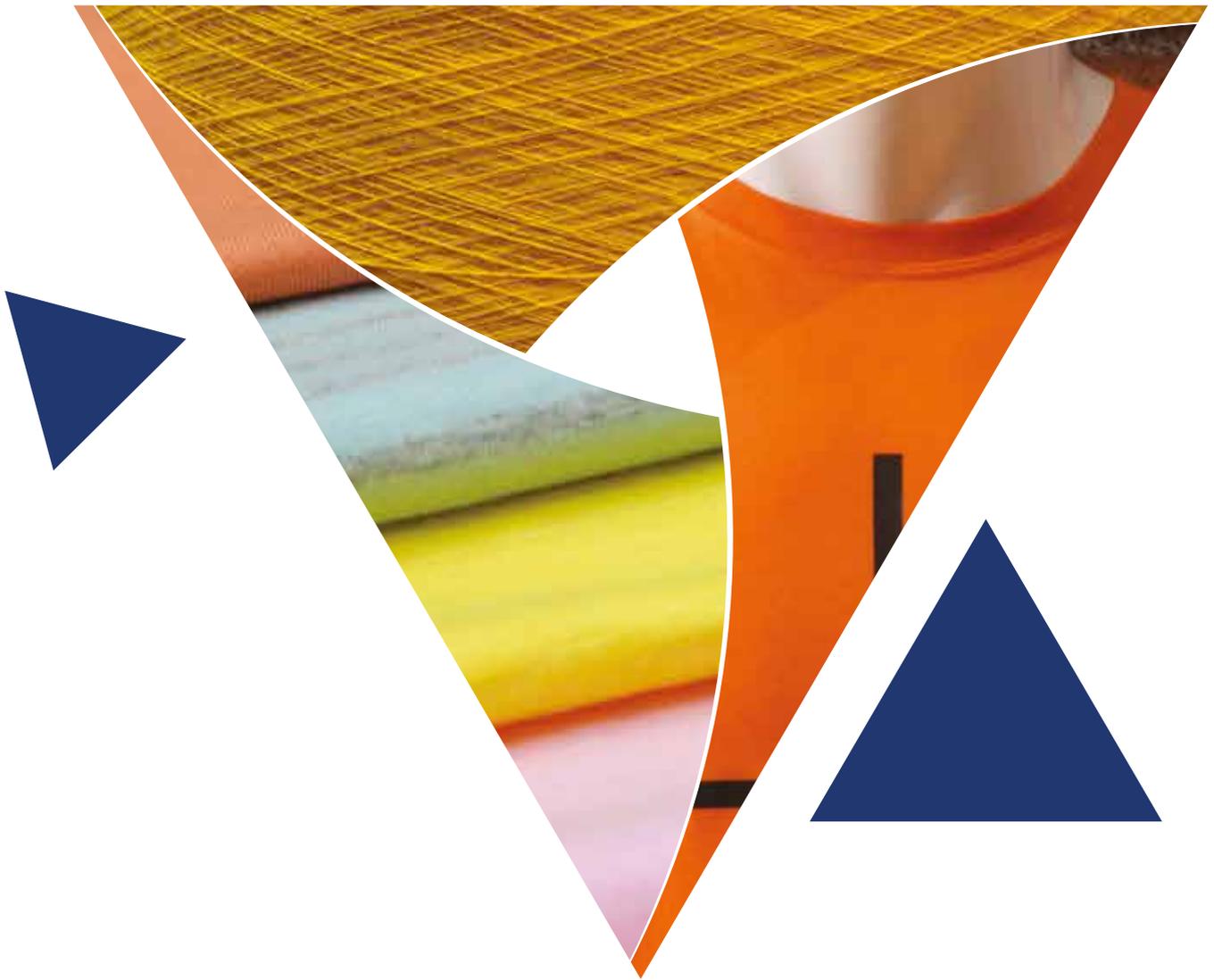




*Maral Overseas Limited*

# Annual Report 2022



**SOARING HIGHER**

# Rise above it all. It's time to **soar**

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## At Maral, things have changed

Our joys after the turnaround were short-lived. Because we realised that we were only at the start of a meteoric rise

We knew we had it in us to go the distance

We decided to train our sights on major growth

**Our period of flying appears to have ended... our journey to soar into a higher orbit has only just taken shape**



# In FY22, we reported healthy numbers

## 71.27%

Revenue growth  
₹1,082.44 Crore in FY22  
₹632.02 Crore in FY21

## 434.56%

Net Profit growth  
₹66.98 Crore in FY22  
₹12.53 Crore in FY21

## 318bps

EBITDA margin  
12.90% in FY22  
9.72% in FY21

## 127.34%

EBITDA growth  
₹139.63 Crore in FY22  
₹61.42 Crore in FY21

## 421bps

Net margin  
6.19% in FY22  
1.98% in FY21



## We posted this stellar performance...

...because we were able to ride the opportunity wave arising out of the China-Plus-One trend.

...because we anticipated the post second wave yarn scenario and prepared for it.

...because we successfully increased the flow of business for our fabric unit to make it profitable.

...because we added new global customers who ensured that our entire capacity (existing & new) operated at optimum levels.

...because we expanded our global footprint to widen our opportunity funnel.



We are very happy  
But not completely satisfied  
Because we have set our minds on soaring higher

For which we have planned a capex in excess of ₹225 Crore to be invested in our business over the next 24 months

# We are investing in our yarn business

₹ **37** Crore

We plan to replace our preparatory machines and some ring frames

It will enhance our machine productivity and product quality.

₹ **123** Crore

We are setting up a 19,000 spindle mélangé yarn unit which will be operational in FY24.

This investment gives us a value-added product diversification where we can sell dyed yarn and mélangé yarn to our customers even as we utilise about 25% of the output for value-addition in-house. It will open a new revenue vertical for the Company.

# Investing in our fabric business

₹ **34** Crore

We are building capabilities in our fabric dyeing space.

We will install a continuous bleaching machine with an OBA attachment (optical brightener attachment) which will increase our fabric dyeing capacity by 150 tonnes per month; cost saving would be an important outcome too.

₹ **6** Crore

We are investing in 13 sophisticated knitting machines as a replacement for legacy infrastructure.

The improved productivity will allow us to eliminate our outsourcing of knitted fabric.

# Investing in our garment business

₹ **10** Crore

We are investing in a sophisticated garmenting unit. This will be our third garmenting unit. This unit commenced operations in FY22.

₹ **3** Crore

We acquired our fourth garment unit located in Faridabad on lease. This unit commenced operations in FY22.

₹ **15** Crore

We have taken the Board's approval for setting up our fifth garment unit in Noida. This unit should be operational in FY23.

## Wovens

We are creating a dedicated unit for women's dresses. It's a small start with the potential of becoming large.

These investments should take  
our topline past the  
**₹1,500 Crore**  
mark in the  
next 24 months

About the Company

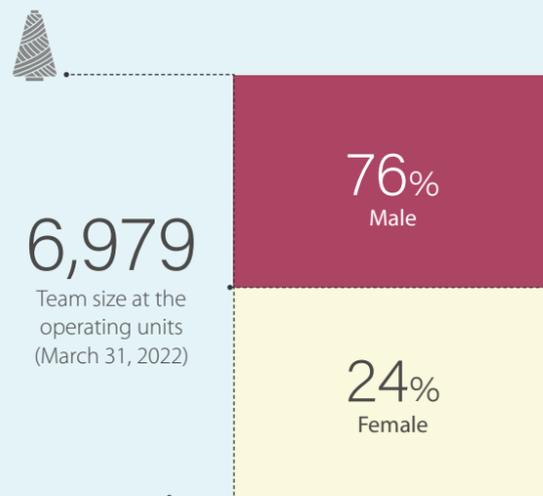
# Maral Overseas Limited

A part of the LNJ Bhilwara Group, Maral Overseas Limited (Maral) is one of India's largest vertically integrated textile companies.

Headquartered in Noida (UP), India, the Company has earned respect from leading textile majors in India and across the world for its impeccable product quality and its commitment to service its customers effectively.

Set up in 1991 at Maral Sarovar, the Company has five ultra-modern units that manufacture 1,700 tonnes of grey yarn, 75 tonnes of dyed yarn, 600 tonnes of knitted fabric and 500,000 pieces of garments every month even as the team works untiringly to develop new products that align with the requirement of its global customers.

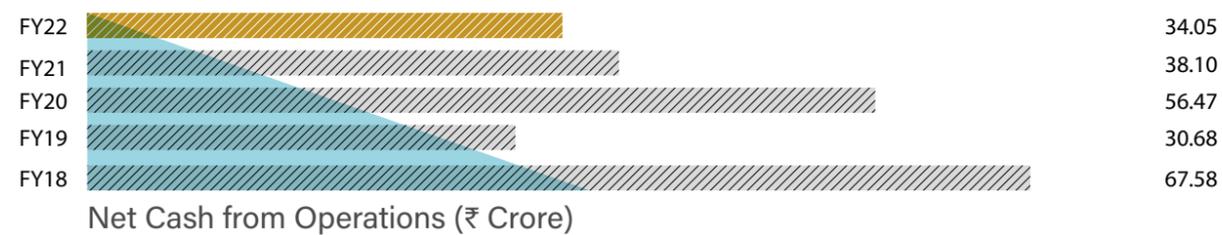
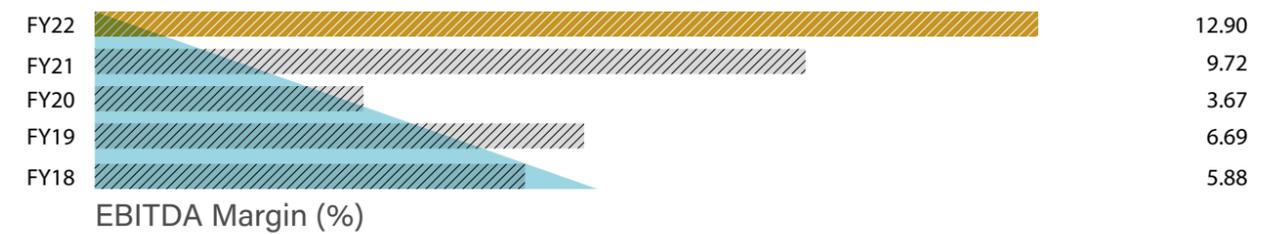
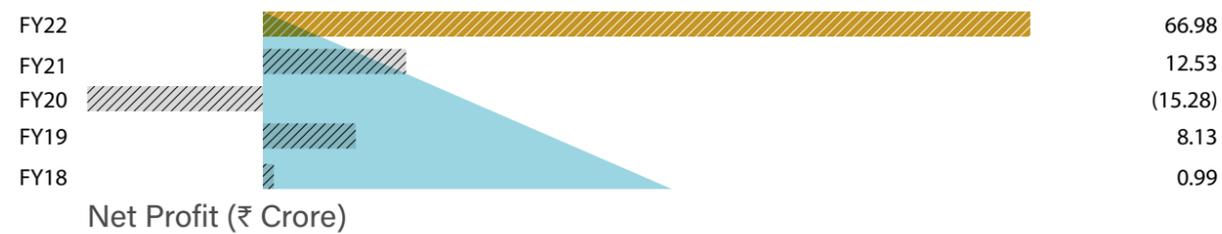
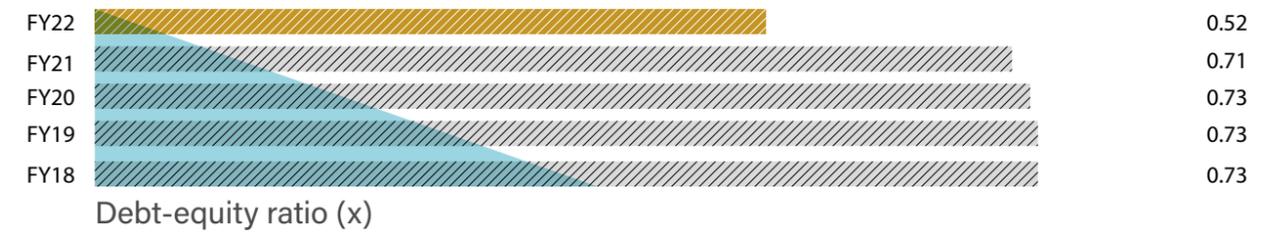
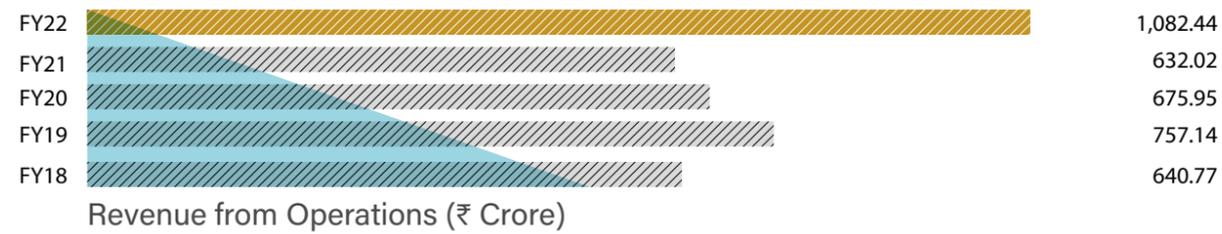
The Maral Sarovar plant, backed up by its captive power units, is located in Central India's cotton heartland, 500 km from Mumbai and 90 km from Indore. Its garment factories are in Noida and Faridabad.



Key performance indicators

# Soaring higher with each year

Maral has remained steadfast on its journey across key performance matrices despite the prevailing economic, sectoral and geographic volatility during the year under review.



Statement from  
the Chairman's Desk



Dear shareholders.

Financial year 2022 has been an outstanding year for the Company as we cumulated all our capabilities and intellectual capital to create value and make a meaningful impact for our clients.

We continued to build deeper relationships with existing clients and engaged with new global textile brands operating in India, which accelerated our growth momentum from where we left off in the previous year. In doing so, we registered a perfectly inverted growth triangle where our revenue grew by about 71% but our profit after tax grew about 5x.

Our yarn business, the flagship vertical, was the key contributor to the topline and bottomline growth. This was primarily owing to the surge in demand for yarn from domestic and international buyers. Our vision of foreseeing this spike and proactively preparing for it helped us in maximising value from this opportunity.

Our fabric and garment verticals also registered a healthy performance. Volumes for garments, especially lounge wear, increased significantly as the work-from-home culture became the accepted trend among office goers and professionals. Our product quality coupled with our teams' efforts in showcasing our capabilities helped in onboarding reputed global MNCs to our client list. To cater to growing volumes, we augmented our garmenting capabilities which should contribute to our performance in the current year.

Having upped our performance benchmark, the lingering thought would be on our ability to sustain our growth momentum going forward. Our growth is dovetailed to the sectoral prospects which appear promising as I pen this statement.

The Indian Textile industry has come under the global spotlight as leading global textile and apparel brands are seeking to broad base their sourcing partners as a de-risking strategy from an overdependence on any particular



Our investment philosophy is prudently balanced between cost optimisation and value maximisation. Most of these initiatives should make a reasonable contribution to our FY24 performance.



geography. This has gained topmost priority, especially in the wake of the pandemic which resulted in a major disruption in the global supply chain across sectors.

A part of this demand has transcended to the Indian shores. Since this transition appears to be permanent, there is a flurry of activity across the textile value chain. Moreover, the sourcing from India is projected to grow, if India can sustain its product quality and delivery commitments.

Additionally, the demand for yarn, fabric and garments from domestic brands grew considerably owing to increasing apparel purchases by Indians facilitated by e-commerce platforms.

We have drawn a riveting blueprint for the current year which, I am confident, will allow us to capitalise effectively on emerging opportunities. We are investing more than ₹225 Crore in creating relevant infrastructure in all our business verticals. Our investment philosophy is prudently balanced between cost optimisation and value maximisation. Most of these initiatives should make a reasonable contribution to our FY24 performance.

Further, our woven segment which we have piloted is gaining acceptance. Our products are getting decent traction. I am hopeful of growing this product vertical in the current year.

While I remain reasonably optimistic about our progress, I am also cognizant of the inflationary pressures, the rising interest rates, the deepening crisis emerging out of the European conflict and the continuing prevalence of Covid-19 in some nations including India. These could create headwinds in our journey ahead. We, as a team, will continue to remain vigilant and agile to evolve our approach with the changing dynamics.

Nonetheless, I remain optimistic about our performance in the current year.

In closing, I would like to thank my colleagues on the Board for their invaluable guidance in detailing the Company's strategy roadmap, the leadership team for their passionate efforts in formulating and executing the business plans to the last detail.

I thank the team for their untiring efforts in delivering a surreal performance. I also thank our shareholders and other stakeholders for believing in us and supporting us in our journey this far.

With sufficient tailwinds backing our ambition, it's time to soar higher.

Warm regards

**Shekhar Agarwal**

Chairman, Managing Director & CEO



# Our business verticals

A formidable player in the domestic textile space, Maral is a vertically integrated textile player with a strong presence across the textile value chain – yarn, fabric and garments. While yarn is the mainstay of the Company, it is currently growing its presence in the value-added fabric and garments segments.

## Yarn vertical

79,776	22,760	20,023.94	733.06	58.10%	55.62%
Spindles	Yarn capacity (tonnes)	Production (tonnes)	Revenue (₹ Crore)	Y-o-Y growth	Proportion of total revenue

The yarn division is the flagship vertical for the Company accounting for the lion's share of its topline. The Company spins a huge array of yarns bucketed under three categories namely regular yarns (Cotton and blended), special yarns (machine- and fibre-based) and sustainable yarns. The Company's product range also includes yarn from Organic, Fairtrade, Long Staple, and contamination-free cotton.

These yarns are used for diverse applications such as knitted wear, denim, towels, carpets & rugs, home furnishings, and industrial applications, among others.

To stay at the cutting edge of technology, the Company regularly invests its resources in modernising its facilities and equipment for improving shop floor efficiency and productivity. It allows the Company to seamlessly meet the exacting quality standards of discerning customers in leading global textile hubs.

### FY22 in retrospect

The yarn business was significantly erratic in FY21. Owing to the pandemic and the consequent supply chain disruption, the yarn pipeline had dried. Hence coming out of the pandemic led to a sudden spike in demand. Moreover, all year round, demand for yarn remained robust. This was primarily owing to the China-plus-One trend playing out across the global textile sector.

India, the Indian textile players and Maral benefited from this ecosystem which resulted in healthy infrastructure utilisation and strong operating margins.

Modernisation is a continuing initiative at Maral. The sophisticated machines deployed in the recent past achieved their desired output in FY22 and helped in increasing production. During the year,

the Company established its presence in new geographies namely Turkey, Vietnam, Indonesia etc.

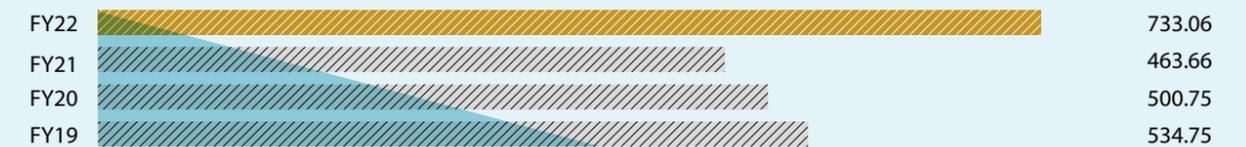
### FY23 in perspective

The Company will endeavour to build on its achievements of the previous year in terms of geographic spread and improved profitability.

In keeping with this strategy, the team will focus on moving up the value chain for product, customer and geography. The team is working on adding a new mélange unit which should commence operations in FY24.



Yarn output (Tonnes)



Revenue (₹ Crore)



## Fabric vertical

13,700	10,504.42	374.25	57.07%	28.39%
Fabric capacity (Lakh metre)	Production (Lakh metre)	Revenue (₹ Crore)	Y-o-Y growth	Proportion of total revenue

Leveraging its in-house spinning versatility, the Company has established a strong presence in diverse range of knitted fabrics - the product range includes fabrics like Single Jerseys, Ribs, Interlocks, Piques, Honey Combs, Fleece, Plaited & Variegated Structured fabrics, Feeder & Engineered stripe, etc. in 100% cotton and various blends. The Company's knit fabrics are used for both innerwear and outerwear.

Its penchant for quality is showcased in its fleet of equipment (manufacturing and quality control) sourced from global textile machinery manufacturers.

The Company enjoys a presence in diverse global markets which include Vietnam, Indonesia, Turkey, etc. Its customers comprise domestic and international

garmenters and textile brands with whom it enjoys healthy business relations.

### FY22 in retrospect

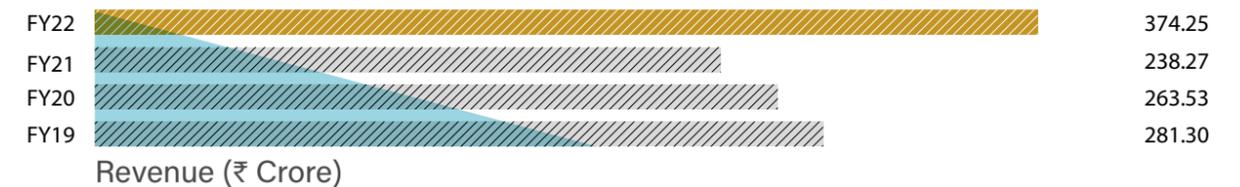
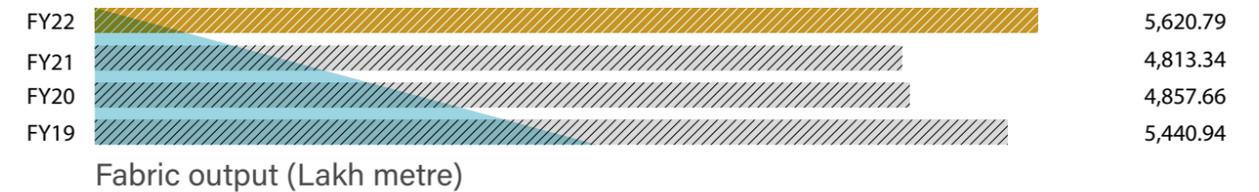
The tectonic shifts transpiring in the global textile sector had a positive rub-off on the Company's fabric division. It was able to utilise its assets better and reported a positive bottomline despite the sharp hike in yarn prices. Exports increased appreciably owing to higher demand from international destinations.

The division introduced value-added products which were well accepted in the market. It installed new equipment which allowed it to impart a special finish to the fabric which was widely accepted by textile brands.

The Company made interesting breakthroughs with global brands operating in India. Moreover, it was able to double sales volumes with a leading global sports brand operating in India. These relations should bloom into growing volumes over the coming years.

### FY23 in perspective

The focus will be on increasing sales output and consequently production volumes. The Company will focus on leveraging its additional dyeing capacity to generate healthy returns.





### Garment vertical

1,420	747,000	55.38
Machines	Capacity (pcs/month)	Production (Lakh pcs)
210.75	85.26%	15.99%
Revenue (₹ Crore)	Y-o-Y growth	Proportion of total revenue

Being at the top of the textile value chain, this vertical is the value generator for the Company – driving business profitability.

Maral manufactures garments for various categories like Activewear, Casual wear, and Sleepwear for Men's and Ladies in Conventional and Organic, Fair Trade garments and soft toys for infants, and kids, besides producing a whole range of home accessories handmade by underprivileged ladies.

The sophisticated equipment housed at its manufacturing units allows the Company to provide different textures and finishes to the fabric – customised to customer requirements.

The Company has a proficient and talented in-house design department capable of effectively executing specific styling and sampling needs. The team comprising Fashion Designers, experienced Pattern Makers and Stitching Masters, provides customers with various design support such as - trends and mood

boards, and also concept development for future seasons.

#### FY22 in retrospect

This has been a seminal year for the garment business as the Company intensified its efforts in strengthening its presence in the top segment of the textile value chain.

Two units were commissioned in the year under review which takes the total number of operating units to four. The Company invested in a cutting solution in a centralised unit. This solution significantly reduced the cutting cost and improved fabric utilisation.

To improve product quality, the Company invested in a sophisticated digital monitoring quality system. This solution allowed divisional heads to get shopfloor information in real-time. It allowed for faster decision-making and immediate course correction when required. As a

result, the defects per 100 units dropped considerably.

In addition to growing business with existing global brands, the Company added large and respected global brands operating in India. The business development team is working on forging newer alliances, some of which should materialise in the current fiscal year.

#### FY23 in perspective

The Company is setting up its fifth garmenting unit which should commence operations in FY23. It is also planning to install a screen printing solution which will allow it to eliminate the need to outsource this function. The division would focus on adding to its client list to fill in the new capacities which have been commissioned and those which will see the light of day in FY23.



Garment output (lakh pcs)



Revenue (₹ Crore)



# Management Discussion & Analysis

## 1) An economic overview

**Global economy:** After a negative growth of 3.1% in GDP in 2020, the world economy rebounded handsomely to an estimated growth of about 6.1% in 2021. The recovery was driven by household spending and uptake in investment as the Covid-19 outbreak had brought economic activities to a standstill in 2020 owing to lockdown measures worldwide.

The growth momentum in the last quarter of 2021 especially in the United States, the European Union and China decelerated

as the effects of fiscal and monetary measures began to evaporate and supply-side challenges emerged towards the end of the year.

**The start to 2022... quite unprecedented:** Two years into the pandemic, COVID-19 took a rather surprising turn, disrupting the global economy through multiple channels. Even as nations were getting back to normal working from the Delta variant, the Omicron variant emerged, sending global Covid-19 infection rates to new highs.

Almost suddenly, the positivity gave way to fear as economies focused on adapting

to the new, highly contagious variant. Omicron, despite being considerably milder than earlier variants, significantly dampened supply and demand in most-affected regions, delaying resolution of market imbalances.

Even as the world came to terms with the Omicron variant, it was faced with a devastating invasion of Ukraine by Russia. While the war is expected to ruin Ukraine completely, the stringent sanctions on Russian by majority of the world, especially the developed economies, is expected to shackle Russia's progress considerably.

In the aftermath of the ongoing war, it is expected that the Russian and Ukrainian economies will plunge into a sharp recession. Global policymakers and business heads will need to study the debilitating impacts of the war on the global economy. The deleterious effects will come from not just higher gasoline prices, but higher prices for food, metals, and intermediate inputs to manufacturing, and weaker GDP growth as consumers pull back spending.

**Estimates for 2022:** After expanding by 6.1% in 2021, it is expected that global economic growth will slow down to a more normal 3.6% in 2022.

A complete economic recovery calculated in terms of GDP per capita shall remain elusive for developing countries in the near term. In 2022, the per capita output of developing economies is projected to be more than 2% below the level expected before the pandemic.

The GDP per capita of developed economies are anticipated to almost fully recover by 2023 relative to pre-pandemic projections. The unequal momentum of recovery between developed and

developing countries might widen income inequality across countries and make it difficult to reduce global inequality by 2030, as targeted in the global Sustainable Development Goals.

**Indian economy:** The Indian economy showcased immense resilience as it rebounded smartly from a negative 6.6% (according to the National Statistical Office (NSO), in its first revised estimates) to a positive of 8.7% for the fiscal ending 31<sup>st</sup> March 2022.

All macro indicators showcased an upsurge in the nation's economic performance helped by pick-up in farm and industrial output growth, despite the two waves of the Covid-19 pandemic.

The economic growth was supported by widespread vaccine coverage, gains from supply-side reforms and easing of regulations, robust export growth and availability of fiscal space to ramp up capital spending.

As per the Economic Survey, the uptick in the economy was led by 11.2% growth in industrial sector and 8.2% growth in services sector. The agriculture sector growth is seen at 3.9% in FY22.

Going forward, the Indian economy is set to grow at 7-7.5% in FY23. This estimate is subject to the geo-political turmoil

prevailing across the globe, which could escalate further. In that tragic event, all estimates would undergo review and repositioning.

The Reserve Bank of India has pegged the economic growth rate for FY23 at 7% in view of uncertainties on account of the pandemic and elevated global commodity prices.

### Positives for FY22

- India's gross tax collections soared to a record high of ₹27.07 lakh Crore in the fiscal year ended March 31, 2022 led by an impressive growth in corporate tax and customs, taking the tax-to-GDP ratio to an over two-decade high of 11.7%
- Estimates suggest that India's per capita income increased to ₹1.50 lakh in FY22 from ₹1.29 lakh in FY21.
- Ratings agency Moody's has changed India's sovereign rating outlook to 'Stable' from 'Negative' and affirmed the country's rating at 'Baa3'

**Gross domestic product (GDP) in dollar terms has already crossed US\$3 trillion**



## 2) The business space

**Global Textile Market:** The global textile market size is estimated to reach US\$ 1412.5 billion by 2028. The market is expected to expand at a CAGR of 4.4% from 2021 to 2028. Rising consumer awareness coupled with fast pace changing trends in the fashion industry is projected to drive the market.

The rise in e-commerce platforms is expected to drive demand. In addition, stringent government regulations to ensure labour safety is compelling the demand for personal protective clothing that requires wool or treated cotton as raw material, which is fuelling market growth.

Increasing demand for medical textiles in the healthcare industry due to the rise in awareness towards health and hygiene is adding growth prospects to the industry. Moreover, increased concern towards the environment is propelling the demand for sustainable and natural-fibres such as cotton, hemp, linen, silk, and others, which, in turn, is adding growth prospects to the market.

The market is expected to strengthen in the light of the increasing demand for technical textiles due to the industrial sector's growth, technological advancements, and increased innovations by key industry players.

The rising adoption of technological components in fabrics to monitor external stimuli and translate them into data is propelling the growth of smart textiles. These products have a wide range of applications in fashion, entertainment, transportation, medical, and other industries, which are expected to open

new technological avenues required in the production of textile products over the forecast period.

According to Fitch Solutions, Asia, primarily, Vietnam, Bangladesh and Cambodia will remain dominant players in textile manufacturing. The positive outlook is supported by a large young population and low labour costs, with further benefits to be gained from the supply chain shift from China.

**Indian textile and garment industry:** The Textile Sector in India ranks next to Agriculture. Textile is one of India's oldest industries that has witnessed numerous developments over the years. Currently, it has a formidable presence in the national economy.

This can be attributed to the abundant availability of raw materials used for manufacturing apparel such as cotton, silk, wool, etc. The Government is also making investments under the Scheme for Integrated Textile Parks and the Technology Upgradation Fund Scheme for training workforce and to encourage private investment in the Indian textile and apparel industry.

2021, a landmark year: The year 2021 was a momentous year for the Indian textile industry. During the course of the year, the industry across the value chain recovered remarkably post the pandemic-related challenges.

The US ban on textiles and other products from China's Xinjiang region recently as also the China Plus One sourcing strategy by importing countries, added to this buoyancy for Indian manufacturers of textiles.

The Covid-19 pandemic triggered the redistribution of global trade shares and a recalibration of sourcing patterns (China Plus One sourcing), providing a golden opportunity for Indian textiles to stage a turnaround and regain a leadership position as a leading exporting economy.

Increasing resistance of buyers to deal

with China, the continued difficulty of travelling to China, and the coming to an end of the LDC status of Bangladesh worked in favour of Indian exporters.

The Indian textile and apparel market reached a value of US\$ 151.2 Billion in 2021. Looking forward, IMARC Group expects the market to reach US\$ 344.1 Billion by 2027, exhibiting a CAGR of 14.8% during 2022-2027. But these estimates are subject to new waves of the pandemic and the geo-political tensions prevailing around the globe.

**Spinning sector:** Spun yarn spinning industry is one of the few industries in India which has gained global eminence for many factors which include scale, productivity and quality standards, share in global yarn trade, dependable supplier of quality products, etc.

The Indian spinning industry possesses a unique capability of offering the entire range of yarns right from the coarsest count to the finest count, both for domestic as well as export markets.

But other nations such as Bangladesh and Indonesia are fast catching up, in terms of capability, capacity and credibility.

**FY22 was a watershed:** Indian cotton spinners have been facing challenges in the market with demand receding and yarn realisation not keeping pace with substantial increase in raw material prices, especially cotton fibre prices. Besides recovery in domestic demand, robust growth in export demand is expected to pick up during the latter part of the current fiscal.

Fibre consumption is anticipated to reach approximately 140 million tonnes by 2030 with man-made fibres accounting for 108 million tonnes.





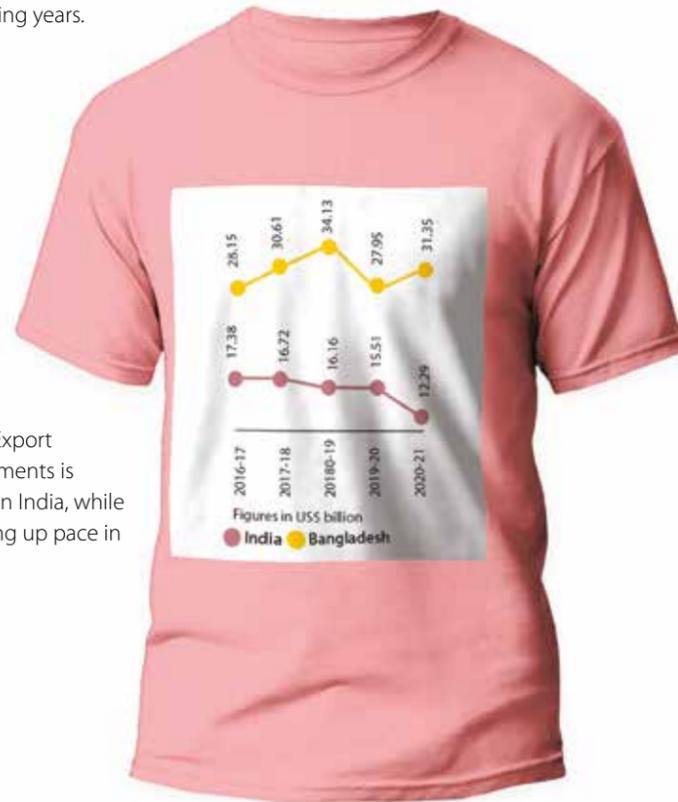
**Garment sector:** The garment sector is symbolic of India's scattered and fragmented textile supply chain, which increases shipping costs and adds to manufacturing lead times. As a result, this business segment continues to struggle to compete with Bangladesh, Cambodia and Vietnam – these nations trail only China in textile exports, with India occupying the fifth spot, as per the World Trade Organisation's latest statistics review.

The American Apparel & Footwear Association (AAFA) has stated that India's ongoing and planned investments had resulted in more global companies looking at India as a potential source of growth over the coming years.

**FY22 was hearteningly different:** The Indian garment sector finally witnessed better days. After being outpaced by Bangladesh and Vietnam and hammered by the Covid-19 pandemic, India's garment factories buzzed with energy. They have been successful in overcoming challenges faced by the textile industry such as rising cotton prices and labour shortages. Lately, the effect of rising raw material prices has been weighing heavily on its margins and also the volume of business. It has registered very credible growth in FY22 on all accounts.

To sustain the success of the garment industry, the Government is committed to make the Prime Minister Mega Integrated Textile Region and Apparel (PM MITRA) scheme, along with the PLI scheme a success with the objective of creating world class infrastructure and a thriving industry

**LOSING OUT** Export of readymade garments is declining sharply in India, while the sector is picking up pace in Bangladesh



Source: DGCI&S, Bangladesh Garment Manufacturers and Exporters Association

**Cotton season:** Cotton production during crop year 2020-21, stood at 353 lakh bales. Cotton supply from October 2021 to September 2022 is estimated at 335.00 lakh bales. It consisted of arrival of 262.68 lakh bales, imports of 6 lakh bales and an opening stock estimated at 75 lakh bales at the beginning of the season. The Cotton Association of India estimated cotton consumption from October 2021 to March 2022 at 175 lakh bales while export shipments up to March 31, 2022 are estimated at 35 lakh bales. It has further estimated that cotton supply till end of the season 2021-22 at 425.00 lakh bales – about 8 lakh bales less compared to 433.00 lakh bales projected earlier.

Indian technical textiles exports are expected to grow at 14-16% CAGR from 2021 to 2026





### 3) Business and its performance

**About Maral:** Maral Overseas Limited (Maral) is a vertically integrated textile player that manufactures and markets a wide range of products namely yarns, fabric and garments at its five manufacturing facilities. The yarn business is the flagship business vertical driving the company forward. The garment division is the key focus area going forward owing to the value-addition and product acceptance by quality-respecting global brands.

**Business Performance:** A year which started with the highly contagious and increasingly lethal second wave of the pandemic was expected to be subdued. But it was everything but muted. Supply chain disruptions across the world forced textile majors to strengthen their supply chain with alternate and more dependable vendors. The 'China+1' practice adopted by textile majors across the world created unprecedented opportunities for the Indian textile sector, across the value-chain.

Maral made the most of these opportunities in all its business divisions. The Company went all out to add new clients, domestic and international, with considerable success. At the shopfloor, the operations team focused their energies on enhancing productivity without compromising the quality.



#### SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Integrated facility that houses best-in-class equipment, resulting in a wide product portfolio</li> <li>• High-quality standards endorsed by global certifications</li> <li>• Sharp focus on developing customised products for building customer relations</li> <li>• Continued investments in business to align with dynamic sectoral realities and customer requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Fragmented and unorganised industry</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• India is a huge consuming hub</li> <li>• Increasing trend of Work from Home to increase the demand for lounge wear and casual wear</li> <li>• E-commerce is booming</li> <li>• Export opportunities abound owing to the China+1 practice adopted by the Western World</li> </ul>	<ul style="list-style-type: none"> <li>• Volatility in raw material prices</li> <li>• Disturbed supply-chain owing to geopolitical tensions prevailing across the globe</li> </ul>

**Strategic initiatives:** During the year under review, the Management team took important strategic decisions which have the potential of lifting the Company higher in the domestic textile sector's pecking order.

- It has taken the Board's approval for expanding its melange yarn capacity by adding 18,864 spindles to its existing capacity
- It augmented its garment manufacturing capacity by leasing one unit; it also took the Board's approval for further addition to its garment manufacturing capability.

• It is planning to increase the proportion of woven garment within its garment business; for this the Company is entering the women dresses segment to capitalise on the surge in lounge wear across the globe (women dresses feature in the lounge wear basket)

While some of these projects should contribute to the Company's performance in FY23, others will be commissioned only in FY24.



**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

**Disclosure of Accounting Treatment**

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



**Financial Performance:** FY22 was a surreal fiscal for the Company as it registered its best performance in its corporate journey. The Company continued to accelerate its growth momentum aided by sectoral tailwinds. Every business division reporting strong growth numbers in year.

The Company achieved a Turnover at ₹1,082.44 Crore for the year ended 31<sup>st</sup> March 2022 against ₹632.02 Crore for the year ended 31<sup>st</sup> March 2021 – a jump of 71.27 %. This growth was driven by a significant increase in volumes across all verticals and healthy price increase – primarily owing to the increase in price of raw cotton which also rubbed off on the prices of other fibres.

Despite the surge in business opportunities, the operations team continued to maintain a hawk eye on costs with the objective of optimising resource and utility consumption.

The Company achieved an operational profit of ₹139.63 Crore against ₹61.42 Crore in FY21. This would have been higher had it not been for the sudden spike in raw cotton prices in the fourth quarter of FY22. Because the entire price hike could not be passed on to the customer. Some had to be absorbed by the Company, which impacted operating margins.

The Company closed the year with a record Net profit of ₹66.98 Crore against ₹12.53 Crore in the financial year 2021.

**Change in Return on Net Worth in comparison to the previous year:** The Management utilised business liquidity for investing in strategic decisions that promise to sustain growth over the medium term. Owing to a healthy growth in Net Profit, the Company Net worth increased from ₹97.64 Crore as on 31<sup>st</sup> March 2021 to ₹165.60 Crore as on 31<sup>st</sup>

March 2022. The return on net worth was 40.44 % in the financial year ended 31<sup>st</sup> March, 2022 against 12.84 % in the previous financial year ended 31<sup>st</sup> March, 2021. The increase in net worth was mainly due to higher profit in the financial year 2021-22.

Key Ratios	FY22	FY21	% Change	Remarks
<b>Stability Ratios</b>				
Debt equity Ratio (in times)	0.52	0.71	-27%	Majorly due to an increase in profitability
Interest Coverage Ratio	19.3	8.69	122.09	Mainly due to higher profit in FY22
<b>Liquidity Ratios</b>				
Current Ratio (in times)	1.37	1.10	25%	
Debtor Turnover Ratio (in times)	10.46	7.31	43%	Majorly due to an increase in revenue
Inventory Turnover Ratio (in times)	7.20	6.39	13%	Majorly due to an increase in revenue
<b>Profitability Ratios</b>				
Operating Profit Margin (%)	12.9	9.72	32.72	Mainly due to higher profit in FY22
Net Profit Margin (%)	6.19	1.98	212.63	Mainly due to higher profit in FY22



**Internal Controls and their adequacy:** The Company's internal controls commensurate with its size and the nature of its operations. They 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 unauthorised use and ensuring compliance with corporate policies. The all-encompassing control framework covers all key business functions in addition to governance, compliance, audit, control and reporting.

The Company's state-of-the-art ERP system coupled with stringent procedures ensure high accuracy in recording and providing reliable financial & operational information, meeting statutory compliances.

Internal Audit reports are periodically reviewed by the management and the Audit Committee of the Board and necessary improvements are undertaken, if required.

These findings provide input for risk identification and assessment. Timely and adequate measures are undertaken to ensure uninterrupted functioning of the business. The Company has engaged independent Chartered Accountant firms

with vast experience and knowledge to monitor internal controls. The Company's robust and comprehensive internal control systems and processes are reviewed periodically in line with the evolving business ecosystems.

**Human resource:** Maral continues to invest in its people – building their capability, sharpening their expertise and nurturing the spirit of leadership, which makes it a learning and delivering institution. Their unwavering passion and disciplined perseverance have fuelled the Company's growth aspiration to challenge the status quo and go beyond perceived boundaries.

The human resources (HR) wing focused on purposeful involvement of each team member to make a positive impact on the dual goal of commercial success and social impact. The department fosters a conducive environment to develop ownership, accountability and positive energy in individuals.

As the Company expanded its operating capabilities, it continued to strengthen its workforce despite the challenges posed by the pandemic. There were 3,442 permanent employees on the rolls of the Company as on the 31<sup>st</sup> March, 2022. The new recruits went through the intensive on-boarding program which included

quarantine protocols and orientation sessions before joining the Company's operations.

The HR department continued to foster a conducive environment to develop ownership, accountability and positive energy in individuals. Town hall meets and periodic interaction with the leadership teams, built morale of the team. The sustained team building efforts worked wonders as the Company posted its best financial performance despite the occurrence of two waves of the Covid-19 pandemic.

**Risk management:** At Maral Overseas, our risk strategy is determined by a risk appetite defined for a series of risk criteria. The criteria are based on sectoral circumstances, liquidity available and our earnings target within accepted volatility limits. These criteria provide a reference for our operating divisions.

The Company's risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks with a goal of making the business model emerge stronger and ensuring that profitable business growth becomes sustainable.

### 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.

# Corporate Information

**L.N. Jhunjhunwala** Chairman - Emeritus

## BOARD OF DIRECTORS

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

## KEY MANAGERIAL PERSONNEL

<b>Shekhar Agarwal</b>	Chairman & Managing Director and CEO
<b>Shantanu Agarwal</b>	Joint Managing Director
<b>Atul Kumar Jain</b>	Chief Financial Officer
<b>Virendra Kumar Garg</b>	Company Secretary

## KEY EXECUTIVES

<b>Sarovar Plant</b>	<b>Noida &amp; Faridabad Plants</b>
Satya Narayan Goyal President	Sanjay Jhangala Vice President- Operation

## REGISTERED OFFICE

Maral Sarovar, V. & P.O. Khalbujurg,  
Tehsil Kasrawad,  
Distt. Khargone, 451 660 (M.P.)  
Website: [www.maraloverseas.com](http://www.maraloverseas.com)

## CORPORATE OFFICE

Bhilwara Towers,  
A-12, Sector -1,  
Noida - 201 301 (U.P.)

## PLANT LOCATIONS

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

## Noida & Faridabad Plants

A-11, Hosiery Complex, Phase - II (Extension),  
Noida - 201 305 (U.P.)  
C-126, Sector -63, Noida - 201 307(U.P.)  
D-347, Sector-63, Noida-201307 (U.P.)  
12/4, Main Mathura Road,  
Faridabad - 121003 (Haryana)

## AUDITORS

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

## BANKERS

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



Statutory Reports & Financial Statements

# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Thirty Third Annual Report of your Company on business and operations along with the Audited Financial Statements and the Auditor's Report of Maral Overseas Limited for the financial year ended 31<sup>st</sup> March, 2022.

The Financial performance of the company for the year ended 31<sup>st</sup> March, 2022 is summarised as below:

Financial Results		₹ in Crore	
Particulars	2021-22	2020-21	
Revenue from Operation	1082.44	632.02	
Profit before Interest & Depreciation	139.63	61.42	
Less: Finance Cost	21.03	16.55	
<b>Profit before Depreciation &amp; Amortisation</b>	<b>118.60</b>	<b>44.86</b>	
Less: Depreciation & Amortisation	26.12	23.99	
<b>Profit/(Loss) before Tax</b>	<b>92.48</b>	<b>20.87</b>	
Less:			
a) Current Tax	27.14	5.77	
b) Deferred Tax	(1.27)	3.42	
c) Taxes adjustment for earlier years	(0.37)	(0.85)	
<b>Profit/(Loss) after Tax</b>	<b>66.98</b>	<b>12.53</b>	
Add: Opening Balance	(20.48)	(31.98)	
Add: Transfer to Capital Redemption Reserve	(1.80)	-	
Add: Other Comprehensive Income	0.69	(1.04)	
<b>Balance at the end of the year</b>	<b>45.39</b>	<b>(20.48)</b>	

## Number of meetings of the Board

The 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 provided in detail in the Report on Corporate Governance.

## Dividend and other Appropriations

Your Directors take pleasure in informing the members that the Board of Directors of the Company during the year under review, had approved the accumulated preference dividend on Cumulative Redeemable Preference Shares amounting to ₹377.08 Lacs and ₹185.21 Lacs aggregating to ₹562.29 Lacs to the bankers and promoters & their associates respectively after setting off the accumulated losses of the previous years. The payment of the aforesaid preference dividend had been made to the respective preference shareholders within the stipulated time.

Your Directors are also pleased to recommend a dividend @20% i.e. ₹2/- per equity share of face value of ₹10 each for the financial year ended 31<sup>st</sup> March, 2022. The proposal for payment of dividend on Equity Shares of the Company will absorb an amount of ₹8.30 Crore. The proposal with regard to the payment of dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2022 shall be placed before the shareholders at the forthcoming Annual General Meeting of the Company. The dividend, if declared by the Shareholders in the forthcoming Annual General Meeting, will be subject to deduction of tax at source at the applicable rates.

## Operational Performance

Your Directors feel pleasure in informing the members that as a result of various improvement measures undertaken by the management in the past and ongoing modernization programs, your Company, during the year under review, recorded satisfactory performance with a higher turnover and profitability in its Yarn and Fabric business. The Garment division of your Company despite

increase in turnover and production reported lower profits due to domestic and international market conditions and high raw material costs.

Your Company has undertaken various cost optimization & rationalisation exercise, modernisation and capital expenditure programs to rationalise cost of operations and improving product mix to improve margins. Your Directors are hopeful, barring a temporary slowdown in the market, the current economic momentum should continue and your Company would be able to improve its performance and probability with the completion of ongoing capital expenditure and modernisation programs.

Your Company achieved a turnover of ₹1082.44 Crore for the year ended 31<sup>st</sup> March, 2022 against ₹632.02 Crore in the previous year ended 31<sup>st</sup> March, 2021. Further, the Company achieved an operational profit of ₹139.63 Crore as against ₹61.42 Crore in the previous year. The Company recorded a Net Profit of ₹66.98 Crores against a Net Profit of ₹12.53 Crore reported in the previous year.

During the period under review, your Company recorded a production of 18133 MT of grey yarn (15,665 MT), 2791 MT of dyed yarn (2,219 MT), 4281 MT of grey knitted fabric (4,121 MT), 6224 MT of processed fabric (5,004 MT) and 55.38 Lakh pieces of garments (32.21 Lakh pieces).

During the year under review, the Company's exports (FOB value) were to the tune of ₹516.48 Crore (₹269.65 Crores) and accounted for 47.72 % (42.66 %) of the Company's turnover. The yarn business accounted for 50.07 % (50.85 %) while knitted fabric and garment business accounted for 31.30 % (31.58 %) and 18.63 % (17.57%) respectively.

Your Directors are hopeful that with continued performance by the Company during the current fiscal year under review, your Company shall be able to meet its obligations.

## Modernization, Expansion and Diversification

Your Directors in their previous report had informed the members about a modernization of ₹11.00 Crore comprising of spinning, yarn dyeing, fabric processing, engineering and IT at its Sarovar Plant and an automated cutting machine, with other stitching machines etc. for the new Garment project at the Noida Plant of the Company. Your Directors also informed the members about modernization programme of ₹39.00 Crore comprising of Spinning, Knitting, Processing and Engineering etc. at it's Sarovar Plant of the Company.

Your Directors are feel pleasure to inform the members that modernization programme of ₹11.00 Crore would be completed during the first quarter of the current fiscal year under review.

Further the Capital expenditure for modernization programme of ₹39.00 Crore is also expected to be completed in the current financial year. Your Company would be able to reap the full benefits after completion of aforesaid modernization programme of ₹50.00 Crore during the current financial year.

Your Directors take pleasure in informing the members that during the year under review, your Company had undertaken further modernization programme comprising of Spinning, Processing, Knitting and Engineering at a capital outlay of ₹22.18 Crore at Sarovar unit of the Company. It is expected that the said modernization programme would be completed during the current financial year. This will result in improving the efficiency of production and quality of the products and better utilization of installed capacity leading to higher profitability.

Your Directors, in order to reduce the cost of power have approved a project for a 132 KVA Dedicated Feeder line for the supply of power directly from the Grid which would involve a total cost of ₹11.50 Crore at the Sarovar Plant of the Company. It is expected that the same would be completed during the financial year 2022-23 under review.

Your Directors had also reported in previous report about the setting up a new garment manufacturing unit at Noida by setting up 300 Sewing Machine at a Capital outlay of ₹7.68 Crore. Your Directors feel pleasure in informing the members that the commercial production of the unit commenced during the year under review and your Company has started getting full benefits of value addition as well offering a wider range of products.

Your Directors are glad to inform the members that your Company has initiated the following program for enhancement in the capacity of garment manufacturing: -

- Setting up a new garment manufacturing unit at Faridabad at a capital outlay of ₹3.19 Crore approx. which started in the month of December, 2021.
- A new Garment manufacturing unit at Noida (U.P.) comprising of 500 new sewing machines at a capital outlay of ₹14.93 Crore. It is expected that production of the unit would start during the current financial year.

Your Directors inform the members that during the year under review, your company has also undertaken a diversification programme at a capital outlay of ₹122.94 Crore by setting up a Spinning Unit comprising of 18864 spindles for producing Melange Yarn at its Sarovar Plant. This will complement the existing product range being offered by the Company. The Melange Spinning Unit would be functional in the financial year 2023-24.

Your Directors are hopeful that the above modernization, expansion and diversification programme will lead to significant growth in the turnover and profitability of the Company.

### Corporate Social Responsibility

Your Company considers Corporate Social Responsibility ('CSR') and sustainability initiatives and practices, as an important element of doing business, as a responsible corporate citizen. Your Company believes in making lasting impact towards creating a just, equitable, human and sustainable society, and continues to focus its CSR initiatives to drive positive and sustainable change in building resilient communities. Your Company has been involved with social initiatives and engages in various activities in the fields of education, healthcare and community upliftment. Apart from these areas, your Company has always responded positively towards various challenges arising due to many social challenges being faced in the country including that of COVID-19 pandemic.

The composition and terms of reference of the CSR Committee are given in the Corporate Governance Report. The Annual Report on the CSR initiative undertaken by the Company as per the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as **Annexure I** forming part of this Report.

### Annual Return

Pursuant to Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link : [https://www.maraloverseas.com/DraftAnnualReturn\\_21-22.pdf](https://www.maraloverseas.com/DraftAnnualReturn_21-22.pdf)

### Directors and Key Managerial Personnel

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

Your Directors inform the members that during the year, Shri Shekhar Agarwal (DIN: 00066113) whose term as Managing Director was due to expire on 31<sup>st</sup> March, 2022 was re-appointed as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> April, 2022 upon commendation of Nomination and Remuneration Committee subject to the approval of the shareholders of the Company. Shri Shekhar Agarwal is not disqualified from being appointed as Managing Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as the Managing Director of the Company. Shri Shekhar Agarwal is not debarred from holding the office of Director pursuant to any SEBI Order or any other such authority.

As the members are aware that, Shri Shantanu Agarwal was appointed as Joint Managing Director of the Company w.e.f. 19<sup>th</sup> June, 2020 for a period of five years without any remuneration. Your Directors inform the members that the Board of Directors at its meeting held on 11<sup>th</sup> May, 2022, in view of his increased responsibilities due to various expansion and diversification programme of the Company which are currently under implementation by the Company as also in view of the significant and valuable contribution by him to the overall performance of the Company, have approved the remuneration payable to Shri Shantanu Agarwal upon commendation of Nomination and Remuneration Committee subject to the approval of the shareholders of the Company, w.e.f. 1<sup>st</sup> April, 2022 for his remaining tenure upto 18<sup>th</sup> June, 2025.

Your Directors further inform the members that pursuant to the provisions of section 149(7) of the Companies Act, 2013 (The Act), 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 as amended from time to time.

During the year, Shri Shekhar Agarwal, Chairman & Managing Director and CEO, Shri Shantanu Agarwal, Joint Managing Director, 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, a Nomination and Remuneration Policy had been framed for the appointment of Directors, Key Managerial Personnel and Senior Management and fixation of their remuneration. The Nomination and Remuneration Policy as framed is annexed as **Annexure II** and forms part of this Report.

Your Directors inform the members that the Nomination and Remuneration Committee as well your Directors endeavours to follow the policy and all appointments at Board and Senior Management are considered at the meeting of the Committee and the Board.

### 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 members 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 / transactions entered into by 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 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: <https://www.maraloverseas.com/pdf/Related-Party-Transaction-Policy.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 Transactions 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 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 under review.

### Auditors

#### Statutory Auditors

Your Director inform the members that M/s. S. S. Kothari Mehta & Company, Chartered Accountants, (Firm Registration No. 000756N) and M/s. P. K. Deora & Co., Chartered Accountants (Firm registration No 004167N) were appointed as Joint Statutory Auditor of the Company at the 28<sup>th</sup> Annual General Meeting ('AGM') held on 22<sup>nd</sup> September, 2017 for a period of 5 years and will hold office till the conclusion of this 33<sup>rd</sup> AGM of the Company. M/s. P. K. Deora & Co., Chartered Accountants has completed their term of five years as the Statutory Auditor of the Company. Being a proprietor firm, they are not eligible for re-appointment, in terms of section 139 of Companies Act, 2013 ("The Act"), Therefore, M/s. P. K. Deora & Co., Chartered Accountants, would retire as the Statutory Auditors of the Company at the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company. Furthermore, M/s. S. S. Kothari Mehta & Company, Chartered Accountants, are eligible for re-appointment for a further period of 5 years as Statutory Auditors of the Company.

Your Directors have recommended the re-appointment of M/s. S. S. Kothari Mehta & Company, Chartered Accountants, (Firm Registration No. 000756N), as Statutory Auditor of the Company to hold office for a period of five consecutive years from the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company till the conclusion of 38<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027 subject to the approval of the members of the Company in the forthcoming Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Companies Act, 2013.

M/s. S. S. Kothari Mehta & Company, Chartered Accountants, have given their consent for their re-appointment as Statutory Auditor of the Company and have confirmed that the appointment if made would be within the limits specified under Section 141(3) (g) of the Act and it is not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

During the year 2022, 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, LLP, Chartered Accountant and M/s. Arvind Kaul and Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2021-22 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) Rules, 2014, the Company had appointed M/s. Pranav Kumar & Associates, Company Secretaries, as the Secretarial Auditor of the Company for the year ending 31<sup>st</sup> March, 2022. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Report of Secretarial Audit is annexed as **Annexure III** forming part of this Report.

### 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, 2022.

### Risk Management

Your Company recognizes that risk is an integral part of business and is committed to manage the risks in a proactive and efficient manner. Your Company has adopted Risk Management Policy for risk identification, assessment and mitigation. Major risks identified by the Company are systematically addressed through mitigating actions on a continuous basis. 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 Company endeavours to continuously sharpen its Risk Management systems and processes in line with rapidly changing business environment. The Company, through its risk management process, aims to contain the risks within its risk

appetite. 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

Your Company has a rich legacy of ethical governance practices and is committed to transparency in all its dealings and places high emphasis on business ethics. Your Company always places emphasis on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an organisation's corporate governance philosophy is directly linked to its performance. The Company's vision of achieving its objectives is in line with its consideration for environment, safety and health of all people. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and to the society at large, and strives to serve their interests, resulting in creation of value for all stakeholders.

A Report on Corporate Governance along with the Certificate of Statutory Auditors confirming compliance of Corporate Governance as stipulated under point E of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended, forms an integral part of this Annual Report.

### Whistle Blower Policy

The Vigil Mechanism as envisaged in the Act, the Rules prescribed thereunder and the Listing Regulations are captured in the Company's Whistle Blower Policy to enable all the stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism. The Company has 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. All employees shall be protected from any adverse action for reporting any unacceptable or improper practice and/or any unethical practice, fraud, or violation of any law, rule, or regulation.

The policy has been disclosed on the website of the Company, the link of which is given hereunder: [https://www.maraloverseas.com/pdf/Whistle\\_Blower\\_Policy.pdf](https://www.maraloverseas.com/pdf/Whistle_Blower_Policy.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 as amended, forms part of this Annual Report.

### Internal Control Systems

Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations of the Company. The Company's governance framework is designed to enhance performance predictability, business continuity and ensure organization-wide compliance with all relevant laws of the land. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorisation of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances. A broader system of internal controls and external audits have been defined and deployed to effect continuous improvements and protect the business from potential vulnerabilities. Policies and procedures play a critical role in operationalisation of internal controls. The internal control system provides efficiency, reliability and completeness of accounting records thus helping the Company in compiling timely, true and fair representation of financial and management information. These internal controls also facilitate optimum utilization of resources, protect Company's assets and stakeholder interests.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Auditors also ensure proper compliance of all policies and Standard Operating Procedures (SOPs) adopted by the Company. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

### 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-IV** 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, is annexed as **Annexure -V** forming part of this Report.

Further, disclosures pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014. The relevant Statement is annexed as **Annexure-VI** forming part of this Report.

### 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, 2022 and the date of Report i.e. 11<sup>th</sup> May, 2022.

### Subsidiaries, Joint Ventures and Associates Companies

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

### Public Deposit

During the year under review, 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 provisions relating to the constitution of Internal Complaints Committee for reporting concerns with regard 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- 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, 2022 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.
- 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.
  - 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.

### 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 Governments 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**  
**Maral Overseas Limited**

-Sd/-  
**Shekhar Agarwal**

**Place:** Noida (U.P.) Chairman & Managing Director and CEO  
**Date:** 11<sup>th</sup> May, 2022 **DIN** -00066113

### Disclosure of Accounting Treatment

The Company has followed the same accounting treatment as prescribed in the relevant Indian Accounting Standards while preparing the Financial 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:

## Annexure – I to Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22

#### 1. Brief outline on CSR Policy of the Company.

The brief outline of CSR policy has been enumerated in the Board Report under the para Corporate Social Responsibilities.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Priya Shankar Dasgupta	Chairman of the Committee/ Non Executive Independent Director	4	4
2	Shekhar Agarwal	Member/ Executive Director	4	4
3.	Dr. Kamal Gupta	Member/ Non Executive Independent Director	4	4
4.	Shantanu Agarwal	Member/ Executive Director	4	4

- Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. [http://www.maraloverseas.com/pdf/MOL\\_CSR\\_Policy.pdf](http://www.maraloverseas.com/pdf/MOL_CSR_Policy.pdf)
- The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).- **Not Applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any Sl. No. Financial Year Amount available for set-off from preceding financial years (in ₹) Amount required to be set-off for the financial year, if any: - **Not Applicable**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
1			
2			
3			
<b>Total</b>			

- Average net profit of the company as per section 135(5). **₹917.55 Lakh**
- Two per cent of average net profit of the company as per section 135(5): **₹18.35 Lakh**
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **N.A.**
  - Amount required to be set off for the financial year, if any **N.A.**
  - Total CSR obligation for the financial year (7a+7b-7c). **₹18.35 Lakh**
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund Amount	Amount	Date of transfer
18.87	Not Applicable			Not Applicable	

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project. Amount spent for the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation on - Direct (Yes/No). Mode of implementation - Through implementing agency. State. District. Name. CSR registration number. 1. 2. 3. Total
			State	District						

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (₹ in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
			State	District			Name CSR registration number	
1.		Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Delhi & Madhya Pradesh	Delhi & Khargone	11.62	Yes (Direct)	Not Applicable
2.		Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Delhi, Noida & Madhya Pradesh	Noida	7.25	No (Indirect)	Through Implementing Agency (Swami Vivekanand Educational Sports Cultural & Welfare Society) CSR00028411
<b>Total</b>						<b>18.87</b>		

(d) Amount spent in administrative overheads. **Nil**

(e) Amount spent on impact assessment, if applicable. **Nil**

(f) Total amount spent for the financial year (8b+8c+8d+8e); **₹18.87 Lakh**

(g) Excess amount for set off, if any- **Not Applicable**

Sl. No.	Particular	Amount (in Lakh.)
1	Two percent of average net profit of the company as per section 135(5)	18.35
2	Total amount spent for the Financial Year	18.87
3	Excess amount spent for the financial year [(ii)-(i)]*	0.52
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

\*During the year the Company was required to spend ₹18.35 Lakh on CSR activities. During the financial year 2021-22, the Company had spent amount of ₹18.87 Lakh under review. Therefore, no amount remained unspent/unutilised as at the end of the financial year 2021-22.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakh)	Amount spent in the reporting Financial Year (₹ in Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lakh)
				Name of the Fund	Amount (₹ in Lakh)	Date of transfer	
1.	2018-19	No	-	No	No	No	No
2.	2019-20	No	-	No	No	No	No
3.	2020-21	No	-	No	No	No	No
<b>Total</b>			-				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakh)	Amount spent on the project in the reporting Financial Year (₹ in Lakh)	Cumulative amount spent at the end of reporting Financial Year. (₹ in Lakh)	Status of the project - Completed / Ongoing
1.								
2.								
3.								
<b>Total</b>								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable.**

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset (s).

(b) Amount of CSR Spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset (s) created or acquired (including completed address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5). **Not Applicable.**

-Sd/-

**Shekhar Agarwal**

(Chairman & Managing Director and CEO)

DIN: 00066113

-Sd/-

**Priya Shankar Dasgupta**

(Chairman of CSR Committee)

DIN: 00012552

Dated : 11<sup>th</sup> May, 2022

Place : Noida (U.P)

## Annexure – II to Directors' Report

### Nomination & Remuneration Policy

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of 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 (NRC) with at least three Non-Executive Directors, out of which not less than two third shall be Independent Directors.

The Company already had in place a Remuneration Committee which was made well in line with the above mentioned requirements. The Board has authority to reconstitute this Committee from time to time. In order to align the policy with the provisions of the Companies Act, 2013, and the Listing Regulation, 2015 as amended from time to time, the Board of Directors of the Company 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 Nomination and Remuneration 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 or the Manager,
- Whole Time Director,
- Company Secretary,
- Chief Financial Officer,
- Such other officer not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
- 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 Including Functional Heads and shall specifically include Company Secretary and Chief Financial Officer.

#### Role and Objective of Committee:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
2. The Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board for every appointment of an Independent Director and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
3. 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.
4. Recommend to the Board the appointment and removal of Directors and Senior Management.
5. Formulate criteria for effective evaluation of performance of Independent Directors, 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.
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. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. To develop a Succession Plan for the Board and to review it regularly.
9. To recommend to the Board, all remuneration, in whatever form, payable to senior management.

10. 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.
11. To recommend 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.
12. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and provision of the Companies Act, 2013 & Rules thereunder.

#### Membership:

1. The Committee shall comprise at least three (3) Directors.
2. All members shall be Non- Executive Directors and at least two third of them shall be Independent Directors. (Provided that in case Company will have outstanding SR equity shares, two third of them shall be independent directors.)
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.

#### Chairman:

1. Chairman/Chairperson 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/Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman/Chairperson.
4. Chairman/Chairperson 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 at least once in a year.

#### Quorum:

The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

#### 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.

#### Secretary:

The Company Secretary of the Company shall act as a Secretary 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, integrity, 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.

#### Term / Tenure:

##### Appointment of Managing Director / Whole-time Director:

The terms and conditions of appointment and remuneration payable to the Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders of the Company as per the applicable provisions of the Companies Act, 2013 and rules made thereunder and in compliance of the Listing Regulation, 2015 as amended time to time.

#### Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for a period upto five years or such other period as may be stipulated on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

#### Removal/Retirement:

Due to any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations. The Directors, KMP and Senior Management shall retire as may be recommended by the NRC and approved by the Board as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company.

#### 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 at least 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 Obligations 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.

##### 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.

##### 5. Sitting Fees:

A Director may receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof unless he/she is not getting any remuneration by way of Salary. 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.

##### 6. Remuneration/Commission to Non-executive / Independent Director:

The remuneration/commission to Non-executive / Independent Director shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Except with the approval of the Company in the general meeting by a Special Resolution the overall Commission to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject

to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013 & rules thereto.

#### Evaluation/ Assessment of Directors/ of the Company:

The evaluation/assessment of the Directors, 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 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.
- 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 in relation 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 Independent Directors, 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. The Director being evaluated will not participated in evaluation process.

#### Performance Evaluation of KMPs/Senior Management of the Company.

The performance evaluation of KMPs/ Senior Management is measured with regard to the goals and objectives set for the year and increase in compensation & reward by way of variable bonus is linked to the evaluation of individual's performance. Additionally, industry benchmarks are also used to determine the appropriate level of remuneration from time to time.

#### 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. However, this shall be subject to the approval of the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Company.

#### Policy review:

- a. This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the subject as may be notified from time to time.
- b. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

## Annexure – III to Directors' Report

Form No. MR-3

### Secretarial Audit Report

For The Financial Year Ended 31<sup>st</sup> March 2022

[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- 451660  
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, 2022**. 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, 2022 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 bye-laws 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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. Securities and exchange Board of India (Registrar to an issue and share transfer Agents) Regulations, 1993
  - e. Securities and exchange Board of India (depositories and participants) regulations, 2018 and circulars/ guidelines issued thereunder;

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.
- e) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- f) The Employees State Insurance Act, 1948
- g) The Factories Act, 1948
- h) Maternity Benefit Act, 1961
- i) Payment of Gratuity Act, 1972
- j) Equal Remuneration Act, 1976
- k) The Employers' Liability Act, 1938

- l) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 and auditing standard for secretarial audit.

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  
ICSI Unique Code: P2005BI010400

**Pranav Kumar**  
Partner

**Date :** 25<sup>th</sup> April, 2022

**Place :** Ghaziabad

**FCS-5013 COP:** 3429

**UDIN-** F005013D000201968

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

## Annexure -1

To,  
The Members,  
**Maral Overseas Limited**  
Maral Sarovar V & P.O., Khalbujurg,  
Tehsil, Kasrawad, Khargone- 451660,  
Madhya Pradesh, India

### Our report of even date is to be read along with this letter:

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Pranav Kumar & Associates,**  
Company Secretaries  
ICSI Unique Code: P2005BI010400

**Pranav Kumar**  
Partner

FCS-5013 COP: 3429  
UDIN- F005013D000201968

**Date :** 25<sup>th</sup> April, 2022  
**Place :** Ghaziabad

## Annexure – IV 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

- Power saving through voltage optimization in spinning unit 3 and 5.
- Power saving in ETP /RO area by optimization of process flow.
- Reuse of RFD water at yarn dyeing in order to reduce water consumption.
- Regular monitoring, audit and maintenance of air leakages, steam and water leakages to minimise losses on accounts of leakages.
- Installation of receiver on low pressure compressed air line - total 3 nos.

##### Plan for next year

- Replacement of old compressor with energy efficient compressor on low pressure line.
- Replacement of present dryer with energy efficient dryer.
- Installation of energy efficient motor and pulley conversion with frequency drive on Ring frame U 4 (Total 6 machine of 40 KW).
- Replacement of old inefficient pump with energy efficient pumps. These pump presently working at H plant of spinning unit.
- Optimization of voltage in complete unit by installation of voltage stabilizer for speed frame machine.
- Optimization of power factors at PDB level to achieve power saving.

##### Hosiery Complex- Noida Unit

- Installed 100 new sewing machines with energy efficient (Servo Motor) of low consumption of electricity.
- Installed 15 no. of highway lights in cutting/finishing with energy efficient of low consumption of electricity.
- We have replaced the clutch induction motor with servo motor in 50 nos. machine.

##### Plan for next year

- To Install 20 no. of highway lights in checking table with energy efficient of low consumption of electricity.
- To Install one fusing Machine with energy efficient of low consumption of electricity.

##### C-126, Sector -63- Noida Unit

- Have replaced the T5 Asian tube lights by 500 no's of LED light on working floor.
- Steam insulation pipeline has been repaired as required location.
- Steam Boiler has been converted from HSD to PNG with capacity 500 kg/hr.
- Have installed the central palmate on between the productions lone to increase the efficiency.
- Have replaced 2 AC with old version to new updated version AC.

##### Plan for next year

- To install new compressor with VFD.

##### D-347, Sector- 63-Noida Unit

- Installed 380 new sewing machines with energy efficient (Servo Motor) of low consumption of electricity.
- 450 new led tube light has been fixed at factory premises.

3. Three Electrical Boiler (27 kw & 18 kw & 9kw) has been installed for production process.
4. Automatic cutting machine has been installed to minimize the energy consumption and increase the efficiency.

**Plan for next year**

1. To install PNG based boiler for production process with capacity (600 kg/hr.).

**Faridabad Unit**

1. Installed 30 new sewing machines with energy efficient (Servo Motor) of low consumption of electricity.
2. 250 new led tube light has been fixed at factory premises.
3. Solar system has been installed.
4. Old motor has been changed with new version servo motor to minimize the energy.
5. PNG boiler has been installed with capacity 400 kg.

**Plan for next year**

1. Strengthen the machine maintenance preventive plan to minimize the energy and cost.
2. To install VFD boiler
3. To install new version updated automatic machine.

- (ii) The steps taken by the company for utilizing alternate sources of energy.

**Hosiery Complex -Noida Unit**

N.A.

**C-126, Sector -63- Noida Unit**

N.A.

**D-347, Sector- 63- Noida Unit**

N.A.

**Faridabad Unit**

N. A.

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

**Hosiery Complex- Noida Unit**

None

**C-126, Sector -63- Noida Unit**

None

**D-347 Sector- 63- Noida Unit,**

None

**(B) Technology Absorption:**

- (i) The efforts made towards technology absorption:

**Sarovar Unit:**

1. **Replacement of three old normal Ring frame with LMW compact Ring frame in Unit- 4:** With replacement of old Ring frames with Compact Ring frame, compact yarn capacity increased and it has yielded additional contribution also.
2. **Installation of Suessen compact attachment on LMW Four Ring frames:** By doing this, compact yarn capacity increased and also improvement in contribution on compact spun yarn.

3. **Installation of second hand 500 Kg Thies Yarn dyeing machine & new SSM Soft winding machine:** Installed second hand 500 kg yarn dyeing machine (Thies) and Soft winding (SSM) machine of 45 spindles. Overall production capacity increased by 40 tons per month.

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

**Sarovar Unit**

**Yarn:**

1. **100 % Bamboo compact Yarn (Ne 2/72 ETS):** Bamboo is ultra-soft fabric feels like it lightly floats on skin. Its clothing is breathable due to microscopic holes in the fibre. The thermoregulatory properties of bamboo fabric keep cool when the weather gets hot and warmer in winter season. The fabric made from it having moisture wicking and anti-bacterial properties so its fabric is perfect for sports clothing, more intimate clothing as its fibre helps fight odour. Bamboo fabric offers natural protection from the sun's harmful rays, suitable for sensitive skin, prevents wrinkles even after frequent washing.
2. **Sorona + cotton blended yarn:** Sorona is an alternate for Spandex yarn which provides exceptional stretch and recovery even after repeated stretches and washes. Sorona fiber is a comfort stretch knitwear material with soft, flexible, and stain resistant properties. The fibers are produced in an environmentally friendly production process as well as biodegradable. When combined with Sorona® fabrics have long-lasting softness, natural movement, and dimensional stability. It is sustainable polyester fiber having more elastic properties. Sorona® continues to perform because its stretch is durable and not impacted by day-to-day use. Sorona® fibers provide strength and resiliency of nylon with the softness of polyester. This blended yarn used for Laggings and inner wear.

**Fabric:**

1. **Modacrylic Fabric's --** Modacrylic is a functional fiber that possess characteristics of high flame retardancy (FR), as well as acrylic fiber's attributes of softness and dyeability.

It is an inherently self-extinguishing FR fiber that impart excellent flame-retardancy to fabrics and synthetic fibers. There is no deterioration in flame retardancy after repeated washing or normal use over time.

We are producing yarn to finish fabric in this category with all due cares and precautions without affecting its performance.

2. **Sanforize (Mechanical) with Liquid finish --** The cloth is continually fed into the sanforizing machine and therein moistened with steam. It is an attachment at Compaction machine where the fabric is passes to the rotating cylinder & presses a rubber sleeve against another, heated, rotating cylinder, thereby the sleeve briefly gets compressed and laterally expanded, afterwards relaxing to its normal thickness. We applied softener on dry on wet method, which improvise the ultimate shine on to the surface with amazing drape and real smooth touch hand feel.
3. **Hexarel finish --** We have developed knits fabrics treated with new revolutionary finish of HEXAREL by RIL for multiple performance benefits. This is a Graphene based Technology and has been developed by RIL for fabric treatment which leads to unparalleled functional properties.

The fabric treated with HEXAREL would have below functional properties:

- |                 |                                 |                                 |
|-----------------|---------------------------------|---------------------------------|
| - Antimicrobial | - Antistatic                    | - Help in better light fastness |
| - Anti-fungal   | - Wicking & Moisture management | - Q Max Cool                    |
| - Antiviral     | - UV Resistance (UPF)           | - X-Temp 2.0                    |

4. **Water saving in Yarn Dyeing**

Achieved saving of water 6 Ltr per Kg by the following process:

In yarn dyeing, after bleaching of yarn, water used in bleaching is normally sent to effluent plant, but we have started collecting the bleaching water in a separate tank and then it is used for scouring of yarn. In this way we are saving about 6 Ltr. Water per Kg. of dyed yarn in medium, dark, heavy dark & black shades.

(ii) The steps taken by the company for utilizing alternate sources of energy.  
We are in planning to install solar power plant of 3 MW, besides the 1.0 MW already in operation.

(iii) The capital investment on energy conservation equipment;

**Sarovar Unit**

(i) An investment of approx. 64 Lacs have been done for energy conservation during the period 2021-22.

**Hosiery Complex-Noida Unit**

(i) The efforts made towards technology absorption;  
None

**C-126 Sector -63- Noida Unit**

None

**D-347 Sector- 63- Noida Unit**

None

**Faridabad Unit**

None

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

**Hosiery Complex 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.
- Bar tak Machine Developed the Cycle programmed in House we can bar tak one time every type of bar tak special for Adidas max. 14 to 16 bar tak.
- Bas Machine 300g developed in house every type of Like Nasa, Box & Square Box, triangle Special for SCHIESSER, V.H in House.
- Button Machine Special for 1 Side Hole attached in Button machine.
- Piping Folder developed for Overlock Machine Special Order for SCHIESSER, ADIDAS.
- Bar Tak Machine Developed the Attachment in House for draw core bar tak Directly Without using Single Needle Lock stitch this attachment developed successfully for Van Heusen save 1 single needle Lock Stitch Machine with operator.

**C-126 Sector -63, Noida Unit**

- To minimized the machine maintenance cost.
- Modified the machine for folder making.
- Piping Folder developed for Overlock Machine Special Order for ADIDAS & other customers.
- Boiler fencing and insulated the steam line.
- Increase the production efficiency & cost.

**D-347, Sector- 63, Noida Unit**

- To minimized the machine maintenance cost and increase the production efficiency.
- Modified the machine for folder making.
- Installed the steam and other pipe line in an ecofriendly way.
- ETP has been installed for treat the waste water and recycle the same.

(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

**Hosiery Complex Noida Unit**

NIL

**C-126, Sector -63, Noida Unit**

Nil

**D-347, Sector- 63, Noida Unit**

Nil

**Faridabad Unit**

Nil

**(C) Foreign exchange earnings and Outgo.**

During the year, the Company has earned foreign exchange equivalent to ₹51647.79 Lakh at FOB price against an outgo of ₹3350.22 Lakh compared to the previous year's ₹26965.12 Lakh and outgo of ₹2221.47 Lakh respectively.

## Annexure – V 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.

- The percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) during the financial year 2021-22.

Sl. No.	Name of Director/KMP and Designation	% increase in remuneration in the financial year 2021-22
1	Shri Shekhar Agarwal- Chairman & Managing Director and CEO	6.80
2	Shri Shantanu Agarwal- Joint Managing Director	-
3	Shri Atul Kumar Jain- Chief Financial Officer	7.50
4	Shri Virendra Kumar Garg- Company Secretary	5.00

- 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, Chairman & Managing Director and CEO to the median remuneration of the employees of the Company for the financial year 2021-22 is 71.18:1
- The percentage increase in the median remuneration of employees in the financial year is 5.51%.
- There were 3442 permanent employees on the rolls of the Company as on the 31<sup>st</sup> March, 2022.
- Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2021-22 was 7.87 % and increase in the managerial remuneration for the same financial year was 6.85%.
- It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

## Annexure – VI 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		
										Organization	Post Held	Duration (Years)
1	Shri Shekhar Agarwal	Chairman & Managing Director and CEO	187.70	B.Tech. (ME) M.Sc (Chicago)	44	27/01/1989	7,55,573	Contractual	69	RSWM LTD.	Vice Chairman & Managing Director	25
2	Shri S.N. Goyal	President	113.53	C.A.	37	16/02/2020	700	Permanent	61	BMD Pvt. Ltd.	President	35
3	Shri Sanjay Janghala	Vice President-Operations	98.44	B.Sc.	27	14/10/2019	-	Permanent	49	Orient Craft Ltd.	COO	2.5
4	Shri Atul Kumar Jain	Chief Financial Officer	62.22	C.A.	25	01/06/2017	-	Permanent	47	Jindal Poly Films Ltd.	General Manager-F&A	4
5	Shri Mohit Maheshwari	Sr. Vice President - Marketing	56.25	MBA	24	01/04/1999	-	Permanent	47	-	-	-
6	Shri Naveen Maheshwari	Sr. Vice President	53.37	B. Com.	36	01/04/2002	-	Permanent	55	HEG Ltd.	Dy. General Manager-MIS	7
7	Shri Navjot Walia	AVP-Marketing	44.30	B.Tech Textile	30	07/03/2011	-	Permanent	52	Souza Designs Ltd	GM	1
8	Shri Parvez Alam Siddique	AVP - Fabric Processing	34.62	Dip. in Textile Technology, B.C.Chemistry	25	01/01/2019	-	Permanent	49	Texport Ind.Pvt.Ltd	Operation Head	1.7
9	Shri Kashmir Singh	Head Operations	34.00	BBA	26	14/03/2022	-	Permanent	46	Paramount Products Pvt. Ltd.	GM-Factory	3
10	Siddarth Karad	General Manager	22.67	B.SC.(Tech) T. C.	23	13/01/2015	-	Permanent	48	Arvind Mills	Sr. Manager	1.5

### B. Persons employed throughout the financial year & paid one Crore two Lakh 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	Chairman & Managing Director and CEO	187.70	B.Tech. (ME) M.Sc (Chicago)	44	27/01/1989	7,55,573	Contractual	69	RSWM LTD.	Vice Chairman & Managing Director	25
2	Shri S.N. Goyal	President	113.53	C.A.	37	16/02/2020	700	Permanent	61	BMD Pvt. Ltd.	President	35

#### NOTES:

- Shri Shekhar Agarwal, Chairman & Managing Director and CEO is relative of Shri Shantanu Agarwal, Joint Managing Director of the company.
- None of the persons was employed for part of the year in receipt of remuneration aggregating to rupees eight lac fifty thousand or more per month except Shri Shekhar Agarwal and Shri S. N. Goyal.
- None of the employees draw remuneration more than the remuneration drawn by the Managing Director and hold by themselves or along with their spouse and dependent children, more than two per cent of the equity shares of the Company.
- The above remuneration are CTC of the employees of the Company.

# CORPORATE GOVERNANCE REPORT

Good corporate governance is about creating sustained competitive differentiation in the market to maximize shareholder value ethically and on a sustainable basis while ensuring fairness, transparency and accountability to every stakeholder of a Company – customers, employees, investors, vendor-partners, the government of the land and the community at large. Governance is a reflection of the culture and values of a company's Board and management. Good governance in a company enhances the confidence, trust and enthusiasm of its stakeholders. The Management of the Company believes that good companies are built on the foundation of ethical governance practices and core values built over the years. The concept of Corporate Governance primarily hinges on complete transparency, integrity and accountability of the management, with an increasingly greater focus on investor protection and public interest. Good corporate governance is an essential part of well-managed, successful business enterprise that delivers value to shareholders. The Board of Directors of the Company plays a pivotal role in good corporate governance by building up strong principles, systems and values on which the Company operates. For ensuring sound corporate governance practices, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, Securities and Exchange Board of India (SEBI) Regulations, Accounting Standards, Secretarial Standards, etc. Today's market-oriented economy and globalization drive the demand for a high quality of governance practices. Corporate governance has been under scrutiny and is an issue that has gained widespread importance.

In compliance with Corporate Governance requirements as prescribed in Regulation 34(3) read with Part C of Schedule V by SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 as amended, the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2022 is set out below for information of the stakeholders and investors of the Company.

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

The corporate governance philosophy of your Company is based on the tenets of integrity, accountability, transparency, value and ethics. As a part of the LNJ Bhilwara Group your Company has a strong legacy of fair, transparent and ethical governance. The Company believes that corporate governance is not limited to merely creating checks and

balances but it goes beyond the practices enshrined in the law and encompasses the basic business ethics and values that need to be adhered. Corporate governance aligns the interests of individuals, organisation and society and integrates all the participants involved in the process. The Company works towards leveraging its resources to translate opportunities into reality and inculcate dynamism and entrepreneurship at all levels. The Company recognizes the rights of its stakeholders and encourages co-operation between the Company and the stakeholders and ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

The Company firmly believes that an effective framework of corporate governance is the foundation for sustainable growth. As a testament to its robust corporate governance practices and ethical conduct of business, Codes of Conduct have been adopted by the Company for Directors, Senior Management Personnel and Independent Directors and hosted on the website of the Company. 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.

Your Company has complied with all the requirements stipulated under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended ("Listing Regulations") and the Companies Act, 2013 ("Act"), as applicable.

## 2. Board of Directors

### Composition

The composition of the Board represents a fine blend of professionals from various backgrounds which enable the Board to discharge its responsibilities more efficiently and provide effective leadership. At Maral, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation.

The Board comprises an optimum combination of Executive and Non-Executive Directors with the Chairman of the Board as an Executive Director as on 31<sup>st</sup> March, 2022. The Board had six Directors comprising two Executive Directors, one Non-Independent Non-Executive Director and three Independent Directors (out of which one is a Woman 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 guidance and independent view to the Company's Management. All the Directors except

the Chairman & Managing Director and Independent Directors are liable to retire by rotation. Shri Shekhar Agarwal, Chairman & Managing Director and CEO and Shri Shantanu Agarwal, Joint Managing Director are conducting the day to day management of the Company subject to the supervision and control of the Board of Directors.

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, 2022, 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 31.03.2022#	Name of the Company	Category of Directorship
Shri Shekhar Agarwal, Chairman & Managing Director and CEO, Promoter Executive	5	5	4	3	Bhilwara Technical Textiles Limited	Chairman & Managing Director and CEO
					BSL Limited	Director
					HEG Limited	Director
					RSWM Limited	Director
Shri Ravi Jhunjunwala, Promoter-Non-Executive	5	5	8	6 (including 2 as Chairman)	BSL Limited	Director
					HEG Limited	Chairman & Managing Director and CEO
					India Glycols Limited	Director
					J K Lakshmi Cement Limited	Director
					RSWM Limited	Director
Shri Shantanu Agarwal-Joint Managing Director, Promoter –Executive	5	5	1	1	Bhilwara Technical Textiles Limited	Director
Dr. Kamal Gupta , Non- Executive, Independent Director	5	5	5	7 (including 2 as Chairman)	HEG Limited	Director
					RSWM Limited	Director

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 31.03.2022#	Name of the Company	Category of Directorship
Shri Priya Shankar Dasgupta, Non- Executive, Independent Director	5	5	7	4 (including 3 as Chairman)	Cummins India Limited	Director
					Ester Industries Limited	Director
					RSWM Limited	Director
					Timken India Limited	Director
					Vindhya Telelinks Limited	Director
Smt. Archana Capoor, Non- Executive, Independent Director	5	5	5	4 (including 2 as Chairman)	Birla Cable Limited	Director
					RSWM Limited	Director
					S. Chand and Company Limited	Director
					Sandhar Technologies Limited	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.

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 and Shri Shantanu Agarwal, who being father and son respectively are 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	Shekhar Agarwal- Chairman & Managing Director and CEO	√	-	√	√	√	√
2	Ravi Jhunjhunwala- Non Independent Director	√	-	√	√	√	√
3	Shantanu Agarwal- Joint Managing 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. The maximum time gap between any two consecutive meetings was as per the provisions of Companies Act, 2013 and Listing Regulations, 2015 as amended time to time. In case of any exigency/ emergency, Resolutions were also passed by circulation. Quorum was present in all the Board meetings. The meetings of the Board of Directors during the financial year ended 31<sup>st</sup> March, 2022 were held on the 30<sup>th</sup> April, 2021, 30<sup>th</sup> July, 2021, 3<sup>rd</sup> September, 2021, 28<sup>th</sup> October, 2021 and 3<sup>rd</sup> February, 2022.

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

The Annual General Meeting of the Company was held on 31<sup>st</sup> August, 2021 through Video Conferencing / Other Audio Visual Means during the financial year ended 31<sup>st</sup> March, 2022 and was attended by all the Directors of the Company. The Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company was presented at the aforesaid Annual General Meeting to answer the queries of members of the Company. The Statutory and Secretarial Auditors also attended the said AGM.

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 Obligations and Disclosure Requirement) Regulation, 2015 as amended 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 Shri Ravi Jhunjhunwala are Independent in terms of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 as amended 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.

All the Independent Directors have given the declaration of their independence at the beginning of the financial year or at the time co-option of the Board.

**Directors with materially significant pecuniary relationship or business transaction with the Company**

Executive Directors receive salaries, allowances, perquisites and perks while other Directors are paid sitting fees for attending the Board meeting and other Committee meetings 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 into 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. Presentations were made by the Chairman & Managing Director giving an overview of the annual operating plans and budgets of the Company. All Independent Directors meet 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 the following link: <https://www.maraloverseas.com/pdf/MOL%20Familiarisation%20Programme-2021-22.pdf>

**Directors and Officers insurance**

The Company has undertaken Directors and Officers Insurance ('D and O Insurance') for all its Directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Company.

**Shareholding of Non-Executive Directors**

**Equity Shares held by Non-Executive Directors as on the 31<sup>st</sup> March, 2022**

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

#### Information placed before the Board:

The Board has complete access to all information about the Company. The information pertaining to mandatory items as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, along with other business issues, is regularly provided to the Board. 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 as amended.

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.

### 3. 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 Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The composition of aforesaid Committees of the Board of Directors are available on the website of the Company at [www.maraloverseas.com](http://www.maraloverseas.com).

#### I. Audit Committee

The role of Audit Committee is as set out in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with Section 177 of the Companies Act, 2013. The Audit Committee of the Company met five times during the year under review. The meetings were held on 30<sup>th</sup> April, 2021, 30<sup>th</sup> July, 2021, 28<sup>th</sup> October, 2021, 3<sup>rd</sup> February, 2022 and 23<sup>rd</sup> February, 2022. The details of attendance of members and composition are as follows:-

Name of the member	Category	Status	No. of meetings held during the year	No. of meetings attended
Dr. Kamal Gupta	Independent – Non Executive Director	Chairman	5	5
Shri Priya Shankar Dasgupta	Independent- Non Executive Director	Member	5	5
Shri Shantanu Agarwal	Executive Director	Member	5	5
Smt. Archana Capoor*	Independent- Non Executive Director	Member	5	2

\* Appointed on 28<sup>th</sup> October, 2021.

Majority of the members of the Audit Committee are Non-Executive and Independent Directors. Dr. Kamal Gupta is the Chairman of the Audit Committee. During the year, Smt. Archana Capoor, Independent Director of the Company was appointed as a member of the Audit Committee w.e.f. 28<sup>th</sup> October, 2021. 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, other Directors, Chief Financial Officer, President of the Sarovar plant, Vice President of the Garment plants and representative of the Statutory Auditors and Internal Auditors. The representative of Statutory Auditors and Internal Auditors regularly make presentations in the Audit Committee meetings. 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.

Company has performed all functions mentioned in the terms of reference of the Audit Committee as listed in the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

#### 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 and internal auditors for any other services rendered by the Statutory and Internal 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:
  - 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.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to Financial Statements.
  - Disclosure of any related party transactions.
  - 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 of 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 letter / 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 as amended.
- Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable.
  - 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.

**II. 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 as amended, read with Section 178 of the Companies Act, 2013. The Stakeholders Relationship Committee of the Company met four times during the year under review. The meetings were held on 30<sup>th</sup> April, 2021, 30<sup>th</sup> July, 2021, 28<sup>th</sup> October, 2021 and 3<sup>rd</sup> February, 2022. The details of

attendance of members and composition are as under:-

Name of the member	Category	Status	No. of meetings held during the year	No. of meetings attended
Dr. Kamal Gupta	Independent – Non Executive Director	Chairman	4	4
Shri Shekhar Agarwal	Executive Director	Member	4	4
Shri Shantanu Agarwal	Executive Director	Member	4	4

Dr. Kamal Gupta is the Chairman of the Committee. Shri Virendra Kumar Garg, Company Secretary is the Compliance Officer of the Company. The Committee ensures cordial investor relations, oversees the mechanism for redressal of investors' grievances and specifically looks into various aspects of interest of shareholders. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers/ transmission, non-receipts of annual reports, non- receipt of declared dividend and other allied complaints. The terms of reference of the Committee are as follows:

- 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, dematerialisation / rematerialisation, etc.

- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent of the Company.
- Review 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.
- Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- Provide guidance and make recommendations to improve investor service levels for the investors.

During the year under review, the Company had received two complaints and all of which were replied/resolved 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, 2022. No request for dematerialisation/ rematerialisation of equity shares of the Company was pending for approval as on the 31<sup>st</sup> March, 2022.

**Details of Shareholders'/Investors' grievances received and attended by the Company during the year ended the 31<sup>st</sup> March, 2022 are given below:-**

Sl. No.	Nature of query/complaint	Pending as on 1 <sup>st</sup> April, 2021	Received during the year	Resolved during the year	Pending as on 31 <sup>st</sup> March, 2022
1.	Non-receipt of Bonus/Transfer / Transmission / Issue of Duplicate Shares/ Others	Nil	1	1	Nil
2.	Non-receipt of Dividend, Non-receipt of Refund Order & Non-receipt of Annual Report	Nil	Nil	Nil	Nil
3.	Dematerialisation/ Rematerialisation of shares	Nil	1	1	Nil
	<b>Total</b>	<b>Nil</b>	<b>2</b>	<b>2</b>	<b>Nil</b>

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 rematerialisation of shares. The Share Transfer Committee presently comprises of:

- 1) Shri Shekhar Agarwal
- 2) Dr. Kamal Gupta

However, in terms of SEBI press release no 12/2019 dated 27<sup>th</sup> March, 2019, physical transfer of shares is not permitted with effect from 1<sup>st</sup> April, 2019 and also re-lodgment of physical shares for transfer w.e.f. 1<sup>st</sup> April, 2021 which were returned prior to 01.04.2019 due to deficiency in the documents are not permitted in terms of SEBI Circular no SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2<sup>nd</sup> December, 2020.

Further, the SEBI has come out with a circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 whereby it has stipulated that the processing of service request in relation to Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub division / Splitting of securities, Certificate, Consolidation of securities certificates/folios, transfer /transmission and Transposition would henceforth be carried out in dematerialized form only.

#### 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 as amended from time to time.

### III. 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 and rules made thereunder. Shri Priya Shankar Dasgupta acted as the Chairman of the Committee. The Corporate Social Responsibility Committee of the Company met four times during the year under review. The meetings were held on 30<sup>th</sup> April, 2021, 30<sup>th</sup> July, 2021, 28<sup>th</sup> October, 2021 and 3<sup>rd</sup> February, 2022. The details of attendance of members and composition are as under:-

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

#### The role of Corporate Social Responsibility Committee are 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 Company has formulated the CSR policy wherein the activities mentioned under Schedule VII of Companies Act 2013 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's link of which is given below:

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

### IV. Nomination and Remuneration Committee

The constitution of Nomination and Remuneration Committee is in accordance with the provisions as contained in Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The terms and reference of

the Nomination and Remuneration Committee inter-alia include the following:-

- i. 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.
- ii. Formulate the criteria for evaluation of performance of Independent Director's and Board of Directors
- iii. Formulate the criteria for determining qualification, positive attributes and independence of a Director.
- iv. To devise a policy on Board diversity.
- v. 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.
- vi. Recommend to the Board a policy relating to the remuneration for the Directors, KMP, Senior Management and other employees.
- vii. Succession planning for the Board and Senior Management of the Company.
- viii. Determining the appropriate size and composition of the Board.
- ix. Recommendation to the Board, all remuneration, in whatever form, payable to the Senior Management.
- x. Carry out such other functions as are required or appropriate in discharging their duties.
- xi. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and provision of the Companies Act, 2013 & Rules thereunder.

Dr. Kamal Gupta is the Chairman of the Committee. The Nomination and Remuneration Committee of the Company met two times during the year under review. The meetings were held on 30<sup>th</sup> July, 2021 and 3<sup>rd</sup> February, 2022. The details of attendance of members and composition are as under:

Name of the member	Category	Status	No. of meetings held during the year	No. of meetings attended
Dr. Kamal Gupta	Independent – Non Executive Director	Chairman	2	2

Name of the member	Category	Status	No. of meetings held during the year	No. of meetings attended
Shri Priya Shankar Dasgupta	Independent – Non Executive Director	Member	2	2
Smt. Archana Capoor	Independent – Non Executive Director	Member	2	2

#### Nomination and Remuneration Policy

Pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 and relevant provision of Companies Act 2013, 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. The policy is in consonance with the existing industry practice and forms part of Directors Report. The policy is also available on the website of the company under the following link: <https://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 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 the remuneration of Executive Directors is also 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.

**Sitting Fees to the Director:** Directors were paid sitting fees for attending the Board and Committee meetings.

#### Remuneration Paid or Payable to Directors for 2021-22 (₹ In Lakh)

Name of Director	Category	Sitting Fee *	Salary	Benefits, perquisites and allowances#	Commission	Total
Shri Shekhar Agarwal §	Promoter- Chairman & Managing Director and CEO	-	162.26	25.44	185.98	373.68
Shri Ravi Jhunjhunwala	Promoter- Non Executive	2.50	-	-	-	2.50
Shri Shantanu Agarwal	Promoter- Joint Managing Director	5.80	-	-	-	5.80
Dr. Kamal Gupta	Independent- Non Executive	7.90	-	-	-	7.90
Shri Priya Shankar Dasgupta	Independent- Non Executive	6.50	-	-	-	6.50
Smt. Archana Capoor	Independent- Non Executive	5.00	-	-	-	5.00

\*Includes Sitting Fees for all Committee meetings.

# includes retirement benefits excluding leave encashment & gratuity.

§ Shri Shekhar Agarwal, Chairman & Managing Director and CEO holds 1.82 % of Equity Shares in the company as on 31<sup>st</sup> March, 2022.

During the year ended the 31<sup>st</sup> March, 2022, 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.

#### V. Independent Directors Meeting

Pursuant to the Code of Independent Directors and Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the meeting of the Independent Directors held on 3<sup>rd</sup> February, 2022 without the attendance of Non- Independent Directors and members of management to inter-alia:

1. Review the performance of Non-Independent Directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
3. 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

Upon recommendation of Nomination and Remuneration Committee, the Board of Directors have devised an evaluation framework in line with the applicable provisions of Companies Act, 2013 and Listing Regulations and has laid down the process, format, attributes and criteria which includes knowledge and experience in the field of textile industry, legal, finance and CSR activities etc. for performance evaluation of the Board of the Company, its Committees and the individual Board members (including Independent Directors). 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.

#### 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 as amended, 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 & Remuneration policy of the Company. The Performance evaluation criteria for independent directors include effective deployment of knowledge and expertise, commitment to his/her role towards the company and various stakeholders, willingness to devote time and efforts towards his/her role,

high ethical standards, adherence to applicable codes and policies, effective participation and application of objective independent judgement during meetings, etc. The evaluation of the performance is being done on an annual basis. As on 31<sup>st</sup> March, 2022, 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.

#### 5. 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, 2022, 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.

#### 6. 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
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
29 <sup>th</sup> September, 2020	2019-20	02:00 P.M.	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”). The deemed venue of the AGM was :- Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh – 451660	3
31 <sup>st</sup> August, 2021	2020-21	02:00 P.M.	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”). The deemed venue of the AGM was :- Maral Sarovar, V& P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, Madhya Pradesh – 451660	Nil

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

#### 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.

#### 2019-20

- i. Re-appointment of Smt. Archana Capoor (DIN: 01204170) as Independent Director of the Company for a second term of five consecutive years starting from w.e.f. 6<sup>th</sup> November, 2020.

- ii. Appointment of Shri Shantanu Agarwal, (DIN: 02314304) as Joint Managing Director of the Company for a period of five years with effect from 19<sup>th</sup> June, 2020.
- iii. 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, 2021, for a period of one year i.e. 31<sup>st</sup> March, 2022 without change in other terms of issue.

#### 2020-21

No Special Resolution was required to be passed in the Annual General Meeting held on 31<sup>st</sup> August, 2021.

#### Postal Ballot

During the year ended 31<sup>st</sup> March 2022, no Resolution was required to be passed through Postal Ballot. Further, during the current financial year 2022-23, the following Special Resolution are proposed to be passed through Postal Ballot:-

- 1) Approval of 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, 2022.
- 2) Approval of remuneration payable to Shri Shantanu Agarwal (DIN: 2314304), Joint Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2022 for his remaining tenure upto 18<sup>th</sup> June, 2025.
- 3) Approval for enhancement the power to borrow funds up to ₹750 Crores pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013.
- 4) Approve the power to create mortgage / charge on the assets of the company to secure borrowings up to ₹750 Crores pursuant to section 180(1)(a) of the Companies Act, 2013.
- 5) Approval for amendment in Articles of Association of the Company.

### 7. 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.
- In accordance with Regulation 23(9) of Listing Regulation, 2015, disclosure of related party transactions is made to the Stock Exchange on half yearly basis within 30 days (within 15 days w.e.f. 01.04.2022) from the date of publication of financial results. The same is also updated on the website of the Company.
- 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 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.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 / Vigil Mechanism:

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 as amended.

The Company is fully compliant with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended.

#### v. 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.

#### vi. Disclosures by Board members & senior management

The Board members and senior management personnel make disclosures to the Board periodically regarding

- their dealings in the Company's shares; and
- all material, financial and commercial and other transaction with the Company;

where they have personal interest, stating that the said dealings and transactions, if any, have no potential conflict with the interests of the Company at large.

#### 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://www.maraloverseas.com/pdf/Material-Subsidiary.pdf>

### 8. Discretionary Requirements

The Company has complied with all mandatory requirements prescribed by SEBI Listing Regulations and the Company has also complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

- i. Your Company's financial statements are unmodified and your Company continues to adopt best practices to ensure the requirement of unmodified opinion.
- ii. The reports of Internal Auditors of all Units are placed directly before the Audit Committee in every quarter.

### 9. 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 Financial Statements.

### 10. 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. The Company has complied with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report. Compliance Certificate from M/s. S.S. Kothari Mehta & Company, Chartered Accountants, New Delhi (Firm Registration No. 000756N), and M/s. P. K.

Deora & Company, 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.

### 11. 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. 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. During the year under review, the Company implemented the mechanism for maintaining the structural digital data base in line with the requirement of SEBI under PIT Regulation.

### 12. Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. Commitment to ethical professional conduct is a must for every employee, including Board members and senior management personnel 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.

### 13. CEO and CFO Certification

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

### 14. Audit Qualifications

The Company's Financial Statements are free from any qualifications by the Auditors and Company continues to adopt best practices to move towards a regime of unmodified

financial statements. 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.

## 15. Means of Communication

The Company recognizes communication as a key element of the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies. The Company interacts with their shareholders through various means of communication i.e. print media, Company website, Annual Report etc.

## 16. Quarterly/ Half yearly / Annual Results.

The quarterly, half yearly and annual results (audited) 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 as amended 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).

### Details of Directorships held in other companies:-

Directors Name	Name of the Company in which Directorship held *	Committee Chairmanship	Committee Membership
Shri Ravi Jhunjunwala	AD Hydro Powers 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.

## 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 -(Age-66)

Shri Ravi Jhunjunwala, age 66 years, is a Non-Executive Promoter Director of the Company. Shri Ravi Jhunjunwala holds a B.Com (Hons.) and Masters in Business Administration (Corp. Finance) from the Centre D'etudes Industrielles (CEI), Geneva. He is also the Chairman, Managing Director and of HEG Limited and Malana Power Company Limited. He is Director on Board of various Companies, mostly listed entities. He is also Independent Director on Board of two listed entities outside the group. Shri Ravi 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.

## 21. Presentation made to Institutional Investor or to 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. 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 dated 25<sup>th</sup> April, 2022 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 forms part of this Annual Report.

## 23. General Shareholders' Information

### a. Annual General Meeting

Date	: 25 <sup>th</sup> August, 2022
Day	: Thursday
Time	: 02:00 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

### b. Financial Calendar/Results

Financial year : 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022

For the year ended 31<sup>st</sup> March, 2022, results were announced on:

30 <sup>th</sup> July, 2021	: First quarter
28 <sup>th</sup> October, 2021	: Second quarter and Half year
3 <sup>rd</sup> February, 2022	: Third quarter and Nine months
11 <sup>th</sup> May, 2022	: Fourth quarter and Annual.

For the year ending 31<sup>st</sup> March, 2023, 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 or as may be permitted due to any unforeseen circumstances.

### c. Dates of Book Closure : Friday the 19<sup>th</sup> August, 2022 to Thursday the 25<sup>th</sup> August, 2022.

### d. Equity Dividend Payment :

A dividend of 20% i.e. ₹2/- per share on 4,15,08,000 equity shares of ₹10/- each has been recommended by the Board for the FY -2021-22.

Subject to the approval of the shareholders at the Annual General Meeting, dividend will be paid within 30 days from the date of AGM.

### e. Listing of Equity Shares on Stock Exchange:

- BSE Limited (BSE)- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
  - National Stock Exchange of India Limited (NSE)- Exchange Plaza, Bandra- Kurla Complex, Bandra (East), Mumbai - 400 051
- Listing fee as prescribed has been paid to BSE Limited and the National Stock Exchange of India Limited upto 31<sup>st</sup> March, 2023.

### f. Stock Code:

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

## 18. SEBI Complaints Redressal 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 and compliances to the Stock Exchanges are filed electronically on BSE (BSE Limited) and NSE (National Stock Exchange Limited).

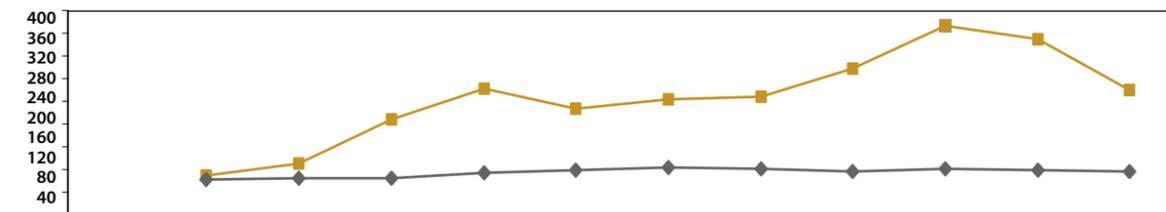
## 20. Disclosure on Website:

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 as amended are complied with.

**g Stock Market Data: Share Price in ₹ of Maral Overseas Limited at BSE /NSE in 2021-22**

Months	BSE Ltd.			National Stock Exchange of India Limited		
	High	Low	Volume	High	Low	Volume
April-2021	37.00	28.80	1,26,285	37.00	28.45	3,22,138
May-2021	40.80	32.50	2,10,585	40.95	33.70	7,47,978
June-2021	48.80	37.10	2,24,521	48.90	37.50	10,40,870
July-2021	77.40	47.20	6,40,888	77.70	47.10	40,59,647
August-2021	97.75	67.45	5,79,688	97.80	67.50	26,16,249
September-2021	84.15	70.60	1,40,791	84.05	70.55	6,98,995
October-2021	90.60	71.80	1,40,226	90.95	72.50	10,04,375
November-2021	91.70	72.30	1,41,967	91.80	73.00	9,90,341
December-2021	110.70	73.60	2,95,342	110.40	73.40	27,86,031
January-2022	138.00	102.40	4,58,878	138.20	99.40	21,98,653
February-2022	129.35	81.75	1,35,139	129.70	80.30	10,10,246
March-2022	96.35	81.00	1,57,950	95.25	80.35	7,41,692

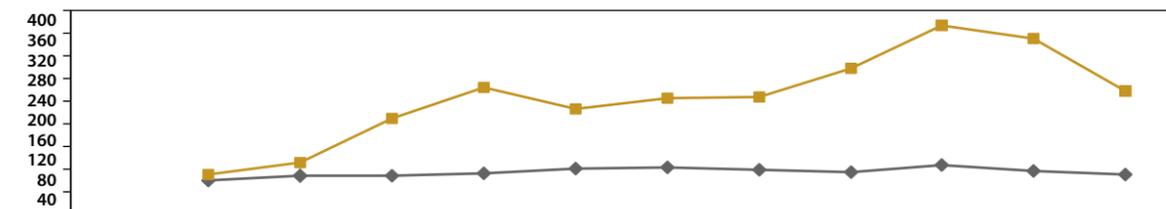
**Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2021)**



	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
<b>MOL (High)</b>	100.00	110.27	131.89	209.19	264.19	227.43	244.86	247.84	299.19	372.97	349.59	260.41
<b>Sensex (High)</b>	100.00	103.25	105.46	105.79	114.39	119.92	123.56	121.16	117.52	122.03	118.35	116.90

Source: BSE Ltd.

**Performance in comparison with NIFTY (Both series indexed to 100 as on April, 2021)**



	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
<b>Nifty (High)</b>	100.00	101.40	108.95	109.34	112.83	120.55	123.43	118.79	116.21	128.06	116.85	111.88
<b>MOL (High)</b>	100.00	110.68	132.16	210.00	264.32	227.16	245.81	248.11	298.38	373.51	350.54	257.43

Source: National Stock Exchange of India Limited

**h. Registrar and Transfer Agents:**

M/s MCS Share Transfer Agent Limited is the Registrar and 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, 1<sup>st</sup> Floor, New Delhi – 110 020,  
Phone No. (s) : 011-41406149-52, Fax No : 011-41709881,  
E- Mail : admin@mcsregistrars.com and helpdeskdelhi@mcsregistrars.com

**i. Share Transfer System:**

As per stipulations of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time the shares of the Company can only be transferred in dematerialized mode w.e.f. 1<sup>st</sup> April, 2019 except in cases where the claims are lodged for transmission/transposition of shares for where the transfer deed(s) lodged prior to the 1<sup>st</sup> April, 2019 and were returned due to deficiency in the documents and re-lodged. However, SEBI vide its circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 stipulated 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgment of transfer requests and also stipulated that such transferred shares shall be issued only in demat mode. Therefore, the Company did not acknowledge such requests after 31<sup>st</sup> March, 2021. As per the recent amendments of SEBI, that the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Matters related to share transfer and transmission etc. were 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. As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Company has obtained yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities. However, SEBI vide its circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 stipulated 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgment of transfer requests and also stipulated that such transferred shares shall be issued only in demat mode. Therefore, the Company did not acknowledge such requests after 31<sup>st</sup> March, 2021.

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate at the end of financial year submitted to the Stock Exchanges have been issued by a practicing Company Secretary for due compliance of share transfer formalities by the Company.

Pursuant to Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate at the end of financial year submitted to the Stock Exchanges 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 the Registrar and Share Transfer Agent.

Further, SEBI has come out with a circular No. SEBI/HO/MIRSD\_RTAMB/P/CIR//2021/655 dated November 03, 2021 and 14<sup>th</sup> December, 2021 prescribing common and simplified norms for processing investors' service requests by RTA and norms for furnishing PAN, KYC details and nomination effective from 1<sup>st</sup> January, 2022 for all the shareholders holding shares in physical form. The following norms were made applicable keeping in view the ease of doing business for investors in the securities market:

1. Common and simplified norms for processing any service request from the holder; thereby prescribing standard request letter for investor service pertaining to the captioned items, by the RTAs.
2. Electronic interface for processing investor's queries, complaints and service request.
3. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.
4. Freezing of folios without valid PAN, KYC details and Nomination.
5. Compulsory linking of PAN and Aadhaar by all holders of physical securities.

The Company had sent intimation to all shareholders holding shares in physical form by Registered Post on 16.12.2021 requesting them to update PAN, KYC details and nomination details (including declaration to opt out). All shareholders are requested to update their KYC details and nomination details in the prescribed forms to enable the Company to make effective communication to them and prompt service. The relevant Forms for registering/changing KYC details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13,

SH-14 are available on the website of the Company and RTA. Members may request to submit their PAN/KYC/Nomination/Bank in the prescribed Form(s) duly filled in to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi-110020 E-mail: admin@mcsregistrars.com.

**j. Distribution of Shareholding as on the 31<sup>st</sup> March, 2022.**

No. of Equity shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	14,747	89.24	19,05,328	4.59
501-1000	808	4.89	6,84,360	1.65
1001-10000	880	5.32	26,36,862	6.35
10001 and above	91	0.55	3,62,81,450	87.41
<b>Total</b>	<b>16,526</b>	<b>100.00</b>	<b>4,15,08,000</b>	<b>100.00</b>

**k. Shareholding Pattern as on the 31<sup>st</sup> March, 2022.**

Category	No. of Shares held	% of Shareholding
A Promoters & Promoter Group	3,11,08,829	74.95
B. Public Shareholding		
I Banks / Financial Institutions	300	0.00
II Mutual Funds, Insurance Companies, & UTI	1,000	0.00
III Foreign Portfolio Investors	1,27,284	0.31
IV NRIs	1,55,468	0.37
V Bodies Corporate	16,36,739	3.94
VI Foreign Bodies Corporate	200	0.00
VII Individuals	84,78,180	20.43
<b>Total</b>	<b>4,15,08,000</b>	<b>100.00</b>

**l. Dematerialization of Shares and Liquidity:**

**A. Equity Shares as on the 31<sup>st</sup> March, 2022**

Sl. No.	Description	No. of Share holders	No. of Shares	% of Shareholding
1.	Central Depository Services (India) Limited (CDSL)	5389	2,44,38,464	58.88
2.	National Securities Depository Limited (NSDL)	6172	1,64,43,228	39.61
3.	Physical	4965	6,26,308	1.51
	<b>Total</b>	<b>16526</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 INE 882A01013. 4,08,81,692 equity shares were dematerialized till 31<sup>st</sup> March, 2022 which is 98.49 % 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 had 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, 4,20,000 3% CRPS were redeemed on 31<sup>st</sup> May, 2021 and 1,80,000 3% CRPS were redeemed on 28<sup>th</sup> October, 2021.

**m. 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.

**n. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, 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	
			NIL				

**o. Plant Locations:**

1. Maral Sarovar. & P.O. Khalbujurg, Tehsil Kasrawad, Dist. Khargone-451660 (M.P.)
2. A-11, Hosiery Complex, Phase-II (Extension), Noida- 201305 (U.P.)
3. C-126, Sector-63, Noida-201307 (U.P.)
4. D-347, Sector-63, Noida-201307 (U.P.)
5. 12/4, Main Mathura Road, Faridabad-121003 (Haryana)

**p. Address for Correspondence**

Investor correspondence should be addressed to:

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

MCS Share Transfer Agent Limited,  
(Unit: Maral Overseas Limited)  
F-65, Okhla Industrial Area, Phase I, New Delhi - 110020  
Phone No (s): 011-41406149-52, Fax No: 011-41709881  
E-mail: helpdeskdelhi@mcsregistrars.com, admin@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

**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

**q. Credit Rating.**

During the year under review, M/s. CARE Ratings Limited (Rating Agency) has reviewed and revised the Long Term and Short-Term Bank Facility of the Company as follows:

S. No.	Facilities	Revised Ratings	Previous Ratings
1.	Long Term Bank Facilities	CARE BBB; Stable (Triple B; Outlook: Stable)	Revised from CARE BBB-; Negative (Triple B Minus; Outlook: Negative)
2.	Short Term Bank Facilities	CARE A3 (A Three)	Reaffirmed

**r. Other information to the Shareholders.**

**i. Green Initiative**

As a responsible corporate citizen, the Company welcomes Green Initiative, by sending 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.

**ii. 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> 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

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

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. During the financial year, 2014-15 and 2015 -16, two shareholders comprising 200 (100 each) shares had approached for claiming their shares which were duly transferred in the name of the respective shareholders. As on the 31<sup>st</sup> March, 2022, 41 shareholders bearing 4900 shares were still lying in the Unclaimed Suspense Account.

**iv. Unpaid / Unclaimed Dividends**

There was no amount of unpaid/unclaimed dividend pending with the Company for the last seven years as the company did not declare any dividend since 2002-2003. Accordingly, no amount of unpaid and/or unclaimed dividend and shares were transferred to the Demat account of IEPF Authority as per the provisions of Sections 124 and 125 of Companies Act, 2013 and read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as notified by the Ministry of Corporate Affairs.

During the year under review, the Board of Directors of the Company had approved the preference dividend on Cumulative Redeemable Preference Shares of ₹377.08 Lacs and ₹185.21 Lacs aggregating to ₹562.29 Lacs to the bankers and promoters and their associates respectively after setting off the accumulated losses of previous years. The payment of the aforesaid

preference dividend had been made to the respective preference shareholders within the stipulated time and there was no amount of dividend which remain unpaid and/or unclaimed in the said account till date.

- v. During the Financial Year 2021-22, the Company did not raise any funds through preferential allotment or qualified institutions placement.
- vi. 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.
- vii. There were no recommendations of any Committee requiring mandatory approval of the Board, which were not accepted by the Board.
- viii. Company has not obtained any public funding in the last three years.
- ix. The Company has no outstanding warrant /Convertible Instruments.

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

-Sd/-

**Shekhar Agarwal**

Chairman & Managing Director and CEO  
**DIN -00066113**

**Place :** Noida (U.P.)  
**Date :** 11<sup>th</sup> May, 2022

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

We, Shekhar Agarwal, Chairman & 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 and cash flow statements for the year 2021-22 and that to the best of our knowledge and belief:
  1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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.

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

Place : Noida (U.P.)  
Date : 11<sup>th</sup> May, 2022

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

-Sd/-  
**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- 451660  
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) 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, 2022** 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.

Sr. 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.

Date : 25<sup>th</sup> April, 2022  
Place : Ghaziabad

For **Pranav Kumar & Associates,**  
Company Secretaries  
ICSI Unique Code: P2005BI010400

-Sd/-  
**Pranav Kumar**  
Partner  
FCS-5013 COP: 3429  
UDIN- F005013D000202188

## Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

To  
The Members of  
**Maral Overseas Limited**

- 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 2022, 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").
- 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

- 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, 2022.

- 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

- 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 accept or 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  
  
-Sd/-  
**Pawan Kumar Deora**  
Proprietor  
(Membership No: 083308)  
**UDIN:** 22083308AITPWU2285

**Date :** 11<sup>th</sup> May, 2022  
**Place :** Noida

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm's ICAI Regd. No.:000756N  
  
-Sd/-  
**Neeraj Bansal**  
Partner  
(Membership No: 095960)  
**UDIN:** 22095960AIUDYP8501

# INDEPENDENT AUDITORS REPORT

## To the Members of Maral Overseas Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Maral Overseas Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the 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<sup>st</sup> March, 2022, and its profit, total comprehensive income, 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

### 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 information's, 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.

Those 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 materiality 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, 2020 ('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:

- 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;
- 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;
- The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
- On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

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:

- The Company has disclosed the impact of pending litigations on its financial position in the financial statements - Refer Note 37 to the financial statements;
- The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses;
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

For **S. S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No. 000756N

Sd/-  
**Neeraj Bansal**  
Partner  
Membership No. 095960

**Place:** Delhi  
**Date:** 11<sup>th</sup> May 2022  
**UDIN:** 22095960AIUBLA4760

C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(V) The preference dividend paid by the company during the year is in compliance with Section 123 of the Companies Act, 2013.

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

Sd/-  
**Pawan Kumar Deora**  
Proprietor  
Membership No. 083308

**Place:** Delhi  
**Date:** 11<sup>th</sup> May 2022  
**UDIN:** 22083308AITZIB5584

## "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, 2020 ("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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has physically verified these Property, Plant and Equipment as per its program of physical verification that covers every item of Property, Plant and Equipment 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 of all the immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company. However, the title document for properties which are pledged as security with IFCI Limited for securing the facilities have been verified based on the annual possession certificate received from IFCI.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) As per information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management except for stock lying with third parties. In our opinion,

the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in aggregate for each class of inventory.

- (b) The company has been sanctioned working capital limits in excess of ₹5 Crore during the year, in aggregate, from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited Liability Partnerships or any other parties.
- (iv) According to the information and explanation given to us and based on our examination, the Company has complied with the provisions of section 185 and 186 of The Companies Act, 2013 in respect of loans, investments, guarantees, and security made;
- (v) According to the information and explanation given to us and based on our examination, the Company has not accepted any deposit or amounts which are deemed to be deposits during the year. Further, we have not come across any such deposits nor the management has reported any such deposits, therefore the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder is 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 has generally been 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 statutory dues referred to in sub-clause (a) above which 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	45.01	CIT (Appeals) & Dy CIT (For rectification)
		AY 2003-04	27.64	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	53.61	MP CT Appellate Board, Bhopal
	Entry Tax	FY 2008-09	9.34	MP CT Appellate Board, Bhopal

- This includes interest & penalty.
- Based on information and explanation given to us, GST Show Cause Notice amounting to ₹903.02 Lakhs disclosed in contingent liability not considered above on account of not deposited for any dispute.

- (viii) According to the information and explanation given to us and based on our examination, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanation given to us and based on our examination, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and based on our examination, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and based on our examination, the term loans were applied for the purpose for which loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.
- (e) The company has not any subsidiaries, associate or joint venture and therefore reporting under this sub clause (e) and (f) of Clause (ix) are not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and therefore reporting under this clause is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore reporting under this clause is not applicable.
- (xi) (a) According to the information and explanations given to us and based on our examination, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanation given to us and based on our examination, there is no whistle-blower complaints received during the year by the company.
- (xii) The Company is not a Nidhi Company, therefore reporting under this clause is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination, 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) (a) According to the information and explanation given to us and based on our examination, in our opinion,

the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year.
- (xv) According to the information and explanation given to us and based on our examination, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. therefore provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) As per the information and explanation given to us and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) As per the information and explanation given to us and based on our examination, in continuation of sub clause (a) of above clause (xvi) as there is no requirement to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and the Company has not conducted any Non- Banking Financial or Housing Finance activities therefore, reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) As per the information and explanation given to us and based on our examination, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, therefore reporting under clause 3 (xvi) (c) of the order is not applicable.
- (d) As per the information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and therefore reporting under clause 3(xvi)(d) of the Order is not applicable.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year, therefore reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanation given to us, based on our examination, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under this clause is not applicable.
- (b) There are no ongoing CSR projects with the Company. therefore, reporting under this clause is not applicable.

For **S. S. KOTHARI MEHTA & COMPANY**

Chartered Accountants  
Firm Registration No. 000756N

Sd/-

**Neeraj Bansal**

Partner

Membership No. 095960

**Place:** Delhi

**Date:** 11<sup>th</sup> May 2022

**UDIN:** 22095960AIUBLA4760

For **P.K. DEORA & CO.**

Chartered Accountants  
Firm Registration No. 004167N

Sd/-

**Pawan Kumar Deora**

Proprietor

Membership No. 083308

**Place:** Delhi

**Date:** 11<sup>th</sup> May 2022

**UDIN:** 22083308AITZIB5584

## “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<sup>st</sup> March, 2022 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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

For **S. S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No. 000756N

Sd/-  
**Neeraj Bansal**  
Partner  
Membership No. 095960

**Place:** Delhi  
**Date:** 11<sup>th</sup> May 2022  
**UDIN:** 22095960AIUBLA4760

reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2022, 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 **P.K. DEORA & CO.**  
Chartered Accountants  
Firm Registration No. 004167N

Sd/-  
**Pawan Kumar Deora**  
Proprietor  
Membership No. 083308

**Place:** Delhi  
**Date:** 11<sup>th</sup> May 2022  
**UDIN:** 22083308AITZIB5584

## Balance Sheet as at 31<sup>st</sup> March, 2022

Particulars	Notes	(₹ in Lakhs)	
		As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	17,255.28	15,791.83
(b) Capital work - in - progress	3	321.27	169.97
(c) Other intangible assets	4	234.98	253.25
(d) Biological Assets other than bearer Plants	5	5.23	6.18
(e) Financial assets			
(i) Loans	7	42.59	17.67
(ii) Other financial assets	8	692.52	766.29
(f) Other non-current assets	9	860.09	852.12
<b>Total non-current assets</b>		<b>19,411.96</b>	<b>17,857.31</b>
<b>Current assets</b>			
(a) Inventories	10	20,104.27	9,957.38
(b) Financial assets			
(i) Investments	11	74.88	55.31
(ii) Trade receivables	12	10,928.61	9,773.43
(iii) Cash and cash equivalents	13	103.07	33.58
(iv) Bank Balances other than (iii) above	14	565.92	300.81
(v) Loans	7	64.25	68.37
(vi) Other financial assets	8	870.04	1,026.82
(c) Other current assets	9	6,831.29	5,084.32
<b>Total current assets</b>		<b>39,542.33</b>	<b>26,300.02</b>
<b>Total assets</b>		<b>58,954.29</b>	<b>44,157.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	4,150.80	4,150.80
(b) Other equity	17	12,409.51	5,613.55
<b>Total Equity</b>		<b>16,560.31</b>	<b>9,764.35</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	6,688.39	4,790.82
(ii) Lease liabilities	19(i)	2,228.20	438.69
(ii) Other financial liabilities	19(ii)	18.11	48.43
(b) Provisions	20	363.58	315.47
(c) Deferred tax Liability (net)	6	469.53	833.99
(d) Deferred government grant	22	1,339.59	1,539.75
<b>Total non-current liabilities</b>		<b>11,107.40</b>	<b>7,967.15</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	15,017.28	14,895.43
(ii) Lease liabilities	19(i)	414.52	258.50
(iii) Trade payables			
A. Total outstanding dues of micro enterprises and small enterprises	23	2,372.51	1,057.43
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	23	8,741.77	4,999.99
(iv) Other financial liabilities	19(ii)	2,780.93	3,849.52
(b) Provisions	20	132.77	122.97
(c) Current tax liabilities (Net)	15	182.56	34.46
(d) Other current liabilities	21	1,644.24	1,207.53
<b>Total current liabilities</b>		<b>31,286.58</b>	<b>26,425.03</b>
<b>Total liabilities</b>		<b>42,393.98</b>	<b>34,392.98</b>
<b>Total Equity and Liabilities</b>		<b>58,954.29</b>	<b>44,157.33</b>
See accompanying notes to the financial statements	1-47		

As per our report of even date attached

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

Sd/-  
**Neeraj Bansal**  
Partner  
Membership No.095960  
**UDIN: 22095960AIUBLA4760**

Place: Noida (U.P.)  
Date: 11<sup>th</sup> May, 2022

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

Sd/-  
**Pawan Kumar Deora**  
Proprietor  
Membership No.083308  
**UDIN: 22083308AITZIB5584**

For and on behalf of the Board of Directors  
**MARAL OVERSEAS LIMITED**

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

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

Sd/-  
**Shantanu Agarwal**  
Joint Managing Director  
**DIN: 02314304**

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

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022

Particulars	Notes	(₹ in Lakhs except per share data)	
		Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1. Revenue from operations	25	1,08,244.01	63,202.10
2. Other income	26	2,230.33	781.52
<b>3. Total income (1+2)</b>		<b>1,10,474.34</b>	<b>63,983.62</b>
<b>4. Expenses</b>			
a. Cost of materials consumed	27(i)	71,061.71	38,561.13
b. Purchases of stock-in-trade	27(ii)	58.45	48.34
c. Changes in inventories of finished goods and work-in-progress	28	(5,591.97)	(1,056.62)
d. Employee benefit expenses	29	13,029.99	8,421.28
e. Finance costs	30	2,102.58	1,655.34
f. Depreciation and amortisation expense	31	2,612.50	2,399.38
g. Other expenses	32	17,953.47	11,867.79
<b>Total expenses</b>		<b>1,01,226.73</b>	<b>61,896.64</b>
<b>5. Profit/(Loss) before tax (3-4)</b>		<b>9,247.61</b>	<b>2,086.98</b>
<b>6. Tax expense</b>			
a. Current tax	33	2,713.90	576.90
b. Deferred tax	33	(127.50)	341.82
c. Taxes for earlier years	33	(36.57)	(84.81)
<b>Total tax expense</b>		<b>2,549.83</b>	<b>833.91</b>
<b>7. Profit/(Loss) for the year (5-6)</b>		<b>6,697.78</b>	<b>1,253.07</b>
<b>8. Other comprehensive income</b>			
(i) Items that will not be reclassified to statement of profit or loss			
- Remeasurement of post-employment benefit plans	39	93.25	(159.33)
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss	33	(23.47)	55.67
(i) Items that will be reclassified to profit or loss			
- Cash flow hedge reserve	41	29.37	362.31
(ii) Income tax relating to items that will be reclassified to statement of profit or loss	33	(0.97)	(121.98)
<b>Total other comprehensive income</b>		<b>98.19</b>	<b>136.67</b>
<b>9. Total comprehensive income for the year (7+8)</b>		<b>6,795.96</b>	<b>1,389.74</b>
<b>Earnings per equity share</b>			
(Face value ₹10 per share)	34		
- Basic (₹)		16.14	3.02
- Diluted (₹)		16.14	3.02
See accompanying notes to the financial statements	1-47		

As per our report of even date attached

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

Sd/-  
**Neeraj Bansal**  
Partner  
Membership No.095960  
**UDIN: 22095960AIUBLA4760**

Place: Noida (U.P.)  
Date: 11<sup>th</sup> May, 2022

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

Sd/-  
**Pawan Kumar Deora**  
Proprietor  
Membership No.083308  
**UDIN: 22083308AITZIB5584**

For and on behalf of the Board of Directors  
**MARAL OVERSEAS LIMITED**

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

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

Sd/-  
**Shantanu Agarwal**  
Joint Managing Director  
**DIN: 02314304**

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

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	9,247.61	2,087.00
<b>Adjustments for:</b>		
Finance costs recognised in P & L	1,970.16	1,500.77
Interest income recognised in P & L	(184.02)	(293.24)
Depreciation and amortisation expense	2,612.50	2,399.38
Loss/(Profit) on sale of property, plant & equipment	(539.87)	(12.67)
Unrealised Exchange (gain)/loss	(1,016.66)	(216.69)
Impairment loss recognised/(reversed) under ECL model	590.48	369.38
Dividend Income	(0.61)	-
Fair value of investment through profit & loss	(19.58)	(25.43)
Dividend on CRPS & Interest on Unsecured Loan	-	55.98
<b>Operating Profit/(Loss) before working capital change</b>	<b>12,660.01</b>	<b>5,864.48</b>
<b>Movements in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(1,745.66)	(2,613.83)
Other financial assets	222.54	493.64
Other assets	(1,754.94)	(1,234.14)
Inventories	(10,146.89)	(138.31)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	6,073.52	518.06
Other current liabilities	436.71	185.08
Other financial liabilities	499.59	1,184.28
Provisions/other items	151.16	(125.48)
Deferred government grant	(200.16)	(223.11)
<b>Cash generated/(Used in) from operations before tax</b>	<b>6,195.88</b>	<b>3,910.67</b>
Income tax paid	(2,790.63)	(101.14)
<b>Net cash generated/(Used in) from operating activities (A)</b>	<b>3,405.25</b>	<b>3,809.53</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on capital assets, including capital advances	(3,038.92)	(380.16)
Increase in fixed deposit under lien	(265.11)	(151.24)
Interest received	200.60	281.40
Dividend received	0.61	-
<b>Net cash generated / (used in) investing activities (B)</b>	<b>(3,102.81)</b>	<b>(250.00)</b>
<b>C. Cash flow from financing activities (refer note 44)</b>		
Repayment of Term loan	(2,186.27)	(2,037.88)
Proceeds from Term Loan	3,853.84	3,387.00
Increase/(Decrease) in working capital loan	351.85	(3,981.54)
Interest paid	(1,990.10)	(1,497.53)
Payment of Lease liability	(428.08)	(284.67)
Interest on lease	165.80	69.54
<b>Net cash generated by/(used in) financing activities (C)</b>	<b>(232.95)</b>	<b>(4,345.08)</b>
<b>Net Increase/decrease in Cash and cash equivalents (A+B+C)</b>	<b>69.49</b>	<b>(785.55)</b>
Cash and cash equivalents at the beginning of the year	33.58	819.13
<b>Closing Balance of Cash and cash equivalents</b>	<b>103.07</b>	<b>33.58</b>
<b>Balances with banks</b>		
In current accounts	94.40	22.46
Cash on hand	8.67	11.12
<b>Total</b>	<b>103.07</b>	<b>33.58</b>

### Note :

- The above cash flows statement has been prepared under the "Indirect Method" as set out in Ind As 7 on cash flow statements.
- Figures in bracket indicate cash outgo/income.
- Refer Note No 30 Financial cost, 42 Reconciliation & 44 Recompense Expenses.

See accompanying notes to the financial statements 1-47

As per our report of even date attached

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

Sd/-  
**Neeraj Bansal**  
Partner  
Membership No.095960  
**UDIN:** 22095960AIUBLA4760

**Place:** Noida (U.P.)  
**Date:** 11<sup>th</sup> May, 2022

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

Sd/-  
**Pawan Kumar Deora**  
Proprietor  
Membership No.083308  
**UDIN:** 22083308AITZIB5584

For and on behalf of the Board of Directors  
**MARAL OVERSEAS LIMITED**

Sd/-  
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Chairman & Managing Director and  
Chief Executive Officer  
**DIN:** 00066113

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

Sd/-  
**Shantanu Agarwal**  
Joint Managing Director  
**DIN:** 02314304

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

## Statement of Changes In Equity for the year ended 31<sup>st</sup> March, 2022

### a. Equity Share Capital

Balance as at 1 <sup>st</sup> April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2021	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March 2022
4,150.80	-	4,150.80	-	4,150.80
Balance as at 1 <sup>st</sup> April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 <sup>st</sup> April 2020	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March 2021
4,150.80	-	4,150.80	-	4,150.80

Refer note -16

### b. Other Equity

Particulars	Reserves and surplus					Other Comprehensive Income		Total
	Capital reserve	Securities premium	Preference share capital redemption reserve	Retained earnings	General reserve	Effective portion of Cash Flow hedges	Remeasurement of post-employment benefit plans	
<b>Balance as at 1<sup>st</sup> April 2021</b>	113.47	2,590.07	4,485.40	(1,944.65)	430.16	42.76	(103.66)	5,613.55
Profit for the year				6,697.77				6,697.77
Other comprehensive Income/(Losses)				-		28.41	69.78	98.19
<b>Total Comprehensive Income for the year</b>	-	-	-	6,697.77	-	28.41	69.78	6,795.96
Transfer to Preference Share Capital redemption reserve			600.00	(180.00)	(420.00)			-
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>113.47</b>	<b>2,590.07</b>	<b>5,085.40</b>	<b>4,573.12</b>	<b>10.16</b>	<b>71.17</b>	<b>(33.88)</b>	<b>12,409.51</b>
<b>Balance as at 1<sup>st</sup> April 2020</b>	113.47	2,590.07	4,485.40	(3,197.72)	430.16	(197.56)		4,223.82
Profit for the year				1,253.07				1,253.07
Other comprehensive Income/(Losses)				-		240.32	(103.66)	136.66
<b>Total Comprehensive Income for the year</b>	-	-	-	1,253.07	-	240.32	(103.66)	1,389.73
Transfer to Preference Share Capital redemption reserve								-
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>113.47</b>	<b>2,590.07</b>	<b>4,485.40</b>	<b>(1,944.65)</b>	<b>430.16</b>	<b>42.76</b>	<b>(103.66)</b>	<b>5,613.55</b>

See accompanying notes to the financial statements 1-47

Refer Note 17 & 44

Notes: Nature and Purpose of Reserves

**Securities Premium**

Amounts received on issue of shares in excess of the par value has been classified as securities premium. 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 reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

As per our report of even date attached

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

Sd/-  
**Neeraj Bansal**  
Partner  
Membership No.095960  
**UDIN:** 22095960AIUBLA4760

**Place:** Noida (U.P.)  
**Date:** 11<sup>th</sup> May, 2022

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

Sd/-  
**Pawan Kumar Deora**  
Proprietor  
Membership No.083308  
**UDIN:** 22083308AITZIB5584

For and on behalf of the Board of Directors  
**MARAL OVERSEAS LIMITED**

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

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

Sd/-  
**Shantanu Agarwal**  
Joint Managing Director  
**DIN:** 02314304

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

**Capital Reserve**

Capital reserve arises from erstwhile amalgamation of Asian Knitwear's 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 & loss or included in the carrying amount of the non-financial asset in accordance with the company's accounting policy.

**Preference Share Capital Redemption Reserve**

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

## 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 the individual financial statement which 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<sup>st</sup> 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,
- 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 (INR 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:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period;
- 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:

- expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- 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 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

## Notes Forming Part of the Financial Statements

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.

The Capital Subsidy under Technology Up-gradation Fund Scheme (TUFS) Government on specified machinery and Duty saved under EPCG 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.

#### 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.

## Notes Forming Part of the Financial Statements

### 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 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 (PPE) 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.

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.

## Notes Forming Part of the Financial Statements

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 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-cancelable 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

## Notes Forming Part of the Financial Statements

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.

The practical expedient in paragraph 46A applies only to rent

concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (b) any reduction in lease payments affects only payments originally due on or before the 30<sup>th</sup> June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30<sup>th</sup> June, 2021 and increased lease payments that extend beyond the 30<sup>th</sup> June, 2021); and (c) there is no substantive change to other terms and conditions of the lease.

### 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

## Notes Forming Part of the Financial Statements

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.

#### 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

## Notes Forming Part of the Financial Statements

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:

- When the entity can no longer withdraw the offer of those benefits; and
- 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.

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 with in 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 company 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

## Notes Forming Part of the Financial Statements

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.

- Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment revenue.
- 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.
- Income which relates to the Company as a whole and not allocable to segments are included under unallocable income.
- Segment result includes margin on inter segment sales which are reduced in arriving at the profit before tax of the Company.
- 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.

### 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.

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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. 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.

## Notes Forming Part of the Financial Statements

### 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 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 derecognises 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 derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or canceled 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.

### 2.21. 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.

## Notes Forming Part of the Financial Statements

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 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)

### 2.22. 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.

#### 2.22.1. 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.).

### 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 Forming Part of the Financial Statements

### Note 3: Property, plant and equipment consist of the following

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Net Carrying Cost of :</b>		
<b>Property, Plant and Equipment</b>		
Land Freehold	42.43	42.43
Buildings	2,859.03	2,998.49
Leasehold Improvement	91.21	18.07
Plant & equipment	10,990.35	11,175.03
Office equipment	97.24	66.73
Furniture and fixtures	196.85	107.69
Vehicles	265.58	223.83
Right of Use Asset	2,712.59	1,159.56
<b>Sub-total (A)</b>	<b>17,255.28</b>	<b>15,791.83</b>
<b>Capital work-in-progress</b>		
Plant & Machinery	321.27	141.89
Buildings	-	28.08
<b>Sub-total (B)</b>	<b>321.27</b>	<b>169.97</b>
<b>Total (A+B)</b>	<b>17,576.55</b>	<b>15,961.79</b>

(₹ in Lakhs)

Particulars	Land Freehold	Buildings	Leasehold Improvement	Plant & equipment	Office equipment	Furniture and fixtures	Right of Use Asset	Vehicles	Total
<b>Cost as at 1<sup>st</sup> April 2021</b>	<b>42.43</b>	<b>3934.63</b>	<b>27.08</b>	<b>19164.80</b>	<b>194.57</b>	<b>191.70</b>	<b>1529.41</b>	<b>412.80</b>	<b>25,497.42</b>
Additions	-	119.98	86.61	1,905.06	53.73	112.88	2,357.50	116.50	4,752.26
Disposals	-	(70.21)	-	(244.46)	(4.16)	(0.05)	(434.87)	(45.84)	(799.59)
<b>Cost as at 31<sup>st</sup> March 2022</b>	<b>42.43</b>	<b>3984.40</b>	<b>113.69</b>	<b>20825.40</b>	<b>244.14</b>	<b>304.53</b>	<b>3452.04</b>	<b>483.46</b>	<b>29,450.09</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2021</b>	<b>-</b>	<b>936.14</b>	<b>9.01</b>	<b>7,989.77</b>	<b>127.84</b>	<b>84.01</b>	<b>369.85</b>	<b>188.97</b>	<b>9,705.59</b>
Depreciation	-	189.61	13.47	2,074.23	22.65	23.71	402.20	56.27	2,782.14
Disposals	-	(0.37)	-	(228.95)	(3.59)	(0.04)	(32.61)	(27.36)	(292.92)
<b>Accumulated depreciation as at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>1,125.38</b>	<b>22.48</b>	<b>9,835.05</b>	<b>146.90</b>	<b>107.68</b>	<b>739.44</b>	<b>217.88</b>	<b>12,194.81</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2022</b>	<b>42.43</b>	<b>2,859.02</b>	<b>91.21</b>	<b>10,990.35</b>	<b>97.24</b>	<b>196.85</b>	<b>2,712.59</b>	<b>265.59</b>	<b>17,255.28</b>
Capital Work-in-progress	-	-	-	-	-	-	-	-	321.27
<b>Total</b>									<b>17,576.55</b>
<b>Cost as at 1<sup>st</sup> April 2020</b>	<b>42.43</b>	<b>3933.97</b>	<b>19.80</b>	<b>19699.26</b>	<b>168.92</b>	<b>185.59</b>	<b>1356.37</b>	<b>440.98</b>	<b>25,847.32</b>
Additions	-	0.66	7.28	137.37	32.01	8.45	318.43	19.60	523.80
Disposals	-	-	-	(671.83)	(6.36)	(2.34)	(145.39)	(47.78)	(873.70)
<b>Cost as at 31<sup>st</sup> March 2021</b>	<b>42.43</b>	<b>3934.63</b>	<b>27.08</b>	<b>19164.80</b>	<b>194.57</b>	<b>191.70</b>	<b>1529.41</b>	<b>412.80</b>	<b>25,497.42</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2020</b>	<b>-</b>	<b>743.50</b>	<b>4.64</b>	<b>6,605.40</b>	<b>114.92</b>	<b>66.97</b>	<b>265.28</b>	<b>164.66</b>	<b>7,965.37</b>
Depreciation	-	192.64	4.37	2,021.90	18.20	18.54	249.96	52.13	2,557.74
Disposals	-	-	-	(637.53)	(5.28)	(1.50)	(145.39)	(27.82)	(817.52)
<b>Accumulated depreciation as at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>936.14</b>	<b>9.01</b>	<b>7,989.77</b>	<b>127.84</b>	<b>84.01</b>	<b>369.85</b>	<b>188.97</b>	<b>9,705.59</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2021</b>	<b>42.43</b>	<b>2,998.49</b>	<b>18.07</b>	<b>11,175.03</b>	<b>66.73</b>	<b>107.69</b>	<b>1,159.56</b>	<b>223.83</b>	<b>15,791.83</b>
Capital Work-in-progress	-	-	-	-	-	-	-	-	169.97
<b>Total</b>									<b>15,961.80</b>

## Notes Forming Part of the Financial Statements

### Notes :

- Assets are mortgaged against secured term loans from banks & financial institutions ( refer note no. 18)
- The Company has opted to continue with carrying value of all of its Property, Plant and Equipment as deemed cost and net carrying value under previous GAAP is recognised as gross carrying amount in Ind AS on transition date i.e. 01<sup>st</sup> April 2016
- 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.
- Refer Note No 38 for the contractual commitment for the acquisitions of PPE.
- Refer Note No 24 for right of use of assets.

### Capital work in progress - 31<sup>st</sup> March 2022 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	321.27	-	-	-	321.27
<b>Total</b>	<b>321.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>321.27</b>

### Capital work in progress - 31<sup>st</sup> March 2021 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	169.97	-	-	-	169.97
<b>Total</b>	<b>169.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169.97</b>

### Note 4: Other Intangible Assets consist of the following (₹ in Lakhs)

Particulars	Software	Total
<b>Cost as at 1<sup>st</sup> April 2021</b>	<b>529.15</b>	<b>529.15</b>
Additions	67.44	67.44
Disposals	-	-
<b>Cost as at 31<sup>st</sup> March 2022</b>	<b>596.59</b>	<b>596.59</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2021</b>	<b>275.90</b>	<b>275.90</b>
Depreciation	85.71	85.71
Disposals	-	-
<b>Accumulated depreciation as at 31<sup>st</sup> March 2022</b>	<b>361.61</b>	<b>361.61</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2022</b>	<b>234.98</b>	<b>234.98</b>
<b>Total</b>	<b>234.98</b>	<b>234.98</b>

### (₹ in Lakhs)

Particulars	Software	Total
<b>Cost as at 1<sup>st</sup> April 2020</b>	<b>518.43</b>	<b>518.43</b>
Additions	10.72	10.72
Disposals	-	-
<b>Cost as at 31<sup>st</sup> March 2021</b>	<b>529.15</b>	<b>529.15</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2020</b>	<b>190.48</b>	<b>190.48</b>
Depreciation	85.42	85.42
Disposals	-	-
<b>Accumulated depreciation as at 31<sup>st</sup> March 2021</b>	<b>275.90</b>	<b>275.90</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2021</b>	<b>253.25</b>	<b>253.25</b>
<b>Total</b>	<b>253.25</b>	<b>253.25</b>

### Notes:

- Assets are mortgage against secured term loans from banks & financial institutions ( refer note no 18)

## Notes Forming Part of the Financial Statements

### Note 5: Biological Assets consist of the following (₹ in Lakhs)

Particulars	Biological Assets	Total
<b>Cost as at 1<sup>st</sup> April 2021</b>	<b>6.18</b>	<b>6.18</b>
Disposals - Livestock losses	(0.95)	(0.95)
<b>Cost as at 31<sup>st</sup> March 2022</b>	<b>5.23</b>	<b>5.23</b>
<b>Total</b>	<b>5.23</b>	<b>5.23</b>

### (₹ in Lakhs)

Particulars	Biological Assets	Total
<b>Cost as at 1<sup>st</sup> April 2020</b>	<b>6.48</b>	<b>6.48</b>
Disposals - Livestock losses	(0.30)	(0.30)
<b>Cost as at 31<sup>st</sup> March 2021</b>	<b>6.18</b>	<b>6.18</b>
<b>Total</b>	<b>6.18</b>	<b>6.18</b>

### Note 6: Deferred Tax Assets /(Liabilities) (₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Deferred tax assets	916.34	1,207.07
Deferred tax liabilities (Net)	(1,385.87)	(2,067.15)
MAT Credit entitlement	-	26.09
<b>Total</b>	<b>(469.53)</b>	<b>(833.99)</b>

### Movement in Deferred tax assets (₹ in Lakhs)

FY 2021-22	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	246.68	13.61	-	260.29
- Income on ITR Revised u/s 153 A for earlier years	526.23	-	-	526.23
- Others	232.10	(102.58)	(0.97)	128.55
- Redeemable cumulative preference share	202.06	(200.79)	-	1.27
<b>Total</b>	<b>1,207.07</b>	<b>(289.76)</b>	<b>(0.97)</b>	<b>916.34</b>

### (₹ in Lakhs)

FY 2020-21	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	30.78	-	246.68
- Income on ITR Revised u/s 153 A for earlier years	-	526.23	-	526.23
- Others	225.91	128.17	(121.98)	232.10
- Deferred tax assets on part of current year loss	178.92	(178.92)	-	(0.00)
- Redeemable cumulative preference share	180.03	22.03	-	202.06
<b>Total</b>	<b>800.76</b>	<b>528.29</b>	<b>(121.98)</b>	<b>1,207.07</b>

## Notes Forming Part of the Financial Statements

### Movement in Deferred tax liabilities

(₹ in Lakhs)

FY 2021-22	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 & Equipment's	1,965.49	(704.75)	-	1,260.74
- Redeemable cumulative preference share capital	9.27	-	-	9.27
- Borrowings at amortised cost	5.88	-	-	5.88
- Provision for employee benefits	67.28	-	23.47	90.75
- Cash flow hedge	19.23	-	-	19.23
<b>Total</b>	<b>2,067.15</b>	<b>(704.75)</b>	<b>23.47</b>	<b>1,385.87</b>

(₹ in Lakhs)

FY 2020-21	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 & Equipment's	1,621.61	343.88	-	1,965.49
- Redeemable cumulative preference share capital	9.27	-	-	9.27
- Borrowings at amortised cost	5.88	-	-	5.88
- Provision for employee benefits	122.95	-	(55.67)	67.28
- Cash flow hedge	19.23	-	-	19.23
<b>Total</b>	<b>1,778.94</b>	<b>343.88</b>	<b>(55.67)</b>	<b>2,067.15</b>

### Movement in MAT credit entitlement

(₹ in Lakhs)

Particulars		
<b>At 1<sup>st</sup> April, 2020</b>		<b>908.81</b>
(Charged)/credited:		
- to profit & loss		(882.72)
For Tax of earlier year V to V ( Ass. Year 2009-10)	300.10	
For Tax of earlier year V to V ( Ass. Year 2013-14)	138.98	
For Provision for Income tax other than MAT	443.64	882.72
- to other Comprehensive Income	-	
<b>At 31<sup>st</sup> March, 2021</b>		<b>26.09</b>
(Charged)/credited:		
- to profit & loss		
-Reversal of MAT Credit*	26.09	26.09
-to other comprehensive income	-	
<b>At 31<sup>st</sup> March, 2022</b>		<b>-</b>

(i) MAT credit balance utilised against income tax payable for Financial year 2020-21 ₹443.64 Lakhs and tax liability of earlier years under V to V (Vivad se Vishwas) Scheme ₹439.08 Lakhs.

(ii) \*Reversal of deferred tax assets (MAT) due to adoption of new Income Tax Regime where MAT credit is not available.

### Note 7: Loans

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Non- Current</b>		
Loans Receivables from Employees considered good - Unsecured	42.59	17.67
	<b>42.59</b>	<b>17.67</b>
<b>Current</b>		
Loans Receivables from Employees considered good - Unsecured	64.25	68.37
<b>Total</b>	<b>64.25</b>	<b>68.37</b>

## Notes Forming Part of the Financial Statements

### Note 8: Other financial assets

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Non- Current</b>		
Other receivables / Capital Subsidy	691.85	761.40
Deposits held under lien with Govt. Departments	0.67	0.67
Deposits held as Margin Money	-	4.22
	<b>692.52</b>	<b>766.29</b>
<b>Current</b>		
Forward Contract* (Refer Note 41.3.1)	116.69	153.59
Other receivables	753.35	873.23
<b>Total</b>	<b>870.04</b>	<b>1,026.82</b>

\* Receivable from forward contract hedging as on 31<sup>st</sup> March 2022 ₹116.69 Lakhs ( ₹153.59 Lakhs as on 31<sup>st</sup> March 2021)

### Note 9: Other assets

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Non- Current</b>		
Security and earnest money deposits	692.41	692.84
Prepaid expenses	9.26	2.73
Income tax refundable (Refer Note (i) Below)	158.42	156.55
<b>Total</b>	<b>860.09</b>	<b>852.12</b>
<b>Current</b>		
<b>Balances with government authorities</b>		
-Excise Duty & Service Tax Recoverable	3.11	3.11
-VAT and Sales Tax Receivable	6.71	6.71
-GST receivable	2,654.30	1,936.14
<b>Advance to vendors</b>		
Capital Advances	1,012.72	61.68
Unsecured, considered good	2,057.09	2,089.16
Less: Provision for doubtful advances	(6.70)	(13.20)
<b>Others</b>		
Interest subsidy receivable (Under TUF's)	119.23	138.25
Interest subsidy receivable (Under State Subsidy)	235.79	330.31
Export Incentives Recoverable	472.09	294.20
Prepaid expenses	189.69	168.28
Advances-Employees	11.29	4.62
Reversal of Gratuity Provision (Refer Note 39)	75.97	65.06
<b>Total</b>	<b>6,831.29</b>	<b>5,084.32</b>

#### Notes:

(i) Direct taxes refundable represent amounts recoverable from the Income Tax Department for various assessment year 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 Forming Part of the Financial Statements

### Note 10: Inventories

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Inventories- valued at lower of cost and net realisable value</b>		
Raw Materials	6,894.63	2,599.54
Stores & Spares	246.99	90.57
Work - in - progress	3,226.21	2,045.17
Finished goods	9,555.69	4,971.65
Waste	39.40	204.02
Fuel and Others	141.35	46.43
<b>Total</b>	<b>20,104.27</b>	<b>9,957.38</b>

### Note 11: Investments

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Current</b>		
<b>Investments in fully paid equity instruments at FVTPL</b>		
<b>Quoted Equity shares</b>		
State Bank of India	74.87	55.30
15,180 Nos 31 <sup>st</sup> March 2022 (15,180 Nos 31 <sup>st</sup> March, 2021)		
<b>Unquoted Equity shares</b>		
BPL Engineering Limited	0.01	0.01
7,700 Nos 31 <sup>st</sup> March, 2022 (7700 Nos 31 <sup>st</sup> March, 2021)		
<b>Total</b>	<b>74.88</b>	<b>55.31</b>
<b>Aggregate amount of Quoted investments</b>	<b>74.87</b>	<b>55.30</b>
<b>Aggregate market value of Quoted investments</b>	<b>74.87</b>	<b>55.30</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 12: Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Current</b>		
Unsecured		
Trade Receivables considered good	10,928.60	9,773.43
Trade Receivables considered doubtful	997.64	416.63
<b>Total</b>	<b>11,926.25</b>	<b>10,190.06</b>
Less- Allowances for credit losses	(997.64)	(416.63)
<b>Total</b>	<b>10,928.61</b>	<b>9,773.43</b>

## Notes Forming Part of the Financial Statements

### Note 12 (i): Trade Receivables ageing schedule as at 31<sup>st</sup> March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Undisputed Trade receivables – considered good	7,433.67	3,130.25	3.66	-	-	-	10,567.57
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	67.17	43.59	6.03	0.01	0.41	117.21
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	16.73	462.10	712.17	49.67	0.80	1,241.47
<b>Total</b>	<b>7,433.67</b>	<b>3,214.14</b>	<b>509.35</b>	<b>718.20</b>	<b>49.68</b>	<b>1.21</b>	<b>11,926.25</b>
Less:- Allowance for Doubtful trade receivables							997.64
<b>Trade Receivables</b>							<b>10,928.61</b>

### Note 12 (i): Trade Receivables ageing schedule as at 31<sup>st</sup> March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Undisputed Trade receivables – considered good	7,141.94	1,901.79	9.02	22.38	2.45	-	9,077.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	323.92	28.22	8.48	3.76	-	364.37
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	159.41	486.58	93.10	9.01	-	748.11
<b>Total</b>	<b>7,141.94</b>	<b>2,385.11</b>	<b>523.82</b>	<b>123.96</b>	<b>15.22</b>	<b>-</b>	<b>10,190.06</b>
Less:- Allowance for Doubtful trade receivables							416.63
<b>Trade Receivables</b>							<b>9,773.43</b>

### Note 13: Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Balances with banks</b>		
- in current accounts	94.40	22.46
Cash on hand ( Refer note (i) below)	8.67	11.12
<b>Total</b>	<b>103.07</b>	<b>33.58</b>

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

## Notes Forming Part of the Financial Statements

### Note 14: Bank balances

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Current</b>		
Deposit held as Margin Money	414.17	244.38
Deposits held under lien with Govt. Departments	151.75	56.43
<b>Total</b>	<b>565.92</b>	<b>300.81</b>

### Note 15: Current Tax Assets and liabilities

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Current tax liabilities</b>		
Provision for tax	2,713.90	133.27
Less: Advance Tax	(2,531.34)	(98.81)
<b>Total</b>	<b>182.56</b>	<b>34.46</b>

### Note 16: Share Capital

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<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 <sup>st</sup> March 2022)	4,150.80	4,150.80
For Issue, subscribed and fully paid-up preference shares (Refer Note No. 19)		
<b>Total</b>	<b>4,150.80</b>	<b>4,150.80</b>

### (i) Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	Amount	Number of shares	Amount
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 shareholder.

## Notes Forming Part of the Financial Statements

### (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 19.

### (iv) Details of shares held by shareholders holding more than 5% of shares:

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	% of holding	Number of shares	% of 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>Total</b>	<b>2,71,56,056</b>	<b>65.43%</b>	<b>2,71,56,056</b>	<b>65.43%</b>

### (v) Shares held by promoters at the end of year:

Particulars	As at 31 <sup>st</sup> March 2022		% Change during the year	As at 31 <sup>st</sup> March 2021		% Change during the year
	No. of Shares	% of total shares		No. of Shares	% of total shares	
Shri Shekhar Agarwal	7,55,573	1.82%	No Change during the year	7,55,573	1.82%	No Change during the year
Smt. Shashi Agarwal	10,37,600	2.50%		10,37,600	2.50%	
Shri Shantanu Agarwal	5,54,500	1.34%		5,54,500	1.34%	
Smt. Shuchi Poddar	56,100	0.14%		56,100	0.14%	
Shekhar Agarwal Huf	4,03,800	0.97%		4,03,800	0.97%	
Shekhar Agarwal-Trust	2,750	0.01%		2,750	0.01%	
Shantanu Agarwal Huf	2,750	0.01%		2,750	0.01%	
Smt. Alka Agarwal	4,200	0.01%		4,200	0.01%	
Agarwal Trademart Private Limited	1,97,60,000	47.61%		1,97,60,000	47.61%	
Diplomat Leasing and Finance Private Limited	11,35,500	2.74%		11,35,500	2.74%	
Agarwal Finestate Private Limited	73,96,056	17.82%	73,96,056	17.82%		
<b>Total</b>	<b>3,11,08,829</b>	<b>74.95%</b>	<b>3,11,08,829</b>	<b>74.95%</b>		

(vi) 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. 26<sup>th</sup> March, 2009 into equity shares, as per SEBI guidelines / loan covenants, whichever is applicable.

### Note 17: Other equity

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Retained Earnings	4,539.24	(2,048.31)
General Reserve	10.16	430.16
Securities Premium Reserve	2,590.07	2,590.07
Preference Share Capital Redemption Reserve	5,085.40	4,485.40
Capital Reserve	113.47	113.47
Cash Flow Hedging Reserve	71.17	42.76
<b>Total</b>	<b>12,409.51</b>	<b>5,613.55</b>

## Notes Forming Part of the Financial Statements

### Note 17.1 Retained earnings

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of year	(2,048.31)	(3,197.72)
Profit for the year	6,697.77	1,253.07
Transfer to Preference shares capital redemption reserve (Refer Note 17.4)	(180.00)	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	69.78	(103.66)
<b>Balance at the end of the year</b>	<b>4,539.24</b>	<b>(2,048.31)</b>

### Note 17.2 General reserve

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of year	430.16	430.16
Transfer to Preference shares capital redemption reserve (Refer Note 17.4)	(420.00)	-
<b>Balance at the end of year</b>	<b>10.16</b>	<b>430.16</b>

### Note 17.3 Securities premium reserve

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of year	2,590.07	2,590.07
<b>Balance at the end of year</b>	<b>2,590.07</b>	<b>2,590.07</b>

### Note 17.4 Preference share capital redemption reserve

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of year	4,485.40	4,485.40
Transfer From General Reserve & Profit for the year (Refer Note 17.1 & 17.2)	600.00	-
<b>Balance at the end of year</b>	<b>5,085.40</b>	<b>4,485.40</b>

### Note 17.5 Capital reserve

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of year	113.47	113.47
<b>Balance at the end of year</b>	<b>113.47</b>	<b>113.47</b>

### Note 17.6 Cash flow hedging reserve

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of year	42.76	(197.56)
- Change in fair value (net off tax) Other comprehensive income	28.41	240.32
<b>Balance at the end of year</b>	<b>71.17</b>	<b>42.76</b>

## Notes Forming Part of the Financial Statements

### Note 17.7 Nature and Purpose of Reserves

#### Securities Premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. 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 reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

#### 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.

#### Preference Share Capital Redemption Reserve

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

### Note 18: Borrowings

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
Term loans from banks { Refer Note: 18 (i) and 18(ii) }	5,625.51	4,045.27
Term loans from financial institutions { Refer Note: 18 (i) and 18(ii) }	3,020.67	2,933.33
Interest accrued but not due shown separately ( Refer Note no 19)	29.88	49.82
<b>Amortised Cost</b>	<b>8,676.05</b>	<b>7,028.42</b>
Less: Interest accrued but not due shown separately ( Refer Note no 19)	(29.88)	(49.82)
	<b>8,646.18</b>	<b>6,978.60</b>
Less: Current maturities of Long term debt	1,957.79	2,187.78
	<b>6,688.39</b>	<b>4,790.82</b>
<b>Current</b>		
<b>Secured</b>		
Working capital loan from banks repayable on demand { Refer Note: 18 (viii) }		
Cash Credit from banks	3,638.61	4,489.68
Export credit facilities from Bank ( in Indian Rupees )	8,975.22	7,576.86
Current maturities of long term debts	1,957.79	2,187.78
FBP Bill Discounting	445.66	641.11
	<b>15,017.28</b>	<b>14,895.43</b>

#### Summary of borrowing arrangements

- 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-pasu charge on current assets of the company. During the previous year pursuant to the notification DOR.No.BPBC.47/21.04.048/2019-20 dated March 27, 2020 company has availed the extension of repayment of term loan installment including Interest.
- 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-pasu basis.

## Notes Forming Part of the Financial Statements

(iii) Maturity Profiles & Interest rate of secured loans & unsecured loans

(₹ in Lakhs)

Lending institution	Maturity	Interest	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Term loans from banks				
Project term loans (2)	2022-2023	MCLR/ LTMLR+.80% to 1.50%	1,293.92	839.95
Term loans from financial institutions				
Project term loans (1)	2025-2026	8.65% to 9.40%	3,020.67	2,933.33
Covid Loan from banks under ECLGS 1, 2 & 2 (extension)	2025-2026	6.95% to 9.25%	4,331.59	3,205.32

(iv) All secured loans are repayable in quarterly installments except ECLGS 1, 2 and 2 (extension) which are repayable on monthly installments basis.

(v) 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.

(vi) 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.

(vii) Loans repayable on demand, comprise of working capital facilities from banks and are secured by way of hypothecation first charge, ranking pari-pasu, 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-pasu charge on the entire movable and immovable assets of the Company (fixed assets), both present and future.

(viii) Due to Covid-19 pandemic, Govt. notified the scheme of ECLGS 1, 2 & 2 (extension) to mitigate the working capital crisis and as per scheme company have been sanctioned and received a Loan of ₹2577.99 Lakhs. ( In previous year ₹3387.00 Lakhs )

### Note 19 (i): Financial liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
Lease Liabilities (refer note 24)	2,228.20	438.69
	<b>2,228.20</b>	<b>438.69</b>
<b>Current</b>		
Lease Liabilities (refer note 24)	414.52	258.50
<b>Total</b>	<b>414.52</b>	<b>258.50</b>

## Notes Forming Part of the Financial Statements

Note 19 (ii): Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
Security deposits from employees	18.11	48.43
	<b>18.11</b>	<b>48.43</b>
<b>Current</b>		
Preference Liability ( refer note (i) below)	-	1,191.45
Interest accrued but not due on borrowings	29.88	49.82
Other Liabilities for Expenses	781.66	621.47
Employee Related Liability	1,349.96	861.45
Security deposits-Employees	78.75	65.27
Security deposits-Others	110.08	758.62
Retention Money from Vendors/Suppliers	48.81	53.89
Payable on purchase of capital assets	96.48	67.22
Rebates & claims	270.21	178.17
Other payables	15.10	2.16
<b>Total</b>	<b>2,780.93</b>	<b>3,849.52</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, were redeemed in four equal annual instalments from 2016 to 2019.

Second series of preference shares carrying a dividend coupon rate of 3%, allotted to promoters, against infusion of funds by them, pursuant to the Corporate Debt Restructuring ('CDR') Package 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 08<sup>th</sup> August 2019 and shareholders in the annual general meeting held on 19<sup>th</sup> September 2019 and this be due on March 2021. The maturity period of redemption of second installment of aforesaid CRPS was further extended for a period of one year i.e. 31<sup>st</sup> March 2022 by the board of directors in their meeting held on 07<sup>th</sup> of August of 2020 and approval of shareholders in the annual general meeting was obtained on dated 29<sup>th</sup> September 2020. In the current financial year, the second installment of ₹600.00 Lakh paid during the year.

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.

The Board of Directors of the Company during the year under review in their Board meeting held on 28<sup>th</sup> October, 2021, had approved the accumulated preference dividend on Cumulative Redeemable Preference Shares amounting to ₹377.08 Lacs and ₹185.21 Lacs aggregating to ₹562.29 Lacs to the bankers and promoters & their associates respectively after setting off the accumulated losses of the previous year. The payment of the aforesaid preference dividend had been made to the respective preference shareholders within the stipulated time.

## Notes Forming Part of the Financial Statements

### Note 20: Provisions

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Non-current</b>		
Provision for employee benefits		
- Compensated absences	363.58	315.47
<b>Total</b>	<b>363.58</b>	<b>315.47</b>
<b>Current</b>		
Provision for employee benefits		
- Compensated absences	65.41	63.15
- Superannuation	67.36	59.82
<b>Total</b>	<b>132.77</b>	<b>122.97</b>

### Note 21: Other liabilities

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
<b>Current</b>		
Statutory dues (contribution to PF, ESIC, Withholding tax, GST etc.)	265.80	181.60
Contested demands	461.65	448.70
Advances received from customers	916.79	577.23
<b>Total</b>	<b>1,644.24</b>	<b>1,207.53</b>

### Note 22: Deferred Government grant

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
TUF Capital investment subsidy - Opening	1,539.75	1,762.86
Add: Addition during the year**	52.90	24.23
Less: Apportioned to revenue*	(240.82)	(240.82)
Less: Apportioned to revenue	(12.24)	(6.52)
<b>Total</b>	<b>1,339.59</b>	<b>1,539.75</b>

\* Deferred govt grant liability has been recognised against the capital subsidy received from M.P. State Govt & to be adjusted over the life of assets.

\*\* Deferred govt grant liability has been recognised against the M.P. State Govt. capital subsidy for ETP & ZLD received ₹25.00 Lakh from M.P. State Govt. and Duty Exemption ₹27.90 Lakh on import of Capital Goods to be adjusted over the life of assets.

### Note 23: Trade payables

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Total outstanding dues of micro enterprises and small enterprises( Refer Note. No. 23.1)	2,372.51	1,057.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,741.77	4,999.99
<b>Total</b>	<b>11,114.28</b>	<b>6,057.42</b>

## Notes Forming Part of the Financial Statements

### Note 23.1:

Disclosure Under the Micro, Small and Medium enterprise Development Act, 2006 are provided as under for the year 2021-22, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(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, small and medium enterprise.	2,372.51	1,052.07
(ii) interest due on above	-	5.36
(b) Amount of payments made to suppliers beyond the appointed day during the year		
(i) Principal amount paid to micro, small and medium enterprise.	74.03	5.42
(ii) interest actually paid under section 16 of MSMED Act.	0.15	0.05
(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.	-	-

Due 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 auditor.

### Trade Payables ageing schedule 31<sup>st</sup> March 2022

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME*	2,278.84	93.68	(0.01)	-	-	2,372.51
(ii) Others	3,335.71	5,077.04	137.31	116.19	23.67	8,689.92
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	51.85	51.85
<b>Total</b>	<b>5,614.55</b>	<b>5,170.72</b>	<b>137.30</b>	<b>116.19</b>	<b>75.52</b>	<b>11,114.28</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act 2006

### Trade Payables ageing schedule 31<sup>st</sup> March 2021

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME*	1,057.43	-	-	-	-	1,057.43
(ii) Others	3,549.42	1,015.44	172.65	186.42	24.21	4,948.14
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	51.85	51.85
<b>Total</b>	<b>4,606.85</b>	<b>1,015.44</b>	<b>172.65</b>	<b>186.42</b>	<b>76.06</b>	<b>6,057.42</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act 2006

## Notes Forming Part of the Financial Statements

### Note 24: Right of Use Assets

Following are the changes in the carrying value of right of use assets:

Particulars	Category ROU Assets			Total
	Tangible assets	Land	Buildings	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	-	<b>648.52</b>	<b>442.57</b>	<b>1,091.09</b>
Reclassified on account of adoption of Ind AS 116 (refer to note 3)				
Additions	-	-	318.43	318.43
Depreciation	-	7.41	242.55	249.96
<b>Balance as at 1<sup>st</sup> April, 2021</b>	-	<b>641.11</b>	<b>518.45</b>	<b>1,159.56</b>
Additions	201.99	-	2,155.51	2,357.50
Deletion	-	434.87	-	434.87
Depreciation	0.99	5.13	363.48	369.60
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>201.00</b>	<b>201.12</b>	<b>2,310.48</b>	<b>2,712.59</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<sup>st</sup> March 2022

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Current lease liabilities	414.52	258.50
Non-current lease liabilities	2,228.20	438.69
<b>Total</b>	<b>2,642.72</b>	<b>697.19</b>

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March 2022:

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Balance at the beginning</b>	<b>697.19</b>	<b>593.89</b>
Additions	2,357.50	318.43
Finance cost accrued during the period	165.80	69.54
Deletions	88.52	-
Payment of lease liabilities	489.25	284.67
<b>Balance at the end</b>	<b>2,642.72</b>	<b>697.19</b>

The table below provides details regarding the contractual maturities of lease liabilities as at 31<sup>st</sup> March 2022 on an undiscounted basis:

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Less than one year	44.06	44.06
One to five years	965.86	601.52
More than five years	3,094.80	2,061.05
<b>Total</b>	<b>4,104.72</b>	<b>2,706.63</b>

#### Note:

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 ₹ Nil as on 31<sup>st</sup> March 2022 (₹ Nil as on 31<sup>st</sup> March 2021) for a lease term ranging less than one year.

## Notes Forming Part of the Financial Statements

### Note 25: Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A. Sale of Goods</b>		
-Manufactured goods		
Yarn	46,779.16	27,653.41
Fabric	32,818.01	19,521.13
Garments/Made-ups	19,525.31	10,859.39
Cotton/Other waste	5,637.86	3,699.33
-Traded Goods		
Yarn	88.05	75.38
<b>(A)</b>	<b>1,04,848.39</b>	<b>61,808.64</b>
<b>B. Sale of Services</b>		
Job charges	951.17	377.59
<b>(B)</b>	<b>951.17</b>	<b>377.59</b>
<b>C. Other operating revenue</b>		
Sale of scrap	201.26	94.29
Export incentives	2,243.19	921.58
<b>(C)</b>	<b>2,444.45</b>	<b>1,015.87</b>
<b>Total (A)+(B)+(C)</b>	<b>1,08,244.01</b>	<b>63,202.10</b>

Note 25.1: Revenue from contracts with customers disaggregated based on geography

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
India	56,756.76	36,259.21
Outside India	51,487.25	26,942.89
<b>Total</b>	<b>1,08,244.01</b>	<b>63,202.10</b>

Note 25.2: The following is analysis on the Company's revenue disaggregates on the basis of timing of revenue recognition

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
At the point in time	1,08,244.01	63,202.10
Over the period	-	-
<b>Total</b>	<b>1,08,244.01</b>	<b>63,202.10</b>

Note 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.

Note 25.4: Reconciliation of Revenue from Contracts with Customers

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Revenue from contracts with Customers as per Contract price	1,08,296.21	63,224.84
Less: Incentives, Discounts and Claims	52.20	22.74
<b>Revenue from Contracts with Customers as per Statement of Profit &amp; Loss</b>	<b>1,08,244.01</b>	<b>63,202.10</b>

The amount receivable from customers become due after expiry of credit period. There is no significant financing component in any transaction with the customer.

## Notes Forming Part of the Financial Statements

### Note 26: Other income

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Interest income	184.02	293.23
Net gain or loss on foreign currency transaction & translation (Other than considered as finance cost)	1,016.66	216.68
Dividend on current investments	0.61	-
Net gain on sale of capital assets	542.16	25.92
Provision/Liability no longer required written back	204.84	105.69
State interest subsidy	10.24	-
Miscellaneous income	252.22	114.57
Fair value gain on Re-measurement of investment at FVTPL	19.58	25.43
<b>Total</b>	<b>2,230.33</b>	<b>781.52</b>

### Note 27(i): Cost of material consumed

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A. Raw materials consumed</b>		
Cotton	42,615.23	23,594.27
Other fibers	1,813.30	1,638.68
Dyes & Chemicals	4,134.46	2,609.88
Embellishments	1,772.62	1,020.50
<b>Total (A)</b>	<b>50,335.61</b>	<b>28,863.33</b>
<b>B. Purchases for consumption</b>		
Yarn	12,792.37	6,832.59
Fabric	6,583.25	2,020.33
<b>Total (B)</b>	<b>19,375.62</b>	<b>8,852.92</b>
<b>C. Other materials consumed</b>		
Packing materials	1,350.48	844.88
<b>Total (C)</b>	<b>1,350.48</b>	<b>844.88</b>
<b>Total (A)+(B)+(C)</b>	<b>71,061.71</b>	<b>38,561.13</b>

### Note 27(ii): Purchases of stock-in-trade

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Purchases</b>		
Yarn	58.45	48.34
<b>Total</b>	<b>58.45</b>	<b>48.34</b>

## Notes Forming Part of the Financial Statements

### Note 28: Change in inventories of finished goods and work-in-progress

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Inventories ( At close)</b>		
Finished Goods	9,547.19	4,971.65
Work-in-progress	3,226.21	2,045.17
Waste	39.41	204.02
<b>Total</b>	<b>12,812.81</b>	<b>7,220.84</b>
<b>Inventories ( At opening)</b>		
Finished Goods	4,971.65	4,477.56
Work-in-progress	2,045.17	1,510.34
Waste	204.02	176.32
<b>Total</b>	<b>7,220.84</b>	<b>6,164.22</b>
<b>Total</b>	<b>(5,591.97)</b>	<b>(1,056.62)</b>

### Note 29: Employee Benefits Expense

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Salaries & wages and bonus	11,720.51	7,787.70
Contribution to provident and other funds	1,165.30	530.10
Workman and staff welfare	144.18	103.48
<b>Total</b>	<b>13,029.99</b>	<b>8,421.28</b>

### Note 30: Finance Costs

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Interest expense including corporate restructuring exp ( refer note (i & ii) below)	1,970.16	1,500.77
Interest on Unsecured Loan measured at amortised cost	-	10.20
Bank Charges	132.42	98.59
Dividend on redeemable preference shares (Refer note (iii) below)	-	45.78
<b>Total</b>	<b>2,102.58</b>	<b>1,655.34</b>

#### Notes:

- Interest expenses are net off - from current year interest subsidy under the Technology Upgradation Fund Scheme (TUFS) ₹ NIL & under State subsidy ₹116.06 Lacs for 31<sup>st</sup> March 2022 ( previous year under the Technology Upgradation Fund Scheme (TUFS) ₹10.65 Lakhs & under State subsidy ₹197.52 Lacs).
- Recompense Expenses - Refer note number - 44
- During the financial year 2020-21, dividend distribution tax provisions on dividend has been amended and adjusted accordingly.

## Notes Forming Part of the Financial Statements

### Note 31: Depreciation and amortisation expense

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Depreciation of property, plant and equipment	2,779.86	2,561.31
Amortisation of Intangible assets	85.71	85.41
Less: Amortisation of deferred Govt. grant ( M.P. Govt Subsidy )	(240.82)	(240.82)
Less: Amortisation of deferred Govt grant (TUF Subsidy)	(12.25)	(6.52)
<b>Total</b>	<b>2,612.50</b>	<b>2,399.38</b>

### Note 32: Other expenses

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Consumption of stores & spare parts	1,872.84	1,232.70
Job work costs	2,923.41	1,831.70
Power & fuel	6,052.02	4,717.92
Repairs & maintenance		
-Plant & Machinery	194.43	125.45
-Buildings	12.56	10.23
-Others	240.76	126.78
Insurance	197.80	161.38
Rent	6.55	4.96
Rates & Taxes	42.99	24.27
Freight & Forwarding	2,354.14	1,179.12
Commission to selling agents	605.08	349.60
Selling expenses	972.12	610.29
Provision for doubtful advances	590.48	369.38
Loss on sale of Capital assets	2.29	13.25
CSR expenditure ( refer note (i) below)	18.87	8.83
Payment to statutory auditors ( refer note (iv) below)	24.47	23.67
Internet Expenses	25.65	21.62
Subscription & Membership	18.42	14.04
Other expenses	1,064.93	609.44
Printing & Stationery	25.13	21.47
Postage & Telegraph	85.28	47.62
Security Expenses	79.34	42.88
Exchange Forex Loss (Net)	70.13	-
Consultancy	211.92	106.12
Legal & Professional Charges	143.45	96.17
Vehicle Running & Maintenance	118.41	118.92
<b>Total</b>	<b>17,953.47</b>	<b>11,867.79</b>

#### Notes:

- (i) The Company has contributed and expensed ₹18.87 Lakhs ( 31<sup>st</sup> March,2021 : ₹8.83 Lakhs) against the total contributable amount of ₹18.35 Lakhs for the year ended 31<sup>st</sup> March, 2022 (31<sup>st</sup> March, 2021 : ₹2.50 Lakhs) in accordance with section 135 of Companies Act, 2013 to various trusts and social organisation. The contributions have been made towards Educational and Healthcare activities.

## Notes Forming Part of the Financial Statements

### ii) Amount spent during the year

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Corporate social responsibility</b>		
-In cash/Cheque	18.87	8.83
<b>Total</b>	<b>18.87</b>	<b>8.83</b>

### ii) Corporate Social Responsibility

S. No.	Particulars	(₹ in Lakhs)	
		Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1	Amount required to be spent by the company during the year	18.35	2.50
2	Amount of expenditure incurred on:		
	(i) For Neo-Natal Ventilator to Bansal Hospital New Friends Colony, Delhi, for Covid-19 treatment	9.12	-
	(ii) For installation of Oxygen plant to Rogi Kalyan Samiti, Kasrawad, Dist. Khargone, M.P.,for Covid-19 treatment.	2.50	-
	(iii)To Vivekanand Vidya Vihar School (Through Implementing Agency (Swami Vivekanand Educational Sports Cultural & Welfare Society)	7.25	-
	(iv)Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.		8.83
3	Shortfall at the end of the year	-	-
4	Total of previous years shortfall	-	-
5	Reason for shortfall	NA	NA
6	Nature of CSR activities	As per S.No. 2 of above	As per S.No. 2 of above

### iv) Payment to statutory auditors

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
(i) Statutory audit Fee	21.00	21.00
(ii) Limited review	1.50	1.50
(iii) Out of pocket expenses	1.97	1.17
<b>Total</b>	<b>24.47</b>	<b>23.67</b>

## Notes 33: Income Taxes

### 33.1 Income taxes recognised in profit and loss

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Current tax</b>		
In respect of the current year	2,713.90	576.90
	<b>2,713.90</b>	<b>576.90</b>
<b>In respect of the previous years</b>		
In respect of the prior years	(36.57)	(84.81)
	<b>(36.57)</b>	<b>(84.81)</b>

## Notes Forming Part of the Financial Statements

(₹ in Lakhs)

<b>Deferred tax</b>		
In respect of the current year	(127.50)	341.82
	<b>(127.50)</b>	<b>341.82</b>
<b>Total income tax expense recognised in the current year</b>		
	<b>2,549.83</b>	<b>833.91</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Profit before tax</b>	<b>9,247.61</b>	<b>2,086.98</b>
Statutory Income tax rate	25.168%	34.944%
Tax at Indian statutory income tax rate	2,327.00	729.00
Transfer to retained earnings	259.40	189.72
Adjustment recognised in the current year in relation to the current tax of prior years *	(36.57)	(84.81)
<b>Income tax expense recognised in profit or loss</b>	<b>2,549.83</b>	<b>833.91</b>

\* In the current year, the Company has opted for new Income Tax regime with effect from 1<sup>st</sup> April 2020 at the time of filing of Income Tax return for AY 2021-22. This was a change from the earlier estimate of tax liability which was given effect to the financial statement of the previous year amounting to ₹36.57 Lakhs.

### 33.2 Income tax recognised for earlier years

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Provision of tax payable under Vivad se vishwas Scheme from MAT Credit Balance, Tax Payable	-	439.09
Income tax liability for the assessment year 2021-22 under new tax regime	358.09	-
Add:-Tax deposited for Assessment year 2019-20	-	2.33
Less:- Provision of tax refundable for ITR Revised and Deferred tax assets created, Revised ITR filled for Ass. Year 2011-12, 2012-13 & 2013-14 Under section 153 (A)	-	526.23
Less:- Provision for Income tax for the assessment year 2021-22 under old regime	394.66	-
<b>Total</b>	<b>(36.57)</b>	<b>(84.81)</b>

\*DTVSV Scheme was announced in Budget 2020 as "No Dispute but Trust Scheme-Vivad se Vishwas Scheme" to settle pending disputes. The Company opted the scheme for the assessment year 2009-10 & 2013-14 for settlement of pending appeals and accordingly tax liability has been recognised.

### 33.3 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Current tax</b>		
<b>Deferred Tax</b>		
Remeasurements of defined benefit obligation	(23.47)	55.67
Effective portion of cash flow hedge reserve	(0.97)	(121.98)
<b>Total income tax recognised in other comprehensive income</b>	<b>(24.44)</b>	<b>(66.31)</b>

## Notes Forming Part of the Financial Statements

(₹ in Lakhs)

### 33.4 Deferred Tax Assets, Liabilities & MAT details

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Opening Balance as on 1<sup>st</sup> April 2020</b>		<b>69.37</b>
Amount Charged to P & L A/c		
For provision for Income tax for current year other than MAT(576.90-133.27)	443.63	
Def. Tax Assets created on provision for employees benefit, CRPS, Doubtful Debts & Loss of previous year	(2.06)	
Deferred Tax liability created on PPE	343.89	
Def. Tax Assets created on income of revised ITR filled for Ass. Year 2011-12 to 2013-14	(526.23)	
Utilisation of MAT Credit Balance for Ass Year 2009-10 & 2013-14 ( Refer Note 33.3)	439.08	
<b>Total Amount charged to P &amp; L A/c</b>	<b>698.31</b>	<b>698.31</b>
		<b>767.68</b>
Amount charged to OCI A/c		
Def. Tax Assets set off for cash flow hedge reserve	121.98	
Def Tax Liability set off for employees benefit	(55.67)	
<b>Total Amount charged to OCI A/c</b>	<b>66.31</b>	<b>66.31</b>
<b>Opening Balance as on 1<sup>st</sup> April 2021</b>		<b>833.99</b>
Amount charged to P & L A/c		
Reversal of deferred tax assets (MAT) due to adoption of new Income Tax Regime	26.09	
Def. Tax Liability on provision for employees benefit, Doubtful Debts & Loss of previous year	88.97	
Def Tax Assets created on PPE	(704.75)	
Def. Tax Liability on CRPS	200.79	
<b>Total Amount charged to P &amp; L A/c</b>	<b>(388.90)</b>	<b>(388.90)</b>
Def. Tax Assets set off for cash flow hedge reserve	0.97	
Def Tax Liability set off for employees benefit	23.47	
<b>Total Amount charged to OCI A/c</b>	<b>24.44</b>	<b>24.44</b>
<b>Closing Balance as on 31st March 2022</b>		<b>469.53</b>

### 33.5 Reconciliation of tax expenses

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Total Amount Charged to P & L A/c as above Note no. 33.4	(388.90)	698.31
Add:- Amount of diff of MAT & Tax Provision of Previous year	224.83	2.33
Add:- For Provision for Income tax	2,713.90	133.27
<b>Tax Expenses as per P &amp; L A/c</b>	<b>2,549.83</b>	<b>833.91</b>

## Notes Forming Part of the Financial Statements

### Note 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	Year ended	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Profit after tax as per statement of Profit & Loss A/c	6,697.78	1,253.07
<b>Net earning for computing basic earnings per share</b>	<b>6,697.78</b>	<b>1,253.07</b>
Add: Interest (net of tax)	-	-
<b>Total</b>	<b>6,697.78</b>	<b>1,253.07</b>
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 basic earnings per share	4,15,08,000	4,15,08,000
Basic earnings per share of ₹10 each	16.14	3.02
Diluted earnings per share of ₹10 each	16.14	3.02
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.

### Note 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.

## Notes Forming Part of the Financial Statements

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022				Total
	Yarn	Fabric	Garment	Inter Segment and Unallocated Items	
<b>Segment Revenue</b>					
External customers	54,329.48	32,839.17	21,075.36	-	1,08,244.01
Inter-segment	18,976.65	4,585.25	-	(23,561.90)	-
<b>Total Revenue</b>	<b>73,306.13</b>	<b>37,424.42</b>	<b>21,075.36</b>	<b>(23,561.90)</b>	<b>1,08,244.01</b>
Segment Expenses	64,065.06	35,506.11	21,024.28	-	1,20,595.45
<b>Segment Results</b>	<b>9,241.07</b>	<b>1,918.31</b>	<b>51.08</b>	<b>11,210.46</b>	<b>11,210.46</b>
Un-allocable Expenses					(403.00)
Other Income					542.73
Finance costs					(2,102.58)
<b>Profit before Tax</b>					<b>9,247.61</b>
Tax Expenses					(2,549.83)
<b>Profit After Tax</b>					<b>6,697.78</b>
<b>Other Information:</b>					
<b>Depreciation, Amortization and Impairment</b>					
Allocable	1,379.89	654.95	577.66	-	2,612.50
Un-allocable					
<b>Total</b>	<b>1,379.89</b>	<b>654.95</b>	<b>577.66</b>	<b>-</b>	<b>2,612.50</b>
<b>Capital Expenditures</b>					
Allocable	16.20	227.53	3,530.06	-	3,773.79
Un-allocable					
<b>Total</b>	<b>16.20</b>	<b>227.53</b>	<b>3,530.06</b>	<b>-</b>	<b>3,773.79</b>
Impairment loss					
<b>Segment Assets</b>					
Allocable	27,062.71	15,614.50	15,967.81	-	58,645.02
Un-allocable	-	-	-	309.27	309.27
<b>Total Assets</b>	<b>27,062.71</b>	<b>15,614.50</b>	<b>15,967.81</b>	<b>309.27</b>	<b>58,954.29</b>
<b>Segment Liabilities</b>					
Allocable	22,488.55	12,148.61	7,028.76	-	41,665.92
Un-allocable	-	-	-	728.06	728.06
<b>Total liabilities</b>	<b>22,488.55</b>	<b>12,148.61</b>	<b>7,028.76</b>	<b>728.06</b>	<b>42,393.98</b>

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021				Total
	Yarn	Fabric	Garment	Inter Segment and Unallocated Items	
<b>Segment Revenue</b>					
External customers	32,031.44	19,794.11	11,376.49	-	63,202.04
Inter-segment	14,334.20	4,032.47	-	(18,366.67)	-
<b>Total Revenue</b>	<b>46,365.64</b>	<b>23,826.58</b>	<b>11,376.49</b>	<b>(18,366.67)</b>	<b>63,202.04</b>
Segment Expenses	43,400.18	23,149.73	11,065.73	-	77,615.64

## Notes Forming Part of the Financial Statements

Particulars	As at 31 <sup>st</sup> March, 2021				Total
	Yarn	Fabric	Garment	Inter Segment and Unallocated Items	
<b>Segment Results</b>	<b>2,965.46</b>	<b>676.85</b>	<b>310.76</b>	<b>3,953.07</b>	<b>3,953.07</b>
Un-allocable Expenses					(210.75)
Other Income					-
Finance costs					(1,655.34)
<b>Profit before Tax</b>					<b>2,086.98</b>
Tax Expenses					(833.91)
<b>Profit After Tax</b>					<b>1,253.07</b>
<b>Other Information:</b>					
<b>Depreciation, Amortization and Impairment</b>					
Allocable	1,415.84	632.56	350.98	-	2,399.38
Un-allocable					-
<b>Total</b>	<b>1,415.84</b>	<b>632.56</b>	<b>350.98</b>		<b>2,399.38</b>
<b>Capital Expenditures</b>					
Allocable	16.20	148.65	501.39	-	666.24
Un-allocable					-
<b>Total</b>	<b>16.20</b>	<b>148.65</b>	<b>501.39</b>		<b>666.24</b>
<b>Segment Assets</b>					
Allocable	22,574.69	14,455.41	6,850.51	-	43,880.61
Un-allocable	-	-	-	276.72	276.72
<b>Total Assets</b>	<b>22,574.69</b>	<b>14,455.41</b>	<b>6,850.51</b>	<b>276.72</b>	<b>44,157.33</b>
<b>Segment Liabilities</b>					
Allocable	18,899.44	11,113.51	2,255.07	-	32,268.02
Un-allocable	-	-	-	2,124.96	2,124.96
<b>Total liabilities</b>	<b>18,899.44</b>	<b>11,113.51</b>	<b>2,255.07</b>	<b>2,124.96</b>	<b>34,392.98</b>

### Geographical information

a. The Company is domiciled in India. The amount of its revenue from external customers broken down by location of customers in tabulated below:

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
India	56,756.76	36,259.21
North America	5,688.53	2,549.78
Europe	10,488.80	8,604.10
Gulf & Middle east	2,890.41	276.70
Far East & South east Asia	29,233.33	14,293.03
Africa	2,982.86	1,080.56
Rest of the world	203.33	138.72
	<b>1,08,244.01</b>	<b>63,202.10</b>

## Notes Forming Part of the Financial Statements

b. Information regarding geographical non-current assets is as follows:

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
India	19,411.96	17,857.31
Outside India	-	-
	<b>19,411.96</b>	<b>17,857.31</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	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Sale of goods	1,04,848.39	61,808.64
Sale of services	951.17	377.59
	<b>1,05,799.56</b>	<b>62,186.23</b>

### Note 36 : Ratios

Ratio	Numerator	Denominator	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	Variance %	Reason for variance
Current ratio (in times)	Current assets	Current liabilities less Current Maturity of Term Loan & Lease Liability	1.37	1.10	25%	
Debt equity ratio (in times)	Long Term Debts ( Excluding Lease Liability)	Shareholder's equity	0.52	0.71	-27%	Majorly due to increase in Profitability
Debt service coverage ratio (DSCR) (in times)	Earning for Debt Service	Debt Service	3.39	1.71	98%	Majorly due to increase in Profitability
Return on equity (ROE) (in %)	Net Profit after tax less Preference Dividend	Average shareholders equity	50.89%	13.31%	282%	Majorly due to increase in Revenue over debtors
Inventory turnover ratio (in times)	Revenue from operations	Average inventory	7.20	6.39	13%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	10.46	7.31	43%	Majorly due to increase in Revenue
Trade payables turnover ratio (in times)	Net Purchases	Average trade payables	9.74	7.39	32%	Majorly due to increase in Purchases
Net capital turnover ratio (in times)	Revenue from operations	Average Working capital	16.72	(189.85)	-109%	Majorly increase in inventories & debtors
Net profit (in %)	Net Profit after tax	Revenue from operations	6.19%	1.98%	212%	Majorly due to increase in Profitability
Return on capital employed (ROCE) (in %)	PBIT	Capital employed	27.33%	10.95%	150%	Majorly due to increase in Profitability
Return on investment (ROI) (in %)	Income generated from investments	Average investments	31.00%	59.69%	-48%	Majorly due to decrease in investment income

## Notes Forming Part of the Financial Statements

### Note 37: Contingent Liabilities

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
i. Income tax matters in dispute	72.65	72.65
ii. Excise / customs / service tax matters in dispute	36.87	36.87
iii. Sales tax matters in dispute	9.34	9.34
iv. Recall of certain DEPB benefits, in dispute	5.51	36.63
v. Labour cases involving claims for reinstatement, back wages etc.	224.76	203.17
vi GST Related cases involving tax & Interest etc.	903.02	126.91
vii Parallel Operation Charges	-	48.14

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.

### Note 38: Commitments

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	9,702.70	720.39
Export obligations under the Export Promotion Capital Goods Scheme, remaining to be fulfilled within the specified period	3,314.24	65.18

### Note 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	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Provident fund	718.13	467.81
Superannuation fund	65.39	55.47

#### 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 Forming Part of the Financial Statements

i. The principal assumptions used for the purpose of the actuarial valuation were as follows:

Assumptions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Economic Assumptions</b>		
Discount rate	7.26%	6.75%
Salary escalation	5.00%	5.00%
<b>Demographic Assumptions</b>		
Retirement Age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at Ages	<b>Withdrawal Rate (%)</b>	<b>Withdrawal Rate (%)</b>
-Up to 30 Years	3%	3%
-From 31 to 44 years	2%	2%
-Above 44 years	1%	1%

ii. Movements in present value of the defined benefit obligation	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Present value of obligation as at the beginning of the period	1,794.40	1,417.79
Interest cost	121.12	95.84
Current service cost	201.60	138.35
Benefit paid	(120.41)	(159.33)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(88.06)	1.76
Actuarial (Gain)/Loss on arising from Experience Adjustment	(13.69)	299.98
<b>Liability at the end of the year</b>	<b>1,894.96</b>	<b>1,794.40</b>

iii. Movements in the fair value of plan assets	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Fair Value of plan assets at the beginning of the period / year	1,859.46	1,540.86
Transfer IN/OUT	-	137.75
Actual return on plan assets	117.02	246.58
Benefits paid	(5.54)	(65.74)
<b>Fair value of the plan assets at the end of the period / year</b>	<b>1,970.93</b>	<b>1,859.46</b>

iv. Amount recognized in the Balance Sheet	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Present Value of the obligation at end	1,894.96	1,794.40
Fair value of plan assets at the end of the period /year	1,970.93	1,859.46
<b>Unfunded Liabilities recognised in the Balance Sheet</b>	<b>75.97</b>	<b>65.06</b>

## Notes Forming Part of the Financial Statements

(₹ in Lakhs)		
v. Expenses recognized in the Statement of Profit and Loss	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Current service cost	201.60	138.35
Net Interest cost	(4.39)	(8.32)
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>197.20</b>	<b>130.03</b>

(₹ in Lakhs)		
vi. Other Comprehensive Income	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	101.75	(301.74)
Actuarial gain / (loss) for the year on Asset	(8.50)	142.42
<b>Unrecognized actuarial gain/(loss) at the end of the year</b>	<b>93.25</b>	<b>(159.32)</b>

(₹ in Lakhs)		
vii. Description of plan assets:	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Major categories of plan assets</b>		
Insurer managed fund	100%	100%

(₹ in Lakhs)		
viii. Change in Net benefit Obligations	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Net defined benefit liability at the start of the period	(65.06)	(123.07)
Acquisition adjustment		
Total Service Cost	201.60	138.35
Net Interest cost (Income)	(4.39)	(8.32)
Re-measurements	(93.25)	159.32
Contribution paid to the Fund	-	-
Transfer IN/OUT	-	(137.75)
Benefit paid directly by the enterprise	(114.86)	(93.60)
<b>Net defined benefit liability at the end of the period</b>	<b>(75.97)</b>	<b>(65.06)</b>

(₹ in Lakhs)		
ix. Bifurcation of PBO at the end of year in current and non current	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Current liability (Amount due within one year)	220.63	237.14
Non-Current liability (Amount due over one year)	1,674.33	1,557.26
<b>Total PBO at the end of year</b>	<b>1,894.96</b>	<b>1,794.40</b>

## Notes Forming Part of the Financial Statements

(₹ in Lakhs)		
x. Sensitivity Analysis of the defined benefit obligation	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
a) Impact of the change in discount rate		
-Impact due to increase of 0.50 %	(86.85)	(84.40)
-Impact due to decrease of 0.50 %	93.83	93.34
b) Impact of the change in salary increase		
-Impact due to increase of 0.50 %	94.65	93.55
-Impact due to decrease of 0.50 %	(88.29)	(85.28)

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 ₹328.76 Lakhs

(₹ in Lakhs)		
xiii. Maturity profile of Defined Benefit obligation	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Year</b>		
0 to 1 Year	220.63	237.14
1 to 2 Year	57.32	31.53
2 to 3 Year	83.01	56.99
3 to 4 Year	70.40	75.94
4 to 5 Year	72.24	64.10
5 to 6 Year	66.48	68.75
6 Year onwards	1,324.87	1,259.94

### 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	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Economic Assumptions</b>		
Discount rate	7.26%	6.75%
Salary escalation	5.00%	5.00%
<b>Demographic Assumptions</b>		
Retirement Age		
Leave Availment Rate		
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Ages	<b>Withdrawal Rate (%)</b>	<b>Withdrawal Rate (%)</b>
-Up to 30 Years	3%	3%
-From 31 to 44 years	2%	2%
-Above 44 years	1%	1%

## Notes Forming Part of the Financial Statements

(₹ in Lakhs)		
ii. Movements in present value of the defined benefit obligation	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Present value of obligation as at the beginning of the period	355.00	314.90
Acquisition adjustment Out	-	-
Interest cost	23.96	21.29
Current service cost	110.47	67.78
Benefit paid	(95.26)	(80.98)
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(22.33)	0.37
Actuarial (Gain)/Loss on arising from Experience Adjustment	26.96	31.65
<b>Liability at the end of the year</b>	<b>398.80</b>	<b>355.00</b>

(₹ in Lakhs)		
iii. Amount recognized in the Balance Sheet	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Liability at the end of the period / year	398.80	355.00
<b>Unfunded Liabilities recognised in the Balance Sheet</b>	<b>398.80</b>	<b>355.00</b>

(₹ in Lakhs)		
iv. Expenses recognized in the Statement of Profit and Loss	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Current service cost	110.47	67.78
Net Interest cost	23.96	21.29
Actuarial (gain)/loss on obligations	4.63	32.02
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>139.06</b>	<b>121.09</b>

(₹ in Lakhs)		
v. Change in Net benefit Obligations	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Net defined benefit liability at the start of the period	355.00	314.90
Acquisition adjustment	-	-
Total Service Cost	110.47	67.78
Net Interest cost (Income)	23.96	21.29
Re-measurements	4.63	32.02
Contribution paid to the Fund	-	-
Benefit paid directly by the enterprise	(95.26)	(80.98)
Net defined benefit liability at the end of the period	398.80	355.00

(₹ in Lakhs)		
vi. Bifurcation of PBO at the end of year in current and non current	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Current liability (Amount due within one year)	59.61	60.74
Non-Current liability (Amount due over one year)	339.20	294.26
<b>Total PBO at the end of year</b>	<b>398.80</b>	<b>355.00</b>

## Notes Forming Part of the Financial Statements

(₹ in Lakhs)		
vii. Sensitivity Analysis of the defined benefit obligation	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
a) Impact of the change in discount rate		
-Impact due to increase of 0.50 %	(20.24)	(17.88)
-Impact due to decrease of 0.50 %	21.63	19.20
b) Impact of the change in salary increase		
-Impact due to increase of 0.50 %	22.21	19.56
-Impact due to decrease of 0.50 %	(20.47)	(18.06)

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 ₹199.29 Lakhs

(₹ in Lakhs)		
x. Maturity profile of Defined Benefit obligation	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Year		
0 to 1 Year	59.61	60.74
1 to 2 Year	7.01	6.06
2 to 3 Year	14.89	7.71
3 to 4 Year	15.21	13.35
4 to 5 Year	15.63	12.11
5 to 6 Year	11.62	13.87
6 Year onwards	274.82	241.17

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 ₹5.80 Lakhs ( 31<sup>st</sup> March, 2021 ₹1.70 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

## Notes Forming Part of the Financial Statements

### Note: 40 Related Party Disclosures

Note : 40.1 List of Related Parties as per Ind As 24 & Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

S.No.	Name of Related Party	Nature of Relationship
<b>A (i)</b>	<b>A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity.</b>	
	Shri Shekhar Agarwal	Promoters having voting control
	Shri Shantanu Agarwal	Promoters having voting control
<b>(ii)</b>	<b>A person or a close member of that person's family of a reporting entity has significant influence over the reporting entity.</b>	
	Shri Shekhar Agarwal	
	Smt. Shashi Agarwal	
	Shri Shantanu Agarwal	
	Smt. Shuchi Poddar	
<b>(iii)</b>	<b>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.</b>	
	Shri Ravi Jhunjhunwala	
	Shri Shekhar Agarwal	
	Shri Shantanu Agarwal	Directors of the Company
	Dr. Kamal Gupta	
	Shri Priya Shankar Dasgupta	
	Smt. Archana Capoor	
	Shri Atul Kumar Jain	Chief Financial Officer
	Shri Virendra Kumar Garg	Company Secretary
<b>B (i)</b>	<b>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).</b>	
	N.A.	
<b>(ii)</b>	<b>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).</b>	
	N.A.	
<b>(iii)</b>	<b>Associated and other entities are joint ventures of the same third party.</b>	
	N.A.	
<b>(iv)</b>	<b>One Entity is a joint venture of a third party and the other entity is an associate of the third entity.</b>	
	N.A.	
<b>(v)</b>	<b>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.</b>	
	Maral Overseas Limited senior executive superannuation	Trust
	MOL Employees gratuity fund	Trust
<b>(vi)</b>	<b>The entity is controlled or jointly controlled by a person identified in A.</b>	
	Aadi Marketing Company Private Limited	
	Agarwal Finestate Private Ltd	
	AKJ Apparels Private Limited	
	Apeksha Vyapar Private Limited	
	Bhilwara Technical Textiles Limited	Holding more than 50 % of the Shareholding along with relatives in the Company and including KMPs.
	BMD Power Private Limited	
	BMD Private Limited	
	BMD Renewable Energy Private Limited	
	Bhilwara Energy Limited	

## Notes Forming Part of the Financial Statements

	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/Asia 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	
<b>(vii)</b>	<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>	
<b>1</b>	<b>Shri Shekhar Agarwal</b>	
	Aadi Marketing Company Private Limited	
	Agarwal Finestate Private Limited	
	Apeksha Vyapar Private Limited	
	Bhilwara Technical Textiles Limited	
	BMD Power Private Limited	
	BMD Private Limited	
	BMD Renewable Energy Private Limited	Holding more than 20 % of the Shareholding along with relatives in the Company.
	Diplomat Leasing and Finance Private Limited	
	MG Marketing and Trading Private Limited	
	Pawanputra Trading Private Limited	
	Sita Nirman Private Limited	
	SSSA Family Private Limited	
	Ultramarine Impex Private Limited	
<b>2</b>	<b>Shri Shantanu Agarwal</b>	
	Aadi Marketing Company Private Limited	
	Agarwal Finestate Private Limited	
	Apeksha Vyapar Private Limited	
	Bhilwara Technical Textiles Limited	
	BMD Power Private Limited	
	BMD Private Limited	
	BMD Renewable Energy Private Limited	Holding more than 20 % of the Shareholding along with relatives in the Company .
	Diplomat Leasing and Finance Private Limited	
	MG Marketing and Trading Private Limited	
	Pawanputra Trading Private Limited	
	Sita Nirman Private Limited	
	SSSA Family Private Limited	
	Ultramarine Impex Private Limited	
<b>(viii)</b>	<b>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.</b>	
	N.A.	
<b>(ix)</b>	<b>Reporting entity being an associate of the other entity.</b>	
	Agarwal Trademart Private Limited	

## Notes Forming Part of the Financial Statements

### Note 40.2 : Details of transactions with related parties

Sr. No.	Transaction	Key Managerial Personnel & Close Members		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 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	Sitting Fees	27.70	28.30	-	-	-	-	27.70	28.30
2	Remuneration:								
a)	Short term employees benefit	414.98	194.66	-	-	-	-	414.98	194.66
b)	Post employment benefit	31.24	20.39	-	-	-	-	31.24	20.39
c)	Termination benefits	-	-	-	-	-	-	-	-
d)	Share-based payment.	-	-	-	-	-	-	-	-
e)	Other long-term benefits	-	-	-	-	-	-	-	-
3	Rent	9.60	17.38	-	-	56.25	52.00	65.85	69.38
4	Reimbursement of Expenses recovered from	-	-	-	-	6.50	16.32	6.50	16.32
5	Reimbursement of Expenses paid to	-	-	-	-	79.11	66.19	79.11	66.19
6	Purchases of Material	-	-	-	-	14.16	47.92	14.16	47.92
7	Job Charges Payable	-	-	-	-	88.65	12.67	88.65	12.67
8	Sale of Material	-	-	-	-	1,370.23	1,280.78	1,370.23	1,280.78
9	Job Charges Received	-	-	-	-	540.35	204.21	540.35	204.21
10	Interest Paid	-	-	40.00	-	-	-	-	40.00
11	Redemption of Cumulative Redeemable Preference Shares (CRPS)	62.50	-	-	-	537.50	-	600.00	-
12	Dividend paid / accrued on Cumulative Redeemable Preference Shares	19.29	1.88	-	-	165.92	16.12	185.21	18.00
13	Payment received from trust towards gratuity	-	-	-	-	8.23	2.46	8.23	2.46
14	Payment made to trust towards gratuity	-	-	-	-	-	-	-	-
15	Payment made to trust towards superannuation	-	-	-	-	58.86	-	58.86	-
16	Unsecured Loan Due to	-	-	-	-	-	-	-	-
17	Unsecured Loan Received	-	-	-	-	-	-	-	-
18	Unsecured Loan Paid	-	-	500.00	-	-	-	-	500.00
19	Outstanding Due to	-	-	-	-	46.04	7.97	46.04	7.97
20	Services for DR Server Services - Opex	-	-	-	-	4.03	-	4.03	-
21	Services for DR Server Services - Capex	-	-	-	-	21.67	-	21.67	-
22	Outstanding Receivable	-	-	-	-	8.08	15.52	8.08	15.52
23	Outstanding Cumulative Redeemable Preference Shares	-	59.61	-	-	-	512.61	-	572.22
24	Dividend payable on Cumulative Redeemable Preference Shares	-	21.82	-	-	-	187.68	-	209.50
25	Advance for DR Server (Net of Advance)	-	-	-	-	227.15	-	227.15	-
	<b>Total</b>	<b>565.31</b>	<b>344.04</b>	<b>540.00</b>	<b>540.00</b>	<b>3,232.73</b>	<b>2,422.45</b>	<b>3,798.04</b>	<b>3,306.49</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 Forming Part of the Financial Statements

### Note 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	As at	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Debt (See note 'i' below) ( Refer Note no. 18 & 19)	21,723.78	20,926.14
Cash and bank balances ( Refer Note no. 13 & 14 )	(668.99)	(334.39)
<b>Net debt</b>	<b>21,054.79</b>	<b>20,591.75</b>
Total equity ( Refer Note no. 16 & 17 )	16,560.31	9,764.35
Total equity and Net Debt	37,615.10	30,356.10
Gearing Ratio	55.97%	67.83%

#### Note:

- Debt is defined as long and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 18 and 19.
- 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 year.

### Note 41.2 Financial Instruments- Accounting Classification and Fair Value Measurement

#### 41.2.1 Financial Instrument by Category

Particulars	As at	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Financial assets</b>		
<b>- Measured at amortised cost</b>		
Other financial assets (non current) ( Refer Note No 8)	692.52	766.29
Trade receivables ( Refer Note No 12)	10,928.61	9,773.43
Cash and cash equivalents ( Refer Note No 13)	103.07	33.58
Bank Balances other than Cash and cash equivalents ( Refer Note No 14 )	565.92	300.81
Other financial assets (current) ( Refer Note No 8)	753.35	873.23
Loans ( Refer Note No 7)	106.84	86.04
<b>- Measured at fair value through Profit &amp; Loss</b>		
Investments ( Refer Note No 11)	74.88	55.31
Forward Contracts-Derivatives ( Refer Note No 8)	116.69	153.59
<b>Financial liabilities</b>		
<b>-Measured at amortised cost</b>		
Borrowings (non-current) ( Refer Note No 18 )	8,646.18	6,978.60
Borrowings (current) ( Refer Note No 18)	13,059.49	12,707.65
Trade payables ( Refer Note No. 23)	11,114.28	6,057.42
Other financial liabilities (non-current) ( Refer Note No 19)	2,246.31	487.12
Other financial liabilities (current) ( Refer Note No 18 & 19 )	3,195.45	4,108.02

## Notes Forming Part of the Financial Statements

### 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.

**Note 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<sup>st</sup> March 2022:** (₹ in Lakhs)

Particular	As at 31 <sup>st</sup> March, 2022	Fair Value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investment in equity instruments-State Bank of India	-	-	-	-
Investment in equity instruments-BPL Engineering Limited	0.01	0.01	-	-
Derivative financial instruments - foreign currency forward	116.69	116.69	-	-
<b>Financial Assets Measured at Amortised Cost</b>				
Loans	0.67	-	0.67	-
<b>Financial Liabilities Measured at Amortised Cost</b>				
Borrowings	8,646.18	-	8,646.18	-

**The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31<sup>st</sup> March 2021:** (₹ in Lakhs)

Particular	As at 31 <sup>st</sup> March, 2021	Fair Value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investment in equity instruments-State Bank of India	55.30	55.30	-	-
Investment in equity instruments-BPL Engineering Limited	0.01	0.01	-	-
Derivative financial instruments - foreign currency forward	153.59	153.59	-	-
<b>Financial Assets Measured at Amortised Cost</b>				
Loans	4.89	-	4.89	-
<b>Financial Liabilities Measured at Amortised Cost</b>				
Borrowings	6,978.60	-	6,978.60	-

### Note 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.

## Notes Forming Part of the Financial Statements

- 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.

### Note 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 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

## Notes Forming Part of the Financial Statements

exchange risks in a systematic manner, including regular monitoring of exposures, proper advice from market experts, hedging of exposures, etc.

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:

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022			Year ended 31 <sup>st</sup> March 2021		
	USD	EURO	INR	USD	EURO	INR
Trade Payables	-	-	-	-	-	-
Trade Receivables	69.11	9.89	5979.83	42.15	2.25	3234.27
Less: Hedged Portion	69.11	9.89	5979.83	42.15	2.25	3234.27
Unhedged Exposure	-	-	-	-	-	-

### Sensitivity Analysis

The Following table demonstrate the sensitivity in the foreign exchange rate ( USD & EURO) to the Indian Rupees with all other variable held constant. The Impact on statement of profit & loss is given below:

Particulars	Year ended 31 <sup>st</sup> March 2022		Year ended 31 <sup>st</sup> March 2021	
	Increase	Decrease	Increase	Decrease
<b>USD Sensitivity</b>				
INR/USD-increase/(decrease) by 1%	-	-	-	-
<b>EURO Sensitivity</b>				
INR/EURO-increase/(decrease) by 1%	-	-	-	-
<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:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Variable rate borrowings	8,646.18	6,978.60
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>8,646.18</b>	<b>6,978.60</b>

## Notes Forming Part of the Financial Statements

### 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.

### 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:

- Actual or expected significant adverse changes in business.
- Actual or expected significant changes in the operating results of the counterparty.
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- Significant increase in credit risk and other financial instruments of the same counterparty
- 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 customer 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:

(₹ in Lakhs)

Age Bracket	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
0-90	10,573.95	9,046.53
91-180	77.30	458.86
181-365	505.91	452.79
Above 365	769.09	231.88
<b>Total</b>	<b>11,926.25</b>	<b>10,190.06</b>
Trade Receivables - Credit Impaired	997.64	416.63
<b>Closing Balance</b>	<b>10,928.61</b>	<b>9,773.43</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.

## Notes Forming Part of the Financial Statements

The following table summarises the change in the loss allowances measured using expected credit loss model (ECL): (₹ in Lakhs)

Particulars	ECL for Trade Receivables
<b>As at 01-04-2020</b>	<b>52.78</b>
Provided/(Reversal) during the year	363.85
<b>As at 31-03-2021</b>	<b>416.63</b>
Provided/(Reversal) during the year	581.02
<b>As at 31-03-2022</b>	<b>997.64</b>

### 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	(₹ in Lakhs)					Carrying Amount
	0-1 year	1-3 years	3-5 years	5+ years	Total	
<b>31<sup>st</sup> March 2022</b>						
Trade payables	11,114.28	-	-	-	11,114.28	11,114.28
Other financial liabilities	2,799.04	-	-	-	2,799.04	2,799.04
Borrowings	15,017.28	4,555.97	2,132.42	-	21,705.67	21,705.67
<b>31<sup>st</sup> March 2021</b>						
Trade payables	6,057.42	-	-	-	6,057.42	6,057.42
Other financial liabilities	6,782.92	-	-	-	6,782.92	6,782.92
Borrowings	12,707.65	2,658.40	2,132.42	-	17,498.47	17,498.47

### 41.8 Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of reporting period: (₹ in Lakhs)

Age Bracket	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Term Loan Facility	1006.00	2252.50

### 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.

## Notes Forming Part of the Financial Statements

As on 31<sup>st</sup> March 2022

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	
	US\$		EURO					US\$	EURO
	No. of Outstanding Contracts	Amount (₹ in Lakhs)	No. of Outstanding Contracts	Amount (₹ in Lakhs)					
Cash flow hedge-sell	80.00	231.84	11.00	26.53	116.69	April 22 - Jan.23	1:1	76.95	86.04
Cash flow hedge-Buy	-	-	-	-	-	-	-	-	-

As on 31<sup>st</sup> March 2021

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	
	US\$		EURO					US\$	EURO
	No. of Outstanding Contracts	Amount (₹ in Lakhs)	No. of Outstanding Contracts	Amount (₹ in Lakhs)					
Cash flow hedge-sell	68.00	196.52	6.00	9.33	153.59	April 21 - Dec.21	1:1	74.77	90.11
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
31 <sup>st</sup> March 2022	29.37	-	-	-
31 <sup>st</sup> March 2021	362.31	-	-	-

The Movement in hedging reserve during the year ended 31<sup>st</sup> March, 2021 for derivatives designated as cash flow hedge ( refer note no. 17) is as follows: (₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
Balance at the beginning of the year	42.77	(197.56)
Change in fair value of Effective portion of Cash Flow Hedge Recognised during the year	29.37	362.31
Amount Reclassified to Profit & Loss account during the period	-	-
Tax impact on above	(0.97)	(121.98)
<b>Closing Balance</b>	<b>71.17</b>	<b>42.77</b>

### Sensitivity Analysis

The Following table demonstrate the sensitivity in the foreign exchange rate ( USD & EURO) to the Indian Rupees with 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:

## Notes Forming Part of the Financial Statements

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2022		Year ended 31 <sup>st</sup> March 2021	
	Increase	Decrease	Increase	Decrease
<b>USD Sensitivity</b>				
INR/USD-increase/(decrease) by 1%-sell	178.40	(178.40)	146.93	(146.93)
INR/USD-increase/(decrease) by 1%-Buy	-	-	-	-
<b>EURO Sensitivity</b>				
INR/EURO-increase/(decrease) by 1%-sell	22.83	(22.83)	8.40	(8.40)
INR/EURO-increase/(decrease) by 1%-Buy	-	-	-	-
<b>CHF Sensitivity</b>				
INR/EURO-increase/(decrease) by 1%-Buy	-	-	-	-

### Note 42. Reconciliation between the opening & closing balances in the balance sheet for Financial liabilities

(₹ in Lakhs)

Particulars	Note No	Opening balance as at 1 <sup>st</sup> April 2021	Cash flows	Non Cash	Closing balance as at 31 <sup>st</sup> March 2022
Long term borrowings	18	4,790.82	3,853.84	(1,956.27)	6,688.39
Short term borrowings	18	12,707.65	2,309.63	-	15,017.28
Current Maturities of long term debts	18	2,187.78	(2,186.27)	1,956.28	1,957.79
Preference Liability	19	1,191.45	-	(1,191.45)	(0.00)
Interest Accrued on Borrowings	19	49.82	(19.94)	-	29.88
Lease Liability	19	697.18	(428.08)	2,373.61	2,642.72

(₹ in Lakhs)

Particulars	Note No	Opening balance as at 1 <sup>st</sup> April 2020	Cash flows	Non Cash	Closing balance as at 31 <sup>st</sup> March 2021
Long term borrowings	18	3,779.43	3,387.00	(2,375.61)	4,790.82
Short term borrowings	18	16,183.46	(3,475.81)	-	12,707.65
Current Maturities of long term debts	18	1,810.00	(2,037.88)	2,415.66	2,187.78
Preference Liability	19	1,145.67	-	45.78	1,191.45
Interest Accrued on Borrowings	19	46.58	3.24	-	49.82
Lease Liability	19	593.89	(284.67)	387.96	697.18

### Note 43: Recent Accounting Pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23<sup>rd</sup> March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will be apply the amendments from 1<sup>st</sup> April 2022 being the effective date of the amendments:

Ind AS 101 – First-time adoption of Indian Accounting Standards:

The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1<sup>st</sup> April 2022. As the company has

## Notes Forming Part of the Financial Statements

already adopted Ind AS, there is no impact of this amendment on the company.

Ind AS 103 – Business Combinations:

The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1<sup>st</sup> April 2022.

Ind AS 109 – Financial Instruments:

The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1<sup>st</sup> April 2022. The amendment has no impact on the financial statements of the company

Ind AS 16 – Property, Plant and Equipment:

The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contract includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1<sup>st</sup> April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

Ind AS 41 – Agriculture:

The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after 1<sup>st</sup> April 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

### Note 44 :

- In terms of the Master Restructuring Agreement under the CDR Scheme, 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 Parameter. The company has provided recompense amount of ₹292.96 Lakhs in the current financial year ( Previous year ₹94.00 Lakh) out of which ₹262.74 Lakh has been paid during the current financial year (Previous year Nil). Recompense payable as on 31.03.22 is ₹357.54 Lakh (as on 31.03.21 was ₹326.78 Lakh). Recompense provision has been made as per best estimate subject to final determination mutually with the Company banker. It has been included in the finance cost. Refer - Note 30

### Note 45 : Dividend

The Board of Directors of the Company has recommended dividend of ₹2/- per Equity Shares of the face value of ₹10/- each for the financial year 2021-22 subject to the approval of the Shareholders of the Company at the Annual General Meeting.

### Note 46 : Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.



