P. S. Dasgupta	Independent - Non-Executive	80,000	--	--	80,000

# Includes retirement benefits excluding leave encashment & gratuity.

\* Shri Shekhar Agarwal, Managing Director holds 1.82 % of Equity Shares as on the 31st March, 2014 in the Company.

Shri Shekhar Agarwal, Managing Director, was paid remuneration, including commission, as approved by the shareholders in their Annual General Meeting held on September 30, 2013.

During the year ended the 31st March, 2014, 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, 2014.

Name of Director	Category	Number of Shares held	Convertible Warrant
Shri L. N. Jhunjunwala	Promoter - Non-Executive	Nil	Nil
Shri Ravi Jhunjunwala	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 fee of ₹ 20,000/- 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.

## 6. Management

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

During the financial year ended the 31st March, 2014, 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 2.8.8 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
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 as to the service of notice and documents to any member of the Company, either by post or through electronic mode or by personal delivery.
21st December, 2012	2011-2012	Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh – 451660	11:30 A.M.	--
30th September, 2013	2012-2013	Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh – 451660	11:00 A.M.	Approval for the reappointment of Shri Shekhar Agarwal as Managing Director of the Company for a period starting from 1st April, 2013 to 31st March, 2016.  Altered the Articles of Association for the purpose of conducting of Board or any committee meeting and for the purpose of forming the quorum of such meetings, participation of Directors through video-conferencing or tele-conferencing or through electronic or any other media.

During the year ended 31st March 2014, no resolution was required to be passed through Postal Ballot.



#### **EXTRA-ORDINARY GENERAL MEETING (EGM)**

A Extra-ordinary General Meeting of the members of the Company was called on the 15th day of March, 2014 at the Registered office of the Company.

The following Special Resolutions were taken up in the Extra-ordinary General Meeting, and were passed with requisite majority.

- Approval of the borrowing limit of the Company by a Special Resolution as per the Companies Act, 2013.
- Approval of the alteration of the Article of Association of the Company.

#### **8. Constitution and re-naming of Committees**

The Board of Directors of the Company in their meeting held on 22nd April, 2014 have constituted/renamed the following Committees of the Board in order to align them with the requirement of Companies Act, 2013 and Clause 49 of the Listing Agreement as per SEBI Circular dated 17th April, 2014.

##### **Corporate Social Responsibility Committee.**

The Corporate Social Responsibility Committee comprising of Shri P.S. Dasgupta, Independent Director, Shri Shekhar Agarwal, Managing Director and Shri Shantanu Agarwal, Director was constituted with Shri P.S. Dasgupta as Chairman of the Committee.

The Corporate Social Responsibility Committee shall function as under:

- Formulate and recommend to the Board, the Corporate Social Responsibility policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken by the Company.
- Monitor the Corporate Social Responsibility policy from time to time.
- Carry out such other functions as are required or appropriate in discharging their duties.

##### **Nomination and Remuneration Committee**

The existing Remuneration Committee of the Board of Directors is renamed as Nomination and Remuneration Committee. The said Committee shall continue to function in accordance with the provisions of Companies Act, 2013 as well as Clause 49 of the Listing Agreement which include the following-:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria and recommend to the Board their approval and removal.
- Carry out the evaluation of directors performance.
- Formulate the criteria for determining qualification, positive attributes and independence of a director.
- Recommend to the Board a policy relating to the remuneration for the directors, KMP and other employees.
- Carry out such other functions as are required or appropriate in discharging their duties.

##### **Stakeholders' Relationship Committee**

The existing Shareholders'/Investors' Grievance Committee of the Board of Directors is renamed as Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee shall mainly look into the matters pertaining to redressal of the stakeholder grievances and related matters.

#### **9. Disclosures:**

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

- A Statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the audit committee.
- Details of material individual transactions with related parties which are not in the normal course of business shall be placed before the audit committee.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis should be placed before the audit committee, together with Management's justification for the same.

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

In preparation of financial statements a treatment different from that prescribed in an Accounting Standards has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

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

The Company has a well-defined risk management framework in place. Under this framework, the Management identifies and monitors business risks on a continuous basis and initiates appropriate risk mitigation steps as and when deemed necessary. The Company has established procedures to periodically place before the Board the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework.

##### **(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.

**10. 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). The objective of this policy is to prevent purchase and sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Necessary procedures have been laid down for directors, officers and designated employees, for trading in the securities of the Company. To deal in securities, beyond specified limit, permission of compliance officer is required. The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading Window closure, 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.

**11. Code of Conduct**

A code of conduct, evolved in line with the industry practices was adopted by the Board. The Company is committed to conduct its business in accordance with the pertinent laws, rules and regulations and with the highest standards of business ethics. A copy of code of conduct has been placed on the Company's website [www.maraloverseas.com](http://www.maraloverseas.com). All members of the Board and Senior Management have confirmed compliance with the code of conduct for the year under review.

**12. 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.

**13. 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](http://www.maraloverseas.com).

The Company has a designated an email-id [maral.investor@Injbhilwara.com](mailto:maral.investor@Injbhilwara.com)

**14. Shareholders**

**i. Re-Appointment of Non Independent Director**

Two Non Independent 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 Ravi Jhunjhunwala, is retiring by rotation and being eligible, offer himself for re-appointment in the Annual General Meeting.

**Shri Ravi Jhunjhunwala (58)**

Shri Ravi Jhunjhunwala is a Non-Executive Promoter Director of the Company. He holds a degree in B.Com (Hons.) and is also an MBA. He joined the Board of the Company on 27th November, 1996. He is an industrialist with diversified business experience.

**ii. Appointments of Independent Directors**

Pursuant to the provisions of Section 149 read with schedule IV of the Companies Act, 2013, and Clause 49 of the Listing Agreement entered with the Stock Exchanges, the Board of Directors of the Company has proposed to appoint Dr. Kamal Gupta, Shri D.N. Davar and Shri P.S. Dasgupta as Independent Directors for one more term of 5 consecutive years commencing from the ensuing AGM.

**Dr. Kamal Gupta (68)**

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 expertised in the areas of Finance, Accounting and Corporate Laws.

**Shri Dharmendar Nath Davar (79)**

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 - In-charge 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. 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.

**Shri P. S. Dasgupta (59)**

Shri P. S. Dasgupta has been engaged in the practice of Law since 1978. He worked as a Sr. Associate for 15 years with JB Dadachanji & Co., and where he was regularly consulted on strategic corporate and commercial issues. In 1992, he set up his own practice and founded New Delhi Law Offices, offering full spectrum legal services. Under his guidance and support, NDLO provides highly specialized legal advisory services in areas of strategic investments both in and outbound, entry strategy, mergers, acquisitions and restructuring, consolidation and liquidation, finance, securities and capital markets, infrastructure, technology transfer, anti-dumping and real estate. He is a specialist, inter alia, in structuring and negotiation of Joint Ventures and Foreign Collaborations & devising entry strategies.





Details of Directorships Held in Other Companies

Directors Name	Name of the company in which Directorship held *	Committee Chairmanship	Committee Membership
Shri Ravi Jhunjunwala	AD Hydro Power Ltd.	- Audit Committee	--
	Bhilwara Energy Ltd.	--	--
	Bhilwara Green Energy Ltd.	--	--
	BSL Ltd.	--	- Shareholders' / Investors' Grievance Committee
	Cheslind Textiles Ltd.	--	--
	HEG Ltd.	--	- Shareholders' / Investors' Grievance Committee
	Indo Canadian Consultancy Services Ltd.	--	--
	India Glycols Ltd.	--	--
	JK Lakshmi Cement Ltd.	--	--
	Malana Power Company Ltd.	- Audit Committee	--
	NJC Hydro Power Ltd.	--	--
RSWM Ltd.	--	--	
Dr. Kamal Gupta	AD Hydro Power Ltd.	--	- Audit Committee
	Bhilwara Energy Ltd.	--	--
	HEG Ltd.	--	- Audit Committee - Shareholders' / Investors' Grievance Committee
	Malana Power Company Ltd.	--	- Audit Committee
	PNB Gilts Ltd.	- Audit Committee	- Shareholders' / Investors' Grievance Committee
	RSWM Ltd.	- Audit Committee - Shareholders' / Investors' Grievance Committee	--
Shri. D. N. Davar	Ansal Properties & Infrastructure Ltd.	- Audit Committee	--
	Adyar Gate Hotels Ltd.	--	--
	Cimmco Ltd.	--	- Audit Committee
	Sandhar Technologies Ltd.	--	--
	HEG Ltd.	- Audit Committee	--
	Hero Fincorp Ltd.	- Audit Committee	--
	Landmark Property Development Co. Ltd.	--	--
	Mansingh Hotels & Resorts Ltd.	--	--
	OCL India Ltd.	- Audit Committee	--
	RSWM Ltd.	--	- Audit Committee - Shareholders' / Investors' Grievance Committee
	Titagarh Wagons Ltd.	- Audit Committee	--
Titagarh Marine Ltd.	--	--	
Shri P. S. Dasgupta	Asian Hotels (North) Ltd.	--	--
	Bhilwara Technical Textiles Ltd.	- Shareholders' / Investors' Grievance Committee	- Audit Committee
	Cummins India Ltd.	--	- Audit Committee - - Shareholders' / Investors' Grievance Committee
	Ester Industries Ltd.	--	--
	Interstar Finance Services Ltd.	--	--
	Otis Elevators Co. India Ltd.	--	- Audit Committee - Shareholders' / Investors' Grievance Committee
	RSWM Ltd.	--	--
	Tricone Projects India Ltd.	--	- Audit Committee
Timken India Ltd.	- Audit 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**

Date	: 26th September, 2014.
Day	: Friday.
Time	: 11.00 A.M.
Venue	: Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone - 451 660, Madhya Pradesh.

**2. Financial Calendar**

Financial year	: April, 2013 to March, 2014
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** : 17th September, 2014 (Wednesday) to 26th September, 2014 (Friday) (Both days inclusive)

**4. Equity Dividend Payment Date** : Not applicable

**5. Listing of Equity Shares on Stock Exchange**

- 1) BSE Ltd. - 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 BSE Ltd. upto 31st March, 2015.

**6. Stock Code:**

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

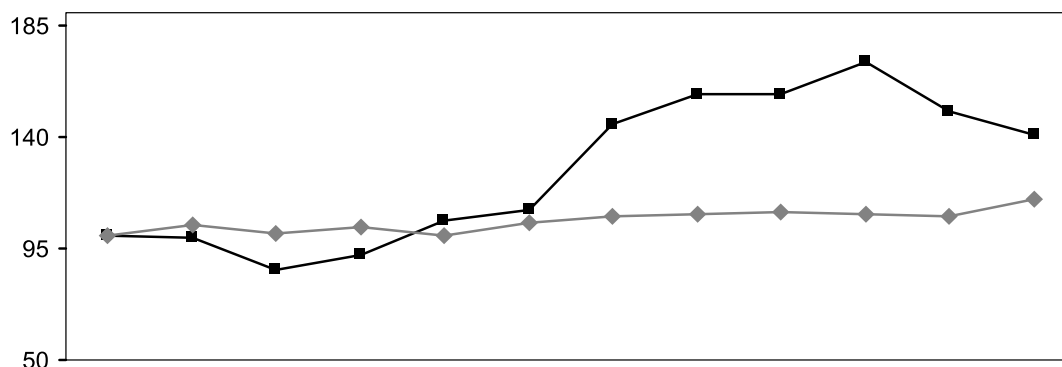
**7. Stock Market Data:****Share Price of Maral Overseas Limited at BSE /NSE in 2013-14**

Months	BSE Ltd.			National Stock Exchange of India Ltd		
	High	Low	Volume	High	Low	Volume
Apr-13	14.00	10.05	49,336	14.50	10.00	55,605
May-13	13.95	10.10	86,204	13.60	9.50	1,00,948
June-13	12.14	8.91	62,645	11.50	8.55	64,142
July-13	12.90	9.10	56,971	13.50	9.55	1,18,038
Aug-13	14.90	9.06	97,410	15.00	9.00	1,65,907
Sep-13	15.45	12.20	73,027	15.75	12.25	1,20,803
Oct-13	20.30	13.65	2,25,977	20.50	13.55	2,78,280
Nov-13	21.95	17.00	2,52,382	21.90	16.75	3,38,261
Dec-13	21.95	17.55	1,81,008	21.85	17.50	3,56,681
Jan-14	23.80	18.50	2,10,038	23.90	18.80	3,89,031
Feb-14	21.00	16.00	87,871	20.40	16.30	1,44,711
Mar-14	19.75	16.60	84,773	18.90	16.30	1,36,589

Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2013)



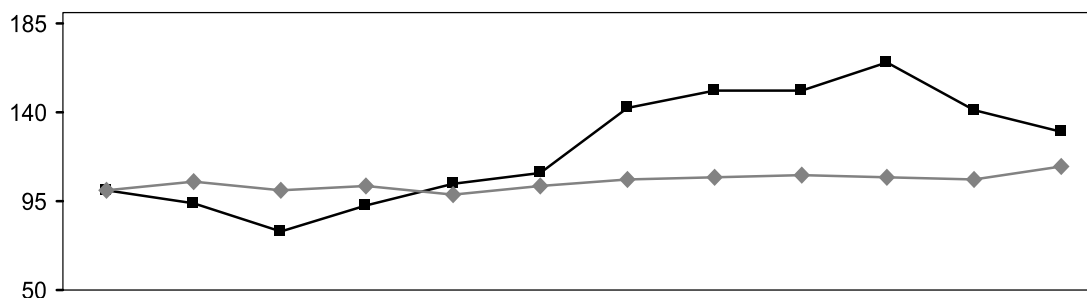
Source: BSE Ltd.



	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
■ MOL (High)	100.00	99.64	86.71	92.14	106.43	110.36	145.00	156.79	156.79	170.00	150.00	141.07
◆ Sensex (High)	100.00	104.18	101.21	103.71	99.73	105.69	108.07	108.66	109.48	109.11	107.74	114.50

Performance in comparison with NIFTY (Both series indexed to 100 as on April, 2013)

Source: National Stock Exchange of India Ltd.



	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
■ MOL (High)	100.00	93.79	79.31	93.10	103.45	108.62	141.38	151.03	150.69	164.83	140.69	130.34
◆ NIFTY (High)	100.00	104.48	100.82	102.20	97.72	103.02	105.82	106.38	107.60	106.64	105.37	112.88

#### 8. Registrar and Transfer Agents:

The Company on the request of M/s MCS Limited has transferred the share transfer registry work to M/s MCS Share Transfer Agent Limited w.e.f. 28th April, 2014. The Shareholders may contact M/s MCS Share Transfer Agent Limited for matters related to Share Transfers etc. at the following address:

MCS Share Transfer Agent Limited

F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020

Phone No (s) : 011-41406149-52,

Fax No : 011-41709881,

E-Mail : mcssta@rediffmail.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 15 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, 2014 were 5600 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, 2014.**

No. of Equity shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	15148	87.18	22,47,441	5.41
501-1000	1048	6.03	9,00,094	2.17
1001-10000	1031	5.93	29,66,250	7.14
10001 and above	128	0.74	3,53,88,473	85.24
Shares in Transit	21	0.12	15,742	0.04
<b>Total</b>	<b>17376</b>	<b>100.00</b>	<b>4,15,08,000</b>	<b>100.00</b>

**11. Shareholding Pattern as on the 31st March, 2014**

Category		No. of Shares held	Percentage of Shareholding
<b>A.</b>	<b>Promoters &amp; Promoter Group</b>	3,11,09,829	74.95
<b>B.</b>	<b>Public Shareholding</b>		
I	Banks	300	0.00
II	Financial Institutions and Insurance Companies, Mutual Funds & UTI	1,100	0.00
III	Foreign Institutional Investors	5,800	0.01
IV	NRIs	60,716	0.15
V	Bodies Corporate	17,91,028	4.32
VI	Individuals	85,23,485	20.53
VII	Clearing Members	15,742	0.04
	<b>Total</b>	<b>4,15,08,000</b>	<b>100.00</b>

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

**A. Equity Shares as on the 31st March, 2014**

S.No.	Description	No. of Share holders	No. of Shares	% of Equity
1.	Central Depository Services India Limited (CDSL)	3226	2,39,40,691	57.68
2.	National Securities Depository Limited (NSDL)	7788	1,67,63,499	40.38
3.	Physical	6362	8,03,810	1.94
	<b>Total</b>	<b>17376</b>	<b>4,15,08,000</b>	<b>100.00</b>

The ISIN number for Equity Shares of the Company in NSDL and CDSL is **INE882A01013**. 4,07,04,190 equity shares were dematerialized till 31st March, 2014 which is 98.06 % 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 promoter group in physical form.



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

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

**14. Plant Locations:**

- 1) Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone – 451660, Madhya Pradesh.
- 2) A-11, Hosiery Complex, Phase – II (Extension), Noida – 201 305 (U.P.)
- 3) C-126, Sector-63, Noida - 201 307 (U.P.)

**15. Address for Correspondence**

Investor correspondence should be addressed to:

**1. Registrar & Share Transfer Agent\***

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

\* The Company had changed its Registrar & Transfer Agent (RTA) from M/s. MCS Ltd. to M/s. MCS Share Agent Ltd. w.e.f. 28th April, 2014.

**2. Company Secretary**

Maral Overseas Limited,  
Bhilwara Towers, A-12, Sector 1, Noida- 201301(U.P.)  
Phone No: 0120 -4390000, Fax No. : 0120-4277841  
E-mail: maral.investor@lnjbhilwara.com

**16. Other information to the Shareholders**

**Green Initiative**

As a responsible Corporate citizen, the Company welcome the Green Initiative by sending the communications/documents including Notices for General Meeting and Annual Reports from time to time in electronic mode to those members who have provided their e-mail addresses to their Depository Participants (DP).

Shareholders who have not registered their e-mail addresses are requested to register/update their e-mail addresses in respect of equity shares held by them in demat form with their respective DPs and in case of physical form with the Company.

**Internal Complaints Committee (ICC)**

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which came into effect from the 9th of December, 2013, the Company has formulated a Internal Complaints Committee that will ensure a work environment free of all forms of sexual harassment- verbal, written, physical, visual or otherwise.

The Committee is formed as per the statute, it is headed by a women employee, the committee comprises of more than half representation of women, it has adequate independent representation of women from the social and legal fields. It lays down the whole procedure of filling complaint, enquiry, redressal of grievance and taking action against those who are found guilty by the Committee in a fairly transparent manner.

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

The Company transferred 5100 Equity Shares in respect of 43 shareholders in the name of "Maral Overseas Limited – Unclaimed Suspense Account" on the 7th August, 2012 and these shares were subsequently dematerialized. Thereafter, the Company did not receive any claim from the shareholders. As on the 31st March, 2014, 5100 shares are still lying in the Unclaimed Suspense Account.

Place : Noida  
Dated: 22nd April, 2014

**Shekhar Agarwal**  
Managing Director  
DIN-00066113

## INDEPENDENT AUDITORS' REPORT

To the members of

**Maral Overseas Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Maral Overseas Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements**

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purpose 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 comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

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

**Mukesh Goyal**  
Partner  
Membership No.081810  
Noida (U.P.)  
22nd April, 2014

**Ashim Agarwal**  
Partner  
Membership No.084968

**Annexure 'A' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Maral Overseas Limited**

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 verification programme to ensure that all assets are verified at least once in every three years 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, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities. According to the records of the Company and as explained to us the company did not have any dues on account of investor education and protection fund.
- (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 less 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. In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained.
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 not been used for long term investments.
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  
Chartered Accountants  
Firm Registration No. 000561N

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

**Mukesh Goyal**  
Partner  
Membership No.081810  
Noida (U.P.)  
22nd April, 2014

**Ashim Agarwal**  
Partner  
Membership No.084968

#### 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, 2014

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Forum where the dispute is pending
Income Tax Act	AY 2001-02	8.75	Dy CIT (For rectification)
	AY 2002-03	45.00	CIT (Appeals) & Dy CIT (For rectification)
	AY 2003-04	27.64	CIT (Appeals)
Madhya Pradesh Parvesh Kar Adhiniyam	Entry Tax	53.60	M.P. Commercial Tax Appellate Board
Madhya Pradesh Electricity Duty (Amendment) Act, 2011	Electricity duty on power purchased through open access	44.26	Hon'ble High Court of Madhya Pradesh
Madhya Pradesh Upkar (Sanshodhan) Adhiniyam, 2012	Energy development cess on captive generation	31.75	Hon'ble High Court of Madhya Pradesh
Madhya Pradesh Electricity Regulatory Commission	Duty on scrap sale	152.57	CESTAT
Central Excise Act	Duty rate on debonded goods	88.69	CESTAT
	Duty on shortage of cotton	5.47	CESTAT
	Denial of cenvat credit	49.90	CESTAT
	Duty & penalty	60.15	CESTAT

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

	Notes	As at 31.03.2014	As at 31.03.2013
/ Lacs			
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	2.1.1	7,236.20	7,236.20
Reserves and Surplus	2.1.2	1,448.43	(1,503.43)
<b>Sub Total A</b>		<b>8,684.63</b>	<b>5,732.77</b>
<b>Non-current liabilities</b>			
Long Term Borrowings	2.2.1	11,175.81	12,768.94
Deferred Tax Liabilities (Net)	2.2.2	-	-
Other Long Term Liabilities	2.2.3	51.77	41.92
Long Term Provisions	2.2.4	167.78	125.94
<b>Sub Total B</b>		<b>11,395.36</b>	<b>12,936.80</b>
<b>Current liabilities</b>			
Short Term Borrowings	2.3.1	7,197.90	7,748.28
Trade Payables	2.3.2	2,563.23	2,268.70
Other Current Liabilities	2.3.3	5,983.67	4,889.11
Short Term Provisions	2.2.4	461.01	401.08
<b>Sub Total C</b>		<b>16,205.81</b>	<b>15,307.17</b>
<b>Total A+B+C</b>		<b>36,285.80</b>	<b>33,976.74</b>
<b>Assets</b>			
<b>Non current assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	2.4.1	16,424.66	18,475.44
Intangible Assets	2.4.2	42.73	61.15
Capital Work-in-Progress		79.95	175.98
Long-Term Loans and Advances	2.4.3	483.30	468.94
Other Non-Current Assets	2.4.4	125.07	122.49
<b>Sub Total A</b>		<b>17,155.71</b>	<b>19,304.00</b>
<b>Current Assets</b>			
Current Investments	2.5.1	12.77	12.77
Inventories	2.5.2	12,964.07	8,778.86
Trade Receivables	2.5.3	3,502.25	3,631.52
Cash and Bank Balances	2.5.4	297.68	639.44
Short Term Loans and Advances	2.4.3	595.77	585.74
Other Current Assets	2.4.4	1,757.55	1,024.41
<b>Sub Total B</b>		<b>19,130.09</b>	<b>14,672.74</b>
<b>Total A+B</b>		<b>36,285.80</b>	<b>33,976.74</b>

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 LimitedFor Doogar & Associates  
Chartered Accountants  
Firm Registration No. 000561NFor Ashim & Associates  
Chartered Accountants  
Firm Registration No. 006064NRavi Jhunjhunwala  
Chairman  
DIN : 00060972Shekhar Agarwal  
Managing Director  
DIN : 00066113Mukesh Goyal  
Partner  
Membership No. 081810Ashim Agarwal  
Partner  
Membership No. 084968P. S. Puri  
Chief Financial OfficerSweta Garg  
Company SecretaryPlace: Noida (U.P.)  
Date: 22nd April, 2014



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	Notes	For the year ended 31.03.2014	For the year ended 31.03.2013
Revenue from Operations	2.6.1		
Sale of Products		62,766.37	53,715.29
Sale of Services		53.14	156.38
Other Operating Revenues		2,538.70	2,036.26
		65,358.21	55,907.93
Less: Excise Duty		(23.20)	(18.70)
		65,335.01	55,889.23
Other Income	2.6.2	717.00	860.75
<b>Total Revenue</b>		<b>66,052.01</b>	<b>56,749.98</b>
Expenses:			
Cost of Materials Consumed	2.7.1	39,430.45	32,790.36
Purchases of Stock-in-Trade	2.7.2	448.78	408.38
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.7.3	(1,217.61)	49.78
Employee Benefits Expense	2.7.4	5,113.08	4,519.00
Finance Costs	2.7.5	1,863.62	2,266.92
Depreciation and Amortization Expense	2.7.6	3,810.85	1,889.36
Other Expenses	2.7.7	13,487.22	12,408.65
<b>Total Expenses</b>		<b>62,936.39</b>	<b>54,332.45</b>
<b>Profit / (Loss) Before Tax</b>		<b>3,115.62</b>	<b>2,417.53</b>
Tax Expense:			
Current Tax		(168.54)	-
Deferred Tax		-	-
<b>Profit / (Loss) for the year</b>		<b>2,947.08</b>	<b>2,417.53</b>
Earnings per Equity Share (par value ` 10 each) :	2.8.1		
Basic		6.57	5.30
Diluted		1.80	1.45
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

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

Ravi Jhunjhunwala  
Chairman  
DIN : 00060972

Shekhar Agarwal  
Managing Director  
DIN : 00066113

Mukesh Goyal  
Partner  
Membership No. 081810  
Place: Noida (U.P.)  
Date: 22nd April, 2014

Ashim Agarwal  
Partner  
Membership No. 084968

P. S. Puri  
Chief Financial Officer

Sweta Garg  
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2014

	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
` / Lacs		
<b>A. Cash Flows from Operating Activities</b>		
Net Profit / (Loss ) before tax	3,115.62	2,417.53
Adjustments for:		
Depreciation & Amortisation	3,810.85	1,889.36
Dividend Received	(1.30)	(1.17)
Interest Income	(97.16)	(78.44)
Interest Expense	1,809.24	2,142.69
Unrealised Foreign Exchange (Gain) / Loss	(112.15)	(49.62)
(Profit)/Loss on Sale/ Discarding of Fixed Assets	714.64	86.22
Provision for Doubtful Debts and Advances	16.81	68.31
Amortisation of Expenses	3.41	3.41
<b>Operating Profit before Working Capital Changes</b>	<b>9,259.96</b>	<b>6,478.29</b>
Movements in Working Capital:		
Trade Receivables	129.27	108.80
Inventories	(4,185.21)	(2,202.02)
Loans & Advances	(51.27)	528.85
Other Assets	(144.16)	(321.94)
Liabilities	975.04	(806.76)
Provisions	143.89	49.67
<b>Cash from / (used in) Operating Activities</b>	<b>6,127.52</b>	<b>3,834.89</b>
Direct Taxes Paid (Net of Refunds)	(158.97)	(4.24)
<b>Net Cash from / (used in) Operating Activities</b>	<b>5,968.55</b>	<b>3,830.65</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(2,703.71)	(874.20)
Sale of Fixed Assets	343.45	19.72
Investments in Bank Deposits (having Original Maturity of more than three months)	-	374.25
Interest Received	103.31	92.29
Dividend Received	1.30	1.17
Dividend Paid (including Tax thereon)	(260.70)	(175.30)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(2,516.35)</b>	<b>(562.07)</b>



	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
` / Lacs		
<b>C. Cash Flows from Financing Activities</b>		
Receipts from Term Borrowings	1,662.61	719.02
Increase\ (Decrease) in Short Term Bank Borrowings	(550.38)	1,081.74
Repayment of Term Borrowings	(2,831.25)	(2,762.89)
Interest Cost	(1,809.83)	(2,119.04)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(3,528.85)</b>	<b>(3,081.17)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(76.65)</b>	<b>187.41</b>
Opening Cash and Cash Equivalents	357.30	169.89
Closing Cash and Cash Equivalents	280.65	357.30

**Notes**

## Components of Cash and Cash Equivalents

Cash on Hand	24.18	17.38
Cheques on Hand	0.68	0.10
Balances with Banks		
In Current and Cash Credit Accounts	255.78	339.81
In Deposit Accounts, with Original Maturity of upto 3 months	-	-
Post Office Saving Account	0.01	0.01
As per the Balance Sheet	280.65	357.30

Summary of significant accounting policies 1.1

As per our report of even date

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

**Mukesh Goyal**  
Partner  
Membership No. 081810  
Place: Noida (U.P.)  
Date: 22nd April, 2014

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

**Ashim Agarwal**  
Partner  
Membership No. 084968

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

**Ravi Jhunjhunwala**  
Chairman  
DIN : 00060972

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

**Shekhar Agarwal**  
Managing Director  
DIN : 00066113

**Sweta Garg**  
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) 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.

#### 1.1 Summary of Significant Accounting Policies

##### a. 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.

##### b. 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.

##### c. 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.

##### d. 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.

##### e. 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".

##### f. Depreciation & Amortisation

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

- i) Plant & Machinery of the garment division, on straight line method at the rates based on their useful life of 10 years, estimated by the Management, which is higher than the rates prescribed in Schedule XIV of the Companies Act, 1956.
- ii) Plant & Machinery, Building, Furniture & Office Equipment other than those covered in (i) above, on straight line method at the rates based on their estimated useful lives, which corresponds to the rates prescribed in Schedule XIV of the Companies Act, 1956.
- iii) Vehicles, on written down value method at the rates based on their estimated useful lives, which corresponds to the rates prescribed in Schedule XIV of 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 rates based on their estimated useful lives, which corresponds to the



rates prescribed for computers in Schedule XIV of 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.

**g. 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.

**h. 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 and 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.

**i. 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.

**j. Miscellaneous expenditure**

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

**k. 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 Statement of Profit and Loss 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.

### **i. 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.

- iii) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

### **m. 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.

### **n. 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.

### **o. 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

₹ / Lacs

	As at 31.03.2014	As at 31.03.2013
<b>Authorised</b>		
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
	<b>7,500.00</b>	<b>7,500.00</b>
<b>Issued, Subscribed &amp; Fully Paid-up</b>		
41,508,000 (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 Rs 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 Rs 100 each	1,200.00	1,200.00
	<b>7,236.20</b>	<b>7,236.20</b>

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

	2013-14		2012-13	
	No. of Shares	₹ / Lacs	No. of Shares	₹ / Lacs
<b>Equity Shares</b>				
At the beginning of the year	41,508,000	4,150.80	41,508,000	4,150.80
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	41,508,000	4,150.80	41,508,000	4,150.80
<b>8 per cent Cumulative Redeemable Preference Shares</b>				
At the beginning of the year	1,885,400	1,885.40	1,885,400	1,885.40
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	1,885,400	1,885.40	1,885,400	1,885.40
<b>3 per cent Cumulative Redeemable Preference Shares</b>				
At the beginning of the year	1,200,000	1,200.00	1,200,000	1,200.00
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	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 31.03.2014		As at 31.03.2013	
	No. of Shares	%	No. of Shares	%
	Held	holding	Held	holding
<b>Equity shares of ₹ 10 each fully paid</b>				
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
<b>8 per cent CRPS of ₹ 100 each fully paid</b>				
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
<b>3 per cent CRPS of ₹ 100 each fully paid</b>				
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
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

Rs / Lacs

	As at 31.03.2014	As at 31.03.2013
<b>Capital reserve</b>		
Balance as per the last Financial Statements	123.47	123.47
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>123.47</b>	<b>123.47</b>
<b>Capital redemption reserve</b>		
Balance as per the last Financial Statements	2,000.00	2,000.00
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>Securities Premium Account</b>		
Balance as per the last Financial Statements	2,590.07	2,590.07
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>2,590.07</b>	<b>2,590.07</b>
<b>Hedging reserve</b>		
Balance as per the last Financial Statements	6.60	
Add: Additions during the year	229.96	6.60
Less: Reclassified to Statement of Profit and Loss during the year	(6.60)	
<b>Closing balance</b>	<b>229.96</b>	<b>6.60</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	2,915.55	2,915.55
Add: Transfer from Statement of Profit and Loss	-	-
<b>Closing balance</b>	<b>2,915.55</b>	<b>2,915.55</b>
<b>Surplus / (deficit) in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	(9,139.12)	(11,295.95)
Add: Amount transferred from Statement of Profit and Loss	2,947.08	2,417.53
	(6,192.04)	(8,878.42)
<b>Appropriations:</b>		
Proposed dividend on Preference Shares	186.83	222.83
Tax on dividend	31.75	37.87
Amount transferred to General Reserve	-	-
<b>Closing balance</b>	<b>(6,410.62)</b>	<b>(9,139.12)</b>
	1,448.43	(1,503.43)

## Information with regards to dividend is as follows

	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Total / Lacs	Per share	Total / Lacs	Per share
Dividends proposed to be distributed to preference shareholders				
8 per cent Cumulative Redeemable Preference Shares	150.83	8.00	150.83	8.00
3 per cent Cumulative Redeemable Preference Shares	36.00	3.00	72.00	6.00

## 2.2.1 Long Term Borrowings

` / Lacs

	Non-current portion		Current maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Term Loans				
From Banks (secured)	8,328.35	9,288.77	2,615.31	2,207.51
From Financial Institutions (secured)	2,099.60	2,567.11	467.51	450.81
Others				
From Bank - Forex Derivative Loss Loan (secured)	247.86	413.06	165.21	165.21
Loans and Advances from Related Parties (unsecured)	500.00	500.00	-	-
	11,175.81	12,768.94	3,248.02	2,823.53
The above amount includes				
Secured Borrowings	10,675.81	12,268.94	3,248.02	2,823.53
Unsecured Borrowings	500.00	500.00	-	-
Amount disclosed under the head "Other Current Liabilities" (Refer note 2.3.3)			(3,248.02)	(2,823.53)
	11,175.81	12,768.94		

## Notes:

- a. 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.

Term loans from both Banks & Financial Institutions, alongwith working capital facilities from banks, are secured by pledge of stipulated promoter's equity shareholding, constituting 36% of the present equity capital, in favour of the lenders on pari-passu basis.

- b. Maturity profiles of secured loans are as set out below:

` / Lacs

Lending Institution	Outstanding as at 31.3.2014	Maturity Profile				
		2014-15	2015-16	2016-17	2017-18	2018-19
Term loans from Banks						
Project Term Loans	9,614.16	1,917.10	2,350.60	2,433.66	2,433.66	479.14
Working Capital Term Loans	1,329.50	698.21	631.29	-	-	-
	10,943.66					
Term Loans from Financial Institutions						
Project Term Loans	2,567.11	467.51	534.29	734.65	734.65	96.01
Forex derivative loss loan	413.06	165.21	162.35	85.50		

- c) Unsecured loan from related party is repayable on 31st March, 2019.
- d) 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 interalia 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.

- 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)

₹ / Lacs

	As at 31.03.2014	As at 31.03.2013
<b>Deferred Tax Liabilities</b>		
Depreciation	1,262.59	2,408.33
<b>Deferred Tax Assets</b>		
Employee Benefits	121.81	85.93
Unabsorbed Depreciation	1,115.91	2,257.20
Others	24.87	65.20
<b>Net Deferred Tax</b>	-	-

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

₹ / Lacs

	As at 31.03.2014	As at 31.03.2013
<b>Others</b>		
Deposits under staff scheme for fixed assets	51.77	41.92
	51.77	41.92

## 2.2.4 Provisions

₹ / Lacs

	Long-term		Short-term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>Provision for employee benefits</b>				
Gratuity (Refer note 2.8.7)			92.73	66.32
Superannuation			53.31	40.51
Compensated absences	167.78	125.94	44.54	32.06
<b>Others</b>				
Proposed Dividend on Preference Shares			186.83	222.83
<b>Provision</b>				
For Tax on Proposed Dividend			31.75	37.87
For Current Tax (net of advance tax)			49.93	
For Wealth Tax			1.92	1.49
	167.78	125.94	461.01	401.08

## 2.3.1 Short Term Borrowings

` / Lacs

	As at 31.03.2014	As at 31.03.2013
<b>Secured</b>		
Loans repayable on demand		
Working capital facilities from banks	7,197.90	7,748.28
	<b>7,197.90</b>	<b>7,748.28</b>

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, along with term loans from both Banks & Financial Institutions are secured by pledge of stipulated promoter's equity shareholding, constituting 36% of the present equity capital, in favour of the lenders on pari-passu basis.

## 2.3.2 Trade Payables

` / Lacs

	As at 31.03.2014	As at 31.03.2013
Trade Payables	2,563.23	2,268.70
	<b>2,563.23</b>	<b>2,268.70</b>

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 regards to filing of memorandum, from the respective suppliers.

S.No.	Particulars	As at 31.03.2014	As at 31.03.2013
(i)	Principal amount remaining unpaid as at end of the year	37.85	13.98
(ii)	Interest due on above	-	-
1	Total of (i) & (ii)	37.85	13.98
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

` / Lacs

	As at 31.03.2014	As at 31.03.2013
Current maturities of long-term borrowings (Refer note 2.2.1)	3,248.02	2,823.53
Interest accrued but not due on borrowings	106.30	109.41
Interest accrued and due on borrowings	2.51	
Others		
Advance from customers	409.83	274.96
Employee related liabilities	398.84	392.63
Statutory dues payable	105.34	106.58



	As at 31.03.2014	As at 31.03.2013
Renewable energy obligations	135.33	95.53
Contested demands (net of payments)	220.84	223.89
Rebate & claims	925.77	541.52
Others	430.89	321.06
	<b>5,983.67</b>	<b>4,889.11</b>

#### 2.4.1 Tangible Assets

	Land		Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Live Stock	Total
	Freehold	Leasehold							
<b>Gross Block</b>									
At 1st April, 2012	42.43	36.60	6,604.62	35,783.57	62.04	251.15	210.28	3.70	42,994.39
Additions			0.84	690.58	8.63	3.46	80.17	3.18	786.86
Disposals				418.80	6.65	16.64	10.53	1.25	453.87
<b>At 31st March, 2013</b>	<b>42.43</b>	<b>36.60</b>	<b>6,605.46</b>	<b>36,055.35</b>	<b>64.02</b>	<b>237.97</b>	<b>279.92</b>	<b>5.63</b>	<b>43,327.38</b>
Additions				2,667.52	22.89	7.71	101.53		2,799.65
Disposals			74.12	4,794.77	15.61	76.77	39.59		5,000.86
<b>At 31st March, 2014</b>	<b>42.43</b>	<b>36.60</b>	<b>6,531.34</b>	<b>33,928.10</b>	<b>71.30</b>	<b>168.91</b>	<b>341.86</b>	<b>5.63</b>	<b>41,126.17</b>
<b>Depreciation</b>									
At 1st April, 2012		5.57	2,147.76	20,705.16	37.88	188.18	101.92		23,186.47
Charge for the year		0.37	190.95	1,638.60	3.29	8.40	37.41		1,879.02
Disposals				306.75	6.33	14.18	8.61		335.87
<b>At 31st March, 2013</b>		<b>5.94</b>	<b>2,338.71</b>	<b>22,037.01</b>	<b>34.84</b>	<b>182.40</b>	<b>130.72</b>		<b>24,729.62</b>
Charge for the year		0.37	189.64	3,541.02	3.57	9.15	48.59		3,792.34
Disposals			33.05	3,796.13	10.13	69.94	30.40		3,939.65
<b>At 31st March, 2014</b>		<b>6.31</b>	<b>2,495.30</b>	<b>21,781.90</b>	<b>28.28</b>	<b>121.61</b>	<b>148.91</b>		<b>24,582.31</b>
<b>Impairment Loss</b>									
At 1st April, 2012				134.38					134.38
Charge for the year									
Disposals				12.06					12.06
<b>At 31st March, 2013</b>				<b>122.32</b>					<b>122.32</b>
Charge for the year									
Disposals				3.12					3.12
<b>At 31st March, 2014</b>				<b>119.20</b>					<b>119.20</b>

#### Net Block

<b>At 31st March, 2013</b>	<b>42.43</b>	<b>30.66</b>	<b>4,266.75</b>	<b>13,896.02</b>	<b>29.18</b>	<b>55.57</b>	<b>149.20</b>	<b>5.63</b>	<b>18,475.44</b>
<b>At 31st March, 2014</b>	<b>42.43</b>	<b>30.29</b>	<b>4,036.04</b>	<b>12,027.00</b>	<b>43.02</b>	<b>47.30</b>	<b>192.95</b>	<b>5.63</b>	<b>16,424.66</b>

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

` / Lacs

	Computer Software	Total
<b>Gross Block</b>		
At 1st April, 2012	611.68	611.68
Additions	22.02	22.02
Disposals	–	–
<b>At 31st March, 2013</b>	<b>633.70</b>	<b>633.70</b>
Additions	0.09	0.09
Disposals	0.52	0.52
<b>At 31st March, 2014</b>	<b>633.27</b>	<b>633.27</b>
<b>Depreciation</b>		
At 1st April, 2012	562.21	562.21
Charge for the year	10.34	10.34
Disposals	–	–
<b>At 31st March, 2013</b>	<b>572.55</b>	<b>572.55</b>
Charge for the year	18.51	18.51
Disposals	0.52	0.52
<b>At 31st March, 2014</b>	<b>590.54</b>	<b>590.54</b>
<b>Net Block</b>		
<b>At 31st March, 2013</b>	<b>61.15</b>	<b>61.15</b>
<b>At 31st March, 2014</b>	<b>42.73</b>	<b>42.73</b>

## 2.4.3 Loans &amp; Advances

` / Lacs

	Long-term		Short-term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good unless stated otherwise				
Capital Advances	157.12	164.41		
Security Deposits	210.72	175.80		
Other Loans and Advances				
Advances for Goods / Services				
Unsecured, Considered Good			170.51	255.70
Doubtful			3.44	3.44
Excise Rebates / Refunds Receivable				
Unsecured, Considered Good			25.11	67.18
Doubtful			67.38	50.58
Balances with Statutory Authorities			181.20	88.69
Loans and Advances to Employees	26.59	30.28	81.63	51.40
Prepaid Expenses			126.16	112.12
Other Receivables			11.16	10.64
Direct Taxes Refundable (Net of Provisions)	88.87	98.45		



₹ / Lacs

	Long-term		Short-term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Provision for Doubtful Advances	115.46	128.73	666.59	639.75
			(70.82)	(54.01)
	115.46	128.73	595.77	585.74
	483.30	468.94	595.77	585.74

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.

#### 2.4.4 Other Assets

₹ / Lacs

	Non-current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Others				
Export Benefits Receivable			1,018.27	768.49
Subsidies Receivable			214.75	179.64
Fixed Assets held for sale (at lower of cost and net realizable value)			169.32	2.21
Other Receivables	9.48	9.96	13.09	14.44
Mark-to-Market Gain on Forward Contracts			342.12	56.22
Unamortised Expenses				3.41
Non-Current Bank Balances (Refer note 2.5.4)	115.59	112.53		
	125.07	122.49	1,757.55	1,024.41

After commissioning of captive thermal power plant in the year 2007, the HFO fuelled Wartsila Power Generators were retained as standby. In view of uneconomical cost of power generation, Company has during the year decided to retire them from active use with eventual disposal.

Resultant, loss of ₹ 416.90 lac being difference of WDV and estimated realisable value of these generators has been charged to Statement of Profit and Loss. Realisable value of the generators ₹ 166.25 lac has been shown under "Assets Held For Sale" as at year end, pending their final disposal.

#### 2.5.1 Current Investments

₹ / Lacs

	As at 31.03.2014	As at 31.03.2013
<i>(Valued at Lower of Cost and Fair Value, unless stated otherwise)</i>		
Investments in Equity Instruments		
<i>Quoted</i>		
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 8,100) Equity Shares of ₹ 10 each fully paid	12.77	12.77
	12.77	12.77

` / Lacs

	As at 31.03.2014	As at 31.03.2013
Aggregate amount of quoted investments	12.77	12.77
Market value of quoted investments	26.67	33.48
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)

` / Lacs

	As at 31.03.2014	As at 31.03.2013
Raw Materials (Refer note 2.7.1)	8,890.19	6,127.59
Finished Goods (Refer note 2.7.3)	2,212.55	1,285.26
[Includes Material in Transit ` 68.86 lac; 2013: ` 59.44 lac]		
Work-in-Progress (Refer note 2.7.3)	1,198.23	899.63
Stores and Spares	66.24	114.45
Others		
Packing Materials	14.28	39.63
Fuels	539.80	261.24
[Includes Material in Transit ` 102.72 lac; 2013: ` Nil]		
Waste	42.78	51.06
	12,964.07	8,778.86

### 2.5.3 Trade Receivables

` / Lacs

	As at 31.03.2014	As at 31.03.2013
<i>Unsecured, Considered Good unless stated otherwise</i>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	0.74	1.42
Doubtful	0.44	154.49
	1.18	155.91
Provision for Doubtful Receivables	-	144.60
	(A) 1.18	11.31
Other Receivables		
Unsecured, Considered Good	3,501.07	3,620.21
Doubtful		
	3,501.07	3,620.21
Provision for Doubtful Receivables		
	(B) 3,501.07	3,620.21
<b>Total (A + B)</b>	<b>3,502.25</b>	<b>3,631.52</b>

Trade receivables, outstanding for a period exceeding six months from the date they are due for payment, considered doubtful, include ` 0.44 lac (Previous year ` 9.88 lac) where the buyers have withheld payments on account of quality claims. Necessary provisions for these claims have been made pending final settlement.





2.5.4 Cash and Bank Balances

₹ / Lacs

	Non-current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>Cash and Cash Equivalents</b>				
Balances with Banks				
In Current and Cash Credit Accounts			255.78	339.81
Cheques on Hand			0.68	0.10
Cash on Hand (including foreign currency notes)			24.18	17.38
Others				
Post Office Saving Account			0.01	0.01
			280.65	357.30
<b>Other Bank Balances</b>				
Held as Margin Money	115.03	108.32	16.52	282.13
Under lien with Government Departments	0.56	3.71		
Balances in Savings Account (Employees' Security)			0.01	0.01
Other Deposits		0.50	0.50	
	115.59	112.53	17.03	282.14
Amount disclosed under the head "Other Non-Current Assets" (Refer note 2.4.4)	(115.59)	(112.53)		
			297.68	639.44
Deposits with original maturity for 12 months and more	115.59	112.53	0.50	282.13

2.6.1 Revenue from Operations

₹ / Lacs

	Year Ended 31.03.2014		Year Ended 31.03.2013	
<b>Sale of products</b>				
Manufactured goods				
Yarn	30,891.00		27,723.20	
Fabric	15,442.58		12,027.72	
Garments / Made-ups	11,386.08		9,082.90	
Cotton / Other Waste	4,512.49		4,421.72	
Traded Goods				
Yarn	534.22		459.75	
		62,766.37		53,715.29
<b>Sale of Services</b>				
Job Charges	53.14		156.38	
		53.14		156.38
<b>Other Operating Revenues</b>				
Sale of Surplus Captive Power	1.37		14.21	
Sale of Scrap	275.73		206.25	
Export Incentives	2,261.60		1,815.80	
		2,538.70		2,036.26
		65,358.21		55,907.93
Less: Excise Duty		(23.20)		(18.70)
		65,335.01		55,889.23

## 2.6.2 Other income

` / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest Income	97.16	78.44
Dividend on Current Investments	1.30	1.17
Other Non-Operating Income		
Exchange Gain, Net	299.11	636.17
Profit on Sale of Fixed Assets	78.62	8.00
Miscellaneous Income	240.81	136.97
	717.00	860.75

## 2.7.1 Cost of Material Consumed

` / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Raw Material Consumed		
Cotton	28,310.81	24,284.69
Other Fibers	370.22	190.14
Dyes & Chemicals	2,050.66	1,843.78
Embellishments	1,022.91	832.79
	31,754.60	27,151.40
Purchases (for Consumption)		
Yarn	5,234.58	3,880.85
Fabric	1,674.20	1,039.50
	6,908.78	4,920.35
Other Materials Consumed		
Packing Materials	767.07	718.61
	767.07	718.61
	39,430.45	32,790.36

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:

` / Lacs

	As at 31.03.2014	As at 31.03.2013
Cotton	8,666.13	5,693.15
Other Fibers	79.64	238.63
Dyes & Chemicals	94.79	133.45
Embellishments	49.63	62.36
	8,890.19	6,127.59

2.7.2 Purchases of Stock-in-Trade ` / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Purchases (for trading)		
Yarn	448.78	408.38
	448.78	408.38

2.7.3 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade ` / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013	(Increase) / Decrease
<b>Inventories (At closing)</b>			
Finished Goods	2,212.55	1,285.26	(927.29)
Work-in-Progress	1,198.23	899.63	(298.60)
Waste	42.78	51.06	8.28
	3,453.56	2,235.95	(1,217.61)
<b>Inventories (At Opening)</b>			
Finished Goods	1,285.26	1,216.85	(68.41)
Work-in-Progress	899.63	1,017.45	117.82
Waste	51.06	51.43	0.37
	2,235.95	2,285.73	49.78
	(1,217.61)	49.78	

Breakup of Finished Goods is as under : ` / Lacs

	As at 31.03.2014	As at 31.03.2013
Finished Goods		
Yarn	1,046.32	450.29
Fabric	1,045.09	750.27
Textile Made-Ups	121.14	84.70
	2,212.55	1,285.26

Breakup of work in progress is as under : ` / Lacs

	As at 31.03.2014	As at 31.03.2013
Work-in-Progress		
Spinning & Yarn Dyeing	552.10	424.41
Knitting & Processing	405.27	303.21
Textile Made-Ups	240.86	172.01
	1,198.23	899.63

2.7.4 Employee Benefit Expense ` / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Salaries and Wages	4,569.36	4,086.01
Contribution to Provident and Other Funds	388.25	310.12
Staff Welfare Expenses	155.47	122.87
	5,113.08	4,519.00

## 2.7.5 Finance Costs

` / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest Expense	1,808.69	2,135.66
Interest Expense on Statutory Payments	0.55	7.03
Other Borrowing Costs	54.38	120.05
Exchange Difference to the Extent Considered as an Adjustment to Borrowing Costs		4.18
	1,863.62	2,266.92

## 2.7.6 Depreciation and Amortization Expense

` / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Depreciation of tangible assets	3,792.34	1,879.02
Amortization of intangible assets	18.51	10.34
	3,810.85	1,889.36

- a) The Company has been treating plant & machinery of spinning unit as continuous process plant and providing depreciation accordingly. This practice has consistently been a subject matter of audit observation. Review of industry practice indicates that such machinery are depreciated based on an estimated useful life corresponding to rates prescribed for triple shift operation.

Company has revised the estimated useful life of such plant & machinery to correspond to the rates prescribed, for triple shift operations, in Schedule XIV of the Companies Act, 1956. Accordingly, depreciation has been charged by depreciating the remaining unamortised depreciable amount prospectively over the remaining useful life.

Resultantly, charge on account of depreciation for the year is higher by ` 1765 lac and Profit before tax for the year is lower by even amount.

- b) During the year, in order to align depreciation policy with the current replacement cycle, taking into consideration various factors such as technology up-gradation and industry best practices, the Company has revised the estimated useful life of the plant & machinery deployed in the garment division to 10 years.

Consequent to above, charge on account of depreciation for the year is higher by ` 112 lac and Profit before tax for the year is lower by even amount.

## 2.7.7 Other Expenses

` / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Consumption of Stores and Spare Parts	1,305.52	1,582.73
Job Work Costs	2,588.58	1,757.33
Power & Fuel	4,165.97	4,720.82
Repairs and Maintenance		
Plant & Machinery	162.88	168.79
Buildings	83.98	11.82
Others	115.17	85.02
Insurance	94.44	91.51
Rent	193.59	166.78
Rates and Taxes, Excluding Taxes on Income	104.05	183.46
Prior Period Adjustments	13.69	27.84
Freight & Forwarding	1,138.06	1,233.28
Commission to Selling Agents	629.26	524.05



	Year Ended 31.03.2014	Year Ended 31.03.2013
Other Selling Expenses	963.09	693.69
Provision for Doubtful Debts and Advances	16.81	68.31
Excise Duty (Inc Adjustment on Stocks)	0.24	0.10
Loss on Sale / Discard of Fixed Assets	793.26	94.22
Other Expenses	1,115.22	995.49
Amortisation of Expenses	3.41	3.41
	<b>13,487.22</b>	<b>12,408.65</b>

**Note**

- a. Other expenses include following payments to the statutory auditors (excluding service tax)

	Year Ended 31.03.2014	Year Ended 31.03.2013
As Auditor		
Statutory Audit	18.00	14.00
Limited Review	1.50	1.50
Tax Audit	1.00	1.00
Other Services	1.32	0.97
Reimbursement of Expenses	1.18	1.37

- b. Power and Fuel Charges include Nil (Previous Year 408.01 lac) towards provision made for electricity cess.

**2.8.1 Earnings Per Share**

	2013-2014		2012-2013	
	Basic	Diluted	Basic	Diluted
<b>Numerator</b>	in Lacs			
Net Income / (Loss) for the year	2,947.08	2,947.08	2,417.53	2,417.53
Less: Dividend on Cumulative Redeemable Preference Shares & Tax thereon	218.58	218.58	218.58	218.58
Add: Interest (Net of Tax)		745.35		802.07
Net Earnings / (Loss) for Per Share Calculation	2,728.50	3,473.85	2,198.95	3,001.02
<b>Denominator</b>				
Weighted Average Number of Equity Shares	41,508,000	41,508,000	41,508,000	41,508,000
Dilutive Potential Equity Shares		151,291,066		165,991,243
Total Average Equivalent Shares		192,799,066		207,499,243
<b>Net Earnings / (Loss) Per Share</b>	6.57	1.80	5.30	1.45
Nominal Value Per Share	10	10	10	10

Potential equity options may arise in the event of default in payment due on loan funds. Potential options also 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.

**2.8.2 Contingent Liabilities not provided for in respect of :** ` / Lacs

	As at 31.03.2014	As at 31.03.2013
a) Claims Against the Company not Acknowledged as debts	13.00	13.00
b) Income Tax Matters in Dispute	72.64	27.64
c) Excise / Customs / Service Tax Matters in Dispute	311.04	392.81
d) Non Solar Renewable Energy Obligations	108.50	60.33

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 (d) 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.

**2.8.3 Obligations and Commitments Outstanding:** ` / Lacs

	As at 31.03.2014	As at 31.03.2013
a) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	2,087.57	2,070.24
b) Bills discounted with banks	3,158.11	3,582.77
c) Export obligations under the Export Promotion Capital Goods Scheme, remaining to be fulfilled within the specified period	3,778.63	3,546.58

**2.8.4 Derivative Instruments and Unhedged Foreign Currency Exposure:**
**a) Foreign Currency Forward Contracts Outstanding as at the Balance Sheet Date**

Category	Purpose	Currency	As at 31.03.2014	As at 31.03.2013
Sell	Hedging	USD	110.12	89.04
	Hedging	Euro	7.00	4.00

**b) Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet Date** ` / Lacs

Particulars	Currency	As At 31.3.2014		As At 31.3.2013	
		Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Commission Payable	USD	2.77	166.17	3.45	187.37
	Euro	0.04	3.21	0.02	1.27
Advance from Customer	USD	1.95	116.71	0.40	21.96
	Euro	0.03	2.76		
Import Creditors	USD	0.28	16.51	0.03	1.40
	Euro			0.00	0.01
	HKD			0.10	0.70
	GBP	0.03	2.87		

- 2.8.5 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.

2.8.6 Lease Commitments

The Company leases space for office and other facilities under various operating leases 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.

₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Within one year	78.00	-
One year to five years	143.00	-

2.8.7 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:

₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Provident Fund	226.61	205.43
Superannuation Fund	51.79	27.89

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:

₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Current Service Cost	56.83	49.57
Interest Cost	40.36	33.61
Expected Return on Plan Assets	(43.81)	(35.01)
Recognized Net Actuarial (Gain) / Loss	39.35	18.16
Total Included in 'Employee Benefit Expense'	92.73	66.32
Actual Return on Plan Assets	46.04	41.54

The amounts recognized in the Balance Sheet are as follows:

₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Present Value of Obligation	612.72	504.43
Fair Value of Plan Assets	519.99	438.11
Net Liability	92.73	66.32
Amounts in Balance Sheet		
Liability	92.73	66.32
Asset		
Net Liability	92.73	66.32

#### Reconciliation of benefit obligations & plan assets for the period

Changes in present value of defined benefit obligation

₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Obligations at Period Beginning	504.43	420.08
Current Service Cost	56.83	49.57
Interest Cost	40.36	33.61
Benefits Paid / Payable	(30.48)	(23.51)
Actuarial (Gain) / Loss	41.58	24.68
Obligations at Period End	612.72	504.43

Changes in the fair value of plan assets

₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Plan Assets at Period beginning, at Fair Value	438.11	350.09
Expected Return on Plan Assets	43.81	35.01
Actuarial (Gain) / Loss	2.23	6.53
Contributions by Employer	66.32	69.99
Benefits Paid / Payable	(30.48)	(23.51)
Plan Assets at Period end, at Fair Value	519.99	438.11

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

₹ / Lacs

	As At 31.03.2014	As At 31.03.2013
Insurer Managed Funds	100%	100%
Others	-	-

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

	Year Ended 31.03.2014	Year Ended 31.03.2013
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%





	Year Ended 31.03.2014	Year Ended 31.03.2013
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
	As At 31.03.2014	As At 31.03.2013
Expected contribution to the fund over next one year	92.73	66.32

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:

	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Period ended 31.03.2011	Period ended 30.09.2010
Defined Benefit Gratuity Plans					
Defined Benefit Obligation	612.72	504.43	420.08	349.17	295.09
Plan Assets	519.99	438.11	350.09	293.32	270.86
Surplus / (Deficit)	(92.73)	(66.32)	(69.99)	(55.85)	(24.23)
Experience Adjustments on Plan Liabilities	(41.19)	(22.58)	(21.13)	(15.42)	(12.82)
Experience Adjustments on Plan Assets	2.23	6.04	(8.19)	(9.66)	(1.03)

## 2.8.8 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 in respect of which the reporting enterprise is an associate
    - M/s Agarwal Trademart Private Limited
    - M/s BMD Private Limited

## iv) Enterprises owned or significantly influenced by key management personnel or their relatives

- M/s. RSWM Limited
- M/s. HEG Limited
- M/s. BSL Limited
- M/s. Cheslind Textiles Limited

## b) Transactions with Related Parties:

	` / Lacs	
	2013-14	2012-13
<b>i) For the parties referred to in item (i) above</b>		
Sitting fees paid to		
- Shri Ravi Jhunjunwala, Chairman	0.80	1.00
Remuneration paid to		
- Shri Shekhar Agarwal, Managing Director		
Salary, Allowances and Perquisites	88.45	46.37
Contribution to PF and superannuation	12.96	6.48
Commission	78.57	-
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		
<b>ii) For the parties referred to in item (ii) above</b>		
Rent paid to		
- Smt Shashi Agarwal	2.25	2.25
- Shri Shantanu Agarwal	2.25	2.25
- Shekhar Agarwal (HUF)	1.50	1.50
<b>iii) For the parties referred to in item (iii) above</b>		
Unsecured Loan 'Due to'		
- Agarwal Trademart Private Limited	500.00	500.00
Outstanding 'Due to'		
- Agarwal Trademart Private Limited	-	2.22
Interest Paid		
- Agarwal Trademart Private Limited	40.00	2.47
Job Charges Received		
- BMD Private Limited	0.13	-
Reimbursement of Expenses Recovered		
- BMD Private Limited	0.52	0.55
<b>iv) For the parties referred to in item (iv) above</b>		
Sale of Materials		
- RSWM Limited	1058.20	731.16
- BSL Limited	0.92	3.49
Purchase of Materials		
- RSWM Limited	549.76	347.79
- BSL Limited	7.93	4.12



	` / Lacs	
	2013-14	2012-13
Outstanding 'Due to'		
- RSWM Limited	70.49	20.12
- BSL Limited	0.41	2.69
Rent Paid		
- RSWM Limited	60.02	56.61
Job Charges Received		
- RSWM Limited	0.18	0.24
Job Charges Paid		
- RSWM Limited	-	7.22
Reimbursement of Expenses Paid		
- RSWM Limited	62.36	102.12
- BSL Limited	2.11	2.45
- HEG Limited	2.37	1.79
Interest Paid		
- RSWM Limited	-	0.76
Reimbursement of Expenses Recovered		
- RSWM Limited	6.46	33.34
Sale of Fixed Assets		
- Cheslind Textiles Limited	7.14	-

### 2.8.9 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

` / Lacs

Year ended 31.03.2014	Yarn*	Fabric	Textile Made-ups	Inter Segment & Unallocated Items	Consolidated Total
<b>Sales</b>					
External	36,957.05	16,010.03	12,367.93		65,335.01
Inter Segment	12,214.13	5,863.06		(18,077.19)	
<b>Total Revenue</b>	<b>49,171.18</b>	<b>21,873.09</b>	<b>12,367.93</b>	<b>(18,077.19)</b>	<b>65,335.01</b>
<b>Segment Result</b>	<b>3,391.46</b>	<b>809.12</b>	<b>977.72</b>		<b>5,178.30</b>
Other Income				1.30	1.30
Unallocated Expense				(256.20)	(256.20)
Financial Costs				(1,807.78)	(1,807.78)
Taxes				(168.54)	(168.54)
<b>Net Profit</b>					<b>2,947.08</b>
Assets	29,214.96	4,333.63	2,003.92	733.29	36,285.80
Liabilities	2,941.66	1,718.96	933.17	385.65	5,979.44
<b>Capital Employed</b>	<b>26,273.30</b>	<b>2,614.67</b>	<b>1,070.75</b>	<b>347.64</b>	<b>30,306.36</b>
<b>Capital Expenditure</b>					
Tangible Assets	2,514.46	127.37	157.82		2,799.65
Intangible Assets	0.09				0.09
<b>Non Cash Expense</b>					
Depreciation & Amortisation	3,148.24	494.64	167.97		3,810.85
Impairment Losses					
Other Non Cash Expense				3.41	3.41

\* Includes Captive &amp; Standby Power

` / Lacs

Year ended 31.03.2013	Yarn*	Fabric	Textile Made-ups	Inter Segment & Unallocated Items	Consolidated Total
<b>Sales</b>					
External	33,501.47	12,532.99	9,854.77		55,889.23
Inter Segment	9,372.69	4,716.00		(14,088.69)	
<b>Total Revenue</b>	<b>42,874.16</b>	<b>17,248.99</b>	<b>9,854.77</b>	<b>(14,088.69)</b>	<b>55,889.23</b>
<b>Segment Result</b>	<b>3,583.73</b>	<b>224.89</b>	<b>825.57</b>		<b>4,634.19</b>
Other Income				1.17	1.17
Unallocated Expense				(62.44)	(62.44)
Financial Costs				(2,155.39)	(2,155.39)
Taxes					
<b>Net Profit</b>					<b>2,417.53</b>
Assets	26,413.70	4,525.97	1,981.38	1,055.70	33,976.75
Liabilities	2,184.44	1,426.66	916.55	375.57	4,903.22
<b>Capital Employed</b>	<b>24,229.26</b>	<b>3,099.31</b>	<b>1,064.83</b>	<b>680.13</b>	<b>29,073.53</b>



₹ / Lacs

Year ended 31.03.2013	Yarn*	Fabric	Textile Made-ups	Inter Segment & Unallocated Items	Consolidated Total
<b>Capital Expenditure</b>					
<b>Tangible Assets</b>	569.90	164.11	52.84		<b>786.85</b>
Intangible Assets	21.50		0.52		<b>22.02</b>
<b>Non Cash Expense</b>					
Depreciation & Amortisation	1,334.24	500.90	54.22		<b>1,889.36</b>
Impairment Losses					
Other Non Cash Expense				3.41	<b>3.41</b>

\* Includes captive & standby power

a) **Geographical segments**

₹ / Lacs

Year ended 31.03.2014	North America	Europe	Gulf & Middle East	Far East & South East Asia	Africa	Rest of the World	India*	Total
<b>Revenue</b>								
Sales to External Customers	1,692.49	9,875.77	4,326.74	19,829.48	1,098.40	243.03	28,269.10	<b>65,335.01</b>
<b>Other Segment Information</b>								
Segment Assets	118.37	399.72	49.79	1,474.15		67.27	33,443.22	<b>35,552.52</b>
Unallocated Assets							733.29	<b>733.29</b>
<b>Total Assets:</b>								
Capital Expenditure								
Tangible Fixed Assets							2,799.65	<b>2,799.65</b>
Intangible Assets							0.09	<b>0.09</b>

\* Includes surplus captive & standby power

₹ / Lacs

Year ended 31.03.2013	North America	Europe	Gulf & Middle East	Far East & South East Asia	Africa	Rest of the World	India*	Total
<b>Revenue</b>								
Sales to External Customers	1,585.20	8,512.05	2,467.07	20,821.49	1,171.59	146.66	21,185.17	<b>55,889.23</b>
<b>Other Segment Information</b>								
Segment Assets	202.80	376.49	316.96	1,974.58	58.43		29,991.78	<b>32,921.04</b>
Unallocated Assets							1,055.70	<b>1,055.70</b>
<b>Total Assets:</b>								
Capital Expenditure								
Tangible Fixed Assets							786.85	<b>786.85</b>
Intangible Assets							22.02	<b>22.02</b>

\* Includes surplus captive & standby power

**2.8.10 Value of Imports calculated on CIF basis in respect of :** ₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Raw Materials (including Purchases for Consumption)	1,341.82	1,313.71
Stores & Spare Parts	373.82	593.61
Capital Goods	1,107.49	290.54

**2.8.11 Expenditure in Foreign Currency** ₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
Travelling	36.67	40.35
Commission & Claims	640.70	483.64
Professional & Consultation	24.64	27.64
Other Matters	12.12	12.97

**2.8.12 Details of Imported and indigenous raw material, stores & spare parts consumed** ₹ / Lacs

	Year Ended 31.03.2014		Year Ended 31.03.2013	
	₹ / Lacs	%	₹ / Lacs	%
Raw Materials (including Purchases for Consumption)				
Imported	1,535.58	3.97%	1,103.53	3.44%
Indigenous	37,127.80	96.03%	30,968.22	96.56%
Stores & Spare Parts				
Imported	62.75	4.81%	91.29	5.77%
Indigenous	1,242.77	95.19%	1,491.44	94.23%

**2.8.13 Earnings in Foreign Currency** ₹ / Lacs

	Year Ended 31.03.2014	Year Ended 31.03.2013
FOB value of Exports	36,593.00	34,124.23
Others (Freight, Insurance, Claims etc.)	491.05	591.94

**2.8.14** Previous period's figures have been regrouped and recast wherever considered necessary.

As per our report of even date

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

**Mukesh Goyal**  
Partner  
Membership No. 081810  
Place: Noida (U.P.)  
Date: 22nd April, 2014

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

**Ashim Agarwal**  
Partner  
Membership No. 084968

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

**Ravi Jhunjhunwala**  
Chairman  
DIN : 00060972

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

**Shekhar Agarwal**  
Managing Director  
DIN : 00066113

**Sweta Garg**  
Company Secretary



**FINANCIAL INDICATORS**

/ Lacs

S. NO.	DESCRIPTION	2008-2009 (18 months)	2009-10 (6 months)	2010-11	2011-12	2012-2013	2013-2014
1	Net Turnover	51,862.61	19,962.05	51,039.01	53,591.27	55889.23	<b>65335.01</b>
2	PBIDT	2,943.36	2,589.62	5,948.98	4,399.68	6573.81	<b>8790.09</b>
3	Interest						
	– - Long Term	2,132.08	783.14	1,503.39	1,448.23	1267.14	<b>1129.14</b>
	– - Short Term	1,832.56	468.83	825.45	1,239.81	999.78	<b>734.48</b>
	– - Total	3,964.64	1,251.97	2,328.84	2,688.04	2266.92	<b>1863.62</b>
4	Depreciation	3,125.42	978.73	2,333.47	1,906.95	1889.36	<b>3810.85</b>
5	PBT	(4,146.70)	358.92	1,286.67	(195.31)	2417.53	<b>3115.62</b>
6	Provision for Income Tax	40.22	9.14	-	-	-	<b>168.54</b>
7	PAT	(4,186.92)	349.78	1,286.67	(195.31)	2417.53	<b>2947.08</b>
8	EPS(Weighted Avg.)	(19.24)	0.69	2.60	(0.99)	5.30	<b>6.57</b>
9	Equity Capital	2,175.80	4,150.80	4,150.80	4,150.80	4150.80	<b>4150.80</b>
10	Preference Capital	1,885.40	2,685.40	3,085.40	3,085.40	3085.40	<b>3085.40</b>
11	Return on Net Worth (%) (PAT/Net Worth)	(302.23)	14.28	32.74	(5.48)	42.20	<b>33.93</b>
12	Interest Cover (PBIDT-Tax)/Interest	0.73	2.06	2.55	1.64	2.90	<b>4.63</b>
13	Debt - Equity	17.79	9.32	5.25	4.95	2.72	<b>1.66</b>
14	Return on Sales	(8.07)	1.75	2.52	(0.36)	4.33	<b>4.51</b>
1	Total Capital Employed	30,264.93	30,104.51	32,862.18	24,753.88	27348.68	<b>32548.30</b>
2	Net Worth	1,385.33	2,448.88	3,929.73	3,562.53	5729.36	<b>8684.63</b>
3	Total Debt	28,879.60	27,655.63	28,932.45	24,302.86	23340.74	<b>21621.73</b>
4	Term Debt	24,644.80	22,818.54	20,650.16	17,636.33	15592.46	<b>14423.83</b>
5	Gross Fixed Assets	44,800.81	44,704.42	45,175.42	43,606.08	43961.07	<b>41759.44</b>

## QUANTITATIVE DATA

YEAR	Grey YARN MT	Dyed YARN MT	FABRIC MT	PROCESSED FABRIC MT	GARMENT LAC PCS
<b>PRODUCTION</b>					
2008-2009 (18 months)	23,010.47	1,471.15	3,686.70	4,565.86	52.01
2009-2010 (6 months)	8,451.99	548.16	1,348.03	2,043.34	17.99
2010-2011	16,561.79	1,116.58	3,049.56	3,991.99	36.63
2011-2012	16,003.76	1,107.81	3,457.12	4,084.66	45.44
2012-2013	16,851.56	1,299.68	3,591.89	4,103.13	43.65
<b>2013-2014</b>	<b>17,331.72</b>	<b>1,406.67</b>	<b>3,692.21</b>	<b>4,737.42</b>	<b>53.35</b>
<b>SALES</b>					
2008-2009 (18 months)	18,384.48	985.69	158.06	3,439.54	53.61
2009-2010 (6 months)	6,827.47	365.76	57.95	1,585.88	18.14
2010-2011	13,070.94	800.24	79.71	3,295.97	39.36
2011-2012	11,909.53	835.71	84.79	3,121.89	45.87
2012-2013	12,615.57	975.67	64.09	3,132.32	43.34
<b>2013-2014</b>	<b>12,601.94</b>	<b>941.74</b>	<b>57.62</b>	<b>3,721.07</b>	<b>53.52</b>

## FINANCIAL STATISTICS

## CAPITAL ACCOUNT

( ₹ / Lacs)

YEAR	CAPITAL	RESERVES	NETWORTH
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
2012-2013	7,236.20	(1,503.43)	5,729.36
<b>2013-2014</b>	<b>7,236.20</b>	<b>1,448.43</b>	<b>8,684.63</b>

## REVENUE ACCOUNT

( ₹ / Lacs)

YEAR	NET SALES	OPERATING COST			PBDT	INTEREST	DEPRECIATION	PBT	TAX	PAT
		RAW MATERIAL	PACKING COST	VALUE ADDED						
2008-2009 (18 months)	51,862.61	34,532.19	708.74	16,621.68	2,943.36	3,964.64	3,125.42	(4,146.70)	40.22	(4,186.92)
2009-2010 (6 months)	19,962.05	13,200.65	278.73	6,482.67	2,589.62	1,251.97	978.73	358.92	9.14	349.78
2010-2011	51,039.01	32,415.73	593.09	18,030.19	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)
2012-2013	55,889.23	32,480.13	718.61	22,690.49	6,573.81	2,266.92	1,889.36	2,417.53	-	2,417.53
<b>2013-2014</b>	<b>65,335.01</b>	<b>39,112.15</b>	<b>767.07</b>	<b>25,455.79</b>	<b>8,790.09</b>	<b>1,863.62</b>	<b>3,810.85</b>	<b>3,115.62</b>	<b>168.54</b>	<b>2,947.08</b>





## **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, 2014, 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 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 an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affair of the Company.

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

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

**Mukesh Goyal**  
Partner  
Membership No. 081810

**Ashim Agarwal**  
Partner  
Membership No.084968

Place : Noida (U.P.)  
Dated : 22nd April, 2014

## **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: 22nd April, 2014

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

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





## MARAL OVERSEAS LIMITED

CIN: L17124MP1989PLC008255

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

Phone : +91-07285-265401-265405 Fax :+91-07285-265406

**Corporate Office:** Bhilwara Towers, A-12, Sector – 1, Noida – 201 301 (U.P)

Phone:+91-120-4390300 (EBABX), Fax:+91-120-4277841

E-mail: maral.investor@Injbhilwara.com, Website: www.maraloverseas.com

### NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Friday, the 26th day of September, 2014 at 11.00 a.m. at the Registered Office of the Company at Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, Madhya Pradesh – 451 660 to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the period ended on that date and the Report of Directors and Auditors thereon.
2. To declare the Dividend on Cumulative Redeemable Preference Shares for the year ended 31st March, 2014.
3. To appoint a Director in place of Shri Ravi Jhunjhunwala (DIN : 00060972) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N) and M/s Ashim & Associates, Chartered Accountants (Firm Registration No. 006064N) as Joint Auditors from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS :**

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT Shri Shantanu Agarwal (DIN : 02314304), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd April, 2014, and who hold office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Dr. Kamal Gupta, Director (DIN : 00038490), of the Company who is eligible for appointment and in respect of whom Company has received notice in writing from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one more term of 5 (five) consecutive years commencing from the ensuing AGM."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri D. N. Davar, Director (DIN:00002008), of the Company who is eligible for appointment and in respect of whom Company has received notice in writing from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one more term of 5 (five) consecutive years commencing from the ensuing AGM."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri P. S. Dasgupta, Director (DIN:00012552), of the Company who is eligible for appointment and in respect of whom Company has received notice in writing from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one more term of 5 (five) consecutive years commencing from the ensuing AGM."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment thereof), and subject to applicability of Cost Audit on the Company in terms of the Companies (cost records and audit) Rules, 2014, M/s K. G. Goyal & Co. Cost Accountants, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid the remuneration of Rs. 90,000/- (Rupees Ninety Thousand only) plus service tax and out of pocket expenses that may be incurred by them during the course of audit.

By order of the Board  
For Maral Overseas Limited

Date : 11th August, 2014  
Place : Noida (U. P.)

Sweta Garg  
Company Secretary

## NOTES

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed.
2. **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.** A person can act as a proxy on behalf of Members not exceeding fifty (50) and the holding not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company, a duly certified Board Resolution authorizing their said representative(s) to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 17th September, 2014 to Friday, the 26th September, 2014 (both days inclusive).
5. The relevant documents accompanying the Notice are open for inspection to the members at the Registered Office of the Company during the normal business hours of the Company up to the date of the Meeting.
6. The dividend on Cumulative Redeemable Preference Shares as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration by the members in the AGM.
7. Members are requested to bring their attendance slip with their copy of Annual Report to the meeting.
8. In case of Joint holders attending the meeting, only such joint holder whose name appears earlier in the order of names will be entitled to vote.
9. Members are requested to:
  - (i) Quote their folio number/client ID 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.
10. 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.
11. 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.
12. Members holding shares in physical form are requested to furnish their email ID through e-mail at [maral.investor@lnjbhilwara.com](mailto: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. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode. 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.

13. The Annual Report of the Company will also be available on the website of the Company, [www.maraloverseas.com](http://www.maraloverseas.com).
14. Members holding shares in physical form are requested to dematerialize their holdings in their own interest.
15. 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.
16. The details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
17. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

The instructions for e-voting are as under :

- (a) In case the Member receives an email from NSDL (for members whose email IDs are registered with the Company/DP):
  - (i) Open the e-mail and then open the PDF file namely "MOL e-voting.pdf" with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
  - (ii) Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
  - (iii) Click on Shareholder-Login.
  - (iv) Put user ID and password as initial password/PIN provided in the PDF file.
  - (v) The password change menu will appear on your screen. Change to a new password of your choice with minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\* etc). Please take utmost care to keep your password confidential.
  - (vi) Home page of e-voting appears. Clicks on e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" (E-Voting Event Number) of Maral Overseas Limited
  - (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xi) Institutional shareholders (i.e other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [mkg1999@gmail.com](mailto:mkg1999@gmail.com) with a copy marked to [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (b) In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/ Depository Participants):

- (i) Initial password is provided in the attached sheet on the 'Process and manner for e-voting'.

EVEN (E Voting Event Number)	USER ID	PASSWORD / PIN
-	-	-

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.
- (c) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (d) The e-voting period commences at 9.00 a.m. on Thursday the 18th September, 2014 and will end at 6.00 p.m. on Saturday, the 20th September, 2014. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (e) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of 8th August, 2014.
- (f) Shri Mahesh Kumar Gupta, Practicing Company Secretary (Membership No. FCS 2870), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (g) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- (h) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.maraloverseas.com and on the website of NSDL within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange Limited.
- (i) Members who are not casting their vote electronically, may cast their vote at the Annual General meeting.

By order of the Board  
For Maral Overseas Limited

**Sweta Garg**  
Company Secretary

Date : 11th August, 2014  
Place : Noida (U. P.)

## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No. 5

Shri Shantanu Agarwal was co-opted as an Additional Director of the Company with effect from 22nd April, 2014 and he ceases to hold office from the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and Article 92 of the Article of Association of the Company.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount proposing the candidature of Shri Shantanu Agarwal for the office of the Director of the Company.

The Company has received consent in writing from Shri Shantanu Agarwal to act as Director and intimation to the effect that he is not disqualified from being a Director under Section 164 of the Companies Act, 2014.

Except Shri Shantanu Agarwal himself and Shri Shekhar Agarwal, being relative of Shri Shantanu Agarwal, none of the other Directors & Key Managerial Personnel of the Company including their relatives, to the extent of their shareholding interest, if any, in the Company, are in any way concerned or interested financially or otherwise in the said resolution.

The Board commends the Ordinary Resolution as set out in item No. 5 for approval of the members.

#### Item No. 6 to 8

Pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and Section 149 read with schedule IV of the Companies Act, 2013, it is proposed to appoint Dr. Kamal Gupta, Shri D. N. Davar and Shri P. S. Dasgupta as Independent Directors for one more term of five consecutive years commencing from the date of AGM of the Company, i.e., 26th September, 2014, and as such shall not be liable to retire by rotation.

Dr. Kamal Gupta, Shri D. N. Davar and Shri P. S. Dasgupta are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given the consent to act as Directors. Declaration(s) have been received from Dr. Kamal Gupta, Shri D. N. Davar, and Shri P. S. Dasgupta that they meet with the criteria of Independence under sub section (6) of Section 149 of the Companies Act, 2013.

The Company has received Notice in writing from members along with the deposit of requisite amount proposing candidature of the above Directors. In the opinion of the Board, Dr. Kamal Gupta, Shri D. N. Davar and Shri P. S. Dasgupta fulfill the conditions specified in the Companies Act, 2013, and the rules made thereunder for their appointment as an Independent Director of the Company and are independent of the Management. A copy of draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during normal business hours of the Company.

Except Dr. Kamal Gupta, Shri D. N. Davar and Shri P. S. Dasgupta and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the proposed resolutions.

The Board commends the Ordinary Resolution as set out in item No. 6 to 8 for approval of members.

#### Item No. 9

The Board of Directors of the Company had approved the appointment and remuneration of M/s K. G. Goyal & Co., Cost Accountants upon the recommendation of Audit Committee to conduct the Cost Audit of the Cost records of the Company for the financial year ending 31st March, 2015, subject to the applicability of Cost Audit on the Company in terms of rules framed in this regard by the Ministry of Corporate Affairs.

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors & Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board commends the Ordinary Resolution as set out in item No. 9 for approval of members.

By order of the Board  
For Maral Overseas Limited

Date: 11th August, 2014  
Place: Noida (U. P.)

**Sweta Garg**  
Company Secretary

**ANNEXURE TO NOTICE**  
**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING**  
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Ravi Jhunjhunwala	Dr. Kamal Gupta	Shri D. N. Davar	Shri P.S. Dasgupta	Shri Shantanu Agarwal
Category	Promoter- Non Executive	Independent - Non Executive	Independent - Non Executive	Independent - Non Executive	Promoter – Non-Executive
Interse relationship	N.A.	N.A.	N.A.	N.A.	N.A.
Date of Birth	28.10.1955	12.02.1946	08.08.1934	30.06.1955	19.01.1986
Date of Appointment	27.11.1996	13.07.1991	27.07.2004	20.10.2003	22.04.2014
Qualification	B.Com (Hons), MBA	FCA, FCMA, Ph.D	B.Com (Hons), M.A-Economics, CAIIB, Fellow of the Economic Development Institute of the World Bank.	B.A.(Hons.), LLB, Post Graduate Diploma-Corporate Laws & Labour Laws.	B.S. in Electrical and Computer Engineering- Carnegie Mellon University, USA; MBA from Wharton school of Business (University of Pennsylvania), USA
Expertise in specific functional areas	Industrialist with diversified business experience	Consultant in the area of Finance, Accounting and Corporate Laws. Former Technical Director of the Institute of Chartered Accountants of India. He is renowned author of various books on Auditing and other subjects.	He worked in Senior Managerial Positions with Punjab National Bank from 1958-68 and with IFCI from 1968-1992. He took retirement from IFCI in 1992 as Executive Chairman, a position he held for eight years. He is a part time Consultant to World Bank, UNIDO and Kreditanstalt für Weideraufbau (KfW). He holds a Master Degree in Economics and CAIIB.	Renowned International Corporate Lawyer and represents a leading law firm in Delhi	Industrialist with diversified business experience
List of Other Public Companies in which Directorships held #	1. AD Hydro Power Ltd. 2. Bhilwara Energy Ltd. 3. Bhilwara Green Energy Ltd. 4. BSL Ltd 5. Cheslind Textiles Ltd. 6. HEG Ltd. 7. India Glycols Ltd. 8. Indo Canadian Consultancy Services Ltd. 9. JK Lakshmi Cement Ltd. 10. Malana Power Company Ltd. 11. NJC Hydro Power Ltd. 12. RSWM Ltd.	1. AD Hydro Power Ltd. 2. Bhilwara Energy Ltd. 3. HEG Ltd. 4. Malana Power Company Ltd. 5. PNB Gilts Ltd. 6. RSWM Ltd.	1. Adayar Gate Hotels Ltd. 2. Ansal Properties & Infrastructure Ltd. 3. Cimmco Ltd. 4. HEG Ltd. 5. Hero Fincorp Ltd. 6. Landmark Property Development Co. Ltd. 7. Mansingh Hotels & Resorts Ltd. 8. OCL India Ltd. 9. RSWM Ltd. 10. Sandhar Technologies Ltd. 11. Titagarh Wagons Ltd. 12. Titagarh Marine Ltd.	1. Asian Hotels (North) Ltd. 2. Bhilwara Technical Textiles Ltd. 3. Cummins India Ltd. 4. Ester Industries Ltd. 5. Interstar Finance Services Ltd. 6. Otis Elevators Co. (India) Ltd. 7. RSWM Ltd. 8. Timken India Ltd. 9. Tricone Projects India Ltd.	NIL
Chairman/Member of the Committee of the Board of Directors of the Company	NIL	1. Audit Committee- Chairman 2. Stakeholders' Relationship Committee-Chairman	1. Audit Committee-Member 2. Stakeholders' Relationship Committee -Member	1. Audit Committee - Member	NIL
<b>Chairman/Member of the Committees of Directors of other Companies</b>					
a Audit Committee	1. AD Hydro Power Ltd.- Chairman 2. Malana Power Company Ltd.-Chairman 3. J.K. Lakshmi Cement Ltd.-Member	1. AD Hydro Power Ltd.- Member 2. HEG Ltd.-Member 3. Malana Power Company Ltd.-Member 4. PNB Gilts Ltd.- Chairman 5. RSWM Ltd.-Chairman	1. Ansal Properties & Infrastructure Ltd. – Chairman 2. Cimmco Ltd. - Member 3. HEG Ltd. - Chairman 4. Hero Fincorp Ltd.- Chairman 5. OCL India Ltd. – Chairman 6. RSWM Ltd. – Member 7. Titagarh Wagons Ltd. – Chairman	1. Bhilwara Technical Textiles Ltd.-Member 2. Cummins India Ltd.- Member 3. Otis Elevator Co. (India) Ltd.-Member 4. Timken India Ltd.- Chairman 5. Tricone Projects india Ltd.-Member	NIL
b Stakeholders' Relationship Committee	1. BSL Limited-Member 2. HEG Limited-Member	1. HEG Ltd.-Member 2. PNB Gilts Ltd.-Member 3. RSWM Ltd.-Chairman	1. RSWM Ltd. - Member	1. Bhilwara Technical Textiles Ltd.-Chairman 2. Cummins India Ltd.- Member 3. Otis Elevator Co.(India) Ltd.-Member	NIL
No. of Equity Shares held in the Company	NIL	1000	1000	–	554500

#Excludes Directorships in Private Limited Companies, Foreign Companies, Membership of Management Committee of various chambers/Bodies and Section 8 Companies.



## MARAL OVERSEAS LIMITED

CIN : L17124MP1989PLC008255

**Regd. Office:** Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone (M.P.)

Phone : +91-07285-265401-265405 Fax :+91-07285-265406

**Corp. Off :** Bhilwara Towers, A-12, Sector-1, Noida-201301(U.P), Phone : 91-120-4390300, (EBABX) Fax : +91-120-4277841

E-mail : maral.investor@lnjbhilwara.com, Website : www.maraloverseas.com

### ATTENDANCE SLIP

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 25th Annual General Meeting of the Company to be held on Friday, September 26, 2014 at 11.00 a.m. at the Registered Office of the Company at Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Khasrawad, Distt. Khargone (M.P.).

\* Applicable for investors holding Shares in electronic form.

\*\* Strike out whichever is not applicable

Signature of the Shareholder/Proxy/Representative\*\*

Notes:

1. Members are requested to produce this attendance slip, duly signed in accordance with their specimen signatures registered with the Company, for admission to the meeting.



## MARAL OVERSEAS LIMITED

CIN : L17124MP1989PLC008255

**Regd. Office:** Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone (M.P.)

Phone : +91-07285-265401-265405 Fax :+91-07285-265406

**Corp. Off :** Bhilwara Towers, A-12, Sector-1, Noida-201301(U.P), Phone : 91-120-4390300, (EBABX) Fax : +91-120-4277841

E-mail : maral.investor@lnjbhilwara.com, Website : www.maraloverseas.com

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies [Management and Administration] Rules, 2014]

**Name of the Member(s):** ..... **E mail id:** .....

**Registered Address:** ..... **Folio No/ \*Client Id:** .....

..... **DP Id:** .....

I/We being the member(s) of ..... shares of the above named Company hereby appoint:

1. Name : ..... Address : .....

..... E-mail Id : .....

Signature ....., or failing him/her.

2. Name : ..... Address : .....

..... E-mail Id : .....

Signature ....., or failing him/her.

3. Name : ..... Address : .....

..... E-mail Id : .....

Signature ....., or

failing him/her.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25th Annual General Meeting** of the Company, to be held on **Friday, 26th September, 2014, at 11.00 a.m. at the Registered Office Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone (M.P.)** and at any adjournment thereof in respect of such resolutions as are indicated.

\*\* I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions Numbers	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Balance Sheet as at the 31st March, 2014 and Statement of Profit & Loss for the period ended on that date and the Report of Directors and Auditors thereon.		
2.	To declare the Dividend on Cumulative Redeemable Preference Shares for the year ended 31st March, 2014.		
3.	To appoint a Director in place of Shri Ravi Jhunjhunwala (DIN : 00060972) who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Appointment of M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N) and M/s Ashim & Associates, Chartered Accountants (Firm Registration No. 006064N) as Joint Auditors and to fix their remuneration.		
<b>Special Business</b>			
5.	Appointment of Shri Shantanu Agarwal (DIN : 02314304), (who was appointed as Additional Director and who holds office upto the date of this Annual General Meeting) as Director of the Company, liable to retire by rotation.		
6.	Appointment of Dr. Kamal Gupta (DIN: 00038490) as Independent Director for one more term of 5 (five) consecutive years commencing from the ensuing AGM.		
7.	Appointment of Shri D.N. Davar (DIN: 00002008) as Independent Director for one more term of 5 (five) consecutive years commencing from the ensuing AGM.		
8.	Appointment of Shri P.S. Dasgupta (DIN: 00012552) as Independent Director for one more term of 5 (five) consecutive years commencing from the ensuing AGM.		
9.	Approval of the remuneration payable to M/s.K. G. Goyal & Co. Cost Auditor of the Company for the financial year 2014-15 (subject to applicability of Cost Audit on the Company).		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Affix  
Revenue  
Stamp

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**Notes :**

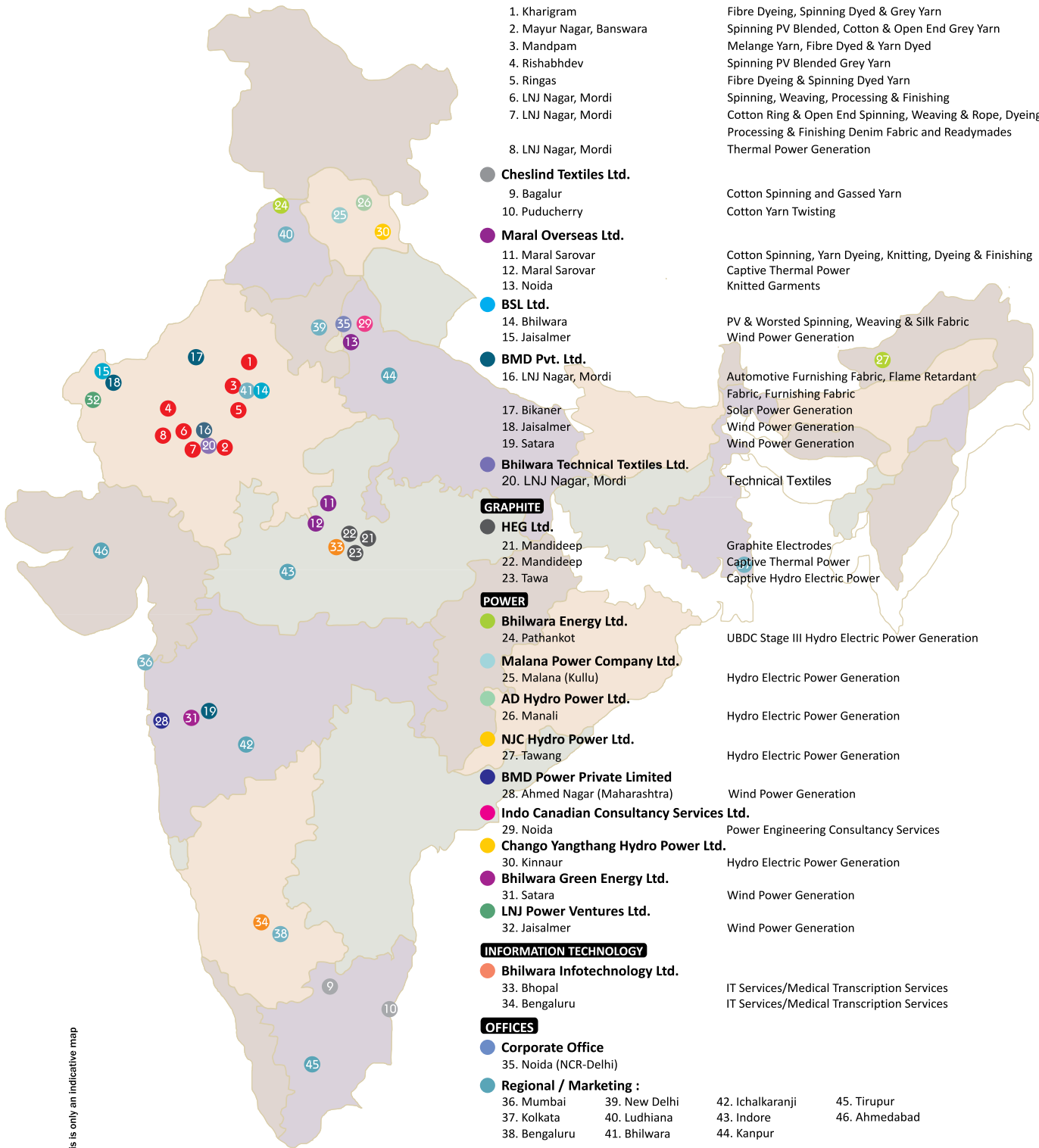
1. The proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. \*\* it is optional to indicate your preference . If you leave the for against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 25th Annual General Meeting.



# NATIONWIDE NETWORK



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL



This is only an indicative map



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL



*Maral Overseas Limited*

CIN L17124MP1989PLC008255

Registered Office:

Maral Sarovar

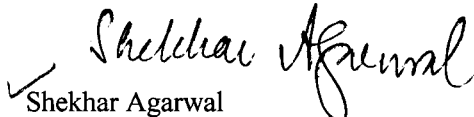
V. & P.O. Khalbujurg, Tehsil Kasrawad,

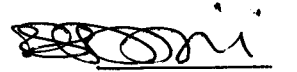
Distt. Khargone - 451 660, Madhya Pradesh, India

Website: [www.maraloverseas.com](http://www.maraloverseas.com)/[www.lnjbhilwara.com](http://www.lnjbhilwara.com)

**FORM A**


1.	Name of the Company:	<b>MARAL OVERSEAS LIMITED</b>
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation:	Unqualified
4.	Frequency of observation:	Not applicable as the report is unqualified.

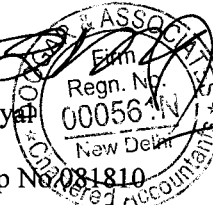
  
Shekhar Agarwal  
Chief Executive Officer  
& Managing Director

  
P. S. Puri  
Chief Financial Officer

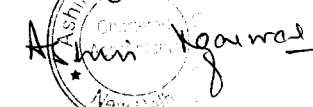
  
Dr. Kamal Gupta  
Chairman – Audit Committee

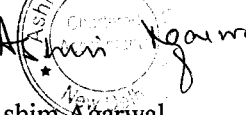
**Auditors of the Company:**  
**For Doogar & Associates**  
Chartered Accountants  
Firm Registration No.00561N

  
Mukesh Goyal  
(Partner)  
Membership No. 081810



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

  
Ashim Agarwal  
(Partner)  
Membership No.084968



Date: 12<sup>th</sup> August, 2014