

# ANNUAL REPORT

2019-20



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL



*Maral Overseas Limited*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>L. N. Jhunjhunwala</b>	<b>Chairman-Emeritus</b>
Shekhar Agarwal	Chairman & Managing Director and CEO
Ravi Jhunjhunwala	Director
Shantanu Agarwal	Joint Managing Director
Dr. Kamal Gupta	Director
Priya Shankar Dasgupta	Director
Archana Capoor	Director

### KEY EXECUTIVES

- **Sarovar Unit**  
Satya Narayan Goyal President
- **Noida Unit**  
Sanjay Janghala Vice President-Operation

### KEY MANAGERIAL PERSONNEL

Shekhar Agarwal	Chairman & Managing Director and CEO
Atul Kumar Jain	Chief Financial Officer
Virendra Kumar Garg	Company Secretary

### 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.)

### AUDITORS

S.S. Kothari Mehta & Co., New Delhi  
P. K. Deora & Co., New Delhi

### BANKERS

Bank of Baroda  
State Bank of India  
Canara Bank  
Central Bank of India  
Export-Import Bank of India  
Union Bank of India

## MANAGEMENT DISCUSSION AND ANALYSIS

### World Economy

The world economy faced an economic downturn in the year 2019-20. The Coronavirus (Covid-19 Virus) outbreak, declared as an unprecedented Pandemic by the World Health Organisation (WHO), clouded the near-term outlook of the global economy. Global growth recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across countries and country-specific factors. The entire world is still in the grip of Covid-19, nations are suffering economically and socially. As a result of the pandemic, the global economy was projected to contract sharply by 3% in 2020, much worse than during the 2008–09 financial crises and its impact will be felt by all businesses around the world. In January, 2020, the International Monetary Fund (IMF) slashed global growth projections for 2019 to 2.9% and for 2020 to 3.3% which indicates that the trade was already slowing down in 2019 before the virus struck, weighed down by trade tensions and slowing economic growth. The United Nations Conference on Trade and Development (UNCTAD) on 9<sup>th</sup> March 2020 estimated a shortfall of US\$2.0 trillion in global income on account of the Covid-19 crisis with a US\$220 billion loss to developing countries. With the escalation in the number of cases, various Governments intervened and encouraged self-isolation, lockdowns and widespread closures to contain the spread of the virus.

The Covid-19 Virus initiated in China and markets with strong economic linkages to China confronted their biggest impairment, as the flow of goods and services came to a virtual halt. The rapid spread of the virus outside China prompted sharp declines in travel and tourism and the cancellation of business and leisure events worldwide. Global supply chains were crippled, air travel was hit and markets stood convulsed. The economic environment became more uncertain, firms turned more cautious on long-range spending and global purchases of machinery and equipment decelerated.

Many countries faced a multi-layered crisis comprising domestic economic disruptions, plummeting external demand, capital flow reversals and a collapse in commodity prices. The pace of recovery depends largely on effective policies undertaken during the crisis, and overcome any further impact on the economy. Because the economic fallout is acute in specific sectors, policy makers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses domestically. To combat the economic slowdown, the US Government in March 2020, introduced a US\$2.2 trillion stimulus package, amounting to nearly 13% of GDP, providing credit to industries, extended unemployment insurance and direct cash payments to all citizens. In Germany, a stimulus package amounting to 750 billion euros was announced while Japan announced the stimulus package worth 108 trillion yen (\$990 billion) - equal to 20% of Japan's economic output to cushion the impact of the epidemic on the world's third-largest economy.

### Indian Economy

India's galloping GDP growth which was aiming for a USD 5 Trillion economy by 2024 seems to have reached a hurdle in the wake of a crisis of unprecedented magnitude. The country's GDP growth was reduced from 7.5% in the beginning of fiscal 2019-20 to 4.2% at

the close of the fiscal year. The slowdown has been a consequence of both, internal and external reasons, such as global economic slowdown, poor auto sales, and flat growth in core sectors with a decline in investment in infrastructure. India's fiscal deficit for FY'20 widened to 4.6% of GDP against the government's estimate of 3.8% of GDP.

With stock markets declining and the rupee depreciating, the economy at large has taken a hit. India's economy was already in a manufacturing recession with core sectors like oil, gas, electricity etc. showing negative growth in the last two quarters of 2019, when the pandemic struck. While the Indian economy was already in a perilous state before Covid-19 struck, the outbreak of the Covid-19 was viewed as an unprecedented shock. With the prolonged country-wide lockdown, global economic slump and associated disruption of demand and supply chain, the economy is likely to face a protracted period of slowdown. The magnitude of the economic impact was felt when the PMI (Purchasing Managers' Index) was 5.4 in April, down from 49.3 in March'20, showing a severe contraction in the economy. The PMI for manufacturing sector fell from 51.8 to 27.4 in the same period, while the services sector also showed a severe contraction.

While the virus scored globally, the Indian government also took proactive measures to shore up an economy that was slowing even before the coronavirus outbreak. The Government of India announced a stimulus combined package worth ₹ 20 Lakh Crores to save the lockdown-battered economy, focusing on providing tax breaks for small businesses and incentives for domestic manufacturing. The combined package forms nearly 10 per cent of the GDP. The Reserve Bank of India undertook emergency measures by cutting interest rates to a record low to increase liquidity, and also offered a 3+3-month EMI moratorium for repayment of loans to banks and financial institutions and provided relief for taxpayers by deferring the ITR and GST filing dates.

According to a report by Fitch Ratings, the recent aggressive macro policy responses taken by various governments across the world with emergency interest rate cuts, massive central bank liquidity injections, macro-prudential easing, credit guarantee schemes and substantive fiscal stimulus will aim to boost growth, helping the level of GDP to revert to its levels in the medium term. The next one year may give numerous aftershocks to all the economies and India will not be an exception. Unemployment level may go up, purchasing power of the people will reduce and consumption will fall as an effect of the recession. Timely intervention and generous financial stimulation by the Governments with assistance of international organisations may reduce the damage of impact and help us to make a fast recovery.

### Industry Scenario

The Textile market is highly fragmented, due to different applications in the fashion, industrial, and household segments. The supply chain for textiles and apparel has become increasingly global, to include North America, Latin America, Europe, Africa and the Asia Pacific region. Customers, suppliers, manufacturers, and assemblers are located throughout the world, and represent new potential partners for U.S. firms looking to expand abroad.

The global textile market size was valued at \$961.5 billion in 2019 and anticipated to reach USD 1,350.2 billion by 2027, and



is estimated to exhibit a CAGR of 4.3% from 2020 to 2027 owing to the increased demand for apparels, especially in developing countries such as China, India, Mexico, and Bangladesh. Furthermore, increasing disposable income and rapid urbanization has led to a rise in the number of supermarkets and retail stores, thereby driving the overall market growth. Global textile and apparel trade is recovering from the pinch of recession and is estimated to grow from the current \$510 billion to reach \$1 trillion by 2020. Growth is spurred by the increasing momentum of exports from Asian countries.

Indian Textiles and Apparels (T&A) industry accounts for approximately 5% of the global T&A market. The T&A industry is one of the largest and the most important sectors for the Indian economy in terms of output, foreign exchange earnings and employment. The industry contributes approximately 13% to industrial output in value terms, 2% to the GDP and 12% to the country's export earnings. Moreover, low labour cost and predominant apparel consumption in India encourages investment to establish new business in the country. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

Growth of the Indian textile and apparel sector is due to increased sourcing by the developed countries. India, Pakistan, China, Cambodia, Bangladesh, Sri Lanka, and Vietnam are on the radar currently. The main strength of India is that it is considered as a suitable alternative for China. One of the main advantage of India is availability of raw material (both natural and man made fibres), abundant and skilled labour, appropriate infrastructure and supply chain.

The domestic textiles and apparel industry, including handicrafts, stood at \$140 billion in 2018-19. Domestic consumption of \$100 billion was split into apparels at \$74 billion, technical textiles at \$19 billion and home furnishings at \$7 billion. Exports were worth the remaining \$40 billion. Exports of textile stood at \$20.5 billion, apparels at \$16.1 billion and handlooms at \$3.8 billion. The share of textile and clothing in India's total exports stood at 12% in 2018-19. FDI in the textiles and apparel industry stood at \$3.1 billion in 2018-19.

The Indian economy has been hit hard by Covid-19. Due to the countrywide lockdown, various transport facilities including trains and flights are suspended which is expected to hurt domestic operations in India. With the virus now also affecting and disrupting global supply chains and economy, the situation has severe implication on the Indian economy as well. The Indian textile industry has a noteworthy presence in both the Indian market as well as in the international markets, but the nationwide lockdown has led to a temporary closure of factories and lay-offs have already begun among low wage workers. Due to lockdown, the daily wage worker have returned to their home towns, which has affected the industry. The pandemic has affected majority of India's export market (the US and EU together constitute for approximately, 60% of the total apparel exports from India in value terms), causing order cancellations/deferral of order leading to inventory build-up and expectation of slower realization of export receivables leading to higher working capital requirements. Additionally, domestic consumption is also getting impacted due to all India closure. The sector has been grappling with liquidity and profitability issues due to a sharp decline in exports, and cheaper imports.

### **Investment in Textile Industry**

The government has been implementing various policy initiatives and programmes for development of textiles and handicrafts, particularly for technology, infrastructure creation, skill development, including: Amended Technology Upgradation Funds Scheme (ATUFS) Power Tax India Scheme, Scheme for Integrated Textile Parks. The setting up of Technical Textiles Mission, abolition of anti-dumping duty on purified terephthalic acid (PTA), correction of inverted duty structure in GST, review of Rules of Origin under the existing free trade agreements (FTAs), and the launch of NIRVIK scheme announced in the budget 2020-21. An amount of ₹ 761.90 crores budget allocation for Amended Technology Upgradation Fund Scheme (ATUFS) was a considerable increase of about 50 per cent compared to last year, which was good for the borrowers under the scheme. However, overall budget allocation of ₹ 3,515 crores to the textiles ministry for the fiscal year 2020-21 was about 27 per cent less than the budget allocated in the fiscal year 2019-20.

### **Opportunities & Threats**

The future of the textile industry in India has a positive outlook and is mirrored by increasingly strong consumption rates in the domestic market as well as the growing demand for exports. Moreover, the industry has earned a unique place in the economy due to its strong future outlook, numerous employment opportunities it has generated and the strong export numbers it has generated. The global apparel manufacturers are finding Bangladesh, Vietnam and India as competitive markets over China. The post coronavirus era has also opened avenues for e-commerce players as the consumers increased their online purchasing as a safe alternative to visiting physical stores. Therefore, there will be an increased focus on e-commerce sales and digitalisation of supply chain.

The outbreak of Coronavirus has created havoc in the textile industries across the Globe. With the steep reduction in demand due to sudden halt of global trade and domestic sales due to the closure of retail stores, the industry is likely to face unprecedented situation. Stock prices of Indian textile and apparel retail companies too plummeted. The changing government policies at the state and central government levels are posing major challenges to the textile industry. The tax structure GST (Goods and Service Tax) makes the garments expensive. However, the increasing labor and energy costs have mitigated the international competitive advantage of China to some extent.

The recent anti-China sentiment, triggered by the trade standoff with the US, intensified with the Corona outbreak. This is likely to be a good opportunity for India to make a mark in the global market once the tide turns. In order to take advantage of this situation, the Indian textile industry would need the support of the government on adequate low-cost funding by banks, modifying export-import policies and continuing with export incentives, major amendment in labour laws to help improve productivity and efficiency especially in the highly labour intensive garment sector, and timely disbursement of the textile ministry's special fund for the sector.

The supply chain needs to accelerate the transformation to a more demand driven model. That's a prerequisite for improving the bottom line. The challenge is for buyers and manufacturers and their suppliers to build responsive, flexible and sustainable value chains that are able to deliver the right product in the right amount at the right time. This

requires collaboration which in turn requires from buyers to look beyond cost, to be prepared to share part of the investment burden by forfeiting short term lower buyer prices for long term gains and to engage suppliers as strategic partners. It also requires an acceleration of implementation of the ample technology available to move the industry into the digital age. Another challenge is to improve the environmental impact of clothing.

**Business**

Maral Overseas Limited (MOL) is one of India’s largest vertically integrated manufacturing company producing yarns, knitted fabrics and knitted garments and is a part of the highly diversified LNJ Bhilwara Group. The Company is focused on creating innovative products which are environment friendly, socially compliant, fashionable and have an aesthetic value added in the final product, in line with consumer preference and market demand. It is expected that demand of textile products will improve with the gradual revival of the world economy. The domestic & international market conditions have impacted the profitability of the Company.

During the year the Company recorded a lower Turnover at ₹ 675.95 Crore for the year ended 31<sup>st</sup> March, 2020 against ₹ 757.14 Crore in the previous year ended 31<sup>st</sup> March, 2019. Further the operational profit of the Company decline steeply at ₹ 24.83 Crore as against ₹ 50.65 Crore achieved in the previous year. The Company recorded a Net Loss of ₹ 15.28 Crores against a Net Profit of ₹ 8.13 Crore reported in the previous year.

During the year under review, the Company’s exports (FOB value) were to the tune of ₹ 316.47 Crore (₹ 380.72 Crores) and accounted for 46.79 % (49.49%) of MOL’s turnover. The yarn business accounted for 51.12% (53.16%) while knitted fabric and garment business accounted for 31.85% (30.79%) and 17.03% (16.04 %) respectively.

During the year under review, the ongoing capital and modernization programme had been fully capitalised and completed and in view of current prevailing market conditions, the Company has put on hold all further capital programme.

Your Company is closely observing the economic conditions and taking all measures to boost its performance as soon as the global economic situation would improve.

**Significant changes i.e. change of 25% or more in the key financial ratios**

In accordance with the Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the details of significant changes i.e. change of 25% or more in key financial ratios as compared to the immediately previous financial year, along with detailed explanations are reported hereunder :-

Particulars	Period Ended 31.03.2020	Period Ended 31.03.2019	% change	Remarks
<b>Stability Ratios</b>				
Debt Equity Ratio (Total Loans)	2.66	2.46	8.13	-
Debt Service Coverage Ratio (DSCR)	0.66	1.16	-43.10	Due to adverse impact of the Covid -19 Pandemic on the business of the Company, reversal of benefit of Merchandise Export from India Scheme (MEIS) by the Government and other adverse market conditions.
Interest Coverage Ratio	2.34	5.52	-57.61	Due to adverse impact of the Covid -19 Pandemic on the business of the Company, reversal of benefit of Merchandise Export from India Scheme (MEIS) by the Government and other adverse market conditions.
<b>Liquidity Ratios</b>				
Current Ratio (Incl. CPTL)	0.88	0.92	-4.35	-
Current Ratio (Excl. CPTL)	0.96	0.98	-0.02	-
Debtors Turnover Ratio (no. of days)	40.73	46.30	-12.03	-
Inventory Turnover Ratio (no. of days)	32.30	29.14	10.84	-
<b>Profitability Ratios</b>				
Operating Profit Margin	3.68	6.70	-45.07	Due to adverse impact of the Covid -19 Pandemic on the business of the Company, reversal of benefit of Merchandise Export from India Scheme (MEIS) by the Government and other adverse market conditions.
Net Profit Margin	-2.26	1.08	-309.26	Due to adverse impact of the Covid -19 Pandemic on the business of the Company, reversal of benefit of Merchandise Export from India Scheme (MEIS) by the Government and other adverse market conditions.



### **Change In Return on Net Worth in comparison to the previous year**

During the financial year ended 31<sup>st</sup> March, 2020, the return on net worth of the Company was ₹ 83.75 Crore (18.25%) as compared to the previous financial year ended 31<sup>st</sup> March, 2019 which was at ₹ 100.58 Crore (8.09%). The change was due to adverse impact of the Covid -19 Pandemic on the business of the Company, reversal of benefit of Merchandise Export from India Scheme (MEIS) by the Government during the financial year 2019-20 and other adverse market conditions.

### **Disclosure of Accounting Treatment**

The Company has followed the same Accounting treatment as prescribed in the relevant Accounting Standards while preparing the Financial Statements.

### **Risk Management**

Risk management is a process of identification, analysis and acceptance or mitigation of uncertainty in investment decisions. Risk management is the identification, assessment, and prioritization of risks or uncertainties followed up by minimizing, monitoring and controlling the impact of risk realities or enhancing the opportunity potential by applying coordinated and economical resources. Risk management is essential in any business. It lays foresight for returns on investments and projects all potential backlashes a company could face by starting a new (or even routine) endeavour.

### **Currency Risk**

Currency fluctuations are a natural outcome of the floating exchange rate system, which is the norm for most major economies. Numerous fundamental and technical factors influence the exchange rate of one currency compared to another. These include relative supply and demand of the two currencies, economic performance, an outlook for inflation, interest rate differentials, capital flows, technical support and resistance levels, and so on. As these factors are generally in a state of perpetual flux, currency values fluctuate from one moment to the next. Currency values fluctuate depending on several factors including a nation's economic activity and growth prospects, interest rates, and geopolitical risk. Ever since countries abandoned the gold standard, national currencies have floated against one another on a global market. When currencies fluctuate wildly, they can create economic uncertainty and instability, affecting capital flows and international trade.

The economic disruption due to the spread of the novel coronavirus disease (Covid-19) over the past few months has adversely affected various aspects of the Indian economy. This Covid-19 pandemic has caused havoc not only nationally but internationally as well. Due to lack of demand from China, USA & Europe, more than of 40% of Indian exports will be badly affected, leading to reduction in foreign reserves. In January, 2020, there was a sharp depreciation of Rupee against the dollar from 71.7 per US\$ to 75.6 per US\$. The exchange rate of the Indian rupee vis-à-vis the US dollar has moved in both directions in recent months. Renewed bouts of global financial market volatility caused by the uncertainty of macroeconomic impact of the Covid-19, as in February-March 2020, could exert pressure on the Indian rupee.

Covid-19, the accompanying lockdowns and the expected contraction in global output in 2020 weigh heavily on the growth outlook. The

actual outturn would depend upon the speed with which the outbreak is contained and economic activity returns to normalcy. Significant monetary and liquidity measures taken by the Reserve Bank and fiscal measures by the government would mitigate the adverse impact on domestic demand and help in spurring the economic activity once normalcy is restored.

### **Regulatory Risk**

The regulatory framework for labour with multiplicity of laws and reporting requirements with onerous transaction costs is one of the major reasons for the inability of the textile sector to expand and acquire global scale.

The Government of India had allocated around ₹ 3,515 crores (US\$ 502.93 million) for the Ministry of Textiles under the Union Budget 2020-21. Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. The outlay for textile sector has reduced from revised estimate of ₹ 5831 crores to ₹ 3515 crores under the Union Budget 2020-21. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS) and allocated ₹ 761.90 Crores for Amended Technology Upgradation Fund Scheme (ATUFS).

### **Market Risk**

The Textile sector has been experiencing a pressure on exports across segments in the past few years resulting into fall in exports. Apart from global slowdown witnessed recently, there were few other factors affecting Indian Textile industry which renders exports from India un-competitive vis-à-vis other countries like Bangladesh, Pakistan, Vietnam, China. These are high cost of working capital and power, low average productivity from un-skilled operators, challenges in infrastructure, logistics costs as well as longer turnaround time at port. Recent withdrawals of MEIS @ 4% on Made-ups and garments with retrospective effect have added to the woes of Indian textile manufacturers and will hit the textile exports.

Stable and long term policies can become a force multiplier for growth in export of Indian textile. The budget of 2020-21 was one of the most eagerly awaited budgets in the recent past and the textile industry has high hopes to see the measures to address the issues faced by the industry. The textiles industry has made a major contribution to the national economy in terms of net foreign exchange earnings and contribution to the GDP. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players in the Indian market.

Prior to the outbreak of Covid-19, the outlook for growth for 2020-21 was looking up. The Covid-19 pandemic has drastically altered this outlook. The global economy is expected to slump into recession in 2020, as post-Covid-19 projections indicate. The sharp reduction in international crude oil prices, if sustained, could improve the country's terms of trade, but the gain from this channel is not expected to offset the drag from the shutdown and loss of external demand.

Your Company is making continuous efforts by adopting a very comprehensive and integrated risk appraisal and mitigation process, which is presented to the Board periodically for their review.

### Internal control system and their adequacy

Internal Control System means all the policies and procedures (internal controls) adopted by the management to assist in achieving management's objective of ensuring, as far as practically possible, the orderly and efficient conduct of its business, including adherence to management policies.

The Company's internal controls commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use and ensuring compliance with corporate policies. The Company uses a state-of-the-art enterprise resource planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes. It has continued its efforts to align all its processes and controls with global best practices.

The well formulated control framework covers various aspects of governance, compliance, audit, control and reporting. Stringent procedures ensure high accuracy in recording and providing reliable financial & operational information, meeting statutory compliances.

The Company's internal team keeps a close eye on business operations and any deviations are promptly brought to the notice of the leadership. These findings provide input for risk identification and assessment. Timely and adequate measures are undertaken to ensure undisrupted functioning of the business. A host of strategies are devised as a follow-up measure to safeguard the Company.

The Company has engaged independent Chartered Accountant firms with vast experience and knowledge in order to monitor internal controls. The internal control system are aligned to provide the Internal Audit reports periodically reviewed by the management and the Audit Committee of the Board and necessary improvements are undertaken, if required. Further, the Company works with a robust and comprehensive internal control system with strict adherence to policies which are reviewed in line with changing business practices.

### Human Resources

Our employees are the foundation and bedrock of our success. We at Maral Overseas Limited are committed to providing a conducive, progressive, and an open, diverse and inclusive work environment for all our employees. The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of employees of the Company. The Company believes in the potential of people to go beyond and be the game-changing force for business transformation and success. Your Company continued to focus on attracting new talent while investing in organic talent development to help employees acquire new skills, explore new roles and realize their potential. We are an equal opportunity employer and are committed to promoting diversity and inclusion in the workplace. Our Code of Conduct ensures that there is no bias towards gender, race, religion, ethnicity, nationality, age, disability, family status or sexual orientation. This has helped us attract and retain people from diverse backgrounds, experience and expertise who are the bedrock of our success. Industrial relations at all the manufacturing units of

your Company have been harmonious and peaceful with active involvement of the employees in the collective bargaining process. Your Company has also encouraged wholehearted participation of the employees in improving productivity as well as quality of its products. We nurture a work culture that leads to employee satisfaction, unflagging motivation, and high retention rate. Our HR policies ensure working together with the employees for their personal and professional development and at the same time aligning their goals with those of the Company to create a win-win situation. The well-disciplined workforce who has served the company for twenty nine years lies at the very foundation of the company's major achievements. The focus is on adopting best practices to ensure better work life balance for all the employees of the Company. The Company had 2509 employees as on 31<sup>st</sup> March, 2020.

### Corporate Social Responsibility

Corporate Social Responsibility (CSR) ensures the success of a business by the inclusion of social and environmental considerations into a company's operations and the Company satisfying their customer's demands as well as managing the expectations of other people such as employees, suppliers, stakeholders and the community around the company. The Company's CSR policy ensures the success of our business by the inclusion of social and environmental considerations into a company's operations as a positive contribution to society, with the interests of all involved stakeholders being met. One of the most important stakeholders in this system is the society in which the company operates.

The Company is not only committed to overall employee welfare but also lays stress on community development through various activities like education, promotion and development of traditional arts and handicrafts and health care. The Company tries to fulfill the need and expectation of the society of which we are an integral part.

One of the main aims of the Company is to raise awareness towards the girl child education and to assist the communities in implementing it. In line with this commitment and as a socially responsible organization, the Company adopts CSR programs which aim at creating a difference to the lives of people in the vicinity of its plants.

The Company stands committed to: **Government:** to effectively take part in initiatives taken by the Government, as a part of green initiatives to reduce paper work by sending annual reports and other related documents to the shareholders through e-mail. To abide by all rules and regulations and to ensure timely payment of all dues and to make representations this in turn will be helpful for the industry and overall society. **Society:** Your Company believes in giving back to the society in which it operates. To plan the growth of business in line with the welfare of the society, to undertake various programmes which will create awareness in the society and create job opportunities; **Environment:** to undertake steps under green initiatives i.e. requesting shareholders to communicate digitally, ensure purchase of environment friendly supplies, to comply with all environment regulations, adopting the mantra of reuse and recycle, planting trees & growing fruits / vegetables in our plant, treating effluents through a very modern zero liquid discharge system. **Stakeholders:** maintaining a trustworthy relationship by making timely payments, disclosing of all the information, maintaining proper records so as to provide timely and relevant information's. **Competitors:** In the current business



environment, the Company always works with multiple competitors both in India and overseas and also risk associated with clients and prospective client dispositions. However, to mitigate the risks the Company has adopted a risk management framework to ensure early identification and management of various risks associated with the business. **Shareholders:** to provide timely information this depicts the true and fair picture of the Company and to resolve their complaints on preferential basis. Your Company aims at maximising the shareholders' value legally and sustainably by ensuring that the performance is driven by trust. **Customers:** Your Company works with the philosophy of enhancing customer relationship by increasing the ability to provide the service offerings as one stop solution and the ability to keep pace with the changing technology and customer requirements. Your Company aims at creating strong customer retention and creating a new customer base. **Employees:** to work on the principle of making enduring impact through programmes that

benefit personally and socially. The Company is committed towards health of its employees by providing proper medical facilities.

#### **Cautionary Statement**

Statements in this document/discussion relating to future status, events, or circumstances, including but not limited to statements describing the Company's objectives, projections, estimates and expectations maybe 'forward looking statements' within the meaning of applicable laws and regulations. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those either expressed or implied in the statements. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the market in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

## DIRECTORS' REPORT

## DIRECTORS' REPORT

Your Directors are pleased to present the Thirty First Annual Report of your Company on business and operations along with the audited financial statements and the auditor's report for the financial year ended 31<sup>st</sup> March, 2020.

## Financial Results

₹ in Crores

	2019-20	2018-19
Revenue from Operation	675.95	757.14
Profit before Interest & Depreciation	24.83	50.65
Less: Finance Cost	15.70	16.98
<b>Profit before Depreciation &amp; Amortisation</b>	<b>9.13</b>	<b>33.67</b>
<b>Less: Depreciation &amp; Amortisation</b>	<b>24.41</b>	<b>20.32</b>
<b>Profit/(Loss) before Tax</b>	<b>(15.28)</b>	<b>13.35</b>
<b>Less:</b>		
a) Current Tax	-	2.34
b) Deferred Tax	-	2.69
c) Taxes adjustment for earlier years	-	0.19
<b>Profit/(Loss) after Tax</b>	<b>(15.28)</b>	<b>8.13</b>
Add: Opening Balance	(17.48)	(29.08)
Add: Transfer from Equity Component	-	4.10
Add: Other Comprehensive Income	0.78	(0.64)
<b>Balance at the end of the year</b>	<b>(31.98)</b>	<b>(17.48)</b>

## Number of Meetings of the Board

Particulars of the meetings held during the year along with details regarding the meetings attended by the Directors forms part of the Corporate Governance Report.

The composition of the Board and its Committees has also been detailed in the Report on Corporate Governance.

## Dividend

In view of losses, your Directors do not propose any dividend for the financial year ended 31<sup>st</sup> March, 2020. The carry forward losses are not yet fully set off in the year under review, therefore your Directors in compliance with Companies Act 2013 and rule made thereunder, do not recommend the payment of dividend on Cumulative Redeemable Preference Shares (CRPS) issued by the Company and the same has already been informed by the Directors in their previous reports. Your Directors further inform the members that the same will be paid once the accumulated loss would be wiped out.

## Operations

Your Directors inform the members that during the year under review, your Company faced unprecedented challenges, difficult market conditions, global economic slowdown and lockdown situation across the globe towards the end of financial year resulting into huge losses for the Company. In view of the above, there was an all-around decline in all segments of the Company in turnover as well as profitability.

The current business conditions are uncertain and your Directors are taking all necessary steps to overcome the situation, perform better and

recover lost ground. The Company has undertaken cost optimization and rationalisation exercise to bring down the cost of operations and is also working on improving product mix to improve margins.

In view of the above factors, your Company recorded a lower Turnover at ₹ 675.95 Crore for the year ended 31<sup>st</sup> March, 2020 against ₹ 757.14 Crore in the previous year ended 31<sup>st</sup> March, 2019. Further the operational profit of the Company declined sharply at ₹ 24.83 Crore as against ₹ 50.65 Crore achieved in the previous year. The Company recorded a Net Loss of ₹ 15.28 Crores against a Net Profit of ₹ 8.13 Crore reported in the previous year.

During the period under review, your Company recorded production of 16809 MT of grey yarn (18749 MT), 2675 MT of dyed yarn (2668 MT), 4544 MT of grey knitted fabric (4680 MT), 5644 MT of processed fabric (6121MT) and 34.90 Lakh pieces of garments (36.12 Lakh pieces).

During the year under review, the Company's exports (FOB value) were to the tune of ₹ 316.47 Crore (₹ 380.72 Crores) and accounted for 46.79 % (49.49%) of the Company's turnover. The yarn business accounted for 51.12% (53.16%) while knitted fabric and garment business accounted for 31.85% (30.79%) and 17.03% (16.04 %) respectively.

## Industry Scenario

The Indian textile and apparel industry is among the most important industries for the Indian economy considering its contribution to employment generation, industrial output, and foreign exchange earnings. In India, the sector enjoys the presence of the entire value chain-fiber, yarn, fabric and apparel & made-ups, apart from the availability of cheap and abundant labour. It is a highly diversified sector with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry. The organized textile industry is characterized by the use of capital-intensive technology for mass production of textile products and includes spinning, weaving, knitting, processing, and apparel manufacturing.

The Covid-19 pandemic has adversely hit the textile, apparel and fashion sectors worldwide with tremendous loss to businesses which had already been grappling with the after effects of demonetization & introduction of other policies like the GST. The spread of the virus is bound to have serious implications and companies have started feeling the impact with store closures and uncertainty in orders. The whole world is facing the challenge of Covid-19 pandemic. On the one hand, lives are being lost as a result of the pandemic; while on the other hand, the biggest downfall in the global economy is taking place.

## Modernization and Expansion

Your Directors in their previous report mentioned about the modernization program at a capital outlay of ₹ 80 Crore in spinning, yarn dyeing and processing divisions as well as installation of printing (Digital) and Enterprise Resource Planning besides other normal capital expenditure.

Your Directors inform the members that during the year under review, the above capital expenditure and modernization programmes were fully capitalised and completed. Your Company is expected to reap full benefits of the above plans in the current financial year and shall be able to offer wide range of products.



## DIRECTORS' REPORT

Your Directors have decided that in view of current prevailing market conditions, the Company put on hold all further capital expenditure.

During the period under review, no new capital expenditure programme was initiated except the normal ones, which were required for the smooth operation of the Company.

Your Company is closely observing the current economic conditions and taking all measures to improve its performance.

### Corporate Social Responsibility

Despite decades of reforms and government initiatives, a large number of students dropped out of school for lack of facilities for quality education. This phenomenon clearly shows the need for a distinctive approach to achieve the goals of providing quality education to children of this country. Quality education is the foundation of improving the lives of our citizens. Major progress has been made to achieve the goal of providing quality education at all levels. Thus, the Company participates in the national goal to provide the right opportunities and environment for the development of a child by giving quality education.

It has always been the endeavour of the Company to stand at the forefront with regard to accepting its Social and Environmental responsibility, as a responsible corporate citizen. For us, Corporate Social Responsibility (CSR) is an added opportunity to bring value to our stakeholders' lives and in a small possible way bring about a difference that we all want to see and be.

Education represents the stepping stone to improve the quality of life, especially for the poor and the vulnerable. Access to quality education is fundamental to the growth of India. The ideology behind the corporate social responsibility initiatives taken in education this year is to transform lives through the continuous enhancement of knowledge and empowerment.

In line with this commitment, the Company is continuing with its flagship project of providing education to the girl child in rural areas near its factory in the state of Madhya Pradesh by mobilizing and motivating non-school going girls coming from economically and socially backward families. Your Company fulfils the dreams of underprivileged girl children who are living with the hope that they will fulfil their dreams and aspirations. During the year, your Company continued to provide education to nearly 800 girls through the medium of 30 learning centres.

The composition and terms of reference of the CSR Committee are given in the Corporate Governance Report. The detail of the CSR expenditure by the Company is enclosed as **Annexure - I** forming part of this report.

### Annual Return

The extract of Annual Return as required under Section 92 of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014, is available on the website of the Company and annexed as **Annexure –II**.

### Directors and Key Managerial Personnel

Your Directors inform the member that, Shri Ravi Jhunjhunwala (DIN-00060972), Director, retires by rotation and being eligible, offers himself for reappointment.

During the year, Dr. Kamal Gupta and Shri Priya Shankar Dasgupta, Independent Directors of the Company were re-appointed as Independent Directors of the Company for the second term of five years starting from 26<sup>th</sup> September, 2019 to 25<sup>th</sup> September, 2024 and Shri Shekhar Agarwal was also re-appointed as Managing Director and CEO for a period of three years starting from 1<sup>st</sup> April, 2019 by the members of the Company in the Annual General Meeting held on 19<sup>th</sup> September, 2019 by Special Resolutions.

During the financial year under review, Shri Dharmendar Nath Davar, Independent Director of the Company resigned on 24<sup>th</sup> July, 2019 from the office of the Director of the Company due to health reasons. The Board of Directors placed on record his appreciation for the able and erudite assistance and guidance provided by Shri Dharmendar Nath Davar during his tenure as an Independent Director of the Company.

Your Directors further inform the members that first term of Ms. Archana Capoor as Independent Director is due for completion on 5<sup>th</sup> November, 2020. Your Directors, upon commendation of Nomination and Remuneration Committee, propose to re-appoint Ms. Archana Capoor for a second term of five years w.e.f. 6<sup>th</sup> November, 2020. The proposal for confirmation of re-appointment of Ms. Archana Capoor as Independent Director for another term of five years shall be put up before the members in the ensuing Annual General Meeting.

Your Directors further inform the members that pursuant to the provisions of Section 149(7) of the Companies Act, 2013, a declaration has been received from the Independent Directors at the beginning of the financial year stating that they meet the criteria of independence as specified under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) and 25 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

Your Directors inform the members that at its meeting held on 19th June, 2020 Shri Ravi Jhunjhunwala, Chairman of the Board of the Company expressed his desire to relinquish from the Chairmanship keeping in view the natural progression and succession planning. Your Directors agreed to respect his wish and requested him to provide his continuous guidance.

The Board of Directors of the Company subsequently elected Shri Shekhar Agarwal, Managing Director and CEO as the new Chairman of the Board of the Company with immediate effect considering in view of his long standing association and familiarity with the Company's business. Your Directors are hopeful that your Company shall continue to progress under the leadership of Shri Shekhar Agarwal.

Your Directors at the above meeting also approved the appointment of Shri Shantanu Agarwal (DIN: 02314304) Non-Executive Director of the Company as Joint Managing Director of the Company for a period of five years with effect from the 19<sup>th</sup> June, 2020 without remuneration upon commendation of Nomination and Remuneration Committee. The proposal for confirmation of appointment of Shri Shantanu Agarwal as Joint Managing Director of the Company would be put up before the members in the ensuing Annual General Meeting for the approval of the Members. Shri Shantanu Agarwal is not disqualified from being appointed as Joint Managing Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as the Joint Managing Director of the Company. Shri Shantanu Agarwal is not debarred from

## DIRECTORS' REPORT

holding the office of Director pursuant to any SEBI Order or any other such authority.

During the year, Shri Shekhar Agarwal, Managing Director and CEO, Shri Atul Kumar Jain, Chief Financial Officer and Shri Virendra Kumar Garg, Company Secretary acted as Key Managerial Personnel of the Company.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Companies Act, 2013. Further, none of the Directors are debarred from holding the office of Director pursuant to any SEBI Order or any other such authority. The Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013.

### Directors' Appointment and Remuneration Policy

Pursuant to the provision of Section 178 of the Companies Act, 2013 and Schedule II Part D, the role of the Nomination and Remuneration Committee, the Board of Directors on the recommendation of Nomination and Remuneration Committee has framed a policy for the appointment of Directors and Senior Management and their remuneration. The policy forms part of the Directors' Report as given in **Annexure III**.

### Annual Evaluation by the Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual evaluation has been done by the Board of its own performance, its Committees and the individual Directors. The manner of evaluation is mentioned in the Nomination and Remuneration policy which forms part of Board Report. Your Directors feel pleasure in informing the members that the performance of the Board as a whole and its member individually was adjudged satisfactory.

Further, every Independent Director of the Company is familiarized with the Company, their roles, rights, responsibilities, in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

### Particulars of Loans, Guarantees or Investments

Details of loans, Guarantees and Investments are given in the notes to the Financial Statements at appropriate places.

### Particulars of Contracts or Arrangements with Related Parties

All contracts / arrangements / transaction entered into the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. During the financial year, there was no material contract or arrangement entered into by the Company with any of the related parties. Your Directors draw attention of the members to note 40.2 to the financial statement which contain particulars with respect to related parties. The policy on dealing with the Related Party Transactions as approved by the Board of Directors is disclosed on the website of the Company under the following link: <http://www.maraloverseas.com/pdf/Related-Party-Transaction-Policy-2020.pdf>

Further, prior omnibus approvals from the Audit Committee are obtained for the transactions which are repetitive and normal in nature and in accordance with the Related Party Transaction policy.

The disclosures are made to the Audit Committee and the Board of Directors on a quarterly basis.

### Maintenance of Cost Records

In terms of the provisions of Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Central Government has mandated certain class of Companies to maintain cost records. Being a textile Company, the Company falls under the prescribed class of Companies and maintains Cost Accounts and Records which are also subject to Audit conducted by a Cost Auditor.

### Significant and Material Orders Passed by the Regulators or Courts

There was no significant and material order passed by the regulators or courts during the year.

### Auditors

#### Statutory Auditors

M/s. S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi (Firm Registration No. 000756N), and M/s. P. K. Deora & Co., Chartered Accountants, New Delhi (Firm Registration No. 004167N) were appointed as Joint Statutory Auditors of the Company at the 28<sup>th</sup> Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2017 for a term of five years till the conclusion of 33<sup>rd</sup> AGM subject to ratification by members at every subsequent Annual General Meeting.

Your Directors inform the members that in accordance with the amendment notified by MCA on 7<sup>th</sup> May, 2018, the requirement of ratification of the appointment of Statutory Auditors at every Annual General Meeting has been omitted and is no longer required.

However, the Statutory Auditors have confirmed their eligibility under section 141 of the Companies Act, 2013 and rules framed thereunder.

During the year, the Auditors did not report any matter under Section 143 (12) of the Act; therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act. The observations of the Auditors, if any, are explained wherever necessary, in the appropriate notes to the accounts which forms part of this Annual Report. The Auditors' Report does not contain any qualification, reservation or adverse remark, disclaimer or emphasis of matter.

#### Internal Auditors

Pursuant to section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company had appointed M/s GSA & Associates, Chartered Accountants and M/s Arvind Kaul and Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2019-20 pursuant to section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

The role of internal auditors includes but is not limited to review of internal systems, standard operating procedures, adherence to statutory laws & other operational norms, as set by the management, monitoring of implementation of corrective actions required, reviewing of various policies and ensure its proper implementation, etc.

#### Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel)



## DIRECTORS' REPORT

Rules, 2014, the Company had appointed M/s. Pranav & Associates, Company Secretaries, as the Secretarial Auditor of the Company for the year ending 31<sup>st</sup> March, 2020. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Report of Secretarial Audit is annexed as **Annexure IV**.

### Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, textile Companies are required to get their cost records audited. In this connection, the Board of Directors of the Company on the commendation of Audit Committee had approved the appointment of M/s K. G. Goyal & Co. as the Cost Auditor of the Company for the year ending 31<sup>st</sup> March, 2020.

### Risk Management

The Company has identified various risks associated with the business. The Company has adopted a risk management policy which acts as an effective tool in mitigating the various risks to which the businesses are exposed. The risk management policies cover areas such as Environment, Health & Safety, Statutory Compliances and Returns, Energy, On Time Performance, Quality, Commodity Pricing, Outsourcing, Budgeting and Planning, Government Policies etc. The risks identified by the business are systematically addressed to the Board through mitigating actions on a continuous basis. Further, the policy aims at creating and protecting shareholder value by minimizing threats and weaknesses and identifying and maximizing opportunities. Pursuant to the policy, your Directors periodically review the risks associated with the business or which threaten the prospects of the Company.

### Corporate Governance

Good Corporate Governance is more of a priority than a mere legal obligation. It involves the commitment to run the business in the most ethical and transparent manner. It helps to build the confidence of the investors and to establish healthy relationship with all the stakeholders. Apart from mandatory practice, the Company adopts various voluntary practices to ensure transparency and accountability at the highest level. The Company's vision of achieving its objectives is in line with its consideration for environment, safety and health of all people.

Report on Corporate Governance along with the Certificate of Auditors, M/s. S.S. Kothari Mehta & Co. and M/s. P. K. Deora & Co., Chartered Accountants, confirming compliance of conditions of Corporate Governance as stipulated under Point E of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, forms part of this Annual Report.

### Whistle Blower Policy

The Company, in order to provide mechanism to disclose any unethical and improper practices or any other alleged wrongful conduct or matter of concern in area of accounts, finance, management, operations, employment or any other misconduct in the Company has a Vigil Mechanism also known as Whistle Blower Policy.

The Company appointed a nodal officer to whom the complaints can be made. In exceptional cases an opportunity is provided to the Whistle Blower to make a direct appeal to the Chairman of the Audit Committee.

The policy safeguards the whistle blower from being victimized. The policy has been disclosed on the website of the Company, the link of which is given hereunder:

[http://www.maraloverseas.com/pdf/Whistle\\_Blower\\_Policy\\_2018.pdf](http://www.maraloverseas.com/pdf/Whistle_Blower_Policy_2018.pdf)

### Management Discussion and Analysis Report

Management Discussion and Analysis Report, as required by Schedule V of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report.

### Internal Control Systems

The Directors have laid down internal financial controls to be followed by your Company and such policies and procedures are adopted by your Company for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Audit Committee reviews the Executive Summary of the internal audit findings along with recommendations and management comments every quarter. Further, the Action Taken Report/ Compliances as discussed in the previous meeting is placed in the next meeting along with a detailed report. The Internal Auditors also ensure proper compliance of all policies and Standard Operating Procedures (SOPs) adopted by the Company. Internal Auditors report directly to the Audit Committee of the Board.

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

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Your Directors inform the members that your Company continuously evaluates various energy conservation measures in all areas of operation across all its manufacturing plants. The information required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rules, 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure –V** forming part of this Report.

### Particulars of Employees

The information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the relevant statement is annexed as **Annexure –VI**

Further, disclosures pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement showing the name along with the particulars of top ten employees along with the employees drawing remuneration in excess of the limits is annexed as **Annexure – VII**.

### Significant Material Changes after Balance Sheet Date Affecting Financial Position

There is no change or commitment which affects the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate i. e. 31<sup>st</sup> March, 2020 and the date of report 19<sup>th</sup> June, 2020.

### Subsidiaries, Joint Ventures and Associates Companies

The Company does not have any Joint Ventures, Subsidiaries and Associates Companies.

## DIRECTORS' REPORT

### Public Deposit

Your Company has not accepted any public deposit within the meaning of provisions of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there is no outstanding deposit due for re-payment.

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee for reporting concerns related to sexual harassment at workplace.

Your Directors inform the members that during the year under review, the Internal Complaint Committee did not report any complaint with regard to sexual harassment under review.

### Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors state that:

- a. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- b. appropriate Accounting Policies have been 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 31<sup>st</sup> March, 2020 and of the Profit and Loss of the Company for the year ended on that date;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Annual Accounts have been prepared on a going concern basis.
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that the system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### Disclosure of Accounting Treatment

The Company has followed the same Accounting treatment as prescribed in the relevant Indian Accounting Standards while preparing the Financials Statements.

### Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

### General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

- I. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- II. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- III. No amount has been transferred to General Reserves during the year.
- IV. There is no change in the nature of business of the Company.
- V. There was no fraud found which has been reported to the Audit Committee / Board members as well as to the Central Government.

### Cautionary Statement

The statements contained in the Director Report and Management Discussion & Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations & policies, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

### Acknowledgements

Your Directors place on record their acknowledgement and sincere appreciation to all our clients, customers, vendors, dealers, bankers, investors, other business associates, Central and State Government for their continued support and encouragement during the year and their confidence towards the management. Your Directors would also like to thank employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board

Place:-Noida (U.P.)  
Date: 19<sup>th</sup> June, 2020

Shekhar Agarwal  
Chairman & Managing Director and CEO  
DIN -00066113



## Annexure - I to Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to web-link to the CSR policy and projects or programmes.

**The brief outline of the Company's CSR policy is as under:**

The Company recognizes CSR as a vital part of corporate activity and is therefore committed to social responsibility in accordance with its CSR Policy for the sustainable development of society and business.

Identify, in partnership with public/ private / local communities, social projects where Company can make a positive contribution and implement sustainable Community Development Programs for the underprivileged.

Endeavor to make a positive contribution to the local Communities towards improving their living conditions by utilization of resources towards development of a sustainable society that is in harmony with the environment and local customs.

To promote social contribution activities to realize a better society and also encourage our employees to serve communities by volunteering and sharing their skills and expertise.

To disclose information openly and transparently in order to maintain and develop a relationship of trust with the Communities and act responsibly towards them through various means of communication.

**The overview of projects or programmes undertaken and proposed to be undertaken are as under:**

**Education** - promoting literacy & education with special focus on girl child education, support schools for all by providing appropriate school building & infrastructure whether by renovating, repairing existing or construction of new infrastructure, improvement in teaching standards, better continuity resulting in sustained interest of the child in education.

**Living Environment** - improve local infrastructure and access to sustainable energy and water supplies.

**Health** - personal and community health support,

**Employment** - promoting employment enhancing vocational training in technical courses and creating opportunities for skill development in tailoring, embroidery & crochet work, other skills, which facilitate the youth either to gain employment or be self-employed and thereby make the community members self-reliant.

Setting up or maintaining orphanages for the underprivileged children in rural and semi-rural areas.

Promotion and development of traditional arts and handicrafts.

To perform the activity as mentioned in Schedule VII of the Act as amended.

**Web link:**

[http://www.maraloverseas.com/pdf/MOL\\_CSR\\_Policy-2020.pdf](http://www.maraloverseas.com/pdf/MOL_CSR_Policy-2020.pdf)

2. **The Composition of CSR Committee.**

Shri Priya Shankar Dasgupta	-	Chairman – Independent Director
Dr. Kamal Gupta	-	Independent Director
Shri Shekhar Agarwal	-	Managing Director
Shri Shantanu Agarwal	-	Non Executive – Non Independent Director

3. **Average net profit of the Company for last three financial years.**

Average net profit: ₹ 1367.65 Lakh.

4. **Prescribed CSR Expenditure (two per cent of the amount mentioned in item 3 above)**

The Company is required to spend ₹ 27.35 Lakh towards CSR.

5. **Details of CSR spent during the financial year;**

**(a) Total amount to be spent for the financial year;**

₹ 27.35 Lakh

**(b) Amount unspent, if any;**

₹ 6.33 Lakh

## DIRECTORS' REPORT

(c) Manner in which the amount spent during the financial year is detailed below:-

₹ In Lakh

S. No.	CSR Project or activities identified	Sector	Locations	Amount Outlay (Budget) project or Program wise	Amount spent on the Project or Program	Cumulative Expenditure upto reporting period i.e. F.Y. 2019-20	Amount spent: Direct or through implementing agency
			District(State)				
1.	Promoting education with special focus on girl child education.	Literacy	Khargone, Madhya Pradesh	28.50	28.50	28.50	IIMPACT, Charitable trust
2.	Promoting education to the poor and needy peoples	Literacy	Khargone, Madhya Pradesh	0.00	2.50	2.50	Direct
3	Maintenance of Orphanage	Orphanage	Indore, Madhya Pradesh	0.00	1.00	1.00	Direct
4	Promoting education to the poor and needy peoples	Literacy	Bhilwara, Rajasthan	0.00	0.14	0.14	Direct
	<b>Total</b>			<b>28.50</b>	<b>32.14</b>	<b>32.14*</b>	

\*Including ₹ 11.12 Lakh was pertaining to the last years and fully utilised during the year.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report..

During the year, the Company was required to spend ₹ 38.47 Lakh on CSR Activities, out of which ₹ 11.12 Lakh was the unspent amount of previous years. The Company spent ₹ 32.14 Lakh on the CSR activates during the F.Y. 2019-20, out of which, unspent amount of ₹ 11.12 Lakh pertaining to the previous years was fully utilised and set-off. Therefore, an amount of ₹ 6.33 Lakhs remained unspent/unutilized as at the end of the year 2019-20 and the same shall be spent in the coming years in accordance with Schedule VII of the Companies Act, 2013.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

CSR Committee confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives of the Company which are being met with definitive and clear objectives and dialogue with the stakeholders and sharing of knowledge and building of trust.

**Shekhar Agarwal**  
Chairman & Managing Director and CEO  
DIN: 00066113

**Priya Shankar Dasgupta**  
Chairman, CSR Committee  
DIN: 00012552

**Dated: June 19, 2020**  
**Place: Noida (U.P.)**



## DIRECTORS' REPORT

### Annexure - II to Directors' Report

#### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L17124MP1989PLC008255
ii)	Registration Date	27th January, 1989
iii)	Name of the Company	Maral Overseas Limited
iv)	Category / Sub-Category of the Company	Limited by shares/ Non-Government Company
v)	Address of the Registered office and contact details <sup>1</sup>	Maral Sarovar, V&P.O.Khalbujurg, Tehsil Kasrawad, Khargone, Madhya Pradesh-451660 Phone +91-07285-265401-405 Fax no.91-07285-265406 E-mail : maral.investor@lnjbhilwara.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi -110 020 Phone +91-11-41406149-52, Fax No. 011-41709881 E-mail : helpdeskdelhi@mcsregistrars.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are given below:

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton Yarn	5205	44.71
2	Knitted Fabric	6003	31.85
3	Garments	6114	17.03

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
N.A.					

## DIRECTORS' REPORT

## IV. SHARE HOLDING PATTERN (equity share capital breakup as percentage of total equity)

## i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individual / HUF	2817273	0	2817273	6.79	2817273	0	2817273	6.79	Nil
(b)	Central Govt.	0	0	0	0	0	0	0	0	0
(c)	State Govt. (s)	0	0	0	0	0	0	0	0	0
(d)	Bodies Corporate	28291556	0	28291556	68.16	28291556	0	28291556	68.16	Nil
(e)	Banks / FI	0	0	0	0	0	0	0	0	0
(f)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub total (A) (1)</b>	<b>31108829</b>	<b>0</b>	<b>31108829</b>	<b>74.95</b>	<b>31108829</b>	<b>0</b>	<b>31108829</b>	<b>74.95</b>	<b>Nil</b>
<b>2</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b)	Other - Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	Nil
(d)	Banks / FI	0	0	0	0	0	0	0	0	0
(e)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Subtotal (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Nil</b>
	<b>Total Shareholding of Promoters (A) = (A) (1) + (A) (2)</b>	<b>31108829</b>	<b>0</b>	<b>31108829</b>	<b>74.95</b>	<b>31108829</b>	<b>0</b>	<b>31108829</b>	<b>74.95</b>	<b>Nil</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	0	1000	1000	0.00	0	1000	1000	0.00	Nil
(b)	Banks / FI	1700	300	2000	0.01	1700	300	2000	0.01	Nil
(c)	Central Govt	0	0	0	0	0	0	0	0	0
(d)	State Govt (s)	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	FIs	0	5800	5800	0.01	0	5800	5800	0.01	Nil
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Others	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B) (1)</b>	<b>1700</b>	<b>7100</b>	<b>8800</b>	<b>0.02</b>	<b>1700</b>	<b>7100</b>	<b>8800</b>	<b>0.02</b>	<b>Nil</b>
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate									
	i) Indian	1631174	2300	1633474	3.94	1522293	2300	1524593	3.67	-0.27
	ii) Overseas	0	200	200	0.00	0	200	200	0.00	Nil
(b)	Individuals									
	i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	5145634	652708	5798342	13.97	4916605	635808	5552413	13.38	-0.59
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh.	2902173	0	2902173	6.99	3254615	0	3254615	7.84	0.85



## DIRECTORS' REPORT

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c)	Others									
	i) NRI	50289	800	51089	0.12	44923	100	45023	0.11	-0.01
	ii) Clearing Member	5093	0	5093	0.01	13527	0	13527	0.03	0.02
	<b>Sub-total (B) (2)</b>	<b>9734363</b>	<b>656008</b>	<b>10390371</b>	<b>25.03</b>	<b>9751963</b>	<b>638408</b>	<b>10390371</b>	<b>25.03</b>	<b>Nil</b>
<b>(B)</b>	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>9736063</b>	<b>663108</b>	<b>10399171</b>	<b>25.05</b>	<b>9753663</b>	<b>645508</b>	<b>10399171</b>	<b>25.05</b>	<b>Nil</b>
<b>(C)</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A) + (B) + (C)</b>	<b>40844892</b>	<b>663108</b>	<b>41508000</b>	<b>100.00</b>	<b>40862492</b>	<b>645508</b>	<b>41508000</b>	<b>100.00</b>	<b>Nil</b>

### ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year-01.04.2019			Shareholding at the end of the year-31.03.2020			% change in share holding during the year
		No. Of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	No. Of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	
1	Agarwal Trademart Private Limited	19760000	47.61	33.21	19760000	47.61	33.21	0
2	Diplomat Leasing And Finance Private Limited	1135500	2.74	0.00	1135500	2.74	0.00	0
3	Agarwal Finestate Private Limited	7396056	17.82	0.00	7396056	17.82	0.00	0
4	Sh. Shekhar Agarwal	755573	1.82	1.82	755573	1.82	1.82	0
5	Smt. Shashi Agarwal	1037600	2.50	0.00	1037600	2.50	0.00	0
6	Sh. Shantanu Agarwal	554500	1.34	0.00	554500	1.34	0.00	0
7	Smt. Shuchi Poddar	56100	0.14	0.00	56100	0.14	0.00	0
8	Sh. Shekhar Agarwal- HUF	403800	0.97	0.97	403800	0.97	0.97	0
9	Sh. Shekhar Agarwal - Trust	2750	0.00	0.00	2750	0.00	0.00	0
10	Sh. Shantanu Agarwal -HUF	2750	0.00	0.00	2750	0.00	0.00	0
11	Smt Alka Agarwal	4200	0.01	0.00	4200	0.01	0.00	0
	<b>Total</b>	<b>31108829</b>	<b>74.95</b>	<b>36.00</b>	<b>31108829</b>	<b>74.95</b>	<b>36.00</b>	<b>0.00</b>

### iii) Change in Promoters' Shareholding (Please specify, if there is no change)

S. No.		Shareholding at the beginning of the year-01.04.2019		Cumulative Shareholding during the Year-31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	31108829	74.95	31108829	74.95
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL		NIL	
3.	At the end of the year	31108829	74.95	31108829	74.95

## DIRECTORS' REPORT

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name	Shareholding at the beginning (01.04.2019)/ End of the Year (31.03.2020)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Inter Globe Capital Market Limited	489152	1.18	01.04.2019				
				19.07.2019	54348	TRANSFER	543500	1.31
				22.02.2019	14791	TRANSFER	558291	1.35
		558291	1.35	31.03.2020	0		558291	1.35
2	Santosh Sitaram Goenka	302059	0.73	01.04.2019				
				27.09.2019	15	TRANSFER	302074	0.73
				10.01.2020	8218	TRANSFER	310292	0.75
				24.01.2020	1457	TRANSFER	311749	0.75
				07.02.2020	8919	TRANSFER	320668	0.77
				21.02.2020	12571	TRANSFER	333239	0.80
				28.02.2020	5529	TRANSFER	338768	0.82
		31.03.2020	0		338768	0.82		
3	Jagdish Prasad Kasera	300000	0.72	01.04.2019				
		300000	0.72	31.03.2020	0	NIL Movement during the year	300000	0.72
4	Arch Finance Limited	246011	0.59	01.04.2019				
		246011	0.59	31.03.2020	0	NIL Movement during the year	246011	0.59
5	Anjaney Stock Broking Limited	0	0.00	01.04.2019				
				04.10.2019	207100	TRANSFER		
		207100	0.50	31.03.2020	0		207100	0.50
6	Kanchan Sunil Singhania	139350	0.34	01.04.2019				
		139350	0.34	31.03.2020	0	NIL Movement during the year	139350	0.34
7	Santosh Sitaram Goenka	68999	0.21	01.04.2019				
				26.04.2019	5967	TRANSFER	74966	0.18
				10.05.2019	10507	TRANSFER	85473	0.21
				17.05.2019	1477	TRANSFER	86950	0.21
				28.02.2020	28655	TRANSFER	115605	0.28
				06.03.2020	930	TRANSFER	116535	0.28
				13.03.2020	822	TRANSFER	117357	0.28
				20.03.2020	5416	TRANSFER	122773	0.28
		31.03.2020	0		122773	0.30		



## DIRECTORS' REPORT

S. No.	Name	Shareholding at the beginning (01.04.2019)/ End of the Year (31.03.2020)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
8	Santosh Sitaram Goenka	87533	0.21	01.04.2019				
				26.04.2019	9140	TRANSFER	96673	0.23
				06.03.2020	2959	TRANSFER	99632	0.24
				20.03.2020	3468	TRANSFER	103100	0.25
		103100	0.25	31.03.2020	0		103100	0.25
9	Alka Arun Jain	101000	0.24	01.04.2019				
		101000	0.24	31.03.2020	0	NIL Movement during the year	101000	0.24
10	Sneha Lata Kasera	100000	0.24	01.04.2019				
		100000	0.24	31.03.2020	0	NIL Movement during the year	100000	0.24
11	Jagdish Prasad Kasera	100000	0.24	01.04.2019				
		100000	0.24	31.03.2020	0	NIL Movement during the year	100000	0.24
12	JDM Financial Services Limited	206638	0.50	01.04.2019	0			
				30.09.2019	-206600		38	0.00
				04.10.2019	206600		206638	0.50
		206638	0.50	31.03.2020	0		206638	0.50

### vii) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding at the beginning (01.04.2019)/End of the Year (31.03.2020)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Shri Ravi Jhunjunwala (Director) (Chairman)	0	0.00	01.04.2019		NIL movement during the year		
				31.03.2020	0		0	0
2	Shri Shekhar Agarwal (Managing Director and CEO) (KMP)	755573	1.82	01.04.2019		NIL movement during the year		
		755573	1.82	31.03.2020	0		755573	1.82
3	Shri Shantanu Agarwal (Director)	554500	1.34	01.04.2019		NIL movement during the year		
		554500	1.34	31.03.2020	0		554500	1.34

## DIRECTORS' REPORT

S. No.	Name	Shareholding at the beginning (01.04.2019)/End of the Year (31.03.2020)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
4	Shri Dharmendra Nath Davar (Director) (upto 24-07-2019)	1000	0.00	01.04.2019		NIL movement during the Period/year		
		1000	0.00	31.03.2020	0		1000	0.00
5	Dr . Kamal Gupta (Director)	1000	0.00	01.04.2019		NIL movement during the year		
		1000	0.00	31.03.2020	0		1000	0.00
6	Sh. Priya Shankar Dasgupta (Director)	0	0.00	01.04.2019		NIL movement/ holding during the year		
		0	0	31.03.2020	0		0	0
7	Smt. Archana Capoor (Director)	0	0.00	01.04.2019	0	NIL movement/ holding during the year		
		0	0	31.03.2020			0	0
8	Shri Atul Kumar Jain (Chief Financial Officer & KMP)	0	0.00	01.04.2019	0	NIL movement/ holding during the year		
		0	0.00	31.03.2020			0	0.00
9	Shri Virendra Kumar Garg (Company Secretary & KMP)	0	0.00	01.04.2019	0	NIL movement/ holding during the year		
		0	0.00	31.03.2020			0	0

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹/Lakhs)

S. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the financial year				
i)	Principal Amount	24,274.76	500.00		24,774.76
ii)	Interest due but not paid				
iii)	Interest accrued but not due	42.28			42.28
	<b>Total (i + ii + iii)</b>	<b>24,317.04</b>	<b>500.00</b>		<b>24,817.04</b>
B	Change in Indebtedness during the financial year				
	* Addition	4,145.81			4,145.81
	* Reduction	6,647.69			6,647.69
	<b>Net Change</b>	<b>(2,501.87)</b>			<b>(2,501.87)</b>
C	Indebtedness at the end of the financial year				
i)	Principal Amount	21,772.89	500.00		22,272.89
ii)	Interest due but not paid	0.16			0.16
iii)	Interest accrued but not due	46.42			46.42
	<b>Total (i + ii + iii)</b>	<b>21,819.47</b>	<b>500.00</b>		<b>22,319.47</b>



## DIRECTORS' REPORT

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹/Lakhs)

S. No.	Particulars of remuneration	Shri Shekhar Agarwal (Managing Director and CEO)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	171.79	171.79
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.70	3.70
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission#		
	- as % of profit	0.00	0.00
	- others		
5	Others, please specify		
	<b>Total (A)</b>	<b>175.49</b>	<b>175.49</b>
	Ceiling as per the Act		

Note:- Remuneration is being paid in accordance with the provision of Section 197 read with Schedule V of the Companies Act 2013.

#### B. Remuneration to other Director

(₹/Lakhs)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	<b>Independent Directors</b>	<b>Dr. Kamal Gupta</b>	<b>Shri Dharmendar Nath Davar (upto 24-07-2019)</b>	<b>Shri Priya Shankar Dasgupta</b>	<b>Smt. Archana Capoor</b>	
	- Fee for attending Board/ Committee meeting	9.00	2.70	6.00	2.50	20.20
	- Commission	0	0	0	0	0
	- Others, please Specify	0	0	0	0	0
	<b>Total (1)</b>	<b>9.00</b>	<b>2.70</b>	<b>6.00</b>	<b>2.50</b>	<b>20.20</b>
2.	<b>Other Non-Executive Directors</b>	<b>Name of Directors</b>				
		<b>Shri Ravi Jhunjunwala Chairman</b>		<b>Shri Shantanu Agarwal Non-Executive Director</b>		
	- Fee for attending Board/ Committee meeting	2.50		7.30		9.80
	- Commission	0		0		0
	- Others, please Specify	0		0		0
	<b>Total-(2)</b>	<b>2.50</b>		<b>7.30</b>		<b>9.80</b>
	<b>Total B = (1 + 2)</b>					<b>30.00</b>
	<b>Total Managerial Remuneration</b>					<b>Nil</b>
	Overall Ceiling as per Act					

## DIRECTORS' REPORT

## C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹/ Lakhs)

S. No.	Particular of Remuneration	CEO	Company Secretary	CFO	Total
			Virendra Kumar Garg	Atul Kumar Jain	
1	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		13.28	53.65	66.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.20	0.32	0.52
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others				
5	Others, please specify				
	<b>Total (C)</b>		<b>13.48</b>	<b>53.97</b>	<b>67.45</b>

## VII. PENALTIES/ PUNISHMENTS / COMPOUNDING OF OFFENCES

	TYPE	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A.	Company					
	Penalty					
	Punishment					
	Compounding					
B.	Directors					
	Penalty					
	Punishment					
C.	Other Officers in Default					
	Penalty					
	Punishment					



**Annexure –III to Director Report**

**NOMINATION & REMUNERATION POLICY**

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time, every Listed Public Company is required to constitute a Nomination and Remuneration Committee with atleast three or more Non-Executive Directors, out of which not less than one half shall be Independent Directors. The Company has already a Remuneration Committee with three Non-Executive Independent Directors. In order to align the same with the provisions of the Companies Act, 2013, and the Listing Regulation, 2015 as amended from time to time, the Board of Directors at their meeting held on the 22<sup>nd</sup> April, 2014, renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee and its Policy being in compliance with the provisions of Section 178 of the Companies Act, 2013, read with the applicable Rules and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applies to the Board of Directors, Key Managerial Personnel and the Senior Management of the Company.

**"Key Managerial Personnel (KMP) means and comprise-**

- Managing Director & Chief Executive Officer;
- Whole-time Director;
- Company Secretary;
- Chief Financial Officer;
- Such other Officer as may be prescribed.

**"Senior Management"** shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/ Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer and Including Functional Heads.

**Role and Objective of Committee:**

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
2. Identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down in the policy.
3. Recommend to the Board the appointment and removal of Directors and Senior Management.
4. Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Committee itself or by an independent external agency and review its implementation and compliance.
5. Recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employee .
6. To devise a policy on Board diversity.
7. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run Company successfully.
8. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
9. To develop a Succession Plan for the Board and to review it regularly.
10. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
11. To perform such other functions as may be referred by the Board or be necessary in view of the Listing Regulation, 2015 and the provisions of the Companies Act, 2013 and Rules made thereunder.

**Membership:**

1. The Committee shall comprise at least three (3) Directors, all of whom shall be Non-Executive Directors and at least half of them shall be Independent.
2. Minimum two (2) members or one third of the members, whichever is greater, including at least one (1) Independent Director in attendance shall constitute a Quorum for a Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Term of the Committee shall be continued unless terminated by the Board of Directors.

## DIRECTORS' REPORT

### Chairman:

1. Chairman of the Committee shall be an Independent Director.
2. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
4. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member of the committee to answer the shareholders' queries.

### Frequency of Meetings:

The meeting of the Committee shall be held at such regular intervals as may be required. However, the Committee shall meet atleast once in a year.

### Committee Member's Interests:

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### Voting:

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall, for all purposes, be deemed to be a decision of the Committee.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### Appointment of Directors/KMP Senior Management:

While recommending a candidate for appointment, the Committee shall have regard to:

- Assessing the appointee against a range of criteria which includes but not limited to qualifications, skills, experience, background and other qualities required to operate successfully;
- The experience and knowledge that the appointee brings to the role of KMP/Senior Management, which, in turn, will enhance the skill sets and experience of the Board as a whole;
- The nature of existing positions held by the appointee including Directorship and such other relationship and the impact of the same on the Company's welfare.

### Letter of Appointment:

Each Independent/KMP/Senior Management, Director is required to sign the duplicate copy of the letter of appointment issued by the Company, which contains the terms and conditions of his/her appointment.

### Policy on Board Diversity:

The Nomination and Remuneration Committee shall ensure that the Board of Directors has the combination of Directors from different areas/ fields or as may be considered appropriate in the best interests of the Company. The Board shall have atleast one Board member who has accounting/financial management expertise.

### Remuneration of Directors, Key Managerial Personnel and Senior Management:

The salaries of Directors, Key Management Personnel and other Senior Management shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

#### 1. Fixed Pay :

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee in accordance with the applicable provisions of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable provisions, as amended from time to time. The salary paid need to be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities to be usually reviewed on an annual basis;

#### 2. Minimum Remuneration :

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and applicable provisions of SEBI (LODR) Regulations, 2015, as amended from time to time.



## DIRECTORS' REPORT

### 3. Provision for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the approval of members by way of Special Resolution, where required, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

### 4. Increment :

Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the Shareholders in the case of Managerial Person.

### Remuneration to Non-Executive/Independent Director:

#### 1. Remuneration/Commission:

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force.

#### 2. Sitting Fees:

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof, provided that the amount of such fees per meeting of the Board or Committees shall not exceed the maximum amount as provided in the Companies Act, 2013 as amended from time to time.

### Evaluation/ Assessment of Directors/ KMP/Senior Management of the Company

The evaluation/assessment of the Directors, KMP and the Senior Management of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Regulation, 2015, as amended from time to time.

The following criteria may assist in determining how effective the performance of the Directors/KMPs/Senior Management has been:

- Leadership & stewardship abilities
- Assess policies, structures & procedures
- Regular monitoring of corporate results against projections
- Contributing to clearly define corporate objectives & plans
- Obtain adequate, relevant & timely information
- Review achievement of strategic and operational plans, objectives, budgets
- Identify, monitor & mitigate significant corporate risks
- Directly monitor & evaluate KMPs, Senior Management
- Review management's Succession Plan
- Effective meetings
- Clearly defining role & monitoring activities of Committees
- Review of ethical conduct

Evaluation following the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors relative to the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

### Manner for Effective Evaluation of Performance of Board, its Committees and Individual Directors

The Performance Evaluation of Directors, Key Managerial Personnel's and Senior Management of the Company, the Board as a whole, its Committees shall be carried out on Annual Basis and be reported to the Board of Directors for further evaluation.

### Deviations from this Policy:

Deviations on elements of this policy, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

DIRECTORS' REPORT

Annexure IV to Director's Report

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March 2020

*[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Maral Overseas Limited  
Maral Sarovar V & P.O., Khalbujurg Tehsil,  
Kasrawad, Khargone- 541660, Madhya Pradesh, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Maral Overseas Limited** (hereinafter called "the Company") for the audit period covering the financial year ended on **31<sup>st</sup> March, 2020**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representation made by the Management, we hereby report that in our opinion, the Company has, during the audit period under consideration complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on **31<sup>st</sup> March 2020** according to the provisions of:

- I. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and byelaws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – (**Not applicable to the Company during the audit period**)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



## DIRECTORS' REPORT

We report that, having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:-

- (a) The Boilers Act, 1923 as amended by the Indian Boilers (Amendment) Act, 2007
- (b) The Water (Prevention and control of Pollution) Act, 1974
- (c) The Air (Prevention and control of Pollution) Act, 1981
- (d) The Environment (Protection) Act, 1986

We further report that, based on the information provided and the representation made by the Company and also on the review of the internal compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable industry specific Acts, general laws like labour laws and environmental laws etc.

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and other applicable Acts.

During the audit period, based on the information provided and the representation made by the Company there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory auditor and other designated professionals.

### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent within prescribed time, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings were carried out with requisite majority as recorded in the minutes of the Meetings of the Board of Directors or Committee(s) of the Board as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Pranav Kumar & Associates,  
Company Secretaries**

**Date :** 19<sup>th</sup> June, 2020  
**Place:** Ghaziabad (U.P.)

**Pranav Kumar**  
**FCS No.: 5013**  
**C.P. No.: 3429**  
**UDIN: F005013B000356089**

**Annexure – V to Directors' Report**

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and outgo required under Companies (accounts) rules, 2014.**

**(A) Conservation of energy-**

**(i) The steps taken or impact on conservation of energy;**

**Sarovar Unit**

1. Various small energy saving measures have been implemented and achieved saving of 1200 units per day.
2. PAT cycle scheme is a regulatory instrument to reduce specific energy consumption in energy intensive industries, with an associated market based mechanism to enhance cost effectiveness through certification of excess energy saving which can be traded. MOL has been considered for PAT Cycle III for the period from 2017-18 to 2019-20.
3. Continued system of conducting audit of air, steam and water to detect leakages and attended the same so as to minimize losses on account of leakages.

**Noida Unit**

1. Replaced 15 no. of manual motor with energy efficient servo motor of low consumption in sewing machine.
2. Replaced 2 thread trimmer machines with energy efficient of Low Consumption.
3. Installed 4 Electrical mini Boilers with capacity of 81 KW also installed 2 tumble dryer heat exchanger with capacity of 72KW and replaced PNG Boiler with capacity of 1000 kg .
4. Replaced diesel boiler 200 Kg & 150 Kg. with Electric boiler low energy consumption with 27 kw -2 nos, 18 kw -1 nos Electrical boiler with & Fuel efficient of low consumption by at least 35 percent of cost at Apparel unit.
5. Replace 2 Ac ( 3 ton 3 Star) with 2 ac Installed in show room with the capacity of 3 Ton show room with 4 star low consumption energy 15 percent at Apparel unit.
6. Installed 6 no's double head thread trimmer machine with energy efficient of low consumption at Apparel unit.

**(ii) The steps taken by the company for utilizing alternate sources of energy;**

**Sarovar Unit**

We are in planning to install Solar Rooftop Power project of 2.5 MW in year 2020-21 under OPEX model.

**Noida Unit**

N.A.

**(iii) The capital investment on energy conservation equipment;**

**Sarovar Unit**

N.A.

**Noida Unit**

N. A.

**(B) Technology absorption-**

**(i) The efforts made towards technology absorption;**

**Sarovar Unit**

1. In Spinning Unit No.1, we replaced all old 11 Ring Frames (Model G5/1, each having 1008 spindles) with new 11 Ring Frames (Model LR9/A, each having 1056 spindles). In this way new 528 spindles added in existing area.
2. In Ring Frame, we are using energy saving Spindle oil EE10, which is giving approximate 0.5 % saving. In this financial year we are going to use EE10 spindles oil only.
3. We replaced existing RF spindles with energy saving spindles in two R/F, which is giving approximate 3.5 % energy saving. In future whenever RF spindles get changed, it will be replaced by energy saving spindles.



## DIRECTORS' REPORT

### Noida Unit

None

### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

#### Sarovar Unit

1. In grey yarns, we have developed Tri blend yarn Polyester/Silwaram/Viscose 50/35/15, Pentas/Cotton 50/50 (suitable for Thermal wear products), Kooltex/Cotton 50/50 which give feeling like 100% polyester, and Cotton/Nylon 66 in the blend of 88/12 for Flame Retardant products.
2. In finished fabrics, we have developed fabrics with special finishes like:-
  - a. Antimicrobial + Wicking & Evaporation in which antimicrobial properties stand up to 30 washes.
  - b. Antimicrobial + Soil release + Stain release, which has excellent durability to laundering, quickly wash water and soil based stains.
  - c. Antimicrobial + Anti Odor + Oil repellent + Water repellent which has speciality like High water repellency, Good repellency of water and oil based stains, Good protection from small droplets. This fabric can be used on outer layer of 3 Ply mask which will work as a water repellent barrier.

#### Noida Unit

- Metal Champ LOGO Attachment modified in Brother Machine. Programmed and successfully done without charge.
- Menthol Kaj attachment procured and production done successfully earlier done on job work.
- Machine pressure foot developed for 3 stripe to enhance quality and production.

### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

No technology imported.

- (a) The details of technology imported: N.A.
- (b) The year of import: N.A.
- (c) Whether the technology been fully absorbed: N.A
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A

### (iv) The expenditure incurred on Research and Development.

#### Sarovar Unit

NIL

#### Noida Unit

NIL

### (C) Foreign exchange earnings and Outgo:-

During the year, the Company has earned Foreign Exchange equivalent to ₹ 31647.03 Lakh at FOB Price against an Outgo of ₹ 11090.84 Lakh compared to the previous year's ₹ 38072.85 Lakh and Outgo of ₹ 5094.81 Lakh respectively.

## DIRECTORS' REPORT

**Annexure - VI to Directors' Report**

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) during the financial year 2019-20.

(₹ in lakh)

S. No.	Name of Director#/KMP and Designation	Remuneration of Director/KMP for the financial year 2019-20	% increase in remuneration in the financial year 2019-20
1	Shri Shekhar Agarwal- Managing Director and CEO	175.49	7.69
2	Shri Atul Kumar Jain- Chief Financial Officer	53.97	6.00
3	Shri Virendra Kumar Garg- Company Secretary	13.48	11.33

2. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company:** The ratio of remuneration of Shri Shekhar Agarwal, Managing Director and CEO to the median remuneration of the employees of the Company for the financial year 2019-20 is 80:57.
3. The percentage increase in the median remuneration of employees in the financial year is 3.65%.
4. There were 2509 permanent employees on the rolls of the Company as on the 31<sup>st</sup> March, 2020.
5. Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e 2019-20 was 3.94% and increase in the managerial remuneration for the same financial year was 8.34%.
6. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.



## DIRECTORS' REPORT

## Annexure - VII to Directors' Report

Statement of particulars of employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## A. Top ten employees in terms of remuneration drawn

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	Shri Shekhar Agarwal	Managing Director and CEO	175.49	B.Tech. (ME) M.Sc (Chicago)	42	27/01/1989	755573	Permanent	67.5	RSWM LTD.	Vice Chairman & Managing Director	25
2	Shri Satya Narayan Goyal*	President	13.06	C.A.	35	16/02/2020	700	Permanent	59	BMD Pvt. Ltd.	President	25
3	Shri Sanjay Janghala*	Vice President-Operations	42.20	B.Sc.	25	14/10/2019	-	Permanent	47	Orient Craft Ltd.	COO	2.5
4	Shri Atul Kumar Jain	Chief Financial Officer	57.88	C.A.	23	1/06/2017	-	Permanent	45	Jindal Poly Films Ltd.	General Manager-F&A	4
5	Shri Mohit Maheshwari	Vice President - Marketing	51.15	MBA	22	4/1/1999	-	Permanent	45	-	-	-
6	Shri Naveen Maheshwari	Sr. Vice President - Garment	50.83	B. Com.	34	1/04/2002	-	Permanent	53	HEG Ltd.	Dy. General Manager-MIS	7
7	Shri Novjot Walia	AVP-Marketing	40.83	B.Tech Textile	28	7/03/2011	-	Permanent	50	Souza Designs Ltd	GM	1
8	Shri Gajendra Kumar Lodha*	Vice President - Commercial	23.00	C.A.	19	16/08/2019	-	Permanent	44	Chenab Textile mills, Kathua	A.V.P. (Finance)	4.5
9	Shri Ashok Akade	Vice President - Spinning	36.12	Dip. in Textile Technology	26	14/01/2009	-	Permanent	46	M/s. Priyadarshini Spg. Mills	D.G.M. (Technical & Services)	5
10	Shri Parvez Alam Siddique	Asstt. Vice President - Fabric Processing	32.50	Dip. in Textile Technology, B.C.Chemistry	23	1/01/2019	-	Permanent	47	Texport Ind. Pvt.Ltd	Operation Head	1.7

\*Paid on the Proportionately from the date of appointment

## B. Persons employed throughout the financial year &amp; paid ₹1 crore two lac 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	Shri Shekhar Agarwal	Managing Director and CEO	175.49	B.Tech. (ME) M.Sc (Chicago)	42	27/01/1989	755573	Contractual	67.5	RSWM LTD.	Vice Chairman & Managing Director	25

## NOTES:

1. Shri Shekhar Agarwal, Managing Director and CEO is relative of Shri Shantanu Agarwal, Director of the Company.
2. None of the person was employed for the part of the year in receipt of remuneration aggregating to ₹ Eight Lakh and Fifty Thousand or more per month.
3. None of the employees draw remuneration more than remuneration drawn by Managing Director and hold by themselves or along with their spouse and dependent children, not less than two per cent of the equity shares of the Company.

## REPORT ON CORPORATE GOVERNANCE

In compliance with Corporate Governance requirements as prescribed in Regulation 34(3) read with Part C of Schedule V by SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2020 is set out below for information of the stakeholders and investors of the Company.

The Management of the Company believes that good companies are built on the foundation of ethical governance practices and cores values built over the years, and not set of rules. Corporate Governance is all about effective management of relationship among the various constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory authorities and the community at large. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. The Board of Directors of the Company plays a pivotal role in the good corporate governance by building up strong principles and values on which the Company operates.

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

The Company is a part of the LNJ Bhilwara Group which has an established reputation of honesty, integrity and sound governance over the years. The Company is, therefore, committed to maintaining the highest standards of Corporate Governance in its conduct towards shareholders, employees, regulators, customers, suppliers, lenders and other stakeholders. The Company strongly believes that good Corporate Governance is a journey which leads to corporate growth and long term gain in shareholder value. This philosophy adopted by the Company since its inception has contributed to the Company's sustained growth. Corporate Governance necessitates professionals to raise their competence levels and upgrade systems and processes to meet desired expectations in managing the enterprise and its resources effectively with the highest ethical standards.

Our corporate governance is a reflection of our philosophy for long term value creation. Through effective corporate governance, your Board seeks to imbibe and sustain a culture that will enable the Company to achieve its long-term strategic objectives, by building durable partnerships and upholding its core values of safety, teamwork, excellence, respect and integrity.

The Company believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance should create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations. The Company believes that the governance process should ensure that these resources are utilised in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's deep commitment to contribute to the conservation and development of the nation's economic, social and environmental capital.

The cornerstones of the Company's governance philosophy are trusteeship, transparency, ethical corporate citizenship, empowerment & accountability and control.

The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and Independent Board. We consider ourselves as trustees of our shareholders and relentlessly attempt to maximize long-term shareholder value. The Board consists of eminent and competent professionals from different backgrounds who are constantly guiding the management in putting in place the best systems, processes and technology, and create an effective leadership team.

Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value.

Your Company has complied with all the requirements stipulated under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") and the Companies Act, 2013 ("Act"), as applicable, with regard to Corporate Governance and listed below is its status.

### 2. Board of Directors

#### Composition

The Board of Directors guide, direct and oversee the management and protect long term interests of stakeholders, employees and society at large. The Board also ensures compliance of the applicable provisions, code of ethical standards and accurate financial reporting. During the year, the Board had six Directors comprising a Chairman, One Executive Director, One Non-Independent Non-Executive Director and Three Independent Directors (out of which one is a Women Director) which were drawn from diverse fields / professions. The Directors have expertise in the field of strategy, human resource development, management, law, finance, technology etc. The Board discharges its fiduciary relationships by providing the guidance and independent view to the Company's Management. The Board comprises of optimum combination of Executive and Non-Executive Directors with the Chairman of the Board as a Non-Executive Director. The Chairman, the Managing Director and Non-Independent Non-Executive Director are Promoter Directors. All the Directors except the Managing Director and Independent Directors 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 and Chairmanships held in various Committees in other Companies during the financial year ended the 31<sup>st</sup> March, 2020, are given below:

**Directors Attendance Record and details of Directorship Held**

Name Designation & Category of Directorship	No. of Meetings		No. of other Directorships and Committee Membership/Chairmanship		No. of other Directorship held in Listed Companies	
	Held	Attended	Directorships*	No. of Membership (s) / Chairmanship (s) of Board Committees in other Companies as on 31.03.2020#	Name of the Company	Category of Directorship
Shri Ravi Jhunjhunwala, Chairman, Promoter– Non-Executive	5	5	8	6 (including 2 as Chairman)	RSWM Ltd.	Director
					HEG Ltd.	Managing Director
					India Glycols Ltd.	Director
					BSL Ltd.	Director
					JK Lakshmi Cement Ltd.	Director
Shri Shekhar Agarwal, Managing Director and CEO, Promoter Executive	5	5	4	3	RSWM Ltd.	Director
					HEG Ltd.	Director
					BSL Ltd.	Director
					Bhilwara Technical Textiles Ltd.	Managing Director
Shri Shantanu Agarwal, Promoter Non- Executive Director	5	5	1	—	Bhilwara Technical Textiles Ltd.	Director
Dr. Kamal Gupta , Non- Executive, Independent Director	5	5	5	7 (including 2 as Chairman)	RSWM Ltd.	Director
					HEG Ltd.	Director
Shri Priya Shankar Dasgupta, Non- Executive, Independent Director	5	4	7	6 (including 3 as Chairman)	RSWM Ltd.	Director
					Bhilwara Technical Textiles Ltd.	Director
					Ester Industries Ltd.	Director
					Cummins India Ltd.	Director
					Timken India Ltd.	Director
Smt. Archana Capoor, Non- Executive, Independent Director	5	4	5	3 (including 1 as Chairman)	RSWM Ltd.	Director
					S. Chand and Company Ltd.	Director
					Birla Cable Ltd.	Director
					Sandhar Technologies Ltd.	Director

**Notes:**

\* Excludes Directorships held in Private Limited Companies, Foreign Companies, Section 8 Companies Membership of Management Committee of various Chambers / Bodies.

# Includes Chairmanship/Membership in Audit Committee and Stakeholders Relationship Committee of public limited Companies.

During the year Shri Dharmendar Nath Davar resigned from the Directorship of the Company on 24<sup>th</sup> July, 2019 due to health reason.

None of the Directors is a member of more than ten Board level Committees and Chairman of five such Committees across all the Public Companies in which he/she is a Director.

None of the Directors are related to each other except Shri Shekhar Agarwal, who being father of Shri Shantanu Agarwal related to him.

**Matrix setting out the skills/expertise/competence of the Board of Directors**

S. No.	Name of Director	Skills/Expertise/Competence					
		Finance	Law	Management	Technical Operations	Marketing/Sales	Administration
1	Ravi Jhunjunwala- Chairman	√	-	√	√	√	√
2	Shekhar Agarwal- Managing Director and CEO	√	-	√	√	√	√
3	Shantanu Agarwal- Non Independent Director	√	-	√	√	√	√
4	Kamal Gupta- Independent Director	√	√	√	-	-	√
5	Priya Shankar Dasgupta- Independent Director	√	√	-	-	-	√
6	Archana Capoor- Independent Director	√	-	√	-	√	√

**Number of Board Meetings**

The Board of Directors meets regularly throughout the financial year. The Board had met five times during the year, with a maximum time gap of less than one hundred and twenty days between two meetings. The meetings of the Board of Directors during the financial year ended 31<sup>st</sup> March, 2020 were held on the 7<sup>th</sup> May, 2019, 5<sup>th</sup> July, 2019, 8<sup>th</sup> August, 2019, 6<sup>th</sup> November, 2019 and the 30<sup>th</sup> January, 2020.

Agenda papers containing all the necessary information were sent in advance to all the Directors of the Company on a timely basis and to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. Presentation are made on various business plans, budgets etc. Relevant decisions taken by the Board / Committee meetings are then communicated to the concerned departments / divisions.

The Annual General Meeting of the Company was held on 19<sup>th</sup> September, 2019 during the financial year ended 31<sup>st</sup> March, 2020 which was attended by Shri Shantanu Agarwal, Director and Member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company, authorized by the Chairman of the respective Committees. The other Directors of the Company did not attend the Annual General Meeting due to their pre-occupation.

The Board reviews the declaration made by the Management regarding compliance with applicable laws on quarterly basis as well as steps taken by the Company to rectify instances of non-compliances, if any.

**Board Independence:** - Our definition of 'Independence' of Directors is derived from Regulation 16 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than the Shri Ravi Jhunjunwala and Shri Shantanu Agarwal are Independent in terms of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and Section 149(6) of the Companies Act, 2013. During the year under review, the Independent Directors fulfilled the conditions specified in the Listing Regulations and are independent of the management.

**Directors with materially significant pecuniary relationship**

All executive Directors receive salaries, allowances, perquisites and perks while Non-Executive Directors/Independent Directors are paid sitting fees for attending the Board Meeting and other sub-Committee meeting of the Board. There is no materially significant pecuniary relationship or transaction between the company and its Directors in the financial year under review.

**Familiarization program for Independent Directors**

All new Independent Directors inducted to the Board attend a familiarization program, about the Company, its products, business and the on-going events relating to the Company. All new Independent Directors are provided with certain documents which help them to get an overview of the Company. The new Independent Director meets with the Board members and senior management. The presentations were made by Managing Director giving an overview of Annual Operating Plans and Budgets of the Company. All Independent Directors met periodically with other Key Managerial Personnel, functional heads of the units, head of HR, IT department etc. to help them understand the service and product management and such other areas related to the Company. The details on the Company's Familiarization Program for Independent Directors can be accessed at: [http://www.maraloverseas.com/pdf/MOL\\_FAMILIARISATION\\_PROGRAMME-2020.PDF](http://www.maraloverseas.com/pdf/MOL_FAMILIARISATION_PROGRAMME-2020.PDF)

**Equity Shares held by Non-Executive Directors as on the 31<sup>st</sup> March, 2020.**

Name of Director	Category	Number of Shares held
Shri Ravi Jhunjunwala	Promoter- Non Executive	Nil
Shri Shantanu Agarwal	Promoter- Non Executive	5,54,500
Dr. Kamal Gupta	Independent- Non Executive	1,000
Shri Priya Shankar Dasgupta	Independent- Non Executive	Nil
Smt. Archana Capoor	Independent- Non Executive	Nil



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

The Board has complete access to all information about 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 judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations like wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which are 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 among others.
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 2018.
- Quarterly Compliance Report and Investor Grievance Reports.
- Certificate with respect to Regulation 7(3) and 40 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is presented with detailed notes on these matters, as part of the agenda papers of the meeting or directly tabled at the Board meetings, as and when required.

The Board reviews the declaration made by the Management regarding compliance with applicable laws on quarterly basis as well as steps taken by the Company to rectify instances of non-compliances, if any.

### **Committees of the Board**

The Board's Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board's Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to have been performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. With a view to have a better Corporate Governance and accountability, the Board has constituted following Committee viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

### **3. Audit Committee**

The role of Audit Committee is as set out in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Audit Committee of the Board comprises the following members as on 31<sup>st</sup> March, 2020:

- |                                |   |                          |
|--------------------------------|---|--------------------------|
| 1) Dr. Kamal Gupta             | : | Independent Director     |
| 2) Shri Priya Shankar Dasgupta | : | Independent Director     |
| 3) Shri Shantanu Agarwal       | : | Non-Independent Director |

All the members of the Audit Committee are Non-Executive and majority of Independent Directors. Dr. Kamal Gupta is the Chairman of the Audit Committee. During the year Shri Dharmendar Nath Davar ceased to be a member of the Audit Committee w.e.f. 24<sup>th</sup> July, 2019. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board. 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.

Shri Virendra Kumar Garg, Company Secretary is also secretary to the Committee. Invitees to the Audit Committee include the Chairman, Managing Director and CEO, Chief Financial Officer, President of the Sarovar plant, Head of the Garment division and the representative of the Statutory Auditors and Internal Auditors.

The Audit Committee of the Company met five times during the period under review. The meetings were held on 7<sup>th</sup> May, 2019, 5<sup>th</sup> July, 2019, 8<sup>th</sup> August, 2019, 6<sup>th</sup> November, 2019 and the 30<sup>th</sup> January, 2020. Details of attendance of Audit Committee are given below:

Name of the Member	Category	No. of meetings held during the year	No. of meetings attended
Dr. Kamal Gupta	Independent –Non Executive Director	5	5
Shri Priya Shankar Dasgupta	Independent- Non Executive Director	5	4
Shri Shantanu Agarwal	Non-Independent- Non Executive Director	5	5

The representative of statutory auditors and internal auditors regularly make presentations in the Audit Committee Meeting. The auditors update the Audit Committee with the Audit findings along with their recommendations and Management comments on the same and the Action Taken Report is presented in the next meeting. The auditors have attended all the Audit Committee Meetings held during the year.

**The roles 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.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to Financial Statements.
  - f. Disclosure of any Related Party Transactions.
  - g. Modified Opinions 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- 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.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of Chief Financial Officer 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.

**The Company 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, 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 Internal Auditor are reviewed by the Audit Committee.
- To review the information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable.
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

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

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

**Internal Financial Control and its adequacy**

The Company has laid down policies and procedures for ensuring orderly and efficient conduct of its business including safeguarding of assets, prevention and detection of fraud and other irregularities, the accuracy and completeness of the accounting records and timely preparation and disclosure of financial information representing true and fair view and free from material misstatement. The Committee also reviews various policies of the Company to make it consistent with current business practices and procedures.

**4. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee comprised of following members as on the 31<sup>st</sup> March, 2020:

- |                          |   |                           |
|--------------------------|---|---------------------------|
| 1) Dr. Kamal Gupta       | - | Independent Director      |
| 2) Shri Shekhar Agarwal  | - | Executive Director        |
| 3) Shri Shantanu Agarwal | - | Non- Independent Director |

Dr. Kamal Gupta is the Chairman of the Committee. During the year Shri Dharmendar Nath Davar ceased to be a member of the Stakeholders Relationship Committee w.e.f. 24<sup>th</sup> July, 2019.

Shri Virendra Kumar Garg, Company Secretary is the Compliance Officer of the Company.

The terms of reference of the Committee are as follows:

- a. Consider and Resolve the grievances of the security & shareholders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, Dematerialization / Rematerialisation, etc.

- b. Review of measures taken for effective exercise of voting rights by shareholders.
- c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee met four times during the year under review ended the 31<sup>st</sup> March, 2020 on the 7<sup>th</sup> May, 2019, 8<sup>th</sup> August, 2019, 6<sup>th</sup> November, 2019 and the 30<sup>th</sup> January, 2020.

**Details of attendance of Stakeholders' Relationship Committee are given below:**

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings Attended
Dr. Kamal Gupta	Independent–Non Executive Director	4	4
Shri Shekhar Agarwal	Promoter-Executive Director	4	4
Shri Shantanu Agarwal	Non- Independent Director- Non Executive Director	4	4

#### **Investor Complaints**

The Company had received two Complaints during the year ended the 31<sup>st</sup> March, 2020 and the same 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 for disposal as on the 31<sup>st</sup> March, 2020. No request for Dematerialization/ Rematerialization of Equity Shares of the Company was pending for approval as at the 31<sup>st</sup> March, 2020.

**Details of Shareholders'/Investors' Queries and Grievances received and attended by the Company during the year ended the 31<sup>st</sup> March, 2020.**

S. No.	Nature of Query/Complaint	Pending as on 1 <sup>st</sup> April, 2019	Received during the year	Resolved during the year	Pending as on 31 <sup>st</sup> March, 2020
1.	Non-receipt of Bonus/Transfer / Transmission / Issue of Duplicate Shares/ Others	Nil	2	2	Nil
2.	Non-receipt of Dividend, Non receipt of Refund Order & Non-receipt of Annual Report	Nil	Nil	Nil	Nil
3.	Dematerialization/ Rematerialization of shares	Nil	Nil	Nil	Nil

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-materialization 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 and CEO. 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 CEO and Shri Atul Kumar Jain, Chief Financial Officer who attend and approves the share transfer requests on a fortnightly basis.

Pursuant to Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate on half yearly basis, duly signed by the compliance officer and the authorized representative of the share transfer agent certifying that all activities in relation to both physical and electronic share transfer facility are maintained with Registrar to an issue and share transfer agent registered with the Board.

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate on half yearly basis, had been issued by a practicing Company Secretary for due compliance of share transfer formalities by the Company.

#### **Reconciliation of Share Capital Audit**

A qualified practicing Chartered Accountant carries out an audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) and the total issued and listed capital and places the report for the perusal of the Board. The report confirms that the total issued and listed capital



is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. Further, the aforesaid reports were duly submitted with the Stock Exchanges within the stipulated time as per Listing Regulation 2015.

#### 5. Corporate Social Responsibility Committee

The Company had constituted the Corporate Social Responsibility Committee (CSR) in line with the provisions of Section 135 of the Companies Act, 2013. Shri Priya Shankar Dasgupta acted as the Chairman of the Committee. The Committee comprised of the following members as on 31 March, 2020.

- |    |                             |   |                          |
|----|-----------------------------|---|--------------------------|
| 1. | Shri Priya Shankar Dasgupta | - | Independent Director     |
| 2. | Dr. Kamal Gupta             | - | Independent Director     |
| 3. | Shri Shekhar Agarwal        | - | Executive Director       |
| 4. | Shri Shantanu Agarwal       | - | Non-Independent Director |

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.

The Committee is not only responsible for the philanthropy activities carried out by the Company but also ensure that the same is properly undertaken within the set time frame. Further, while considering the benefit of the shareholders, the Committee also considers the social and environment responsibilities to fulfill the expectations of the society at large.

The Committee met four times during the year under review. The meetings were held on the 7<sup>th</sup> May, 2019, 8<sup>th</sup> August, 2019, 6<sup>th</sup> November, 2019 and the 30<sup>th</sup> January, 2020.

Details of attendance of CSR Committee are given below:

Name of the Member	Category	No of Meetings Held during the year	No of Meetings Attended
Shri Priya Shankar Dasgupta	Independent- Non Executive Director	4	4
Dr. Kamal Gupta	Independent- Non Executive Director	4	4
Shri Shekhar Agarwal	Promoter-Executive	4	4
Shri Shantanu Agarwal	Promoter-Non Executive/Non Independent	4	4

The Company has formulated the CSR policy wherein the activities mentioned under Schedule VII are covered. The detail of amount spent on CSR by the Company is forming part of this report. The CSR policy is updated on the website of the Company link of which is given below: [http://www.maraloverseas.com/pdf/MOL\\_CSR\\_Policy-2020.pdf](http://www.maraloverseas.com/pdf/MOL_CSR_Policy-2020.pdf)

#### 6. Nomination and Remuneration Committee

The constitution of Nomination and Remuneration Committee is in accordance with the provisions of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms and reference of the Nomination and Remuneration Committee inter-alia 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 appointment and removal.
- Formulate the criteria for evaluation of performance of Independent Director's and Board of Directors
- Formulate the criteria for determining qualification, positive attributes and independence of a Directors.
- To devise a policy on Board diversity.
- To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the Report of performance evaluation of Independent Directors.
- Recommend to the Board a policy relating to the remuneration for the Directors, KMP, Senior Management and other employees.
- Succession planning for the Board and Senior Management of the Company.

- Determining the appropriate size and composition of the Board.
- Recommendation to the Board, all remuneration, in whatever form, payable to the Senior Management.
- Carry out such other functions as are required or appropriate in discharging their duties.

Dr. Kamal Gupta is the Chairman of the Committee. The Nomination and Remuneration Committee comprised of following members as on the 31<sup>st</sup> March, 2020:

- 1) Dr. Kamal Gupta : Independent Director
- 2) Shri Priya Shankar Dasgupta : Independent Director
- 3) Shri Shantanu Agarwal : Non-Independent Director

The Committee met three times during the year under review. During the year Shri Dharmendar Nath Davar ceased to be a member of the Nomination and Remuneration Committee w.e.f. 24<sup>th</sup> July, 2019.

The meetings were held on the 7<sup>th</sup> May, 2019, 6<sup>th</sup> November, 2019 and the 30<sup>th</sup> January, 2020. As on 31<sup>st</sup> March, 2020 the attendance of Nomination and Remuneration Committee are given below:

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings Attended
Dr. Kamal Gupta	Independent- Non-Executive Director	3	3
Shri Priya Shankar Dasgupta	Independent- Non-Executive Director	3	3
Shri Shantanu Agarwal	Non-Independent- Non-Executive Director	3	3

### Nomination and Remuneration Policy

The Company has framed a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management which is reviewed and approved by the Board of Directors on the commendation of the Nomination and Remuneration Committee in line with the amendments notified by SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The policy is in consonance with the existing industry practice and form part of Directors Report. The policy is also available on the website of the company under the following link: <http://www.maraloverseas.com/pdf/NOMINATION-AND-REMUNERATION-POLICY.pdf>

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes determination of salary, perquisites, commission to be paid to the Company's Managing Director(s), along with retirement benefits. The compensation terms of Executive Directors are approved by the Board of Directors upon recommendation of the Nomination and Remuneration Committee and subsequently approved by the Shareholders in the General Meeting. The Nomination and Remuneration Committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance, industry standards and various other factors. The non-executive Directors are paid sitting fees for attending the Board meetings as well as other Committee Meetings.

The Board has carried out the performance evaluation of its own performance, Committees and individual directors. An evaluation is done taking into consideration a person's leadership, coordinating and steering skills, frequency for attending the meetings, initiatives, contribution, integrity etc.

The performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated. The criteria for evaluation are as per the Nomination and Remuneration Policy of the Company. Evaluation is also conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

### Remuneration of Executive Directors, Key Managerial Personnel and Senior Management

The remuneration of Executive Directors, Key Managerial Personnel and Senior Management is paid on monthly basis as approved by the Board on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the shareholders in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

### Remuneration of Non-Executive/ Independent Director

Non-Executive/Independent Director was paid sitting fees for attending the Board and Committee Meetings.

**Remuneration Paid or Payable to Directors as on 31<sup>st</sup> March, 2020**

(₹ In Lakh)

Name of Director	Category	Sitting Fee	Salary	Benefits, perquisites and allowances#	Commission	Total
Shri Ravi Jhunjhunwala	Promoter- Non Executive	2.50	-	-	-	2.50
Shri Shekhar Agarwal\$	Promoter- Executive	-	171.79	3.70	-	175.49
Shri Shantanu Agarwal	Promoter- Non Executive	7.30	-	-	-	7.30
Dr. Kamal Gupta	Independent- Non Executive	9.00	-	-	-	9.00
Shri Dharmendar Nath Davar*	Independent- Non Executive	2.70	-	-	-	2.70
Shri Priya Shankar Dasgupta	Independent- Non Executive	6.00	-	-	-	6.00
Smt. Archana Capoor	Independent- Non Executive	2.50	-	-	-	2.50

# includes retirement benefits excluding leave encashment & gratuity.

\$ Shri Shekhar Agarwal, Managing Director and CEO holds 1.82 % of Equity Shares as on the 31<sup>st</sup> March, 2020 in the Company.

\* Shri Dharmendar Nath Davar ceased to be Director with effect from 24<sup>th</sup> July, 2019 due to health reason.

Shri Shekhar Agarwal, Managing Director and CEO is employee of the Company and is subject to service conditions as per the policies of the Company at the relevant point in time.

During the year ended the 31<sup>st</sup> March, 2020, the Company did not advance any loans to any of its Directors. Further, during the year the Company did not give any Stock Option and Bonus Scheme.

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

**7. Independent Directors Meeting**

Pursuant to the Code of Independent Directors and Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of the Independent Directors held on 30<sup>th</sup> January, 2020 without the attendance of Non-Independent Directors and members of management to inter-alia:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Letter of Appointment**

At the time of appointment, the Independent Director is required to sign a duplicate copy of the letter of appointment issued by the Company, which contains the terms and conditions of his/her appointment. The terms and conditions of the appointment of the Independent Directors are available on the Company's website i.e. [http://maraloverseas.com/pdf/Letter\\_of\\_Appointment\\_Independent\\_Director.pdf](http://maraloverseas.com/pdf/Letter_of_Appointment_Independent_Director.pdf).

**Board Evaluation Mechanism**

The Board is responsible for undertaking a formal annual evaluation of its own performance, Committees and individual Directors with a view to review their functioning and effectiveness and to determine whether to extend or continue the term of appointment of the independent directors. During the year, the Board carried out the performance evaluation of itself, Committees and each of the Executive Directors/Non-executive Directors/Independent Directors excluding the Director being evaluated. The evaluation of performance of Independent Director is based on the criteria laid down in the Nomination and Remuneration policy which includes knowledge and experience in the field of textile industry, legal, finance and CSR activities.

**Performance evaluation of Independent Directors**

Pursuant to the Code of Independent Directors and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of Independent Directors is to be done by the entire Board of Directors except the Director who is being evaluated. The criteria for the evaluation of performance are laid down in the Nomination and Remuneration policy. The evaluation of the performance is being done on an annual basis. As on 31<sup>st</sup> March, 2020, the Company has the following Independent Directors: Dr. Kamal Gupta, Shri Priya Shankar Dasgupta and Smt. Archana Capoor. The Directors expressed their satisfaction with the outcome of the evaluation process.

## 8. Management Discussion and Analysis

The Management Discussion and Analysis Report forms part of this Annual Report. During the financial year ended the 31<sup>st</sup> March, 2020, there was 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.

## 9. General Body Meetings

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

### Annual General Meetings (AGM)

Date of AGM	Relevant Financial Year	Time of Meeting	Venue/Location where held	Special Resolution passed
22 <sup>nd</sup> September, 2017	2016-17	11:00 A.M.	Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, Madhya Pradesh – 451660	3
20 <sup>th</sup> September, 2018	2017-18	11:00 A.M.	Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, Madhya Pradesh – 451660	3
19 <sup>th</sup> September, 2019	2018-19	11:00 A.M.	Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, Madhya Pradesh – 451660	4

The following Special Resolutions were taken up in the last three Annual General Meetings, and were passed with requisite majority:-

### 2016-17

- I. Adoption of New Article of Association pursuant the Provision of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules made there under.
- II. Approval for creation of mortgage(s) and charges as per the provisions of Section 180(1)(a) of the Companies Act, 2013 in addition to the existing mortgage(s), charge(s) and hypothecation(s) created by the Company.
- III. To authorise the Board of Directors of the Company to create mortgage and/ or charge on the assets of the Company up to the borrowing limits of ₹ 500 crore as per the provision of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013.

### 2017-18

- I. Approval of the remuneration payable to Shri Shekhar Agarwal (DIN 00066113) Managing Director of the Company for the financial year 2017-18 and for his remaining tenure upto 31<sup>st</sup> March, 2019.
- II. Approval for continuation of Shri Dharmendra Nath Davar as an Independent Director from 1<sup>st</sup> April, 2019 till the present term expiring on 25<sup>th</sup> September, 2019.
- III. Approval for partial extension of period of redemption of 12,00,000 3 % Cumulative Redeemable Preference Shares of ₹ 100 each issued to the Promoters which are due for redemption on 31<sup>st</sup> March, 2019 i.e. 50% proportionately in two tranches in the year 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2020 respectively.

### 2018-19

- I. Re-appointment of Shri Shekhar Agarwal (DIN: 00066113) as Managing Director of the Company for a period of three years w.e.f. 1<sup>st</sup> April, 2019.
- II. Re-appointment of Dr. Kamal Gupta, (DIN: 00038490) as an Independent Director of the Company for a second term of five consecutive years starting from 26<sup>th</sup> September, 2019.
- III. Re-appointment of Shri Priya Shankar Dasgupta, (DIN: 00012552) as an Independent Director of the Company for a second term of five consecutive years starting from 26<sup>th</sup> September, 2019.
- IV. Approval for extension of period of redemption of 6,00,000 3% Cumulative Redeemable Preference Shares (CRPS) of ₹100/- each issued to the promoters, which are due for redemption on 31<sup>st</sup> March, 2020, for a period of one year i.e. 31<sup>st</sup> March, 2021.

### Postal Ballot

During the year ended 31<sup>st</sup> March 2020, no resolution was required to be passed through Postal Ballot. Further, no resolution has been proposed to be conducted through postal ballot.



## 10. Disclosures

### (i) Basis of Related Party Transactions

- During the period under review, there is no materially significant related party transaction with any of the related parties.
- The disclosure of transactions as required pursuant to the Ind-AS -24 has been made part of the Annual Report.
- The related party transactions are being done on an arm's length basis and in the ordinary course of business, and do not have any possible conflict with the interests of the Company. Transactions with related parties entered into by the Company in the ordinary course of business were placed before the Audit Committee.
- As required by Accounting Standards (Ind-AS-24), the details of related party transactions are given in note 40.2 to the Financial Statements.
- The policy for dealing with the Related Party Transactions as approved and amended by the Board of Directors is disclosed on the website of the Company under the following link: <http://www.maraloverseas.com/pdf/Related-Party-Transaction-Policy-2020.pdf>

### (ii) Non Compliance by the Company in previous years

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

### (iii) Whistle Blower Policy

The Company has implemented a vigil mechanism, through which the employees, directors and other stakeholders can report matters to the Nodal Officer, with the objective of pursuing its business in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct. The Company has adopted a framework whereby the identity of the complainant is not disclosed. During the year under review, no person was denied access to the Audit Committee.

### (iv) Compliance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

The Company is fully compliant with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A certificate from Statutory Auditors to this effect is forms part of this Annual Reports.

### (v) Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed the same Accounting treatment as prescribed in the relevant Indian Accounting Standards while preparing the Financials Statements.

### (vi) 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 minimization procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework.

### (vii) Material Subsidiary

The Company does not have any subsidiary. However, the policy of the same as approved by the Board of Directors is disclosed on the website of the Company under the following link: [http://maraloverseas.com/pdf/Material\\_subsidary.pdf](http://maraloverseas.com/pdf/Material_subsidary.pdf)

## 11. Discretionary Requirements

The Company has duly fulfilled the following discretionary requirements as prescribed in schedule II part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year Shri Ravi Jhunjhunwala is the Chairman of the Company and Shri Shekhar Agarwal is the Managing Director and CEO of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director/CEO.

The executive summary along with the internal audit report and action taken report of all units is placed in every quarter in the Audit Committee.

## 12. Compliance with Corporate Governance Requirements

During the year under review, the Company has complied with the condition of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Compliance Certificate from M/s. S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi (Firm Registration No. 000756N), and M/s. P. K. Deora & Co., Chartered Accountants, New Delhi (Firm Registration No. 004167N) Statutory Auditors of the Company regarding compliance of the condition of Corporate Governance forms part of this Annual Report.

The observations of the Auditors, if any, are explained wherever necessary, in the appropriate notes to the accounts. The Auditors' Report does not contain qualification, reservation or adverse remark.

### 13. Initiatives on Prevention of Insider Trading Practices

The Company has a policy of Prohibiting Insider Trading in compliance 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, are intimated to all the Directors, designated employees and insiders, in advance, whenever required.

In line with the amendments notified by SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, the Revised Code of Conduct for prevention of Insider Trading had been approved and adopted by the Board and implemented with effect from 01<sup>st</sup> April, 2019.

### 14. Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. 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, as amended from time to time, has been placed on the Company's website [www.maraloverseas.com](http://www.maraloverseas.com). All members of the Board and Senior Management Personnel have confirmed compliance with the code of conduct for the year under review and a declaration to that effect, signed by CEO and CFO forms part of this Annual Report.

### 15. CEO and CFO Certification

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification of CEO and CFO on the financial statements for the year form part of this Annual Report.

### 16. Means of Communication

Effective communication of information is considered a very essential component of Corporate Governance. The Company interacts with their shareholders through various means of communication i.e. print media, Company website, annual report etc.

The quarterly, half yearly and annual audited results are sent immediately to the Stock Exchanges after they are approved by the Board of Directors. The same are also displayed on Company's website at [www.maraloverseas.com](http://www.maraloverseas.com). The Company publishes its results, in accordance with Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in at least one prominent national and one regional newspaper. The Company has a designated email-id [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com).

### 17. Shareholders

#### Re-appointment of Non-Independent Directors

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 re-appointment. This year, Shri Ravi Jhunjunwala is retiring by rotation and being eligible, offers himself for re-appointment in the Annual General Meeting.

#### Shri Ravi Jhunjunwala

Shri Ravi Jhunjunwala, aged 64 years, is a Non-Executive Promoter Director of the Company. Shri Jhunjunwala holds a degree in B.Com (Hons.) and is also an MBA from the Centre D'etudes Industrielles (CEI) Geneva. He is also the Chairman and Managing Director of the HEG Limited and Malana Power Company Limited and Chairman of RSWM Limited. Shri Jhunjunwala is an industrialist with diversified business experience. His leadership has enabled the group to establish a presence in more the 75 countries across five continents today. He is also active on number of National Management forums and is associated with various chambers of commerce including CII.

#### Details of Directorships Held in Other Companies:-

Directors Name	No. of the Company in which Directorship held *	Committee Chairmanship	Committee Membership
Shri Ravi Jhunjunwala	AD Hydro Power Limited	Audit Committee	-
	Bhilwara Energy Limited	Audit Committee	-
	BSL Limited	-	Stakeholders' Relationship Committee
	HEG Limited	-	Stakeholders' Relationship Committee
	India Glycols Limited	-	Audit Committee
	JK Lakshmi Cement Limited	-	Audit Committee
	Malana Power Company Limited	-	-
	RSWM Limited	-	-

\*Excludes Directorships held in Private Limited Companies, Foreign Companies, Membership of Management Committee of various chambers/Bodies/ Section 8 Companies.



## ADDITIONAL SHAREHOLDERS' INFORMATION

18. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system.
19. **Uploading on BSE and NSE:** The quarterly and annual results, quarterly and annual compliances and all other corporate communications to the Stock Exchanges are filed electronically on BSE (BSE Limited) and NSE (National Stock Exchange Limited).
20. **Disclosure on Website:** - The Company's website [www.maraloverseas.com](http://www.maraloverseas.com) has separate section "Investor" where the information for the shareholders is available. Annual Report, Financial Result, Shareholding Pattern, Corporate Governance Report etc. are also available on the website of the Company in user friendly manner. The Company ensures that the relevant provision of Regulation 46 of the Listing Regulation, 2015 are complied with. The Company has dedicated email id is [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com).
21. **Presentation made to Institutional Investor or to the analysts:** Any presentations and disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company.
22. **Compliance Confirmation:** It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 of the Listing Regulations 2015.
23. **Certificate of non-disqualification of Directors**

Pursuant to Regulation 34(3) and Schedule V para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Pranav Kumar, Company Secretary in Practice vide his certificate dated 19<sup>th</sup> June, 2020 had confirmed that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority. A certificate of non-disqualification of Directors is forms part of this Annual Report.

### ADDITIONAL SHAREHOLDERS' INFORMATION

#### 1. Annual General Meeting

Date	:	29 <sup>th</sup> September, 2020
Day	:	Tuesday
Time	:	2:00 P.M.
Mode	:	Video Conferencing (VC) or Other Audio Visual Mean (OAVM)
Venue	:	The venue of meeting shall be deemed to be Registered Office of the Company at Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Dist. Khargone - 451660, Madhya Pradesh

#### 2. Financial Calendar

Financial year : 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020

For the year ended 31<sup>st</sup> March, 2020, results were announced on:

- 8<sup>th</sup> August, 2019 : First quarter
- 6<sup>th</sup> November, 2019 : Second quarter and Half year
- 30<sup>th</sup> January, 2020 : Third quarter and Nine months
- 19<sup>th</sup> June, 2020 : Fourth quarter and Annual.

For the year ending 31<sup>st</sup> March, 2021, quarterly results will be announced within 45 days from the end of each quarter except the fourth quarter when the audited annual results will be published within 60 days.

3. **Dates of Book Closure** : Wednesday, the 23<sup>rd</sup> September, 2020 to Tuesday, the 29<sup>th</sup> September, 2020.

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

#### 5. Listing of Equity Shares on Stock Exchange:-

- i. BSE Ltd (BSE)- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
- ii. 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 BSE Ltd. and the National Stock Exchange of India Limited upto 31<sup>st</sup> March, 2021.*

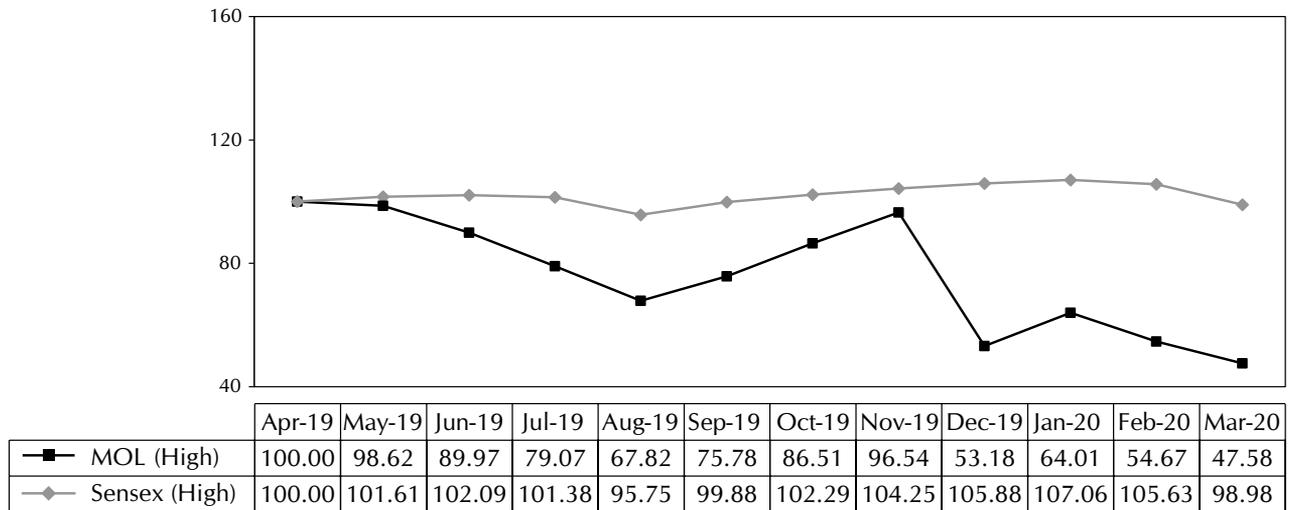
#### 6. Stock Code:

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

7. Stock Market Data: Share Price in ₹ of Maral Overseas Limited at BSE /NSE in 2019-20

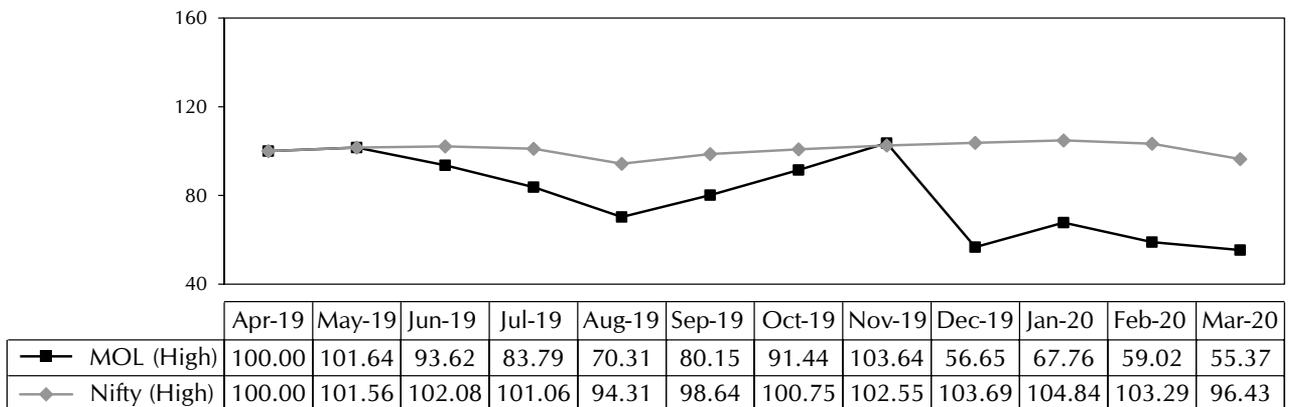
Months	BSE Ltd.			National Stock Exchange of India Limited		
	High	Low	Volume	High	Low	Volume
Apr-2019	28.90	24.35	7,970	27.45	25.15	87,116
May-2019	28.50	22.80	27,881	27.90	22.75	1,35,170
June-2019	26.00	21.30	25,428	25.70	21.15	97,842
July-2019	22.85	16.00	42,397	23.00	15.50	1,52,618
Aug-2019	19.60	14.30	20,625	19.30	14.15	59,820
Sep-2019	21.90	14.60	41,348	22.00	14.50	1,36,630
Oct-2019	25.00	15.60	71,581	25.10	15.20	2,48,974
Nov-2019	27.90	14.30	1,23,996	28.45	14.25	3,59,147
Dec-2019	15.37	13.38	13,051	15.55	13.35	88,768
Jan-2020	18.50	14.35	18,891	18.60	14.35	1,44,059
Feb-2020	15.80	13.80	11,266	16.20	13.70	93,335
Mar-2020	13.75	8.15	24,640	15.20	8.25	121724

Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2019)



Source: BSE Ltd.

Performance in comparison with NIFTY (Both series indexed to 100 as on April, 2019)



Source: National Stock Exchange of India Ltd.

**8. Registrar and Transfer Agents**

M/s MCS Share Transfer Agent Limited is the Registrar & Share Transfer Agent of the Company. 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, 1st Floor, New Delhi – 110 020  
Phone No. (s) : 011-41406149-52, Fax No : 011-41709881,  
E- Mail : [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

**9. Share Transfer System**

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 numbers of shares transferred during the financial year ended the 31<sup>st</sup> March, 2020 were 9,100 shares. As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities. Further as per Regulation 40 of SEBI Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1<sup>st</sup> April, 2019 except in case of request received for transmission or transposition of securities.

**10. Distribution of Shareholding as on the 31st March, 2020.**

No. of Equity shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	13400	86.18	19,69,158	4.74
501-1000	1000	6.43	8,52,682	2.05
1001-10000	1041	6.70	31,15,346	7.51
10001 and above	106	0.69	3,55,70,814	85.70
<b>Total</b>	<b>15547</b>	<b>100.00</b>	<b>4,15,08,000</b>	<b>100.00</b>

**11. Shareholding Pattern as on the 31<sup>st</sup> March, 2020.**

Category		No. of Shares held	Percentage of Shareholding
A	Promoters & Promoter Group	3,11,08,829	74.95
B.	Public Shareholding		
	I Banks	2,000	0.00
	II Financial Institutions and Insurance Companies, Mutual Funds & UTI	1,000	0.00
	III Foreign Institutional Investors	5,800	0.02
	IV NRIs	45,023	0.11
	V Bodies Corporate	15,24,593	3.67
	VI Foreign Bodies Corporate	200	0.00
	VII Individuals	88,07,028	21.22
	VIII Clearing Members	13,527	0.03
	<b>Total</b>	<b>4,15,08,000</b>	<b>100.00</b>

**12. Dematerialization of Shares and Liquidity:****A. Equity Shares as on the 31st March, 2020**

S. No.	Description	No. of Share holders	No. of Shares	% of Equity
1.	Central Depository Services India Limited (CDSL)	3762	2,48,96,706	59.98
2.	National Securities Depository Limited (NSDL)	6684	1,59,65,786	38.46
3.	Physical	5101	6,45,508	1.56
	<b>Total</b>	<b>15547</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**. 4,08,62,492 equity shares were dematerialized till 31<sup>st</sup> March, 2020 which is 98.44 % 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 Company has issued 12,00,000 3% CRPS of ₹ 100/- each, to persons falling under promoters and promoter group in physical form, out of which 6,00,000 3% CRPS were redeemed on 31<sup>st</sup> March, 2019.

**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 during the year under review.

**14. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities.**

• **Foreign Exchange Risk And Hedging Activities**

The Company regulates its activities as laid down under Forex Hedging Policy. The Company periodically reviews the forex exposure along with the hedging positions of the Company. The Company had been continuing with its existing policy of booking Vanilla Forward Cover to the extent of orders in hand to hedge its exposure. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The Company regulates its activities as laid down under forex hedging policy and reviewed periodically. Also refer Management Discussion and Analysis for the same.

• **Commodity Price Risk And Commodity Hedging Activities**

The Company does not have any exposure hedged through commodity derivatives except foreign currency hedging. In compliance with Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI LODR, 2015, the exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

A: - Total exposure of the listed entity to commodities in INR - **NIL**

B: - Exposure of the listed entity to various commodities

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
<b>NIL</b>							

**15. Plant Locations**

- 1) Maral Sarovar,V. & P.O. Khalbujurg, Tehsil Kasrawad, Dist. Khargone-451660, Madhya Pradesh.
- 2) A-11, Hosiery Complex, Phase-II (Extension), Noida- 201 305 (U.P.)
- 3) C-126, Sector-63, Noida-201307 (U.P.)

**16. Address for Correspondence**

1. Investor correspondence should be addressed to:

**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: [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com)

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](mailto:maral.investor@lnjbhilwara.com)

3. **Register Office**

Maral Sarovar,V. & P.O. Khalbujurg,  
Tehsil Kasrawad, Dist. Khargone-451660, Madhya Pradesh.  
Phone No: 91-7285-265401-265405  
E-mail: [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com)



## 17. Credit Rating

During the year under review, M/s. CARE Ratings Limited (Rating Agency) has reaffirmed the ratings assigned to the bank facilities of the Company as under:

S. No.	Facilities	Reaffirmed Ratings
1.	Long Term Bank Facilities	CARE BBB; Stable(Triple B; Outlook: Stable)
2.	Short Term Bank Facilities	CARE A3 + (A Three Plus)

## 18. Other information to the Shareholders:

### a. Green Initiative

As a responsible corporate citizen, the Company welcomes 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 the Company or 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.

### b. 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 9<sup>th</sup> of December, 2013, the Company has formulated an Internal Complaints Committee that will ensure protection of women employees and a work environment free of all forms of sexual harassment- verbal, written, physical, visual or otherwise.

The Committee is formed as per the statute, and is headed by a women employee, the Committee comprises of more than half representation of women and 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.

The Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are tabulated hereunder:

No. of Complaints Filed during the year	No. of Complaints Disposed off during the year	No. of Complaints Pending as at the end of the year
Nil	Nil	Nil

### c. Information pursuant to Regulation 34(3) read with part F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company transferred 5100 Equity Shares in respect of 43 shareholders in the name of "Maral Overseas Limited – Unclaimed Suspense Account" on the 7<sup>th</sup> August, 2012 and these shares were subsequently dematerialized. As on 1st April, 2015, 42 shareholders comprising of 5000 shares were lying in the unclaimed suspense accounts. During the Financial Year 2015-16, 1 shareholder comprising of 100 has approached for claiming the shares which was duly transferred in the name of shareholder. As on the 31<sup>st</sup> March, 2020, 41 shareholders bearing 4900 shares are still lying in the Unclaimed Suspense Account.

### d. Unpaid / Unclaimed Dividends

There was no amount of unpaid/unclaimed dividend pending with the Company for the last seven years because the company did not declare any dividend since the year 2002-2003. In view of the same, Company had not transferred any dividend amount or shares which are unpaid /unclaimed to the demat account of IEPF Authority as per the provisions of Sections 124 and 125 of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules notified by the Ministry of Corporate Affairs.

e. During the Financial Year 2019-20, the Company did not raise any funds through preferential allotment or qualified institutions placement.

f. The total fees for all services paid by the Company on a consolidated basis to the Statutory Auditor are detailed in the notes to the Financial Statements.

g. There were no recommendations of any Committee requiring mandatory approval of the Board, which were not accepted by the Board.

h. The Company has not obtained any public funding in the last three years.

For and on behalf of the Board

Shekhar Agarwal  
Chairman & Managing Director and CEO  
DIN -00066113

## Certification by Chief Executive Officer and Chief Financial Officer of the Company.

We, Shekhar Agarwal, Managing Director and Chief Executive Officer and Atul Kumar Jain, 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: 19<sup>th</sup> June, 2020

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

**Atul Kumar Jain**  
Chief Financial Officer  
FCA-094866



## Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
**MARAL OVERSEAS LIMITED**  
Maral Sarovar V & P.O., Khalbujurg Tehsil,  
Kasrawad, Khargone- 541660  
Madhya Pradesh, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Maral Overseas Limited** having **CIN: L17124MP1989PLC008255** and having registered office at **Maral Sarovar V & P.O. Khalbujurg Tehsil Kasrawad Khargone Madhya Pradesh 541660 India** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Priya Shankar Dasgupta	00012552	28/09/2004
2.	Mr. Kamal Gupta	00038490	13/07/1991
3.	Mr. Ravi Jhunjhunwala	00060972	27/11/1996
4.	Mr. Shekhar Agarwal	00066113	27/01/1989
5.	Mrs. Archana Capoor	01204170	06/11/2015
6.	Mr. Shantanu Agarwal	02314304	22/04/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pranav Kumar & Associates,  
Company Secretaries

Place: Ghaziabad (U.P.)  
Date: 19<sup>th</sup> June, 2020

Pranav Kumar  
FCS No.: 5013  
C.P. No.: 3429  
UDIN: F005013B000355880

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of  
**Maral Overseas Limited**

1. We S S Kothari Mehta & Co., Chartered Accountants, and P K Deora & Co the Statutory Auditor of Maral Overseas Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March 2020, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C,D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31<sup>st</sup> March, 2020.
8. We further 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 affairs of the Company.

### Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not acceptor assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For P K Deora & Co**  
Chartered Accountants  
Firm's ICAI Regd.No: 004167N

**For S S Kothari Mehta & Company**  
Chartered Accountants  
Firm's ICAI Regd. No.:000756N

**Pawan Kumar Deora**  
Proprietor  
(Membership No: 083308)  
UDIN: 20083308AAAAAW2212

**Neeraj Bansal**  
Partner  
(Membership No: 095960)  
UDIN:20095960AAAAE52398

**Date: 19<sup>th</sup> June, 2020**  
**Place: Noida (U.P.)**



## INDEPENDENT AUDITORS' REPORT

### To the Members of Maral Overseas Limited

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Maral Overseas Limited** ('the Company'), which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31 March, 2020, and the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key Audit Matters (KAM) are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report, Report on Corporate Governance and Shareholder Informations but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the records, information and explanation provided, we have nothing to report in this regard.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS").

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters, communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ('the

Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in "Annexure – A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the Directors as on 31 March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure – B";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

As per the information and explanation given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided as specified by the provisions of Section 197 read with Schedule V to the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in the financial statements - Refer Note 37 to the financial statements;
  - ii) The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S. S. KOTHARI MEHTA & CO.**  
(Chartered Accountants)  
Firm Registration No. 000756N

**For P.K. DEORA & CO.**  
(Chartered Accountants)  
Firm Registration No. 004167N

**Neeraj Bansal**  
Partner  
Membership No. 095960  
UDIN: 20095960AAAAEU3631

**Pawan Kumar Deora**  
Proprietor  
Membership No. 083308  
UDIN: 20083308AAAA3885

Place: Noida (U.P.)  
Date: June 19, 2020



**“ANNEXURE – A” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF MARAL OVERSEAS LIMITED**

**Report on the matters specified in paragraph 3 of the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirement’s “ section**

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has physically verified these fixed assets as per its program of physical verification that covers every item of fixed assets over a period of two years. According to information and explanation given to us, no material discrepancies were noticed on such verification;
- (c) According to information and explanation given to us and on the basis of our examination of the records of the company, title deeds are in the name of the company. However, for properties which are pledged as security with IFCI Limited for securing the facilities have been verified based on the documents received from IFCI.
- (ii) The physical verification of inventory except material lying with third parties, has been conducted at reasonable intervals by the management. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and limited liability partnerships or other parties covered in the register maintained under section 189 of

the Companies Act, 2013. Therefore, Sub clauses 3(iii)(a), (iii)(b) & (iii)(c) of the order are not applicable.

- (iv) According to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of The Companies Act, 2013 in respect of loans, investments, guarantees, and securities made;
- (v) According to the information and explanation given to us, Company has not accepted any public deposits during the year. Further, we have not come across any such deposit(s) nor the management has reported any such deposit(s), therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable;
- (vi) We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (l) of section 148 of companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records are being maintained; We have not, however, made a detailed examination of same;
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, service tax , duty of customs, duty of excise, Value added tax, Goods and Services Tax, cess and other material statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.
- (b) The particulars of dues of Income Tax or Sales Tax or Service Tax or duty of customs or duty of Excise or Value Added Tax have not been deposited on account of any dispute are as under:

Name of the Statute	Nature of Dues	Related Year	*Amount ₹ In Lakh	Forum where the dispute is pending
Income Tax Act	Disallowance of deduction u/s 10B, 35D & 80HHC u/s 115JB	AY 2002-03	45.00	CIT (Appeals) & Dy CIT (For rectification)
		AY 2003-04	27.64	CIT (Appeals)
		AY 2009-10	320.00	CIT (Appeals)
Custom Act	Duty on Coal Import	FY 2012	5.56	Comm (Appeals)
	Duty on Coal Import	FY 2012	28.48	CESTAT
State Sales Tax Act	Entry Tax	FY 2007-08	53.60	MP CT Appellate Board, Bhopal
	Entry Tax	FY 2008-09	9.34	MP CT Appellate Board, Bhopal

\*This includes interest & penalty.

- (viii) The Company has not defaulted in repayment of loans or borrowings during the year to any financial institution, bank or government. The Company has not issued any debentures;
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans were applied for the purposes for which those were raised;
- (x) According to the information and explanations given to us and audit procedure followed, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013;
- (xii) The Company is not a Nidhi Company; therefore, clause (xii) of the order is not applicable to the Company;
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit;
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the order is not applicable to the company;
- (xvi) The Company is not required to be registered under section 45-IA of the reserve Bank of India Act, 1934.

**For S. S. KOTHARI MEHTA & CO.**

(Chartered Accountants)

Firm Registration No. 000756N

**For P.K. DEORA & Co.**

(Chartered Accountants)

Firm Registration No. 004167N

**Neeraj Bansal**

Partner

Membership No. 095960

UDIN: 20095960AAAAEU3631

**Pawan Kumar Deora**

Proprietor

Membership No. 083308

UDIN: 20083308AAAAA3885

Place: Noida (U.P.)

Date: June 19, 2020



**“ANNEXURE – B” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF MARAL OVERSEAS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’ section**

We have audited the internal financial controls over financial reporting of **Maral Overseas Limited** (“the Company”) as of 31 March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For S. S. KOTHARI MEHTA & CO.**  
(Chartered Accountants)  
Firm Registration No. 000756N

**For P.K. DEORA & Co.**  
(Chartered Accountants)  
Firm Registration No. 004167N

**Neeraj Bansal**  
Partner  
Membership No. 095960  
UDIN: 20095960AAAAEU3631

**Pawan Kumar Deora**  
Proprietor  
Membership No. 083308  
UDIN: 20083308AAAAA3885

Place: Noida (U.P.)  
Date: June 19, 2020

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2020

Particulars	Notes	(₹/Lakhs)	
		As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	17,881.94	18,504.36
(b) Capital work - in - progress	3	1.44	303.63
(c) Other intangible assets	4	327.95	296.72
(d) Biological Assets other than bearer Plants	5	6.48	7.13
(e) Financial assets			
(i) Loans	7	14.21	10.37
(ii) Other financial assets	8	1,076.44	4.89
(f) Other non-current assets	9	868.04	1,006.36
<b>Total non-current assets</b>		<b>20,176.50</b>	<b>20,133.46</b>
<b>Current assets</b>			
(a) Inventories	10	9,819.07	10,938.94
(b) Financial assets			
(i) Investments	11	29.88	48.70
(ii) Trade receivables	12	7,528.98	9,588.40
(iii) Cash and cash equivalents	13	819.13	425.01
(iv) Bank Balances	14	149.57	219.91
(v) Loans	7	50.45	52.84
(vi) Other financial assets	8	857.55	298.49
(c) Other current assets	9	3,834.26	3,831.16
<b>Total current assets</b>		<b>23,088.89</b>	<b>25,403.45</b>
<b>Total assets</b>		<b>43,265.39</b>	<b>45,536.91</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	4,150.80	4,150.80
(b) Other equity	17	4,223.81	5,906.83
<b>Total Equity</b>		<b>8,374.61</b>	<b>10,057.63</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	3,779.43	5,075.22
(ii) Other financial liabilities	19	430.19	19.76
(b) Provisions	20	284.50	266.88
(c) Deferred tax Liability (net)	6	69.37	135.54
(d) Other non-current liabilities	21	-	-
(e) Deferred government grant	22	1,762.86	26.03
<b>Total non-current liabilities</b>		<b>6,326.35</b>	<b>5,523.43</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	16,183.46	17,405.47
(ii) Trade payables			
A. total outstanding dues of micro enterprises and small enterprises	23	589.68	172.16
B. total outstanding dues of creditors other than micro enterprises and small enterprises	23	5,166.36	5,655.48
(iii) Other financial liabilities	19	5,482.39	4,985.74
(b) Provisions	20	120.09	253.40
(c) Current tax liabilities	15	-	21.06
(d) Other current liabilities	21	1,022.45	1,462.54
<b>Total current liabilities</b>		<b>28,564.43</b>	<b>29,955.85</b>
<b>Total liabilities</b>		<b>34,890.78</b>	<b>35,479.28</b>
<b>Total Equity and Liabilities</b>		<b>43,265.39</b>	<b>45,536.91</b>
See accompanying notes to the financial statements	1-45		

In terms of our report attached

For and on behalf of the Board of Directors of  
Maral Overseas LimitedFor S. S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Registration No.000756NFor P.K. Deora & Co.  
Chartered Accountants  
Firm Registration No.004167NShekhar Agarwal  
Chairman & Managing Director  
DIN-00066113Shantanu Agarwal  
Joint Managing Director  
DIN-02314304Neeraj Bansal  
Partner  
Membership No.095960  
UDIN: 20095960AAAAEU3631Pawan Kumar Deora  
Proprietor  
Membership No.083308  
UDIN: 20083308AAAAAX3885Atul Kumar Jain  
Chief Financial Officer  
FCA-094866Virendra Kumar Garg  
Company Secretary  
FCS-7321Place: Noida (U.P.)  
Date: 19th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2020

	Notes	Year Ended 31 March 2020	Year ended 31 March 2019
(₹/Lakhs)			
1. Revenue from operations	25	67,594.91	75,713.51
2. Other income	26	1,733.37	1,468.16
<b>3. Total income (1 + 2)</b>		<b>69,328.28</b>	<b>77,181.67</b>
<b>4. Expenses</b>			
a. Cost of materials consumed	27	43,289.37	49,550.79
b. Purchases of stock-in-trade ( Yarn)		68.49	269.14
c. Changes in inventories of finished goods, stock - in - trade and work - in - progress	28	861.09	(784.18)
d. Employee benefit expenses	29	9,865.16	9,342.04
e. Finance costs	30	1,570.18	1,698.22
f. Depreciation and amortisation expense	31	2,441.47	2,032.06
g. Other expenses	32	12,760.64	13,738.99
<b>Total expenses</b>		<b>70,856.40</b>	<b>75,847.06</b>
<b>5. Profit/Loss before tax (3-4)</b>		<b>(1,528.12)</b>	<b>1,334.61</b>
<b>6. Tax expense</b>			
a. Current tax	33	-	287.97
b. Mat Credit Entitlement		-	(53.68)
c. Deferred tax		-	268.09
d. Taxes for earlier years (including MAT entitlement)		-	19.17
<b>Total tax expense</b>		<b>-</b>	<b>521.55</b>
<b>7. Profit for the year (5-6)</b>		<b>(1,528.12)</b>	<b>813.06</b>
<b>8. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of post-employment benefit plans	39	117.78	(97.58)
(ii) Income tax relating to items that will not be reclassified to profit or loss	33	(39.32)	34.10
(i) Items that will be reclassified to profit or loss			
- Cash flow hedge reserve	41	(351.59)	84.18
(ii) Income tax relating to items that will be reclassified to profit or loss	33	118.23	(29.32)
<b>Total other comprehensive income</b>		<b>(154.90)</b>	<b>(8.62)</b>
<b>9. Total comprehensive income for the year (7 + 8)</b>		<b>(1,683.02)</b>	<b>804.44</b>
<b>Earnings per equity share</b>	34		
(Face value ₹ 10 per share)			
- Basic (₹)		(3.68)	1.96
- Diluted (₹)		(3.68)	1.96
<b>See accompanying notes to the financial statements</b>	1-45		

In terms of our report attached

For and on behalf of the Board of Directors of  
Maral Overseas LimitedFor S. S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Registration No.000756NFor P.K. Deora & Co.  
Chartered Accountants  
Firm Registration No.004167NShekhar Agarwal  
Chairman & Managing Director  
DIN-00066113Shantanu Agarwal  
Joint Managing Director  
DIN-02314304Neeraj Bansal  
Partner  
Membership No.095960  
UDIN: 20095960AAAAEU3631Pawan Kumar Deora  
Proprietor  
Membership No.083308  
UDIN: 20083308AAAAAX3885Atul Kumar Jain  
Chief Financial Officer  
FCA-094866Virendra Kumar Garg  
Company Secretary  
FCS-7321

Place: Noida (U.P.)

Date: 19th June, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

	(₹/Lakhs)	
	Year Ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
Profit/Loss for the year before tax	(1,528.12)	1,334.61
Adjustments for:		
Finance costs recognised in P&L	1,421.98	1,490.86
Interest income recognised in P&L	(305.18)	(157.24)
Depreciation and amortisation expense	2,441.47	2,032.06
Loss/(Profit) on sale of property, plant & equipment	(18.11)	6.18
Unrealised Exchange (Gain)/Loss	(672.81)	(391.94)
Provision for doubtful trade receivables & advances	43.32	10.21
Fair value of investment through profit & loss	18.82	(14.72)
Fair value of financial liability	55.03	98.41
	<b>1,456.40</b>	<b>4,408.43</b>
Movements in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	2,016.10	(1,344.91)
Other financial assets	(1,981.80)	(101.11)
Other assets	(40.81)	(1,410.94)
Inventories	1,119.87	(123.38)
Loans	(1.45)	(14.09)
Trade payables	601.21	1,910.03
Other current liabilities	(440.09)	325.55
Other financial liabilities	1,187.03	(278.11)
Provisions/other items	2.10	2.13
Deferred government grant	1,736.83	(5.35)
<b>Cash generated from operations</b>	<b>5,655.39</b>	<b>3,368.25</b>
Income tax paid	(8.32)	(300.20)
<b>Net cash generated by operating activities (A)</b>	<b>5,647.07</b>	<b>3,068.05</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on capital assets, including capital advances	(1,458.24)	(3,993.66)
Bank Balances not considered as cash & cash equivalents	70.34	(84.59)
Interest received	304.78	154.01
Assets classified as held for sale	-	0.70
Sale of investments	-	15.72
<b>Net cash generated by/(used in) investing activities (B)</b>	<b>(1,083.12)</b>	<b>(3,907.82)</b>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

		Year Ended 31 March 2020	Year ended 31 March 2019
(₹/Lakhs)			
<b>C. Cash flow from financing activities (refer note 44)</b>			
Redemption of preference shares		-	(1,071.35)
Repayment of term loan		(1,636.31)	(2,256.15)
Payment of Lease liability		(268.70)	-
Interest on lease		64.21	-
Changes in working capital loan		(911.35)	5,910.19
Interest paid		(1,417.68)	(1,489.77)
<b>Net cash generated by/(used in) financing activities (C)</b>		<b>(4,169.83)</b>	<b>1,092.92</b>
<b>Net Increase/decrease in Cash and cash equivalents (A + B + C)</b>		<b>394.12</b>	<b>253.15</b>
Cash and cash equivalents at the beginning of the year	13	425.01	171.86
<b>Cash and cash equivalents at the end of year end</b>	<b>13</b>	<b>819.13</b>	<b>425.01</b>
<b>Balances with banks</b>			
- in current accounts		802.95	408.22
Cheques on hand		1.45	-
Cash on hand ( Refer note (i) below)		14.73	16.79
		<b>819.13</b>	<b>425.01</b>
Notes:			
1. The above cash flows statement has been prepared under the "Indirect Method" as set out in Ind As 7 on cash flow statements.			
2. Figures in bracket Indicate cash outgo/income.			
3. Refer Note No. 42			
See accompanying notes to the financial statements	1-45		

In terms of our report attached

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

**For S. S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No.000756N

**For P.K. Deora & Co.**  
Chartered Accountants  
Firm Registration No.004167N

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN-00066113

**Shantanu Agarwal**  
Joint Managing Director  
DIN-02314304

**Neeraj Bansal**  
Partner  
Membership No.095960  
UDIN: 20095960AAAAEU3631

**Pawan Kumar Deora**  
Proprietor  
Membership No.083308  
UDIN: 20083308AAAAAX3885

**Atul Kumar Jain**  
Chief Financial Officer  
FCA-094866

**Virendra Kumar Garg**  
Company Secretary  
FCS-7321

Place: Noida (U.P.)  
Date: 19th June, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## a. Equity Share Capital

Particulars	Amount (₹/Lakhs)
Balance at 01.04.2018	4,150.80
Changes in equity share capital during the year	-
Balance at 31.03.2019	4,150.80
Changes in equity share capital during the year	-
Balance at 31.03.2020*	4,150.80

\*Refer Note No. 16

## b. Other equity

Particulars	Reserves and surplus						Equity component of compound financial instruments	Total other equity
	Item of Other comprehensive income		General Reserve	Securities premium	Preference Share Capital Redemption Reserve	Retained earnings		
	Cash Flow hedging reserve	Capital reserve						
Balance at 01.04.2018	(19.06)	113.47	1,501.51	2,590.07	3,414.05	(2,907.46)	409.82	5,102.39
Profit for the year	-	-	-	-	-	813.06	-	813.06
Other comprehensive income for the year, net of income tax	54.86	-	-	-	-	(63.48)	-	(8.62)
<b>Total Comprehensive Income</b>	<b>54.86</b>	-	-	-	-	<b>749.58</b>	-	<b>804.44</b>
Transfer to Capital Redemption Reserve	-	-	(1,071.35)	-	1,071.35	-	-	-
Transfer of equity component of compound financial instruments to retained earnings	-	-	-	-	-	409.82	(409.82)	-
Balance at 31.03.2019	35.80	113.47	430.16	2,590.07	4,485.40	(1,748.06)	-	5,906.83
Profit/Loss for the year	-	-	-	-	-	(1,528.12)	-	(1,528.12)
Other comprehensive income for the year, net of income tax	(233.36)	-	-	-	-	78.46	-	(154.90)
<b>Total Comprehensive Income</b>	<b>(233.36)</b>	-	-	-	-	<b>78.46</b>	-	<b>(154.90)</b>
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-	-
Balance at 31.03.2020**	(197.56)	113.47	430.16	2,590.07	4,485.40	(3,197.72)	-	4,223.81

See accompanying notes to the financial statements

\*\*Refer Note 17 &amp; 44

## Notes: Nature and Purpose of Reserves

**Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the companies Act, 2013.

**General Reserve**

This represents appropriation of profit after tax by the company.

**Retained Earnings**

This comprise company's undistributed profit after taxes.

**Capital Reserve**

Capital reserve arises from erstwhile amalgamation of Asian Knitvears Limited with the Company.

**Cash flow hedge reserve**

This reserve represents the cumulative effective portion of changes in fair value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the company's accounting policy.

**Equity component of Financial Instruments**

The reserve is created due to the fair valuation of preference share capital in accordance of Ind As.

**Preference Share Capital Redemption Reserve**

Preference Share Capital Redemption reserve is created against the redemption of cumulative preference shares.

In terms of our report attached

For and on behalf of the Board of Directors of  
Maral Overseas LimitedFor S. S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Registration No.000756NFor P.K. Deora & Co.  
Chartered Accountants  
Firm Registration No.004167NShekhar Agarwal  
Chairman & Managing Director  
DIN-00066113Shantanu Agarwal  
Joint Managing Director  
DIN-02314304Neeraj Bansal  
Partner  
Membership No.095960  
UDIN: 20095960AAAAEU3631Pawan Kumar Deora  
Proprietor  
Membership No.083308  
UDIN: 20083308AAAAAX3885Atul Kumar Jain  
Chief Financial Officer  
FCA-094866Virendra Kumar Garg  
Company Secretary  
FCS-7321Place: Noida (U.P.)  
Date: 19th June, 2020



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Corporate Information

Maral Overseas Limited (the Company) is a limited company incorporated and domiciled in India having its registered office at Maral Sarovar, V&P.O. Khalbujurg Tehsil Kasrawad, District Khargone, Madhya Pradesh, India. The Company has its primary listing on the BSE Limited and National Stock Exchange India Limited in India.

The Company is one of India's largest vertically integrated textile companies, having multiple facilities to produce Grey Yarn, Dyed Yarn, Knitted Fabric and Garments. The manufacturing plants of the Company are located in India.

### 2. Significant Accounting Policies

#### 2.1. Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013 ('the Act') (to the extent notified) read with the Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 and relevant amendment rules issued thereafter. These Ind AS had been adopted w.e.f. 1 April, 2017 as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015.

#### 2.2. Basis of preparation and presentation

The Financial Statements have been prepared on historical cost basis except for following that are measured at fair value:

- Defined benefit plan-plan assets measured at fair value,
- Asset held for sale Nil (Previous year Nil)
- Certain financial assets and liabilities (including derivative instruments).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 2.2.1. Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest Lakhs (₹ 00,000) except when otherwise indicated.

#### 2.2.2. Classification of Assets and Liabilities as Current and Non-Current

Assets are classified as current when any of following criteria are satisfied:

- i. it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- ii. it holds the asset primarily for the purpose of trading;
- iii. it expects to realise the asset within twelve months after the reporting period;
- iv. the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities are classified as current when any of following criteria are satisfied:

- i. expects to settle the liability in its normal operating cycle;
- ii. it holds the liability primarily for the purpose of trading;
- iii. the liability is due to be settled within twelve months after the reporting period; or
- iv. it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

### 2.3. Revenue recognition

Revenue from contracts with customers for sale of goods or services is recognised when the Company satisfies performance obligation by transferring promised goods or services to the customer at an amount that reflects the consideration which the Company is expected to be entitled to in exchange for those goods or services.

#### Sale of goods

Sale of goods: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from the sale of goods is measured at the transaction price, which is adjusted for, net of returns and allowances, trade discounts and volume rebates/claims etc. Sales exclude Value added tax/sales tax / Service Tax / Goods & Service Tax.

### **Other Operating Income**

Incentives on exports and other Government incentives related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives. For Government grant refer Para 2.4.

### **Interest income**

Interest income from a financial asset is recognised using effective interest rate (EIR) method.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

### **Dividend Income**

Dividend income is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

## **2.4. Government Grant & Government Assistance**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grant are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognise as expenses the related costs for which the grants are intended to compensate.

Post amendment in Ind AS 20, the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. Based on the facts, the Company normally applied setting up the grant as deferred income.

The Capital Subsidy under Technology Up-gradation Fund Scheme (TUFS) Government on specified machinery is recognized on a systematic and rational basis by adopting Deferred Income Approach. Such allocation to income is done prospectively over the remaining useful life of the respective assets and is adjusted against the depreciation in the Statement of Profit and Loss. Pending the utilization of the grant received, the same is presented as 'Deferred Income'.

## **2.5. Inventories**

Inventories including goods-in-transit are measured at lower of cost and estimated net realisable value. However, Raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

### **Raw materials, embellishment, stores & spares and packing material**

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

### **Finished goods and work in progress**

Cost includes cost of direct materials (net of realizable value of waste / by product) and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs and selling expenses.

### **Traded goods**

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

### **Waste**

Valued at Net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.6. Property, Plant and Equipment (PPE)

#### Recognition and measurement

Property, Plant and Equipment (PPE) are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of Property, Plant and Equipment (PPE) comprises its purchase price including any import duties and non-refundable taxes and net of any trade discounts and rebates. It also includes any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, present value of decommissioning costs (where there is a legal or constructive obligation to decommission) and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

The company identifies and determines the cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of asset and has useful life, that is materially different from that of remaining assets.

Items of stores and spares that meet the definition of property, plant & equipment are capitalised at cost and depreciated over the useful life of asset. Otherwise such items are classified as inventories.

#### Capital work-in-progress

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and borrowing cost. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### Depreciation

Depreciation is recognised for Property, Plant and Equipment (PPE) so as to write-off the cost less residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis taking into account commercial and technological obsolescence as well as normal wear and tear.

Depreciation on tangible assets is provided on straight line method except for vehicles which are depreciated on written down value method over the useful life of the assets.

For following class of assets, based on internal assessment and technical evaluation, the management has reassessed the useful lives as different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013. Management believes that the useful lives as given below, best represent the period over which these assets are expected to be used.

Asset Class	Useful Life
Building	5 to 60 years
Plant and Machinery (General) (Triple shift operation)	9 years 2 months
Plant and Machinery (Textile Made-ups) (Single shift operation)	9 years
Plant and Machinery (Power)	18 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Computers & Software	3 – 6 years
Vehicles	5 years

Residual value in respect of vehicles, furniture's, computers, provided under the company employee benefit scheme is considered in accordance with the said scheme and is higher than 5% of the original cost of the assets.

Depreciation commences when the assets are available for intended use and is being calculated on monthly basis instead of number of days put to use.

Free hold land is not depreciated.

Leasehold improvements are amortised over the primary period of lease.

#### Impairment

Property, Plant and Equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**Derecognition of PPE**

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the Property, Plant and Equipment) is included in the income statement when the Property, Plant and Equipment is derecognised.

**2.7. Biological Assets**

Biological assets comprise of livestock.

Biological assets are measured at fair value less cost to sell. Changes in fair value of biological assets is recognised in the statement of profit and loss account.

**2.8. Intangible assets****Recognition and measurement**

An Intangible Assets is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

The cost of a separately acquired intangible asset comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Goodwill acquired and/or arising upon business combinations initially recognized at cost and at subsequent period at cost less accumulated impairment loss, if any.

**Amortisation**

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

**Impairment**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Asset Class	Useful Life
Software	3 – 6 years

**Derecognition of Intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in Statement of profit and loss when the asset is derecognised.

**2.9. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the noncancelable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### (i) The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (ii) The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount over the remaining lease period and payments discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1091.09 Lac, and a lease liability of ₹ 1091.09 Lac. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

**2.10. Foreign currencies**

The Company's financial statements are presented in INR.

**Transactions and balances**

In preparing the financial statements, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the Statement of profit and loss of the period.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Exchange differences on translation of monetary items are recognised in profit or loss in the period in which they arise with the exception of the following:

Monetary items that are designated as part of cash flow hedge instrument are recognised in OCI.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**Derivative Financial Instruments and Hedge Accounting**

The Company uses derivative instruments i.e. Forward contracts to hedge its foreign currency risks. The Company designated these forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The Company has designated forward instruments on spot to spot basis. The Company recognises the forward points in the statement of profit and loss.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

**Fair value hedges**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

**Cash flow hedges**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of related forecasted transaction. If the forecasted transaction no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

**2.11. Employee benefits****Short-term employee benefits**

Short-term employee benefits obligation is measured on undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### **Defined Contribution Plan:**

The Company makes defined contribution to employee's provident fund organization, pension fund, superannuation fund and Employees state insurance (ESI), which are accounted on accrual basis as expenses in the statement of Profit and Loss in the period during which the related services are rendered by employees.

Prepaid contribution are recognized as an assets to the extent that a cash refund or reduction in future payments is available.

### **Defined Benefit Plan:**

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of company The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gain and loss arising from experience adjustments and change actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of change in equity and in the balance sheet.

Changes in the present value of defined benefit obligation resulting from plan amendments and curtailments are recognised immediately in profit and loss as service cost.

### **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and fair value of any related assets is deducted. The liability for other long-term employee benefits are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. Re-measurements are recognised in profit or loss in the period in which they arise.

If the benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted to present value.

### **Termination benefits**

Termination benefits are recognized as an expense in the period in which they are incurred. The Company recognises a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognises costs for a restructuring that is within the scope of Ind-AS 37 and involves the payment of termination benefits.

If the benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted to present value.

## **2.12. Taxation**

Income tax expense represents the sum of tax currently payable and deferred tax.

### **Income Tax – Current & Deferred**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. Income tax expense represents the sum of the tax currently payable and deferred tax.

### 2.13. Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised for present obligation (legal or constructive) of certain timing or amount arising as a result of 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.

When 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 benefit is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or nonoccurrence of one or more uncertain future events, not wholly within the control of entity are also disclosed as contingent liabilities.

Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not recognised. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### 2.14. Segment reporting

The Company's operating segments are established on the basis of those components of the group that are evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements.

The Operating Segments have been identified on the basis of the nature of products/services.

- a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment revenue.
- b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- c) Income which relates to the Company as a whole and not allocable to segments are included under unallocable income.
- d) Segment result includes margin on inter segment sales which are reduced in arriving at the profit before tax of the Company.
- e) Segment assets & liabilities include those directly identifiable with the respective segments. Unallocable assets & liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

#### Inter-Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis and are on an arm's length basis in a manner similar to transactions with third parties.

### 2.15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus issue, bonus element in a rights issue and shares split 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 the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 2.16. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.17. Borrowing

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in Statement of Profit and Loss as finance costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of the assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

### 2.18. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in most advantageous market for the asset or liability and the Company has access to the principal or the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### 2.19. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purposes of the presentation of cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft as they being considered as integral part of the Company's cash management system.

### 2.20. Non current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The Company treats sale/distribution of the asset or disposal group to be highly probable when:

- (i) The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- (ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- (iii) The assets or disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- (iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- (v) Action required completing the plan indicated that is unlikely that significant change to plan will be made or that the plan will be withdrawn.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

## 2.21. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### A. Financial assets

#### Initial recognition and measurement

All financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not classified as subsequently measured at fair value through profit or loss, are adjusted to the fair value on initial measurement.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

#### a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income for these financial assets is included in other income using the effective interest rate method.

#### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

### B. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Where the company decided to make an irrevocable election to present the fair value gain and loss (excluding dividend) on non-current equity investments in other comprehensive income, there is no subsequent reclassification of fair value gain and loss to profit and loss even on sale of investments. However, the group may transfer the cumulative gain or loss within equity. The group makes such election on an instrument-by-instrument basis.

The company elected to measure the investment in subsidiary, associate and joint venture at cost.

### C. Impairment of financial assets

The company assesses on a forward- looking basis the expected credit losses associated with the assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. If credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

impairment loss allowance based on 12-month Expected Credit Loss (ECL) Note No.41.6 details how the group determines whether there has been significant increase in credit risk.

For trade receivables, the company applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected life time losses to be recognised from initial recognition of receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed

### D. Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### E. Derecognition of financial instruments:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### F. Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### G. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.22. Use of estimates

The preparation of the financial statement in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and current and / or future periods are affected.

#### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer note 2.10)

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (Refer note 2.17)

### 2.23. Critical accounting judgements and key sources of estimation uncertainty

The Preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

#### 2.23.1. Critical accounting judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the Management have made in the process of applying the Company's accounting policies and that have most significant effect on the amounts recognised in the consolidated financial statements.

##### Valuation of Deferred tax assets

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Any change in the estimates of future taxable income may impact the recoverability of deferred tax assets (Refer note 2.11.).

##### Assets held for sale

Management judgement is required to identifying the assets which are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable which could lead to significant judgement. (Refer note 2.19)

### 2.24. Key Source of estimation uncertainty

Key source of estimation uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, provisions and contingent liabilities.

The areas involving critical estimates are:

##### Useful lives and residual values of property, plant and equipment

Useful life and residual value of property, plant and equipment are based on management's estimate of the expected life and residual value of those assets. These estimates are reviewed at the end of each reporting period. Any reassessment of these may result in change in depreciation expense for future years (Refer note no 2.6).

##### Impairment of Property Plant and Equipment

The recoverable amount of the assets has been determined on the basis of their value in use. For estimating the value in use it is necessary to project the future cash flow of assets over its estimated useful life. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in statement of profit or loss. (Refer note no 2.6).

##### Provisions and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



## NOTES TO THE FINANCIAL STATEMENTS

### 3. Property, plant and equipment

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Nett Carrying Cost of :</b>		
<b>Property, Plant and Equipment</b>		
Land Freehold	42.43	42.43
Land Leasehold	-	377.26
Buildings	3,190.47	3,361.95
Leasehold Improvement	15.16	1.12
Plant & equipment	13,093.85	14,317.01
Office equipment	53.99	63.87
Furniture and fixtures	118.62	117.50
Vehicles	276.33	223.22
Right of Use Asset	1,091.09	-
<b>Sub-total (A)</b>	<b>17,881.94</b>	<b>18,504.36</b>
<b>Capital work-in-progress</b>		
Plant & Machinery	1.44	239.93
Buildings	-	63.70
<b>Sub-total (B)</b>	<b>1.44</b>	<b>303.63</b>
<b>Total (A + B)</b>	<b>17,883.38</b>	<b>18,807.99</b>

Particulars	(₹/Lakhs)									
	Land Freehold	Land Leasehold	Buildings	Leasehold Improvement	Plant & equipment	Office equipment	Furniture and fixtures	Right of Use Asset	Vehicles	Total
<b>Gross Carrying Cost</b>										
Balance at 31 March, 2018	42.43	390.64	3,857.30	4.55	14,576.42	135.87	155.41	-	276.41	19,439.03
Additions	-	-	54.45	-	4,979.73	23.92	11.44	-	83.37	5,152.91
Disposals	-	-	-	-	(44.46)	(0.75)	(0.49)	-	(18.56)	(64.26)
Balance at 31 March, 2019	42.43	390.64	3,911.75	4.55	19,511.69	159.04	166.36	-	341.22	24,527.68
Additions	-	-	22.22	15.25	882.18	13.15	20.38	965.73	100.85	2,019.76
Disposals	-	-	-	-	(694.61)	(3.27)	(1.15)	-	(1.09)	(700.12)
Reclassified on account of adoption of IND AS 116*	-	(390.64)	-	-	-	-	-	390.64	-	-
Balance at 31 March, 2020	42.43	-	3,933.97	19.80	19,699.26	168.92	185.59	1,356.37	440.99	25,847.32
<b>Accumulated depreciation</b>										
Balance at 31 March, 2018	-	8.92	362.50	2.20	3,513.13	63.31	30.29	-	79.99	4,060.34
Additions	-	4.46	187.30	1.23	1,682.52	32.12	18.64	-	38.52	1,964.79
Disposals	-	-	-	-	(0.97)	(0.26)	(0.07)	-	(0.51)	(1.81)
Balance at 31 March, 2019	-	13.38	549.80	3.43	5,194.68	95.17	48.86	-	118.00	6,023.32
Additions	-	-	193.70	1.21	2,074.78	22.74	19.04	251.90	47.54	2,610.92
Disposals	-	-	-	-	(664.06)	(2.99)	(0.93)	-	(0.88)	(668.86)
Reclassified on account of adoption of IND AS 116*	-	(13.38)	-	-	-	-	-	13.38	-	-
Balance at 31 March, 2020	-	-	743.50	4.64	6,605.41	114.92	66.97	265.28	164.66	7,965.38
<b>Net Carrying cost</b>										
At 31 March, 2018	42.43	381.72	3,494.80	2.35	11,063.29	72.56	125.12	-	196.42	15,378.69
At 31 March, 2019	42.43	377.26	3,361.95	1.12	14,317.01	63.87	117.50	-	223.22	18,504.36
At 31 March, 2020	42.43	-	3,190.47	15.16	13,093.85	53.99	118.62	1,091.09	276.33	17,881.94

\*Lease hold land is reclassified on account of adoption of Ind-As 116.

#### Notes:

- Assets are mortgage against secured term loans from banks & financial institutions ( refer note no. 19).
- Buildings include ₹ 0.02 Lakhs 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.

## NOTES TO THE FINANCIAL STATEMENTS

4. Borrowing Cost Capitalised during the year 3.50 Lakh (Previous year 211.91 Lakh).
5. Refer Note No. 38 for the contractual commitment for the acquisitions of PPE.
6. Refer Note No. 24 for right of use of assets.
7. Gross Block as on 31st March, 2020 ₹ 53,937.02 Lakh including capital work in progress.

## 4. Intangible Assets

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Nett Carrying Values of :</b>		
Software	327.95	296.72
<b>Total</b>	<b>327.95</b>	<b>296.72</b>

Particulars	(₹/Lakhs)	
	Software	Total
<b>Gross Carrying Cost</b>		
<b>Balance at 31 March, 2018</b>	<b>394.02</b>	<b>394.02</b>
Additions	17.87	17.87
Disposals	-	-
<b>Balance at 31 March, 2019</b>	<b>411.89</b>	<b>411.89</b>
Additions	106.54	106.54
Disposals	-	-
<b>Balance at 31 March, 2020</b>	<b>518.43</b>	<b>518.43</b>
<b>Accumulated Amortisation</b>		
<b>Balance at 31 March, 2018</b>	<b>42.56</b>	<b>42.56</b>
Additions	72.61	72.61
Disposals	-	-
<b>Balance at 31 March, 2019</b>	<b>115.17</b>	<b>115.17</b>
Additions	75.31	75.31
Disposals	-	-
<b>Balance at 31 March, 2020</b>	<b>190.48</b>	<b>190.48</b>
<b>Nett Carrying Cost</b>		
At 31 March, 2018	351.46	351.46
At 31 March, 2019	296.72	296.72
At 31 March, 2020	327.95	327.95

## Notes:

1. Assets are mortgage against secured term loans from banks & financial institutions (refer note no 19)
2. Gross Block as on 31st March, 2020 ₹ 611.00 Lac.

## 5. Biological Assets

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Livestock	6.48	7.13
<b>Total</b>	<b>6.48</b>	<b>7.13</b>



## NOTES TO THE FINANCIAL STATEMENTS

(₹/Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance	7.13	7.82
Increase due to purchases	0.06	-
Livestock losses	(0.71)	(0.69)
Closing balance	6.48	7.13

## 6. Deferred Tax Assets /(liabilities)

(₹/Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	800.76	484.54
Deferred tax liabilities	(1,778.94)	(1,541.64)
MAT Credit entitlement	908.81	921.56
<b>Total</b>	<b>(69.37)</b>	<b>(135.54)</b>

## Movement in Deferred tax assets

(₹/Lakhs)

FY 2019-20	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax assets in relation to</b>				
- Provision for employee benefits	215.90	-	-	215.90
- Others	104.28	3.39	118.23	225.90
- Deferred tax assets on part of current year loss *	-	178.92	-	178.92
- Redeemable cumulative preference share	164.36	15.67	-	180.03
<b>Total</b>	<b>484.54</b>	<b>197.98</b>	<b>118.23</b>	<b>800.76</b>

\* Deferred tax assets has been created on brought forward losses to the extent of current year deferred tax liability.

(₹/Lakhs)

FY 2018-19	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax assets in relation to</b>				
- Provision for employee benefits	145.55	36.25	34.10	215.90
- Others	96.86	7.42	-	104.28
- Carry forward Losses upto FY 2017-18	50.90	(50.90)	-	-
- Borrowings at amortised cost	(3.53)	3.53	-	-
- Redeemable cumulative preference share capital	139.97	24.39	-	164.36
<b>Total</b>	<b>429.75</b>	<b>20.69</b>	<b>34.10</b>	<b>484.54</b>

## NOTES TO THE FINANCIAL STATEMENTS

Movement in Deferred tax liabilities				(₹/Lakhs)
FY 2019-20	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax liabilities in relation to</b>				
- Property, Plant & Equipments	1,522.41	99.20	-	<b>1,621.61</b>
- Redeemable cumulative preference share capital	-	9.27	-	<b>9.27</b>
- Borrowings at amortised cost	-	5.88	-	<b>5.88</b>
- Provision for employee benefits	-	83.62	39.32	<b>122.95</b>
- Cash flow hedge	19.23	-	-	<b>19.23</b>
<b>Total</b>	<b>1,541.64</b>	<b>197.98</b>	<b>39.32</b>	<b>1,778.94</b>

Movement in Deferred tax liabilities				(₹/Lakhs)
FY 2018-19	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax liabilities in relation to</b>				
- Property, Plant & Equipments	1,214.46	307.95	-	1,522.41
- Cash flow hedge	(10.09)	-	29.32	19.23
<b>Total</b>	<b>1,204.37</b>	<b>307.95</b>	<b>29.32</b>	<b>1,541.64</b>

## Movement in MAT credit entitlement

Particulars	(₹/Lakhs)
<b>At April 1, 2018</b>	<b>844.59</b>
(Charged)/credited:	
- to profit & loss	76.97
- to other comprehensive income	-
<b>At March 31, 2019</b>	<b>921.56</b>
(Charged)/credited:	
- to profit & loss	(12.75)
- to other comprehensive income	-
<b>At March 31, 2020</b>	<b>908.81</b>

(i) In respect of MAT credit entitlement, management, based on present profitability trend as well as future profit projections, is of the view that there is convincing evidence for utilization of MAT credit assets in future periods.

## 7. Loans

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non- Current</b>		
(a) Loans Receivables from Employees considered good - Unsecured	<b>14.21</b>	10.37
	<b>14.21</b>	<b>10.37</b>
<b>Current</b>		
(a) Loans Receivables from Employees considered good - Unsecured	<b>50.45</b>	52.84
<b>Total</b>	<b>50.45</b>	<b>52.84</b>



## NOTES TO THE FINANCIAL STATEMENTS

## 8. Other financial assets

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non- Current</b>		
Other receivables / Capital Subsidy	1,046.55	-
Deposits held under lien with Govt. Departments	0.67	0.67
Deposits held as Margin Money	29.22	4.22
	<b>1,076.44</b>	<b>4.89</b>
<b>Current</b>		
Forward Contract	-	195.83
Other receivables	857.55	102.66
<b>Total</b>	<b>857.55</b>	<b>298.49</b>

## 9. Other assets

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non- Current</b>		
Capital Advances	-	176.03
Security and earnest money deposits	697.68	625.96
Prepaid expenses	13.81	25.46
Income tax refundable (Refer Note Below)	156.55	178.91
<b>Total</b>	<b>868.04</b>	<b>1,006.36</b>
<b>Current</b>		
<b>Balances with government authorities</b>		
-Excise Duty & Service Tax Recoverable	3.11	3.11
-Advance tax & Tds and Tcs receivable	19.16	-
-VAT and Sales Tax Receivable	6.71	11.39
-GST receivable	2,051.56	2,559.31
<b>Advance to vendors</b>		
Capital Advances	10.27	-
Unsecured, considered good	508.71	636.27
Unsecured, considered doubtful		
Less: Provision for doubtful advances	(14.54)	(43.41)
<b>Others</b>		
Interest subsidy receivable (Under TUF's)	127.60	79.88
Interest subsidy receivable (Under State Subsidy)	476.38	74.86
Export Incentives Recoverable	461.29	373.81
Prepaid expenses	73.83	123.90
Advances-Employees	11.01	12.04
Reversal of Gratuity Provision	99.18	-
<b>Total</b>	<b>3,834.26</b>	<b>3,831.16</b>

## Notes:-

- (i) 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.

## NOTES TO THE FINANCIAL STATEMENTS

## 10. Inventories

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Inventories- valued at lower of cost and net realisable value</b>		
Raw Materials	3,392.63	3,694.15
Stores & Spares	195.43	138.51
Work - in - progress	1,510.34	1,670.60
Finished goods	4,477.56	5,312.41
Waste	176.31	42.30
Fuel and Others	66.80	80.97
<b>Total</b>	<b>9,819.07</b>	<b>10,938.94</b>

## 11. Investments

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Quoted Equity shares		
<b>Investments in fully paid equity instruments at FVTPL</b>		
BPL Engineering Limited 7,700 (31 March, 2018)	0.01	0.01
State Bank of India ( Refer note (i) below)	29.87	48.69
15,180 nos 31st March 2020 (20,180 Nos 31 March, 2018 * ( refer note 1 below))		
<b>Total</b>	<b>29.88</b>	<b>48.70</b>
<b>Aggregate amount of Quoted investments</b>	<b>29.87</b>	<b>48.69</b>
<b>Aggregate market value of Quoted investments</b>	<b>29.87</b>	<b>48.69</b>
<b>Aggregate amount of unquoted investments</b>	<b>0.01</b>	<b>0.01</b>
<b>Aggregate amount of impairment in value of investment</b>	<b>0.01</b>	<b>0.01</b>

## Note

- (i) On April 1, 2017 shares of State Bank of Bikaner & Jaipur merged with State Bank of India, Company receive 2.8 shares of State Bank of India for 1 shares of State Bank of Bikaner & Jaipur.

## 12. Trade Receivables

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
(a) Trade Receivables considered good - Unsecured	7,581.76	9,598.61
(b) Trade Receivables - credit impaired	(52.78)	(10.21)
<b>Total</b>	<b>7,528.98</b>	<b>9,588.40</b>

## 13. Cash and cash equivalents

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Balances with banks</b>		
- in current accounts	802.95	408.22
Cheques on hand	1.45	-
Cash on hand ( Refer note (i) below)	14.73	16.79
<b>Total</b>	<b>819.12</b>	<b>425.01</b>

- (i) Cash on hand include foreign currency notes also



## NOTES TO THE FINANCIAL STATEMENTS

## 14. Bank balances

Particulars	As at	
	31 March 2020	31 March 2019
(₹/ Lakhs)		
<b>Current</b>		
Deposit held as Margin Money	93.15	170.67
Deposits held under lien with Govt. Departments	56.41	49.24
<b>Total</b>	<b>149.57</b>	<b>219.91</b>

## 15. Current Tax Assets and liabilities

Particulars	As at	
	31 March 2020	31 March 2019
(₹/ Lakhs)		
<b>Current tax liabilities</b>		
Provision for tax	-	287.97
Less: Advance Tax	-	266.91
<b>Total</b>	<b>-</b>	<b>21.06</b>

## 16. Share capital

Particulars	As at	
	31 March 2020	31 March 2019
(₹/ Lakhs)		
<b>Authorised share capital</b>		
4,40,00,000 (Previous year 4,40,00,000) fully paid 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 and fully paid-up</b>		
41,508,000 fully paid equity shares of ₹ 10 each (as at 31 March, 2020)	4,150.80	4,150.80
For Issue, subscribed and fully paid-up preference shares (Refer Note No. 19)	4,150.80	4,150.80

## (i) Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	(₹/ Lakhs)	Number of shares	(₹/ Lakhs)
Shares outstanding at the beginning of the year	4,15,08,000	4,150.80	4,15,08,000	4,150.80
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>4,15,08,000</b>	<b>4,150.80</b>	<b>4,15,08,000</b>	<b>4,150.80</b>

## (ii) Rights, preferences and restriction 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.

## (iii) Rights, preferences and restriction attached to preference shares

For rights, preferences and restriction attached to both type of preference shares, classified as financial liability refer note no. 19.

## NOTES TO THE FINANCIAL STATEMENTS

(iv) Details of shares held by shareholders holding more than 5% of shares:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
Agarwal Trademart Private Limited	1,97,60,000	47.61%	1,97,60,000	47.61%
Agarwal Finestate Private Limited	73,96,056	17.82%	73,96,056	17.82%
	<b>2,71,56,056</b>	<b>65.43%</b>	<b>2,71,56,056</b>	<b>65.43%</b>

(v) 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.

#### 17. Other equity

Particulars	As at	
	31 March 2020	31 March 2019
Retained earnings	(3,197.72)	(1,748.07)
General reserve	430.16	430.16
Securities Premium Reserve	2,590.07	2,590.07
Preference Share Capital Redemption Reserve	4,485.40	4,485.40
Capital Reserve	113.47	113.47
Cash Flow hedging Reserve	(197.56)	35.80
<b>Total</b>	<b>4,223.81</b>	<b>5,906.83</b>

#### 17.1 Retained earnings

Particulars	Year ended	
	31 March 2020	31 March 2019
Balance at the beginning of year	(1,748.07)	(2,907.47)
Profit for the year	(1,528.12)	813.06
Transfer from Equity component of compound financial instruments	-	409.82
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	78.47	(63.48)
<b>Balance at the end of the year</b>	<b>(3,197.72)</b>	<b>(1,748.07)</b>

#### 17.2 General reserve

Particulars	Year ended	
	31 March 2020	31 March 2019
Balance at the beginning of year	430.16	1,501.51
Transfer to Preference shares capital redemption reserve (Refer Note 17.4)	-	(1,071.35)
<b>Balance at the end of year</b>	<b>430.16</b>	<b>430.16</b>

#### 17.3 Securities premium reserve

Particulars	Year ended	
	31 March 2020	31 March 2019
Balance at the beginning of year	2,590.07	2,590.07
Addition during the year	-	-
<b>Balance at the end of year</b>	<b>2,590.07</b>	<b>2,590.07</b>



## NOTES TO THE FINANCIAL STATEMENTS

## 17.4 Preference share capital redemption reserve

Particulars	Year ended	
	31 March 2020	31 March 2019
Balance at the beginning of year	4,485.40	3,414.05
Transfer From General Reserve (Refer Note 17.2)	-	1,071.35
<b>Balance at the end of year</b>	<b>4,485.40</b>	<b>4,485.40</b>

## 17.5 Capital reserve

Particulars	Year ended	
	31 March 2020	31 March 2019
Balance at the beginning of year	113.47	113.47
Addition during the year	-	-
<b>Balance at the end of year</b>	<b>113.47</b>	<b>113.47</b>

## 17.6 Cash flow hedging reserve

Particulars	Year ended	
	31 March 2020	31 March 2019
Balance at the beginning of year	35.80	(19.06)
- Change in fair value (net off tax) Other comprehensive income	(233.36)	54.86
<b>Balance at the end of year</b>	<b>(197.56)</b>	<b>35.80</b>

## 17.7 Equity component of compound financial instruments

Particulars	Year ended	
	31 March 2020	31 March 2019
Balance at the beginning of year	-	409.82
Transfer to Retain earning*	-	(409.82)
<b>Balance at the end of year</b>	<b>-</b>	<b>-</b>

\*Equity component is created on the preference share issued and has been transferred to retained earnings on due date for redemption (Refer statement of change in Equity).

## 17.8 Nature and Purpose of Reserves

**Securities Premium**

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**General Reserve**

This represents appropriation of profit after tax by the company.

**Retained Earnings**

This comprise company's undistributed profit after taxes.

**Cash flow hedge reserve**

This reserve represents the cumulative effective portion of changes in Fair Value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.

## NOTES TO THE FINANCIAL STATEMENTS

**Equity Component of Financial Instruments**

The Reserve is created due to the fair valuation of preference share capital in accordance of Ind As.

**Preference Share Capital Redemption Reserve**

Preference Share Capital Redemption reserve is created against the redemption of cumulative preference shares.

**18. Borrowings**

Particulars	(₹/ Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
Term loans from banks {Refer Note: 18 (i)* and 18(ii)}	2,216.10	3,705.74
Term loans from financial institutions {Refer Note: 18 (i)* and 18(ii)}	3,373.33	3,115.42
Loan from Bank for Vehicle	-	48.14
	5,589.43	6,821.16
<b>Amortised cost</b>	46.58	42.28
Less: Interest accrued but not due shown separately (refer note no. 19)	(46.58)	(42.28)
	5,589.43	6,821.16
<b>Un secured - at amortised cost</b>		
From Related Party {Refer Note: 18 (v)}	-	480.54
	5,589.43	7,301.70
Less: Current maturities of Long term debt (Clubbed under other current financial liability refer note no 19)	1,810.00	2,274.62
	3,779.43	5,075.22
<b>Current</b>		
<b>Secured</b>		
Working capital loan from banks repayable on demand {Refer Note: 18 (viii)}		
Cash Credit from banks	5,546.36	4,146.95
Export credit facilities from Bank (in Indian Rupees)	9,302.94	11,317.07
FBP Bill Discounting	1,334.16	1,941.45
	16,183.46	17,405.47

**Summary of borrowing arrangements**

- (i) Term loans from both banks & financial institutions are secured by first mortgage and charge 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. Pursuant to the notification DOR.No.BP.BC.47/21.04.048/2019-20 dated 27 March 2020, Company has availed the extension of repayment of term loan installment including Interest.
- (ii) 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.
- (iii) Maturity Profiles & Interest rate of secured loans & unsecured loans

Lending institution	Maturity	Interest	(₹/ Lakhs)	
			As at 31 March 2020	As at 31 March 2019
Term loans from banks				
Project term loans (2)	2022-2023	MCLR/ LTMLR + .80% to 1.50%	406.10	1,479.26
Term loans from financial institutions				
Project term loans (1)	2025-2026	10.10%	3,373.33	3,115.42
Unsecured Loan from related party	2020-2021	8%	-	480.54



## NOTES TO THE FINANCIAL STATEMENTS

- (iv) All secured loans are repayable in quarterly installments.
- (v) Unsecured loan from related party, carries a fixed rate of interest of 8% on mutually agreed terms between both the parties, now repayable on 31st March, 2021 and accordingly classified as current from non current.
- (vi) 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 received from the various financial institutions and banks.
- (vii) Some of the lenders follow the practice to recover sue 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.
- (viii) 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.

## 19. Other financial liabilities

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non-Current</b>		
Lease Liability (Refer Note No. 24)	404.43	-
Security deposits from employees	25.76	19.76
	<b>430.19</b>	<b>19.76</b>
<b>Current</b>		
Current maturities of long term debts ( refer note 18)	2,299.80	2,274.62
Preference Liability ( refer note (i) below)	1,145.67	1,199.54
Interest accrued but not due on borrowings	46.58	42.28
Other Liabilities for Expenses	249.74	103.95
Employee Related Liability	861.07	880.72
Security deposits-Employees	28.83	18.75
Security deposits-Others	39.06	40.90
Retention Money from Vendors/Suppliers	72.39	211.96
Payable on purchase of capital assets	3.84	108.77
Rebates & claims	123.32	78.38
Other payables	23.53	25.87
Lease Liability (Refer Note No. 24)	189.46	-
Forward Contracts	399.11	-
	<b>5,482.39</b>	<b>4,985.74</b>

Notes:

## (i) Rights, preferences and restriction 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 redeemed in four equal annual instalments from 2016 to 2019. In terms of the Master Restructuring Agreement executed with the Company's bankers, premium of 5% on redemption is payable in case Company's cash flows permit.

## NOTES TO THE FINANCIAL STATEMENTS

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 was redeemable on March 2019. The company has taken necessary approval from the Board and Shareholders for repayment of aforesaid preference shares in two equal annual installments from 2019 to 2020. First installment of ₹ 600 Lakh has been redeemed on March 2019 and for second installment which was due in March 2020, approval for further extension of one (1) year has been taken from the Board on 08th August 2019 and Shareholders in the annual general meeting held on 19th September 2019 and this will be due on March 2021.

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.

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. Further, they shall have the right to vote on all resolutions placed before the Company if the dividend on such preference shares remain unpaid over a period of two years or more.

## 20. Provisions

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Provision for employee benefits		
- Compensated absences	284.50	266.88
<b>Total</b>	<b>284.50</b>	<b>266.88</b>
<b>Current</b>		
Provision for employee benefits		
- Gratuity	-	139.92
- Compensated absences	54.00	59.92
- Superannuation	66.08	53.56
<b>Total</b>	<b>120.09</b>	<b>253.40</b>

## 21. Other liabilities

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March, 2019
<b>Non-Current</b>		
Security Deposits under staff scheme for Property, Plant and Equipment	-	-
<b>Current</b>		
Statutory dues (contribution to PF, Withholding tax, Service Tax/GST etc.)	189.32	188.24
Contested demands	470.93	651.59
Advances received from customers	362.20	622.71
<b>Total</b>	<b>1,022.45</b>	<b>1,462.54</b>

## 22. Deferred Government grant

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
TUF Capital investment subsidy - Opening	26.03	31.36
Add: Addition during the year	1,982.98	-
Less: Apportioned to revenue*	(240.82)	-
Less: Apportioned to revenue	(5.33)	(5.33)
<b>Total</b>	<b>1,762.86</b>	<b>26.03</b>

\*Deferred govt grant liability has been reconginsed against the capital subsidy received from M.P. State Govt & to be adjusted over the life of assets.



## NOTES TO THE FINANCIAL STATEMENTS

## 23. Trade payables

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises (Refer Note. No. 23.1)	589.68	172.16
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,166.36	5,655.48
<b>Total</b>	<b>5,756.04</b>	<b>5,827.64</b>

23.1 Disclosure Under the Micro, Small and Medium enterprise Development Act, 2006 are provided as under for the year 2019-20, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
(a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act.)		
(i) Principal amount due to micro and samill enterprise.	588.89	172.16
(ii) interest due on above	0.79	-
(b) Amount of payments made to suppliers beyond the appointed day during the year		
(i) Principal amount.	293.30	-
(ii) interest actually paid under section 16 of MSMED Act.	2.80	-
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
(e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## 24. Right of Use Assets

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	Category ROU Assets		Total
	Land	Buildings	
Balance as at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 (refer to note )	-	-	-
Additions	669.32	687.05	1,356.37
Deletion	-	-	-
Depreciation	20.80	244.48	265.28
<b>Balance as at March 31, 2020</b>	<b>648.52</b>	<b>442.57</b>	<b>1,091.09</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at 31 March 2020

Particulars	(₹/Lakhs)
	31 March 2020
Current lease liabilities	189.46
Non-current lease liabilities	404.43
<b>Total</b>	<b>593.89</b>

## NOTES TO THE FINANCIAL STATEMENTS

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	(₹/ Lakhs)
	Year Ended 31 March 2020
Balance at the beginning	-
Additions	798.38
Finance cost accrued during the period	64.21
Deletions	-
Payment of lease liabilities	268.70
Translation Difference	-
Balance at the end	593.89

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	(₹/ Lakhs)
	As at 31 March 2020
Less than one year	38.65
One to five years	509.39
More than five years	2,064.84
<b>Total</b>	<b>2,612.89</b>

*The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.*

Leases not yet commenced to which Company is committed amounts to ₹ 3.30 Lakh for a lease term ranging less than one years.

## 25. Revenue from operations

Particulars	(₹/ Lakhs)	
	Year ended 31 March 2020	Year ended 31 March, 2019
<b>A. Sale of Goods</b>		
Manufactured goods		
Yarn	29,562.49	34,711.09
Fabric	21,139.82	22,891.82
Garments/Made-ups	11,301.30	11,926.54
Cotton/Other waste	4,253.28	4,520.22
Traded Goods		
Yarn	103.18	287.48
	(A)	74,337.15
<b>B. Sale of Services</b>		
Job charges	67.24	39.31
	(B)	39.31
<b>C. Other operating revenue</b>		
Sale of scrap	124.37	131.33
Export incentives	1,043.23	1,205.72
	(C)	1,337.05
<b>Total (A)+(B)+(C)</b>	<b>67,594.91</b>	<b>75,713.51</b>



## NOTES TO THE FINANCIAL STATEMENTS

## 25.1: Revenue from contracts with customers disaggregated based on geography

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
India	35,967.85	37,671.06
Outside India	31,627.06	38,042.45
<b>Total</b>	<b>67,594.91</b>	<b>75,713.51</b>

## 25.2: The following is analysis on the Company's revenue disaggregates on the basis of timing of revenue recognition

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
At the point to time	67,594.91	75,713.51
Over the period	-	-
<b>Total</b>	<b>67,594.91</b>	<b>75,713.51</b>

## 25.3 Revenue based on business segment

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction period has been allocated.

## 25.4: Reconciliation of Revenue from Contracts with Customers

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from contracts with Customers as per Contract price	67,656.60	75,788.57
Less: Incentives, Discounts and Claims	61.69	75.06
<b>Revenue from Contracts with Customers as per Standalone Statement of Profit &amp; Loss</b>	<b>67,594.91</b>	<b>75,713.51</b>

The amount receivable from customers become due after expiry of credit period. There is no significant financing component in any transaction with the customers.

## 26 Other income

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest income	305.18	157.24
Net gain or loss on foreign currency transaction & translation ( Other than considered as finance cost)	672.81	391.94
Net gain on sale of capital assets	32.84	9.29
Net gain on sale of investment	-	3.41
Provision/Liability no longer required written back	455.36	180.11
State interest subsidy	183.94	590.24
Gain on Modification of CRPS & Unsec Loan	-	47.24
Miscellaneous income	102.05	77.38
Fair value gain/(loss) on re-measurement of investment at FVTPL	(18.82)	11.31
<b>Total</b>	<b>1,733.37</b>	<b>1,468.16</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 27. Cost of material consumed

Particulars	(₹/ Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Raw materials consumed</b>		
Cotton	27,659.70	30,880.80
Other fibers	1,597.84	2,032.68
Dyes & Chemicals	3,511.45	3,262.96
Embellishments	1,084.70	932.83
	(A) 33,853.70	37,109.27
<b>B. Purchases for consumption</b>		
Yarn	5,374.32	7,940.89
Fabric	3,168.13	3,553.46
	(B) 8,542.45	11,494.35
<b>C. Other materials consumed</b>		
Packing materials	893.21	947.17
	(C) 893.21	947.17
	Total (A) + (B) + (C) 43,289.37	49,550.79

## 28. Change in inventories of finished goods, work-in-progress &amp; stock-in-trade

Particulars	(₹/ Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Inventories ( At close)</b>		
Finished Goods	4,477.56	5,312.41
Work-in-progress	1,510.34	1,670.60
Waste	176.31	42.30
	6,164.22	7,025.31
<b>Inventories ( At opening)</b>		
Finished Goods	5,312.41	4,611.43
Work-in-progress	1,670.60	1,571.63
Waste	42.30	58.07
	7,025.31	6,241.13
	861.09	(784.18)

## 29. Employee Benefits Expense

Particulars	(₹/ Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Salaries & wages and bonus	8,815.89	8,425.26
Contribution to provident and other funds	877.85	791.27
Workman and staff welfare	171.42	125.51
<b>Total</b>	9,865.16	9,342.04



## NOTES TO THE FINANCIAL STATEMENTS

## 30. Finance costs

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense including corporate restructuring exp ( refer note (i & ii) below)	1,421.98	1,490.86
Interest on Unsecured Loan measured at amortised cost	9.26	10.20
Bank Charges	93.16	61.71
Dividend on redeemable preference shares (Refer note (iii) below)	45.78	135.45
<b>Total</b>	<b>1,570.18</b>	<b>1,698.22</b>

## Notes:

- (i) Interest expenses are net off - from current year interest subsidy under the Technology Upgradation Fund Scheme (TUFS) ₹ 47.72 Lakhs & under State subsidy ₹ 318.39 Lacs for 31 March, 2020 (previous year under the Technology Upgradation Fund Scheme (TUFS) ₹ 104.68 Lakhs & under State subsidy ₹ 106.71 Lakh).
- (ii) Recompense Expenses - Refer note number -44 (2)
- (iii) During the year, dividend distribution tax provisions on dividend has been amended and adjusted accordingly.

## 31. Depreciation and amortisation expense

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment	2,610.91	1,964.79
Amortisation of Intangible assets	76.71	72.61
Less: Amortisation of deferred Govt. grant ( M.P. Govt Subsidy )	(240.82)	-
Less: Amortisation of deferred Govt grant (TUF Subsidy)	(5.34)	(5.34)
<b>Total</b>	<b>2,441.47</b>	<b>2,032.06</b>

## 32. Other expenses

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores & spare parts	1,409.05	1,312.96
Job work costs	2,047.65	2,608.69
Power & fuel	5,114.13	4,998.32
Repairs & maintenance		
- Plant & Machinery	136.37	297.10
- Buildings	30.30	19.73
- Others	144.90	130.57
Insurance	202.66	99.63
Rent	3.37	264.04
Rates & Taxes	40.65	32.25
Freight & Forwarding	1,041.28	1,377.83
Commission to selling agents	458.66	498.33
Selling expenses	641.89	602.08

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Provision for doubtful advances	43.32	10.21
Loss on sale of Capital assets	14.74	15.47
CSR expenditure ( refer note (i) below)	32.14	42.24
Payment to statutory auditors ( refer note (iii) below)	25.29	25.26
Other expenses	1,373.08	1404.28
Excise Duty SCN Provision	1.17	-
	<b>12,760.64</b>	<b>13,738.99</b>

**Notes:**

(i) The Company has contributed and expensed ₹ 32.14 Lakhs ( 31 March,2019 : ₹ 42.24 Lakhs) against the total contributable amount of ₹ 27.35 Lakhs for the year ended 31 March, 2020 (31 March, 2019 : ₹ 27.05 Lakhs) in accordance with section 135 of Companies Act, 2013 to various trusts and social organisation. The contributions have been made towards Educational activities.

**(ii) Amount spent during the year**

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Construction/acquisition of any asset (i)</b>		
- In cash	32.14	42.24
<b>Total</b>	<b>32.14</b>	<b>42.24</b>

**(iii) Payment to auditor comprise**

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
(i) Statutory audit fee	21.00	21.00
(ii) Limited review	1.50	1.50
(iii) Out of pocket expenses	2.79	2.76
<b>Total</b>	<b>25.29</b>	<b>25.26</b>

**33. Income Taxes****33.1 Income taxes recognised in profit and loss**

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax</b>		
In respect of the current year	-	287.97
In respect of the previous years	-	-
In respect of the prior years	-	19.17
	-	<b>307.14</b>
<b>Deferred tax</b>		
In respect of the current year	-	268.09
Mat Credit entitlement	-	(53.68)
	-	<b>214.41</b>
<b>Total income tax expense recognised in the current year</b>	<b>-</b>	<b>521.55</b>



## NOTES TO THE FINANCIAL STATEMENTS

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	₹/Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Profit before tax</b>	<b>(1,528.12)</b>	<b>1,334.61</b>
Statutory Income tax rate	33.384%	34.944%
Tax at Indian statutory income tax rate	-	466.00
Effect of expenses that are not deductible in determining taxable profit	-	271.41
Effect of expenses that are deductible in determining taxable profit	-	(249.42)
Effect due to change in rate	-	68.07
Tax incentives	-	(53.68)
Adjustment recognised in the current year in relation to the current tax of prior years	-	19.17
<b>Income tax expense recognised in profit or loss</b>	<b>-</b>	<b>521.55</b>

The tax rate 33.384% used for the period ended 31 March, 2020 and 34.944% for the year 31 March, 2019 in reconciliations above is the corporate tax rate of 33.384% (Previous year rate 34.944%) payable by corporate entities in India on taxable profit under the Income tax law.

## 33.2 Income tax recognised in other comprehensive income

Particulars	₹/Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax</b>	-	-
<b>Deferred Tax</b>		
Remeasurements of defined benefit obligation	(39.32)	34.10
Effective portion of cash flow hedge reserve	118.23	(29.32)
<b>Total income tax recognised in other comprehensive income</b>	<b>78.91</b>	<b>4.78</b>

## 34. Earnings per share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

Particulars	₹/Lakhs	
	As at 31 March 2020	As at 31 March 2019
Profit after tax as per statement of Profit & Loss A/c	(1,528.12)	813.06
Net earning for computing basic earnings per share	(1,528.12)	813.06
Add: Interest (net of tax)	-	-
	(1,528.12)	813.06
Number of equity shares	4,15,08,000	4,15,08,000
Weighted average number of equity shares used in computing the basic earnings per share	4,15,08,000	4,15,08,000
Weighted average number of equity shares used in computing the diluted earnings per share	4,15,08,000	4,15,08,000
Basic earnings per share of ₹ 10 each	(3.68)	1.96
Diluted earnings per share of ₹ 10 each	(3.68)	1.96
Face value per share (in ₹)	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.

## NOTES TO THE FINANCIAL STATEMENTS

## 35. Segment Reporting

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.

**Identification of Segments**

The Board of Directors of the Company has been identified as Chief Operation Decision Maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Accounting policy in respect of segments is in conformity with accounting policy of the company as a whole.

**Inter segment Transfer**

Segment revenue resulting from transactions with other business segments is accounted for on basis of transfer price agreed between the segments. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

**Segment Revenue & Results**

The Revenue and Expenditures in relation to the respective segments have been identified and allocated to the extent possible. Other revenue and expenditures non allocable to specific segments are disclosed separately as unallocated and adjusted directly against total income of the Company.

**Segment Assets & Liabilities**

Segment Assets includes all operating assets used by the operating segment and mainly consisting property, plant & equipment, trade receivables, cash and cash equivalents and inventory etc. Segment Liabilities primarily include trade payables and other liabilities. common assets & liabilities which can not be allocated to specific segments are shown as a part of unallocable assets/liabilities.

Particulars	As at 31 March 2020				(₹/Lakhs)
	Yarn	Fabric	Textile Made-ups	Inter Segment and Unallocated Items	Total
<b>Segment Revenue</b>					
External customers	34,255.09	21,356.74	11,983.08	-	67,594.91
Inter-segment	15,820.26	4,996.06	-	(20,816.32)	-
<b>Total Revenue</b>	<b>50,075.35</b>	<b>26,352.80</b>	<b>11,983.08</b>	<b>(20,816.32)</b>	<b>67,594.91</b>
Segment Expenses	49,003.86	26,171.75	12,956.27	(41,632.64)	88,131.88
<b>Segment Results</b>	<b>1,071.49</b>	<b>181.05</b>	<b>(973.20)</b>	<b>279.34</b>	<b>279.34</b>
Un-allocable Expenses					(237.28)
Other Income					-
Finance costs					(1,570.18)
<b>Profit before Tax</b>					<b>(1,528.12)</b>
Tax Expenses					-
<b>Profit After Tax</b>					<b>(1,528.12)</b>
<b>Other Information:</b>					
<b>Depreciation, Amortization and Impairment</b>					
Allocable	1,492.52	590.20	358.75	-	2,441.47
Un-allocable					-
<b>Total</b>	<b>1,492.52</b>	<b>590.20</b>	<b>358.75</b>	<b>-</b>	<b>2,441.47</b>
<b>Capital Expenditures</b>					
Allocable	1,287.01	146.02	619.82	-	2,052.85
Un-allocable					-
<b>Total</b>	<b>1,287.01</b>	<b>146.02</b>	<b>619.82</b>	<b>-</b>	<b>2,052.85</b>
Impairment loss					-
<b>Segment Assets</b>					
Allocable	24,320.11	12,772.51	5,868.22	-	42,960.84



NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2020				Total
	Yarn	Fabric	Textile Made-ups	Inter Segment and Unallocated Items	
Un-allocable	-	-	-	304.55	304.55
<b>Total Assets</b>	<b>24,320.11</b>	<b>12,772.51</b>	<b>5,868.22</b>	<b>304.55</b>	<b>43,265.39</b>
<b>Segment Liabilities</b>					
Allocable	20,746.35	10,346.63	1,993.78	-	33,086.76
Un-allocable	-	-	-	1,804.02	1,804.02
<b>Total liabilities</b>	<b>20,746.35</b>	<b>10,346.63</b>	<b>1,993.78</b>	<b>1,804.02</b>	<b>34,890.78</b>

Particulars	As at 31 March 2019				Total
	Yarn	Fabric	Textile Made-ups	Inter Segment and Unallocated Items	
<b>Segment Revenue</b>					
External customers	39,805.88	23,045.81	12,861.82	-	75,713.51
Inter-segment	13,669.54	5,083.69	-	(18,753.23)	-
<b>Total Revenue</b>	<b>53,475.42</b>	<b>28,129.50</b>	<b>12,861.82</b>	<b>(18,753.23)</b>	<b>75,713.51</b>
Segment Expenses	51,174.39	26,784.08	13,149.78	-	91,108.25
<b>Segment Results</b>	<b>2,301.03</b>	<b>1,345.42</b>	<b>(287.97)</b>	<b>3,358.48</b>	<b>3,358.48</b>
Un-allocable Expenses	-	-	-	-	(329.06)
Other Income	-	-	-	-	3.41
Finance costs	-	-	-	-	(1,698.22)
<b>Profit before Tax</b>	-	-	-	-	<b>1,334.61</b>
Tax Expenses	-	-	-	-	(521.55)
<b>Profit After Tax</b>	-	-	-	-	<b>813.06</b>
<b>Other Information:</b>					
<b>Depreciation, Amortization and Impairment</b>					
Allocable	1,425.37	436.46	170.23	-	2,032.06
Un-allocable	-	-	-	-	-
<b>Total</b>	<b>1,425.37</b>	<b>436.46</b>	<b>170.23</b>	-	<b>2,032.06</b>
<b>Capital Expenditures</b>					
Allocable	1,679.73	3,348.33	142.72	-	5,170.78
Un-allocable	-	-	-	-	-
<b>Total</b>	<b>1,679.73</b>	<b>3,348.33</b>	<b>142.72</b>	-	<b>5,170.78</b>
Impairment loss	-	-	-	-	-
<b>Segment Assets</b>					
Allocable	26,706.36	13,368.03	5,234.90	-	45,309.29
Un-allocable	-	-	-	92.08	92.08
<b>Total Assets</b>	<b>26,706.36</b>	<b>13,368.03</b>	<b>5,234.90</b>	<b>92.08</b>	<b>45,401.37</b>
<b>Segment Liabilities</b>					
Allocable	21,148.15	11,307.77	1,186.69	-	33,642.61
Un-allocable	-	-	-	1,701.13	1,701.13
<b>Total liabilities</b>	<b>21,148.15</b>	<b>11,307.77</b>	<b>1,186.69</b>	<b>1,701.13</b>	<b>35,343.74</b>

## NOTES TO THE FINANCIAL STATEMENTS

**Geographical information**

- a. The Company is domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

Geography	(₹/Lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
India	35,967.85	37,671.06
North America	2,591.99	4,264.57
Europe	8,779.01	8,605.77
Gulf & Middle east	662.58	248.09
Far East & South east Asia	17,906.30	22,977.19
Africa	1,535.85	1,644.61
Rest of the world	151.33	302.22
	<b>67,594.91</b>	<b>75,713.51</b>

- b. Information regarding geographical non-current assets is as follows:

Geography	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
India	19,085.85	20,118.20
Outside India	-	-
	<b>19,085.85</b>	<b>20,118.20</b>

**Information about major customers**

There are no customer having 10% or more of total revenue

**Revenue for Products & Services**

The detail of revenue from Products & Services are given below:-

Particulars	(₹/Lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of goods	66,360.08	74,337.15
Sale of services	67.24	39.31
	<b>66,427.32</b>	<b>74,376.46</b>

**36. Impact of Covid-19 pandemic**

Due to Covid-19 outbreak, Government of India declared lockdown on March 24, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments. Covid-19 has impacted the normal business operations of the Company by way of interruption in production, supplychain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. However, production and supply of goods has commenced for Yarn and Fabric Division on April 24, 2020 and Garment Division on May 11, 2020 after obtaining permissions from the appropriate government authorities.

The Company has considered the possible effects that may result from the Covid-19 situation on the carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investment, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the Covid-19 which may be different from that estimated as at the date of approval of these standalone results.

The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.



## NOTES TO THE FINANCIAL STATEMENTS

## 37. Contingent Liabilities

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
i. Claims against the Company not acknowledged as debts	-	-
ii. Income tax matters in dispute	392.65	392.65
iii. Excise / customs / service tax matters in dispute	45.35	49.25
iv. Sales tax matters in dispute	9.34	9.34
v. Recall of certain DEPB benefits, in dispute	35.81	34.99
vi. Other pending litigations		
- Labour cases involving claims for reinstatement, back wages etc.	182.60	163.54
- Parallal Operation Charges	26.14	-
- Civil cases for recoveries, counter claims etc.	-	0.09

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 (i) to (vi) 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.

## 38. Commitments

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	6.30	569.30
Export obligations under the Export Promotion Capital Goods Scheme, remaining to be fulfilled within the specified period*	899.57	3089.85

\*As on the date of adoption of financials by the Board (19 June 2020), export obligation under EPCG scheme for the export obligation of spares upto 31st March 2020 is pending for ₹ 391.95 Lac out of 899.57 Lac.

## 39. Employee Benefits

## A. 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:

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Provident fund	537.87	449.25
Supperannuation fund	67.61	54.48

## B. Defined Benefit plans

The Company makes annual contributions towards funding the defined benefit plans for qualifying employees and also contributes towards the insurance scheme of ICICI Prudential Life Insurance Co. Ltd. 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.

## NOTES TO THE FINANCIAL STATEMENTS

- i. The principal assumptions used for the purpose of the actuarial valuation were as follows:

Assumptions	As at 31 March 2020	As at 31 March 2019
<b>Economic Assumptions</b>		
Discount rate	6.76%	7.75%
Salary escalation	0% for 1st year & thereafter 5%	6.00%
<b>Demographic Assumptions</b>		
Retirement Age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2006-08)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
- Up to 30 Years	3%	3%
- From 31 to 44 years	2%	2%
- Above 44 years	1%	1%

	(₹/Lakhs)	
ii. Movements in present value of the defined benefit obligation	As at 31 March 2020	As at 31 March 2019
Present value of obligation as at the beginning of the period	1,403.56	1,259.96
Acquisition adjustment Out	-	-
Interest cost	108.78	98.29
Current service cost	115.33	115.75
Past Service Cost including curtailment Gains/Losses	-	-
Benefit paid	(135.77)	(83.45)
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.10)	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(39.88)	80.80
Actuarial (Gain)/Loss on arising from Experience Adjustment	(34.12)	(67.79)
<b>Liability at the end of the year</b>	<b>1,417.79</b>	<b>1,403.56</b>

	(₹/Lakhs)	
iii. Movements in the fair value of plan assets	As at 31 March 2020	As at 31 March 2019
Fair Value of plan assets at the beginning of the period / year	1,263.64	1,229.31
Contribution from the employer	139.92	30.66
Actual return on plan assets	141.62	11.31
Benefits paid	(4.31)	(7.64)
Actuarial gain/loss for the year on asset	-	-
<b>Fair value of the plan assets at the end of the period / year</b>	<b>1,540.86</b>	<b>1,263.64</b>



## NOTES TO THE FINANCIAL STATEMENTS

		(₹/ Lakhs)	
		As at	As at
		31 March 2020	31 March 2019
<b>iv.</b>	<b>Amount recognized in the Balance Sheet</b>		
	Present Value of the obligation at end	1,417.79	1,403.55
	Fair value of plan assets at the end of the period /year	1,540.86	1,263.64
	<b>Unfunded Liabilities recognised in the Balance Sheet</b>	<b>123.07</b>	<b>(139.91)</b>
		(₹/ Lakhs)	
<b>v.</b>	<b>Expenses recognized in the Statement of Profit and Loss</b>	As at	As at
		31 March 2020	31 March 2019
	Current service cost	115.33	115.75
	Net Interest cost	10.84	2.39
	<b>Expense recognised in the Statement of Profit and Loss</b>	<b>126.17</b>	<b>118.14</b>
		(₹/ Lakhs)	
<b>vi.</b>	<b>Other Comprehensive Income</b>	As at	As at
		31 March 2020	31 March 2019
	Net cumulative unrecognized actuarial gain/(loss) opening	-	-
	Actuarial gain / (loss) for the year on PBO	74.10	(13.01)
	Actuarial gain /(loss) for the year on Asset	43.69	(84.57)
	<b>Recognized actuarial gain/(loss) at the end of the year</b>	<b>117.79</b>	<b>(97.58)</b>
<b>vii.</b>	<b>Description of plan assets:</b>		
	<b>Major categories of plan assets</b>	As at	As at
		31 March 2020	31 March 2019
	Insurer managed fund	100%	100%
		(₹/ Lakhs)	
<b>viii.</b>	<b>Change in Net benefit Obligations</b>	As at	As at
		31 March 2020	31 March 2019
	Net defined benefit liability at the start of the period	139.91	30.66
	Acquisition adjustment		
	Total Service Cost	115.33	115.75
	Net Interest cost (Income)	10.84	2.39
	Re-measurements	(117.79)	97.58
	Contribution paid to the Fund	(139.92)	(30.66)
	Benefit paid directly by the enterprise	(131.46)	(75.81)
	<b>Net defined benefit liability at the end of the period</b>	<b>(123.07)</b>	<b>139.91</b>
		(₹/ Lakhs)	
<b>ix.</b>	<b>Bifurcation of PBO at the end of year in current and non current.</b>	As at	As at
		31 March 2020	31 March 2019
	Current liability (Amount due within one year)	73.43	108.82
	Non-Current liability (Amount due over one year)	1,344.36	1,294.73
	<b>Total PBO at the end of year</b>	<b>1,417.79</b>	<b>1,403.55</b>

## NOTES TO THE FINANCIAL STATEMENTS

x. Sensitivity Analysis of the defined benefit obligation	(₹/ Lakhs)	
	As at 31 March 2020	As at 31 March 2019
a) Impact of the change in discount rate		
- Impact due to increase of 0.50 %	(74.56)	(74.53)
- Impact due to decrease of 0.50 %	80.64	80.77
b) Impact of the change in salary increase		
- Impact due to increase of 0.50 %	80.79	80.73
- Impact due to decrease of 0.50 %	(75.28)	(75.07)

Sensitivities due to mortality and withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

- xi. The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary and relied upon by the auditors.
- xii. The employer 's best estimate of contribution expected to be paid during the next year is ₹ 73.44 lakhs.
- xiii. **Maturity profile of Defined Benefit obligation**

Year	(₹/ Lakhs)	
	As at 31 March 2020	As at 31 March 2019
0 to 1 Year	73.44	108.82
1 to 2 Year	40.49	23.65
2 to 3 Year	27.17	31.47
3 to 4 Year	48.79	56.33
4 to 5 Year	65.42	53.62
5 to 6 Year	55.92	40.46
6 Year onwards	1,106.57	1,089.21

#### B.2. Defined Benefit plans- Compensated absences (Leave Encashment)

- i. The principal assumptions used for the purpose of the actuarial valuation were as follows:

Assumptions	(₹/ Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Economic Assumptions</b>		
Discount rate	6.76%	7.75%
Salary escalation	0% for 1st year & thereafter 5%	6.00%
<b>Demographic Assumptions</b>		
Retirement Age		
Leave Availment Rate		
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2006-08)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
-Up to 30 Years	3%	3%
-From 31 to 44 years	2%	2%
-Above 44 years	1%	1%



## NOTES TO THE FINANCIAL STATEMENTS

		(₹/ Lakhs)	
		As at	As at
		31 March 2020	31 March 2019
<b>ii.</b>	<b>Movements in present value of the defined benefit obligation</b>		
	Present value of obligation as at the beginning of the period	296.91	306.60
	Acquisition adjustment Out	-	-
	Interest cost	23.01	23.92
	Current service cost	58.35	54.31
	Benefit paid	(87.69)	(101.81)
	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.15)	-
	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(9.11)	16.06
	Actuarial (Gain)/Loss on arising from Experience Adjustment	33.58	(2.17)
	<b>Liability at the end of the year</b>	<b>314.90</b>	<b>296.91</b>
		(₹/ Lakhs)	
<b>iii.</b>	<b>Amount recognized in the Balance Sheet</b>	As at	As at
		31 March 2020	31 March 2019
	Liability at the end of the period / year	314.90	296.91
	<b>Unfunded Liabilities recognised in the Balance Sheet</b>	<b>314.90</b>	<b>296.91</b>
		(₹/ Lakhs)	
<b>iv.</b>	<b>Expenses recognized in the Statement of Profit and Loss</b>	As at	As at
		31 March 2020	31 March 2019
	Current service cost	58.35	54.31
	Net Interest cost	23.01	23.92
	Actuarial (gain)/loss on obligations	24.47	13.89
	<b>Expense recognised in the Statement of Profit and Loss</b>	<b>105.83</b>	<b>92.12</b>
		(₹/ Lakhs)	
<b>v.</b>	<b>Change in Net benefit Obligations</b>	As at	As at
		31 March 2020	31 March 2019
	Net defined benefit liability at the start of the period	296.91	306.60
	Acquisition adjustment		
	Total Service Cost	58.35	54.31
	Net Interest cost (Income)	23.01	23.92
	Re-measurements	24.32	13.89
	Contribution paid to the Fund	-	-
	Benefit paid directly by the enterprise	(87.69)	(101.81)
	<b>Net defined benefit liability at the end of the period</b>	<b>314.90</b>	<b>296.91</b>
		(₹/ Lakhs)	
<b>vi.</b>	<b>Bifurcation of PBO at the end of year in current and non current</b>	As at	As at
		31 March 2020	31 March 2019
	Current liability (Amount due within one year)	52.26	58.08
	Non-Current liability (Amount due over one year)	262.64	238.83
	<b>Total PBO at the end of year</b>	<b>314.90</b>	<b>296.91</b>

## NOTES TO THE FINANCIAL STATEMENTS

		(₹/ Lakhs)	
vii. Sensitivity Analysis of the defined benefit obligation		As at	As at
		31 March 2020	31 March 2019
a)	Impact of the change in discount rate		
	- Impact due to increase of 0.50 %	(15.92)	(14.39)
	- Impact due to decrease of 0.50 %	17.04	15.69
b)	Impact of the change in salary increase		
	- Impact due to increase of 0.50 %	17.43	15.88
	- Impact due to decrease of 0.50 %	(16.09)	(14.68)

Sensitivities due to mortality and withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

viii. The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary and relied upon by the auditors.

ix. The employer 's best estimate of contribution expected to be paid during the next year is ₹ 52.26 lakhs

x. **Maturity profile of Defined Benefit obligation**

		(₹/ Lakhs)	
Year		As at	As at
		31 March 2020	31 March 2019
0 to 1 Year		52.26	58.08
1 to 2 Year		10.70	5.59
2 to 3 Year		5.12	10.47
3 to 4 Year		6.56	4.41
4 to 5 Year		12.23	5.53
5 to 6 Year		11.49	10.67
6 Year onwards		218.26	202.16

These plans typically expose the Company to actuarial risks such as Investment risk, salary risk, discount rate risk, mortality risk, withdrawals risk.

<b>Salary risk</b>	:	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
<b>Investment risk</b>	:	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
<b>Discount rate risk</b>	:	Reduction in discount rate in subsequent valuations can increase the plan's liability.
<b>Mortality &amp; disability risk</b>	:	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
<b>Withdrawals</b>	:	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### B.3. Defined Benefit plans- Leave Obligations (Compensated Expenses)

The leave obligations cover the Company's liability for sick and earned leave.

The amount of the provision ₹ 1.74 lakhs of ( 31st March, 2019- ₹ 1.83 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.



## NOTES TO THE FINANCIAL STATEMENTS

## 40. Related Party Disclosures

Related Party Disclosures as per the requirement of SEBI (LODR) Regulation 2019 on the consolidated Basis

## 40.1 List of Related Parties as per Ind-AS &amp; Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

S. No.	Name of Related Party	Nature of Relationship
A	(i) A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity.	
	Shri Shekhar Agarwal	Promoters having voting control
	Shri Shantanu Agarwal	Promoters having voting control
	(ii) A person or a close member of that person's family of a reporting entity has significant influence over the reporting entity.	
	Shri Shekhar Agarwal	
	Smt. Shashi Agarwal	
	Shri Shantanu Agarwal	
	Smt. Shuchi Poddar	
	(iii) A person or a close member of that person's family of a reporting entity is a member of the Key Management Personnel of the reporting entity or of a parent of the reporting entity.	
	Shri Ravi Jhunjhunwala	Directors of the Company
Shri Shekhar Agarwal		
Shri Shantanu Agarwal		
Dr. Kamal Gupta		
Shri Dharmendar Nath Davar (upto 24/07/2019)		
Shri Priya Shankar Dasgupta		
Smt. Archana Capoor		
B	(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).	
	N.A.	
	(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).	
	N.A.	
	(iii) Associated and other entities are joint ventures of the same third party.	
	N.A.	
	(iv) One Entity is a joint venture of a third party and the other entity is an associate of the third entity.	
	N.A.	
	(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.	
	Maral Overseas Limited Senior Executive Superannuation	Trust
MOL Employees Gratuity Fund	Trust	

## NOTES TO THE FINANCIAL STATEMENTS

S. No.	Name of Related Party	Nature of Relationship
(vi)	<b>The entity is controlled or jointly controlled by a person identified in (A.)</b>	
	Aadi Marketing Company Private Limited Agarwal Finestate Private Limited AKJ Apparels Private Limited Apeksha Vyapar Private Limited Bhilwara Technical Textiles Limited BMD Power Private Limited BMD Private Limited BMD Renewable Energy Private Limited Bhilwara Energy Limited BSL Limited Captain Trade & Agencies Private Limited Diplomat Leasing and Finance Private Limited HEG Limited MG Marketing and Trading Private Limited New Delhi Law Office Pawanputra Trading Private Limited RANDR Trustee Private Limited RLJ Family Trusteeship Private Limited RRJ Family Trustee Private Limited RSWM Limited Sita Nirman Private Limited SKLNJ Family Trusteeship Private Limited SSSA Family Private Limited Ultramarine Impex Private Limited Zoongoo Commercial Co. Private Limited	Holding more than 50 % of the Shareholding along with relatives in the Company and including KMPs.
(vii)	<b>A person identified in A (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</b>	
1	<b>Shri Shekhar Agarwal</b>	
	Agarwal Finestate Private Limited Bhilwara Technical Textiles Limited BMD Power Private Limited BMD Private Limited BMD Renewable Energy Private Limited MG Marketing and Trading Private Limited SSSA Family Private Limited Ultramarine Impex Private Limited	Holding more than 20 % of the Shareholding along with relatives in the Company.
2	<b>Shri Shantanu Agarwal</b>	
	Agarwal Finestate Private Limited Bhilwara Technical Textiles Limited BMD Power Private Limited BMD Private Limited BMD Renewable Energy Private Limited MG Marketing and Trading Private Limited SSSA Family Private Limited Ultramarine Impex Private Limited	Holding more than 20 % of the Shareholding along with relatives in the Company .



## NOTES TO THE FINANCIAL STATEMENTS

S. No.	Name of Related Party	Nature of Relationship
(viii)	The Entity, or any member of a group of which it is part , provide key management personal service to the reporting entity of to the parent of reporting entity.	
	N.A.	
(ix)	Reporting entity being an associate of the other entity.	
	Agarwal Trademart Private Limited	

### 40.2 Details of transactions with related parties

(₹/Lakhs)

S. No.	Transaction	Key Mangerial Personnel & Relatives		Reporting entity being an associate of other entity		A person and enterprises over which any person described other than A-(i-iii) and B-(ix) is able to exercise significant influence over the reporting enterprises.		Total	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
1	Sitting Fees	30.00	24.90	-	-	-	-	30.00	24.90
2	Remuneration - Shri Shekhar Agarwal Managing Director and CEO								
	a - Short term employees benefit	152.81	204.25	-	-	-	-	152.81	204.25
	b - Post employment benefit	22.68	25.92	-	-	-	-	22.68	25.92
3	Rent	15.91	14.53	-	-	52.00	52.00	67.91	66.53
4	Reimbursement of Expenses recovered from	-	-	-	-	13.00	6.13	13.00	6.13
5	Reimbursement of Expenses paid to	-	-	-	-	84.08	71.66	84.08	71.66
6	Purchases of Material	-	-	-	-	182.22	215.49	182.22	215.49
7	Job Charges Payable	-	-	-	-	1.09	-	1.09	-
8	Sale of Material	-	-	-	-	735.02	614.27	735.02	614.27
9	Job Charges Received	-	-	-	-	4.04	-	4.04	-
10	Interest Paid	-	-	40.00	40.00	7.27	-	47.27	40.00
11	Redemption of Cumulative Redeemable Preference Shares (CRPS)	-	62.50	-	-	-	537.50	-	600.00
12	Dividend accrued on Cumulative Redeemable Preference Shares	1.88	4.69	-	-	16.12	40.31	18.00	45.00
13	Payment received from trust towards gratuity	-	-	-	-	60.04	3.98	60.04	3.98
14	Payment made to trust towards gratuity	-	-	-	-	139.92	30.66	139.92	30.66
15	Payment made to trust towards superannuation	-	-	-	-	51.49	51.20	51.49	51.20
16	Unsecured Loan Due to	-	-	489.80	480.54	-	-	489.80	480.54
17	Unsecured Loan Received	-	-	-	-	400.00	-	400.00	-
18	Unsecured Loan Paid	-	-	-	-	400.00	-	400.00	-
19	Outstanding Due to	-	-	-	-	16.18	0.48	16.18	0.48
20	Outstanding Receivable	-	-	-	-	4.04	-	4.04	-
21	Outstanding Cumulative Redeemable Preference Shares	59.61	59.61	-	-	512.61	512.61	572.22	572.22
22	Dividend payable on Cumulative Redeemable Preference Shares	19.94	18.06	-	-	171.55	155.43	191.49	173.49
	<b>TOTAL</b>	<b>302.83</b>	<b>414.46</b>	<b>529.80</b>	<b>520.54</b>	<b>2,850.68</b>	<b>2,291.72</b>	<b>3,683.31</b>	<b>3,226.72</b>

#### Terms & Conditions

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates and outstanding balances are unsecured.

## NOTES TO THE FINANCIAL STATEMENTS

## 41. Financial Instruments

## 41.1 Capital Management

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

## 41.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	(₹/ Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Debt (See note 'i' below) (Refer Note No. 18 & 19)	23,434.13	25,974.61
Cash and bank balances (Refer Note No. 13 & 14)	(968.70)	(644.92)
<b>Net debt</b>	<b>22,465.43</b>	<b>25,329.69</b>
Total equity (Refer Note No. 16 & 17)	<b>8,374.61</b>	<b>10,057.63</b>
Total equity and Net Debt	<b>30,840.04</b>	<b>35,387.32</b>
Gearing Ratio	<b>72.85%</b>	<b>71.58%</b>

**Note:**

- i. Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 18 and 19.
- ii. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.

## 41.2 Financial Instruments- Accounting Classification and Fair Value Measurement

## 41.2.1 Financial Instrument by Category

Particulars	(₹/ Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>		
<b>- Measured at amortised cost</b>		
Other financial assets (non current) (Refer Note No. 8)	1,076.44	4.89
Trade receivables (Refer Note No. 12)	7,528.98	9,588.40
Cash and cash equivalents (Refer Note No. 13)	819.13	425.01
Bank Balances other than Cash and cash equivalents (Refer Note No. 14)	149.57	219.91
Other financial assets (current) (Refer Note No. 8)	857.55	102.66
Loans (Refer Note No. 7)	64.66	63.21
<b>- Measured at fair value through Profit &amp; Loss</b>		
Investments (Refer Note No. 11)	29.88	48.70
Forward Contracts-Derivatives (Refer Note No. 8)	-	195.83



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings (non-current) (Refer Note No. 18)	5,589.43	7,349.84
Borrowings (current) (Refer Note No. 18)	16,183.46	17,405.47
Trade payables (Refer Note No. 23)	5,756.04	5,827.64
Other financial liabilities (non-current) (Refer Note No. 19)	430.19	19.76
Other financial liabilities (current) (Refer Note No. 18 & 19)	3,273.28	2,711.12
<b>- Measured at fair value through Profit &amp; Loss</b>		
Forward Contracts-Derivatives (Refer Note No. 19)	399.11	-

### 41.3 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### 41.3.1 The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2020:

Particular	As of 31 March 2020	Fair Value measurement at end of the reporting period/year using			(₹/Lakhs)
		Level 1	Level 2	Level 3	
		Investment in equity instruments-State Bank of India	29.87	29.87	
Investment in equity instruments-BPL Engineering Limited	0.01	0.01	-	-	
Derivative financial instruments - foreign currency forward	(399.11)	(399.11)	-	-	
<b>Financial Assets Measured at Amortised Cost</b>					
Loans	29.89	-	29.89	-	
<b>Financial Liabilities Measured at Amortised Cost</b>					
Borrowings	5,589.43	-	5,589.43	-	

#### The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

Particulars	As of 31 March 2019	Fair Value measurement at end of the reporting period/year using			(₹/Lakhs)
		Level 1	Level 2	Level 3	
		Investment in equity instruments-State Bank of India	48.69	48.69	
Investment in equity instruments-BPL Engineering Limited	0.01	0.01	-	-	
Derivative financial instruments - foreign currency forward	195.83	195.83	-	-	
<b>Financial Assets Measured at Amortised Cost</b>					
Loans	4.89	-	4.89	-	
<b>Financial Liabilities Measured at Amortised Cost</b>					
Borrowings	7349.84	-	7,349.84	-	

## NOTES TO THE FINANCIAL STATEMENTS

**41.3.2 Valuation techniques used to determine Fair value**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets and liabilities (security deposit taken/given and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.
- 3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

**41.3.3 Fair Value Measurement Hierarchy**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: Other techniques for which all the inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**41.4 Financial risk management**

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised ahead.

**41.5 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market price risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

**41.5.1 Foreign currency risk**

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rate.

The Company derives significant portion of its revenue in foreign currency, exposing it to fluctuations in currency movements. The Company has laid down a foreign exchange risk policy as per which senior management team reviews and manages the foreign exchange risks in a systematic manner, including regular monitoring of exposures, proper advice from market experts, hedging of exposures, etc.



## NOTES TO THE FINANCIAL STATEMENTS

The Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate foreign exchange related risk exposures. Derivative financial instruments relating to a firm commitment or a highly probable forecast transaction, are marked to market at every reporting date.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Details in respect of the outstanding hedge accounting relationships relating to a firm commitment given below:

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	USD	EURO	CHF	USD	EURO	CHF
	<b>Trade Payables</b>					
<b>Trade Receivables</b>	<b>2016.09</b>	<b>309.63</b>	-	2897.35	135.98	-
<b>Other exposure in Foreign Currency (specify)</b>						
<b>Less: Hedged Portion</b>	<b>2016.09</b>	<b>309.63</b>	-	2897.35	-	-
Unhedged Exposure	-	-	-	-	135.98	-

**Sensitivity Analysis**

The Following table demonstrate the sensitivity in the foreign exchange rate ( USD & EURO) to the Indian Rupees wit all other variable held constant. The Impact on statement of profit & loss is given below:

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
	<b>USD Sensitivity</b>			
INR/USD-increase/(decrease) by 1%	-	-	-	-
<b>EURO Sensitivity</b>				
INR/EURO-increase/(decrease) by 1%	-	-	1.36	(1.36)
<b>CHF Sensitivity</b>				
INR/CHF-increase/(decrease) by 1%	-	-	-	-

**41.5.2 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio .

(i) The exposure of company borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	As at	
	31 March 2020	31 March 2019
Variable rate borrowings	5,589.43	6,869.30
Fixed rate borrowings	489.80	480.54
<b>Total borrowings</b>	<b>6,079.23</b>	<b>7,349.84</b>

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's: profit for the year ended 31 March, 2020 would decrease/increase by ₹ 17.77 lakhs (31 March, 2019: decrease/increase by ₹ 21.84 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

**41.5.3 Price risks**

The company's exposure to price risk arises from the investment held by the company. To manage its price risk arising from investments in marketable securities, the company has very limited exposure and is done in accordance with the company policy. The company's major investments are actively traded in markets and are held for short period of time. Therefore no sensitivity is provided for the same.

**41.6 Credit Risk**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty.
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The company's major exposure is from trade receivables, which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted securities and certificates of deposit which are funds deposited at a bank for a specified time period. Other loans are majorly provided to the subsidiaries and employee which have very minimal risk of loss.

**Expected credit loss for trade receivable on simplified approach :**

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

Age Bracket	(₹/Lakhs)	
	As at 31 March 2020	As at 31 March 2019
0-180	7,359.15	9,573.84
181-365	145.72	8.58
Above 365	76.89	16.19
<b>Total</b>	<b>7,581.76</b>	<b>9,598.61</b>
Trade receivables - Credit impaired	52.78	10.21
<b>Closing Balance</b>	<b>7,528.98</b>	<b>9,588.40</b>

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

Particulars	(₹/Lakhs)
	ECL for Trade Receivables
<b>As at 01-04-2018</b>	<b>8.46</b>
Provided/(Reversal) during the year	1.75
<b>As at 31-03-2019</b>	<b>10.21</b>
Provided/(Reversal) during the year	42.57
<b>As at 31-03-2020</b>	<b>52.78</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 41.7 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium, and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

Particulars						(₹/ Lakhs)	
	0-1 year	1-3 years	3-5 years	5+ years	Total	Carrying Amount	
<b>31 March, 2020</b>							
Trade payables	5,756.04	-	-	-	5,756.04	5,756.04	
Other financial liabilities	5,922.78	-	-	-	5,922.78	5,912.58	
Borrowings	16,183.46	2,019.43	1,173.33	586.67	19,962.89	19,962.89	
<b>31 March, 2019</b>							
Trade payables	5,827.64	-	-	-	5,827.64	5,827.64	
Other financial liabilities	5,049.94	-	-	-	5,049.94	5,005.50	
Borrowings	17,405.47	2,641.35	1,573.33	880.00	22,500.15	22,480.69	

### 41.8 Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	(₹/ Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Cash Credit Facility	-	-
Term Loan Facility	2329.96	1608.35

### 41.9 Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The objective of hedges is to minimize the volatility of INR cash flows of highly probable forecast transaction. The Company's risk management policy is to hedge around 70% to 90% of net exposure with forward exchange contract, having a maturity upto 12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

#### As on 31 March 2020

Types of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakhs)	No. of Outstanding Contracts	Amount (in Lakhs)					
Cash flow hedge-sell	48.00	109.62	8.00	10.32	(399.11)	April 20-Sep.20	1:1	72.85	80.58
Cash flow hedge-Buy	-	-	-	-	-	-	-	-	-

Types of hedge and risks	Nominal value (Foreign Currency)		Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate
	CHF					
	No. of Outstanding Contracts	Amount (in Lakhs)				
Cash flow hedge-Buy	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

As on 31 March 2019

Types of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakhs)	No. of Outstanding Contracts	Amount (in Lakhs)					
Cash flow hedge-sell	47.00	101.68	-	-	195.82	April 18-Mar 19	1:1	71.84	-
Cash flow hedge-Buy	-	-	-	-	-	-	-	-	-

Types of hedge and risks	Nominal value (Foreign Currency)		Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate
	CHF					
	No. of Outstanding Contracts	Amount (in Lakhs)				
Cash flow hedge-Buy	-	-	-	-	-	-

## Disclosure of effects of hedge accounting on financial performance

Cash Flow hedge	Changes in the value of the hedging instruments recognised in other Comprehensive Income	Hedge ineffectiveness recognised in profit & loss	Amount reclassified from cash flow hedging reserve to profit & loss	Line item affected in the statement of profit and loss because of reclassification	(₹/Lakhs)
31-March-2020	(351.59)	-	-	-	
31-March-2019	84.18	-	-	-	

The Movement in hedging reserve during the year ended 31 March 2020 for derivatives designated as cash flow hedge ( refer note no. 17) is as follows:

Particulars	(₹/Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year	35.80	(19.06)
Change in fair value of Effective portion of Cash Flow Hedge Recognised during the year	(351.59)	84.18
Amount Reclassified to Profit & Loss account during the period		
Tax impact on above	118.23	(29.32)
<b>Closing Balance</b>	<b>(197.56)</b>	<b>35.80</b>

## Sensitivity Analysis

The Following table demonstrate the sensitivity in the foreign exchange rate ( USD & EURO) to the Indian Rupees wit all other variable held constant. The Impact on the other component of Equity arises from foreign forward exchange contract designated as cash flow hedge reserve is given below:

Particulars	(₹/Lakhs)			
	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
<b>USD Sensitivity</b>				
INR/USD-increase/(decrease) by 1%-sell	79.86	(79.86)	73.05	(73.05)
INR/USD-increase/(decrease) by 1%-Buy	-	-	-	-
<b>EURO Sensitivity</b>				
INR/EURO-increase/(decrease) by 1%-sell	8.32	(8.32)	-	-
INR/EURO-increase/(decrease) by 1%-Buy	-	-	-	-
<b>CHF Sensitivity</b>				
INR/EURO-increase/(decrease) by 1%-Buy	-	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS

## 42. Changes in liability arising from financing activity, including changes from cash flows and non cash flow changes

Particulars	Note No	(₹/Lakhs)			
		Opening balance as at 01 April 2019	Cash flows	Non Cash	Closing balance as at 31 March 2020
Long term borrowings	18	5,075.22	365.70	(1,661.49)	3,779.43
Short term borrowings	18	17,405.47	(1,222.01)	0	16,183.46
Current Maturities of long term debts	18	2,274.62	(1,636.31)	1,171.69	1,810.00
Preference Liability	19	1,199.54	0.00	(53.87)	1,145.67
Interest Accrued on Borrowings	19	42.28	4.29	-	46.58
Lease Liability	19	798.38	(268.701)	64.21	593.89

Particulars	Note No	(₹/Lakhs)			
		Opening balance as at 01 April 2018	Cash flows	Non Cash	Closing balance as at 31 March 2019
Long term borrowings	18	3,487.79	3,372.24	(1,784.81)	5,075.22
Short term borrowings	18	14,354.47	3,051.00	-	17,405.47
Current Maturities of long term debts	18	3,268.28	(2,778.48)	1,784.82	2,274.62
Preference Liability	19	2,163.21	(1,071.35)	107.68	1,199.54
Interest Accrued on Borrowings	19	41.19	1.09	-	42.28
Lease Liability	-	-	-	-	-

## 43. Recent Accounting Pronouncements

Recent Indian Accounting Standards (Ind AS) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

44. 1 Premium of 5% on redeemed CRPS, in terms of the Master Restructuring Agreement executed with the Companies bankers, is payable in case company's cash flows permit. Same has not been provided since Company do not have cash flow after considering committed liabilities as on 31st March 2020, subject to final determination mutually with the Company bankers.
- 2 Recompense Expenses- Further, in terms of the Master Restructuring Agreement, if, in the opinion of the Lenders, the profitability and cash flows of the Company so warrant, the Lenders shall be entitled to receive recompense for the reliefs and sacrifices extended by them within the CDR Parameters, with the approval of the CDR Empowered Group. The Company has provided recompense expenses liability ₹ 76.00 Lac in the financial year 2019-20 (Previous year ₹ 157.00 Lac) as per best estimate subject to final determination mutually with the Company bankers. It has been included in the finance cost. Refer - Note No. 30.

## 45. Approval of financial statements

The financial statements for the year ended 31 March 2020 were approved by the Board of Directors and authorise for issue on 19th June 2020.

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

For S. S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Registration No.000756N

Neeraj Bansal  
Partner  
Membership No.095960  
UDIN: 20095960AAAAEU3631

Place: Noida (U.P.)  
Date: 19th June, 2020

For P.K. Deora & Co.  
Chartered Accountants  
Firm Registration No.004167N

Pawan Kumar Deora  
Proprietor  
Membership No.083308  
UDIN: 20083308AAAAAX3885

Shekhar Agarwal  
Chairman & Managing Director  
DIN-00066113

Atul Kumar Jain  
Chief Financial Officer  
FCA-094866

Shantanu Agarwal  
Joint Managing Director  
DIN-02314304

Virendra Kumar Garg  
Company Secretary  
FCS-7321

## OTHER INFORMATIONS

## FINANCIAL INDICATORS

(₹/Lakhs)

S. No.	DESCRIPTION	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	Net Turnover	55889.23	65335.01	64842.95	61883.05	66,643.95	64,076.51	75,713.51	<b>67,594.91</b>
2	PBIDT	6573.81	8790.09	7221.41	5811.54	6,032.41	3,768.48	5,064.89	<b>2,483.53</b>
3	Interest								
	- Long Term	1267.14	1129.14	998.04	1224.37	850.37	990.66	574.73	<b>384.19</b>
	- Short Term	999.78	734.48	926.81	701.17	701.17	877.61	1,123.49	<b>1,185.99</b>
	- Total	2266.92	1863.62	1924.85	1925.53	1,551.54	1,868.27	1,698.22	<b>1,570.18</b>
4	Depreciation	1889.36	3810.85	3539.67	2526.47	2,259.43	1,840.45	2,032.06	<b>2,441.47</b>
5	Profit (Loss) Before Tax	2417.53	3115.62	1756.89	1359.54	2,221.44	59.75	1,334.61	<b>(1,528.12)</b>
6	Provision for Income Tax	-	168.54	87.03	338.90	726.26	(38.94)	521.55	-
7	Profit (Loss) After Tax	2417.53	2947.08	1669.86	1020.64	1,495.18	98.69	813.06	<b>(1,528.12)</b>
8	EPS(Weighted Avg.)	5.30	6.57	3.48	1.92	3.17	0.24	1.96	<b>(3.68)</b>
9	Equity Capital	4150.80	4150.80	4150.80	4150.80	4,150.80	4,150.80	4,150.80	<b>4,150.80</b>
10	Preference Capital *	3085.40	3085.40	3085.40	2614.05	2,142.70	2,163.21	1,199.54	<b>1,145.67</b>
11	Return on Net Worth (%) (PAT/Net Worth)	42.20	33.93	16.84	9.65	12.85	1.07	8.08	<b>(18.25)</b>
12	Interest Cover (PBIDT- Tax)/Interest	2.90	4.63	3.71	2.84	3.42	2.04	2.68	<b>1.58</b>
13	Debt - Equity	2.72	1.66	1.51	1.16	0.85	0.73	0.73	<b>0.73</b>
14	Return on Sales	4.33	4.51	2.58	1.65	2.24	0.15	1.07	<b>(2.26)</b>
1	Total Capital Employed	27348.68	32548.30	33412.27	35300.96	39,680.99	31,129.79	35,343.74	<b>34,821.40</b>
2	Net Worth	5729.36	8684.63	9915.19	10572.42	11,636.55	9,253.19	10,057.63	<b>8,374.61</b>
3	Total Debt	23340.74	21621.73	20084.32	21242.03	20,917.62	21,110.54	24,755.31	<b>22,262.69</b>
4	Term Debt	15592.46	14423.83	14992.98	12247.03	9,835.52	6,756.07	7,349.84	<b>6,079.23</b>
5	Gross Fixed Assets	43961.07	41759.44	45012.65	45320.13	47,865.00	49,547.66	53,684.16	<b>54,307.26</b>



OTHER INFORMATION

QUANTITATIVE DATA

YEAR	GREY YARN MT	DYED YARN MT	FABRIC MT	PROCESSED FABRIC MT	GARMENT LAC PCS
<b>PRODUCTION</b>					
2012-2013	16851.558	1299.676	3591.888	4103.126	43.647
2013-2014	17331.721	1406.668	3692.210	4737.416	53.350
2014-2015	17877.176	1525.998	3625.315	4804.931	49.427
2015-2016	18595.662	2401.506	3726.138	4806.993	31.214
2016-2017	18262.575	2531.368	4542.257	5610.538	43.592
2017-2018	19093.012	2432.571	4317.139	4741.746	39.459
2018-2019	18749.095	2667.874	4680.375	6120.658	36.123
<b>2019-2020</b>	<b>16808.834</b>	<b>2674.548</b>	<b>5577.096</b>	<b>5643.547</b>	<b>34.895</b>
<b>SALES</b>					
2012-2013	12615.569	975.669	64.087	3132.320	43.338
2013-2014	12601.935	941.737	57.616	3721.069	53.521
2014-2015	13560.337	1054.956	49.733	3991.634	49.905
2015-2016	13292.739	1867.547	47.408	4149.912	31.570
2016-2017	12569.649	1849.707	58.292	4741.377	43.307
2017-2018	13083.375	1871.959	53.966	3856.163	36.565
2018-2019	12719.475	2236.604	142.968	5403.764	36.112
<b>2019-2020</b>	<b>10764.857</b>	<b>2221.954</b>	<b>115.243</b>	<b>4828.972</b>	<b>35.653</b>

FINANCIAL STATISTICS

REVENUE ACCOUNT

(₹/Lakhs)

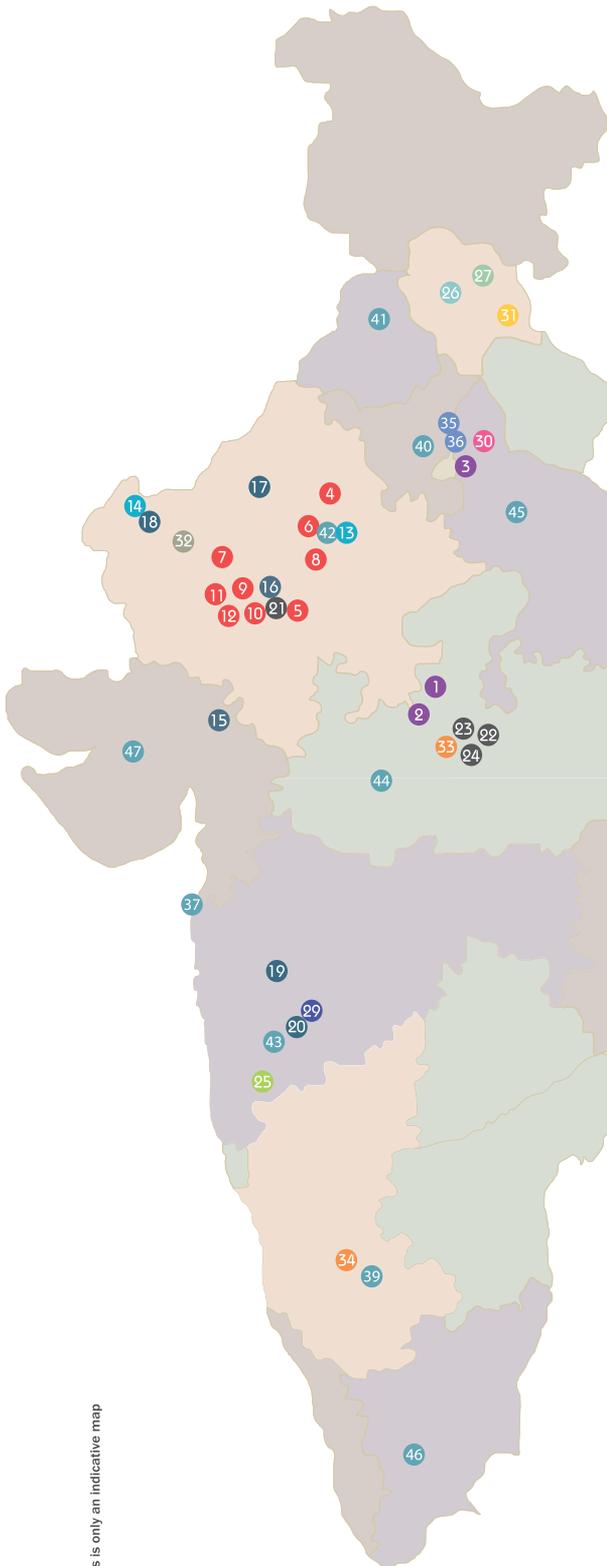
YEAR	NET SALES	OPERATING COST			PBITD	INTEREST	DEPRECIATION	PROFIT (LOSS) BEFORE TAX	TAX	PROFIT (LOSS) AFTER TAX
		RAW MATERIAL	PACKING COST	VALUE ADDED						
2012-2013	55,889.23	32,480.13	718.61	22,690.49	6,573.81	2,266.92	1,889.36	2,417.53	-	2,417.53
2013-2014	65,335.01	39,112.15	767.07	25,455.79	8,790.09	1,863.62	3,810.85	3,115.62	168.54	2947.08
2014-2015	64,842.95	38,536.45	818.20	25,488.30	7,221.41	1,924.85	3,539.67	1,756.89	87.03	1,669.86
2015-2016	61,883.05	35,036.23	864.16	25,982.66	5,811.54	1,925.53	2,526.47	1,359.54	338.90	1,020.64
2016-2017	66,643.95	39,799.32	817.67	26,026.96	6,032.41	1,551.54	2,259.43	2,221.44	726.26	1,495.18
2017-2018	64,076.51	42,035.50	879.73	21,161.27	3,768.48	1,868.27	1,840.45	59.75	(38.94)	98.69
2018-2019	75,713.51	48,872.76	947.17	25,893.58	5,064.89	1,698.22	2,032.06	1,334.61	521.55	813.06
<b>2019-2020</b>	<b>67,594.91</b>	<b>42,464.65</b>	<b>893.21</b>	<b>24,237.05</b>	<b>2,483.53</b>	<b>1,570.18</b>	<b>2,441.47</b>	<b>(1,528.12)</b>	-	<b>(1,528.12)</b>

CAPITAL ACCOUNT

(₹/Lakhs)

YEAR	CAPITAL	RESERVES	NETWORTH
2012-2013	7,236.20	(1,503.43)	5,729.36
2013-2014	7,236.20	1,448.43	8,684.63
2014-2015	7,236.20	2,678.99	9,915.19
2015-2016	6,764.85	3,807.57	10,572.42
2016-2017	6,293.50	5,343.05	11,636.55
2017-2018	4,150.80	5,102.39	9,253.19
2018-2019	4,150.80	5,906.83	10,057.63
<b>2019-2020</b>	<b>4,150.80</b>	<b>4,223.81</b>	<b>8,374.61</b>





**TEXTILES**

**Maral Overseas Ltd.**

- 1. Maral Sarovar
- 2. Maral Sarovar
- 3. Noida

Cotton Spinning, Yarn Dyeing, Knitting, Dyeing & Finishing  
Captive Thermal Power  
Knitted Garments

**RSWM Limited**

- 4. Kharigram
- 5. Mayur Nagar, Banswara
- 6. Mandpam
- 7. Kanya Kheri
- 8. Rishabhdev
- 9. Ringas
- 10. LNJ Nagar, Mordi
- 11. LNJ Nagar, Mordi
- 12. LNJ Nagar, Mordi

Fibre Dyeing, Spinning Dyed & Grey Yarn  
Spinning PV Blended, Cotton & Open End Grey Yarn  
Melange Yarn, Fibre Dyed & Yarn Dyed  
Melange Yarn, Fibre Dyed & Yarn Dyed  
Spinning PV Blended Grey Yarn  
Fibre Dyeing & Spinning Dyed Yarn, Green Polyester Fibre  
Spinning, Weaving, Processing & Finishing  
Cotton Ring & Open End Spinning, Weaving & Rope, Dyeing,  
Processing & Finishing Denim Fabric and Readymades  
Thermal Power Generation

**BSL Ltd.**

- 13. Bhilwara
- 14. Jaisalmer

PV & Worsted Spinning, Weaving & Silk Fabric  
Wind Power Generation

**BMD Pvt. Ltd.**

- 15. Himmatnagar
- 16. LNJ Nagar, Mordi

Automotive Furnishing Fabric, Dope Dyed Yarn  
Automotive Furnishing Fabric, Flame Retardant  
Fabric, Furnishing Fabric  
Solar Power Generation  
Wind Power Generation  
Wind Power Generation  
Wind Power Generation

**Bhilwara Technical Textiles Ltd.**

- 21. LNJ Nagar, Mordi

Technical Textiles 28

**GRAPHITE**

**HEG Ltd.**

- 22. Mandideep
- 23. Mandideep
- 24. Tawa

Graphite Electrodes  
Captive Thermal Power  
Captive Hydro Electric Power

**POWER**

**Bhilwara Energy Ltd.**

- 25. Kolhapur (Maharashtra)

Wind Power Generation

**Malana Power Company Ltd.**

- 26. Malana (Kullu)

Hydro Electric Power Generation 38

**AD Hydro Power Ltd.**

- 27. Manali

Hydro Electric Power Generation

**NJC Hydro Power Ltd.**

- 28. Tawang

Hydro Electric Power Generation

**BMD Power Private Limited**

- 29. Vhaspeth (Maharashtra)

Wind Power Generation

**Indo Canadian Consultancy Services Ltd.**

- 30. Noida

Power Engineering Consultancy Services

**Chango Yangthang Hydro Power Ltd.**

- 31. Kinnaur

Hydro Electric Power Generation

**BG Wind Power Ltd.**

- 32. Jaisalmer (Rajasthan)

Wind Power Generation

**INFORMATION TECHNOLOGY**

**Bhilwara Infotechnology Ltd.**

- 33. Bhopal
- 34. Bengaluru

IT Services/Medical Transcription Services  
IT Services/Medical Transcription Services

**SKILL**

**LNJ Institute of Skills and Technology Pvt. Ltd.**

- 35. Noida (Delhi-NCR)

Skill Development

**OFFICES**

**Corporate Office**

- 36. Bhilwara Tower A-12, Sector-1, Noida-201301

**Regional / Marketing :**

- |               |               |                  |               |
|---------------|---------------|------------------|---------------|
| 37. Mumbai    | 40. New Delhi | 43. Ichalkaranji | 46. Tirupur   |
| 38. Kolkata   | 41. Ludhiana  | 44. Indore       | 47. Ahmedabad |
| 39. Bengaluru | 42. Bhilwara  | 45. Kanpur       |               |

This is only an indicative map



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL



*Maral Overseas Limited*

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



## 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 (EPABX), Fax: +91-120-4277841

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

### NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting (AGM) of the Members of the Company will be held on Tuesday, the 29<sup>th</sup> September, 2020 at 02:00 P.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") without the physical presence of members at the AGM venue to transact the businesses as set out in the Notice. The venue of the meeting shall be deemed to be Registered Office of the Company at Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, District Khargone, Madhya Pradesh -451660.

The following Ordinary and Special businesses will be transacted at the AGM:-

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended the 31<sup>st</sup> March, 2020 and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ravi Jhunjhunwala (DIN: 00060972) who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

3. **To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under, read with Schedule IV of the Companies Act, 2013, as amended from time to time, and pursuant to the provisions of Regulation 17 and other applicable provisions of SEBI (Listing Obligation and Disclosure Requirement), Regulation 2015 as amended from time to time, consent of members be and is hereby accorded for re-appointment of Ms. Archana Capoor, (DIN : 01204170), who was appointed as an Independent Director of the Company for first term of 5 consecutive years on 6<sup>th</sup> November, 2015 and who is eligible for re-appointment for second term and in respect of whom the Company has received notice in writing from a member of the Company under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years commencing from 6<sup>th</sup> November, 2020 up to 5<sup>th</sup> November, 2025".

**RESOLVED FURTHER THAT** Board of the Directors of the Company be and is hereby authorized to take all such appropriate steps and to do all such acts, deeds and things for the purpose of implementing this resolution."

4. **To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory

modification(s) or re-enactment thereof for the time being in force, read with schedule V to the Act and subject to such approvals as may be necessary, approval of the members be and is hereby accorded for the appointment of Shri Shantanu Agarwal (DIN: 02314304), as a Joint Managing Director of the Company for a period of 5 years with effect from the 19<sup>th</sup> June, 2020.

**RESOLVED FURTHER THAT** Shri Shantanu Agarwal (DIN: 02314304), shall not draw any remuneration for this period of appointment in his capacity as Joint Managing Director of the Company.

**RESOLVED FURTHER THAT** in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 the position of Shri Shantanu Agarwal (DIN: 02314304) shall be considered and treated as Key Managerial Personnel of the Company.

**RESOLVED FURTHER THAT** for the purpose of complying with the provision of section 152 of the Companies Act, 2013 (the Act) and the rules made thereunder Shri Shantanu Agarwal (DIN: 02314304) shall be liable to retire by rotation without causing any break in the continuity of his office.

**RESOLVED FURTHER THAT** Board of the Directors of the Company be and is hereby authorized to take all such appropriate steps and to do all such acts, deeds and things for the purpose of implementing this resolution."

5. **To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Sections 48, 55 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the applicable provisions of the Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the terms of issue of 3 % Cumulative Redeemable Preference Shares (CRPS) and subject to such other approvals/ sanctions/consents as may be required, the consent of the members of the Company be and is hereby accorded for variation of the terms of issue of 6,00,000 3% CRPS of ₹ 100 each, issued to the promoters, by extension of their maturity period for a further period of one year from the due date of redemption i.e. 31<sup>st</sup> March, 2021 and the same shall be redeemed on 31<sup>st</sup> March, 2022 with an authority to the Board of Directors of the Company to redeem and repay the whole and/or a part of the whole amount of aforesaid CRPS, any time before or on the date of maturity, as it may deem fit in its sole discretion.

**RESOLVED FURTHER THAT** save as mentioned above, all other terms and conditions of the aforesaid CRPS, as amended up to the date of this notice, shall remain same.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby further authorised to vary any of the terms and conditions in respect of the aforesaid 3% Cumulative Redeemable Preference Shares, issued



to the Promoters, as they may deem fit, in the best interests of the Company, taking into consideration, the circumstances prevailing on the respective date of redemption thereof, as aforesaid, without being required to seek further approval of the equity shareholders.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to take all such appropriate steps and to do all such acts, deeds and things to give effect to the above mentioned resolution."

**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 Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s K. G. Goyal & Co., Cost Accountants, (Firm Reg. No. 000017) who were 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 31<sup>st</sup> March, 2021, be paid the remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only) plus applicable taxes 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**

**Virendra Kumar Garg  
Company Secretary  
M. No. FCS-7321**

Place: Noida (U. P.)  
Date: 7<sup>th</sup> August, 2020

**NOTES:**

1. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act"), relating to Special Business to be transacted at the 31<sup>st</sup> Annual General Meeting (AGM) is annexed.
2. In view of the massive outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") issued various Circulars viz. Circular No.14/2020 dated 8<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 followed by Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 and SEBI also issued its Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 (collectively referred as Applicable Circulars) permitting the holding of AGM by the Companies through Video Conferencing/Other Audio Visual Means (VC/OAVM) during the calendar year 2020, without the physical presence of the members. Accordingly, the 31<sup>st</sup> AGM of the Company shall be conducted through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone - 451 660,, Madhya Pradesh.
3. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating participation by the Members at the AGM through VC/OAVM and remote e-voting (including e-voting during the AGM). The instructions for participation by the Members and for remote e-voting including e-voting during the AGM are given separately in the subsequent paragraphs.
4. The attendance of the Members attending/participating the 31<sup>st</sup> AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 read with Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 issued by MCA.
5. Pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, issued by the Ministry of Corporate Affairs, since the physical attendance

of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 31<sup>st</sup> AGM and hence the **Proxy Form and Attendance Slip are not annexed hereto**. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, for participation in the 31<sup>st</sup> AGM through VC/OAVM Facility and e-voting during the 31<sup>st</sup> AGM.

6. Since the AGM will be held through VC/ OAVM, the **route map of the venue of the Meeting is not annexed hereto**.
7. In line with the Applicable Circular, the Notice calling the 31<sup>st</sup> AGM of the Company and Annual Report for the year 2019-20 has been uploaded on the website of the Company at [www.maraloverseas.com](http://www.maraloverseas.com). The said Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also available on the website of NSDL (agency for providing the Remote e-voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. In accordance with the Applicable Circular referred to in Note No.2 the Company is sending the Annual Report alongwith notice of AGM through electronic mode to those Members whose email addresses have been made available to the Depository Participants and the Company. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 31<sup>st</sup> AGM and the Annual Report and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
  - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email at [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com) or [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) and /or send letter to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020.
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.In case of any difficulty, Members may write email to the Company at [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com)
9. Documents referred to in the accompanying Notice calling the AGM are available for inspection at the website of the Company up to the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, upon request will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com)
10. The Company is pleased to provide two-way facility of video conferencing (VC) /other audio-visual means (OAVM) at the web link – <https://www.evoting.nsdl.com>.
11. In accordance with the Applicable Circulars, the VC/OAVM will have a capacity to allow at least 1000 members to participate in the AGM and such participation shall be on a first-come-first-served basis.



- However, please note that pursuant to the Applicable Circulars, large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. may be allowed to attend the meeting without restriction on account of first-come-first served principle.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23<sup>rd</sup> September, 2020 to Tuesday the 29<sup>th</sup> September, 2020 (both days inclusive).
  13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  14. Members are requested to:
    - a. Quote their folio number/client ID in all correspondence with the Company.
    - b. 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.
  15. Non-Resident Indian members are requested to inform RTA immediately on:
    - a. the change in the residential status on return to India for permanent settlement; and
    - b. the particulars of the bank account(s) maintained in India with complete name, branch, and account type, account number and address of the bank, if not furnished earlier.
  16. Members who are holding Company's shares in electronic form are required to provide details of their Depository Account such as Client ID and DP ID Numbers for identification.
  17. SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the Company in physical form, to furnish to the Company/ its Registrar and Transfer Agent (RTA), the details of their valid PAN and bank account. To support the SEBI's initiative, Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants, with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020.
  18. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi-110020 E-mail: admin@mcsregistrars.com. The said form can be downloaded from the Company's website. The prescribed form in this regard may also be obtained from RTA at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
  19. Details under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard-2 in respect of the Directors retiring by rotation, seeking appointment and re-appointment at the 31<sup>st</sup> Annual General Meeting, are annexed hereto as **Annexure-I** to this Notice which forms part of the explanatory statement.
  20. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize share(s) held by them in physical form.
  21. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before 22<sup>nd</sup> September, 2020 through email on [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com). The same will be replied by the Company suitably.
  22. Institutional investors, who are members of the Company, are encouraged to attend and vote in the 31<sup>st</sup> AGM through VC/OAVM facility.
  23. The recorded transcript of the 31<sup>st</sup> AGM shall also be made available on the website of the Company [www.maraloverseas.com](http://www.maraloverseas.com), as soon as possible after the Meeting is over.
- 24. Instructions for remote e-voting and e-voting at AGM are as follows:-**
- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), Secretarial Standard No. 2 on General Meetings and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
  - II. Shri Pranav Kumar, Practicing Company Secretary (Membership No. FCS 5013) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting during the AGM in a fair and transparent manner.
  - III. The remote e-voting period commences on Saturday, the 26<sup>th</sup> September, 2020 (9:00 a.m. IST) and ends on Monday, the 28<sup>th</sup> September, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 22<sup>nd</sup> September, 2020 ("the cut-off date"), may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
  - IV. Members who have voted through remote e-voting will be eligible to attend the AGM through VC /OAVM. However, they will not be eligible to vote at the AGM.
  - V. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories



as on the **cut-off date i.e. 22<sup>nd</sup> September, 2020** only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.

- VI. 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 22<sup>nd</sup> September, 2020. Members are eligible to cast vote only if they are holding shares as on the cut-off date and a person who is not a member as on the cut-off date should treat this notice for information purposes only.
- VII. Members, who acquire shares of the Company after dispatch of the notice and hold shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) or [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com).
- VIII. The details of the process and manner for remote e-voting are explained herein below:-

**How do I vote electronically using NSDL e-voting system?**

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

**Step 1:** Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

**Step 2:** Cast your vote electronically on NSDL e-voting system.

**Step 1: Details are mentioned below:**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details will be as per details given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
<b>For Members who hold shares in demat account with NSDL.</b>	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
<b>For Members who hold shares in demat account with CDSL</b>	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

<b>For Members holding shares in Physical Form</b>	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a. Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open.

**Step 2: Cast your vote electronically on NSDL e-voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.



2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of the Company for which you wish to cast your vote.
  4. Now you are ready for e-voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- IX. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than forty eight hours of the conclusion of the Annual General Meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 29<sup>th</sup> September, 2020.
- X. The results shall be declared along with the Scrutinizer's Report and shall be placed on the Company's website [www.maraloverseas.com](http://www.maraloverseas.com) and on the website of NSDL <http://www.evoting.nsdl.com> immediately after the results is declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed.
- XI. **General Guidelines for shareholders:**
- I. 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 [services@pkacs.in](mailto:services@pkacs.in), [pranav@pkacs.in](mailto:pranav@pkacs.in), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - II. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" Option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for Shareholders available at the Downloads Section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free No.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - IV. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990.
25. **Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-voting on the resolutions set out in this Notice:**
- I. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 31<sup>st</sup> AGM or cast their vote through remote e-voting or through the e-voting system during the meeting, may obtain the login ID and password by sending scanned copy of:
    - a. a signed request letter mentioning your name, folio number and complete address; and
    - b. Self-attested scanned copy of the PAN Card and any document (such as Driving License, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com).
  - II. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of:
    - a. a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID);
    - b. self-attested scanned copy of client master or Consolidated Demat Account statement; and
    - c. Self-attested scanned copy of the PAN Card, to the email address of the Company [maral.investor@lnjbhilwara.com](mailto:maral.investor@lnjbhilwara.com).
26. **Instructions for Members for participating in the 31<sup>st</sup> AGM through VC/OAVM are as under:**
- a. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
  - b. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
  - c. Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
  - d. Facility of joining the AGM through VC/OAVM shall open 15 minutes before and after the schedule time of commencement of the meeting.
  - e. Members, who would like to express their views/have questions may send their questions in advance from their registered email



address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address maral.investor@lnjbhilwara.com at least 48 hours in advance before the start of the meeting i.e. by Sunday, the 27<sup>th</sup> day of September, 2020 by 02:00 p.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably. The Company reserves the right to restrict the number of questions depending on the availability of time as appropriate for smooth conduct of the AGM.

- f. Members, who would like to express their views/ask questions during the 31<sup>st</sup> AGM, may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address maral.investor@lnjbhilwara.com at least 48 hours in advance before the start of the 31<sup>st</sup> AGM i.e. by Sunday, the 27<sup>th</sup> day of September, 2020 by 02:00 p.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 31<sup>st</sup> AGM, depending upon the availability of time. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g. The facility for voting, through electronic voting system shall also be made available at the meeting for Members who have not already cast their vote prior to the meeting by remote e-voting. The Members, who have cast their vote prior to the meeting by remote e-voting may also attend the meeting but shall not be entitled to vote again at the meeting. Further, votes once cast either by way of remote e-voting or at the AGM cannot be changed. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- h. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- i. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

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

**Virendra Kumar Garg**  
**Company Secretary**  
**M.No. FCS-7321**

**Place: Noida (U. P.)**  
**Date: 7<sup>th</sup> August, 2020**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**ITEM NO. 3**

As the members are aware that Ms. Archana Capoor (DIN: 01204170) was appointed as an Independent Director on 6<sup>th</sup> November, 2015 by Ordinary Resolution for the first term of 5 years in the 26<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2016 in accordance with the provisions of Section 149 and 152 of the Companies Act, 2013.

The Board of Directors of your Company now propose the second term for Ms. Archana Capoor as Independent Directors in accordance with the provisions of Section 149 and 152 of the Companies Act, 2013 and Regulation 17 and other applicable provisions of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Board considered the feedback/views of the Nomination and Remuneration Committee and Independent Directors on the performance evaluation of Ms. Archana Capoor. The Board, thereafter, evaluated the performance of Ms. Archana Capoor on the basis of her professional ethics, integrity and values, practical wisdom, the skills, knowledge and expertise relevant to the Company's business and found her performance satisfactory. The Board taking into account the above and proposed to re-commend her re-appointment for the 2<sup>nd</sup> (second) term of 5 years commencing from 6<sup>th</sup> November, 2020 upto 5<sup>th</sup> November, 2025.

Ms. Archana Capoor holds degree in B.Sc (Chemistry) and MBA (Finance & Market Research). Ms. Archana Capoor possesses experience of more than 36 years across various sectors. She had served as Chairman and Managing Director with Tourism Finance Corporation of India Ltd. during 2007-12. She is presently holding the position of Independent Woman Director in various Companies. In view of her valuable contribution and rich experience, the Nomination and Remuneration Committee and the Board of Directors of the Company, feel that it will be in the best interest of the Company to continue her second term of 5 years commencing from 6<sup>th</sup> November, 2020 upto 5<sup>th</sup> November, 2025.

The relevant details pertaining to Ms. Archana Capoor are provided in Annexure-I in accordance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2").

Ms. Archana Capoor is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given her consent to act as an Independent Director of the Company for the second term. The Company has also received declaration from Ms. Archana Capoor that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of provisions of Section 149 of the Companies Act, 2013, the re-appointment of Ms. Archana Capoor as an Independent Director of the Company requires the approval by the Company in General Meeting by Special Resolution to hold office for a second term of five consecutive years starting from 06<sup>th</sup> November, 2020 upto 05<sup>th</sup> November, 2025.

Ms. Archana Capoor is not debarred from holding the office of Director pursuant to any SEBI Order or any other such authority.

The Company has received a notice in writing from the member proposing her candidature for the office a Director of the Company under Section 160 of the Company Act, 2013.

Copy of draft letter of appointment of Ms. Archana Capoor setting out the terms and conditions of appointment is available on the website of the Company for inspection.

Your Directors recommend the Special Resolution set out at Item No. 3 of the Notice for approval of the members.

Except Ms. Archana Capoor and her 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 is, in any way, concerned or interested, in the proposed Resolution.

**ITEM No. 4**

Shri Shantanu Agarwal (DIN: 02314304) is on the Board of Company from 22<sup>nd</sup> April, 2014 as a Non-Executive Director of the Company. He is highly qualified and possessed good experience in the field of Textiles and Power generation. He is also holding the position of Managing Director in M/s BMD Private Limited. As a part of long term succession planning



at the top management and utilizing the acumen & expertise brought in by the young minds in the challenging business environment, the Board of Directors upon commendation of Nomination and Remuneration Committee felt that it was an appropriate time for the younger blood to be infused and accordingly, it was proposed to consider the appointment of Shri Shantanu Agarwal as Joint Managing Director of the Company without remuneration for a period of 5 years with effect from 19<sup>th</sup> June, 2020 in accordance with the applicable provisions of the Companies Act, 2013 read with Schedule V thereto. Further in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 the position of Shri Shantanu Agarwal shall be Key Managerial Personnel of the Company.

Pursuant to comply with the provisions of Section 152 of Companies Act, 2013 and Rules made thereunder, Shri Shantanu Agarwal shall be liable to retire by rotation without causing any break in the continuity of his office.

Shri Shantanu Agarwal is not disqualified from being appointed as Joint Managing Director in terms of Section 164 of the Companies Act, 2013 and have given his consent to act as an Joint Managing Director of the Company. Shri Shantanu Agarwal is not debarred from holding the office of Director pursuant to any SEBI Order or any other such authority.

Your Directors recommend the Special Resolution as set out in item no. 4 for approval of members.

Except Shri Shekhar Agarwal and Shri Shantanu Agarwal, 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 is, in any way, concerned or interested, in the proposed resolution.

#### **ITEM NO. 5**

The Company, from time to time issued the 12,00,000/- 3% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100/- each amounting of ₹ 12.00 Crore to the promoters of the Company with the approval of the shareholders in their meeting held on 23<sup>rd</sup> December, 2009 and as per the terms & conditions of the allotment, the aforesaid CRPS would be redeemed on 31<sup>st</sup> March, 2019.

Pursuant to the approval taken from the Board and Members of the Company in their meetings held on 3<sup>rd</sup> August, 2018 and 20<sup>th</sup> September 2018 respectively, the maturity period of redemption of aforesaid CRPS was partly extended i.e. 6,00,000 3% CRPS were redeemed on due date i.e. 31<sup>st</sup> March, 2019 and remaining 6,00,000 3% CRPS were extended for a period of one year and to be redeemed on 31<sup>st</sup> March, 2020, other terms of issue remained unchanged. Further the maturity period of redemption of second instalment of aforesaid CRPS which was due on 31<sup>st</sup> March 2020, was further extended for a period of one (1) year and to be redeemed on 31<sup>st</sup> March, 2021 and the approval from the Board and Members of the Company were obtained in their meetings held on 8<sup>th</sup> August 2019 and 19<sup>th</sup> September 2019 respectively without change in other terms of issue.

In spite of best efforts, the Company has suffered losses during the previous year. In view of the carried over losses and current prevailing situation due

to Covid -19, there are still Cash Flow constraints and the Company would not be able to redeem the aforesaid CRPS, issued to the Promoters, on due date i.e. 31<sup>st</sup> March, 2021.

In view of the above scenario, the Board of Directors of the Company in their meeting held on 7<sup>th</sup> August, 2020 considered and approved the extension of maturity period of redemption of aforesaid CRPS for a period of one (1) year i.e. 31<sup>st</sup> March, 2022 and recommended the Special Resolution(s) under Item No. 5 of the notice for the approval of the members in the Annual General Meeting of the Company as per applicable provisions of Companies Act and rules made thereunder. The holders of the aforesaid Preference Shares have consented for extension of the period of redemption of the said CRPS for one year and such CRPS would be redeemed on 31<sup>st</sup> March, 2022. However, other terms and conditions of the above CRPS would remain unchanged.

Except Shri Shekhar Agarwal and Shri Shantanu Agarwal, 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 is, in any way, concerned or interested, in the proposed resolution. The Board commends the Special Resolution as set out in item No. 5 for approval of the members.

#### **ITEM No. 6**

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 31<sup>st</sup> March, 2021 at a remuneration of ₹ 90,000 (Rupees Ninety Thousand Only) plus applicable tax and out of pocket expenses that may be incurred by them during the course of Audit 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.

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

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

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

**Virendra Kumar Garg  
Company Secretary  
M. No. FCS-7321**

**Place: Noida (U. P.)  
Date: 7<sup>th</sup> August, 2020**



In pursuance to Secretarial Standard on General Meeting (SS-2) and Regulation 26(4) & 36(3) of SEBI  
(Listing Obligations and Disclosure Requirement) Regulations, 2015

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

Name of Director	Shri Ravi Jhunjhunwala	Ms. Archana Capoor	Shri Shantanu Agarwal
<b>DIN</b>	00060972	01204170	02314304
<b>Category</b>	Promoter -Non-Executive Director	Independent – Non-Executive	Promoter, Joint Managing Director (Non-Executive)
<b>Intere relationship with other Directors</b>	N.A.	N.A.	Son of Shri Shekhar Agarwal
<b>Date of Birth</b>	28.10.1955	17.09.1958	16.01.1986
<b>Date of Appointment</b>	27.11.1996	06.11.2014	22.04.2014
<b>Qualifications</b>	B.Com (Hons.), MBA	B. Sc. & MBA	Graduate in B.S. in Electrical and Computer Engineering-from USA and MBA from Wharton school of business (University of Pennsylvania).
<b>Expertise in specific functional areas</b>	Industrialist with diversified business experience	Finance and Market Research	Industrialist with diversified business experience.
<b>List of Other Public Companies in which Directorships held #</b>	1. HEG Limited 2. RSWM Limited 3. Malana Power Company Limited 4. Bhilwara Energy Limited 5. BSL Limited 6. AD Hydro Power Limited 7. India Glycols Limited 8. J.K. Lakshmi Cement Limited	1. RSWM Limited 2. Birla Cable Limited 3. S. Chand And Company Limited 4. Uniproducts (India) Limited 5. Sandhar Technologies Limited	1. Bhilwara Technical Textiles Limited
<b>Chairman / Member of the Committee of the Board of Directors of the Company</b>	Nil	Nil	Audit Committee & Stakeholders' Relationship Committee
<b>Chairmanship of the Committee of the Board of Directors of the others Company</b>			
a	Audit Committee	1. AD Hydro Power Limited 2. Bhilwara Energy Limited	1. S Chand And Company Limited Nil
b	Stakeholders' Relationship Committee	Nil	Nil
<b>Membership of the Committee of the Board of Directors of the others Company</b>			
a	Audit Committee	1. JK Lakshmi Cement Limited 2. India Glycols Limited	1. S. Chand And Company Limited 2. Sandhar Technologies Limited 3. RSWM Limited
b	Stakeholders' Relationship Committee	1. HEG Limited 2. BSL Limited	Nil
<b>No. of Equity Shares held in the Company</b>	Nil	Nil	554500
<b>Terms &amp; Condition of appointment or re-appointment along with detail of remuneration sought to be paid</b>	Non-executive Director liable to retire by rotation.	As mentioned in the explanatory statement under Item no. 3.	As mentioned in the explanatory statement under Item no. 4.
<b>Last Remuneration Drawn</b>	See note No. 1	See note No. 1	See note No. 1
<b>No. of Board meeting attended during the year</b>	5 out of 5	4 out of 5	5 out of 5

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

**Note no.-1** The Non-Executive Directors (including Independent Directors) are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committees of Board of Directors.