



Maral Overseas Limited



Refreshed
Realigned

Maral Overseas Limited

Annual Report

2023

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If you are soaring high, you only look at the sky. Until you hit an air-pocket that forces a directional flip.

This aptly sums up the performance of the textile industry – from the heady highs of FY22 to a near rock bottom in FY23.

But that is a thing of the past.

Hot headwinds have given way to refreshing tailwinds that have cooled the senses, rejuvenated our spirit to realign our efforts to what we see beyond the immediate tomorrow. Because we see tremendous opportunity over the horizon. The reasons for the same are as follows:

Our population has grown

India is the most populous nation in the world.

Indians have prospered in a decade

India's per capita net national income (at current prices) for 2022-23 stands at INR 172,000, This marks an almost 100% increase from the per capita income in 2014-15 – INR 86,647.

Our economy is poised for a take off

The Indian economy is poised to reach the US\$5 trillion by 2025.

Take a look at the long-term opportunity the sector provides. It's eye-popping, to say the least.

US\$350 bn

In 2021, the Indian Textile & Apparel sector was valued at US\$153 billion, with the domestic market taking the lion's share at US\$110 billion and exports at US\$43 billion. The report says that at a 10% CAGR, the total value is expected to reach US\$350 billion by 2030, with the domestic market taking in US\$250 billion and exports at US\$100 billion.

9.6%

Domestic consumption of apparel, the largest product of the textile sector, is predicted to grow at a CAGR of 9.6% between 2021-2030

12.1%

In exports, the maximum growth would be in apparel, which will grow by 12.1% and touch US\$45 billion by 2030.

To achieve these numbers by 2030, the Indian textile industry must make considerable investment to its existing capacity.



23 mn

Increase in spindle capacity, which is an increase of ~40% of the current number of spindles available.

63,000

Shuttleless looms have to be introduced in the weaving segment.

45,000

Additional Machines would be required in the knitting process.

4.2 mn

Sewing machines will have to support garmenting and made-up segments.

This is in addition to replacing older machines annually.



Moreover, Green Shoots
are visible positioning FY24
as the start of a possible
U-shaped recovery.

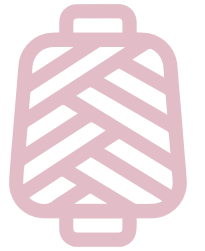
Cotton prices have started their downward trend.

Exporters expect a growth of 11-13% in FY24.

FY24 will show a positive impact of India-UAE's CEPA.

The textile sector is predicted to have moderate revenue growth in FY24, as domestic demand will continue to rise steadily.

Refreshed with these sectoral positives, we have
Realigned our businesses for opportunities
in the future.



We are adding value to our Yarn Business

Yarn is the critical building block for the textile sector. Whichever segment of the textile industry grows, yarn will always experience healthy demand.

Conscious of this reality, we sustained our investments in our yarn business at Maral.

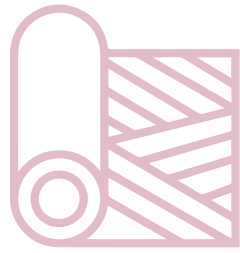
Notwithstanding external challenges, we continued work on our state-of-the-art **mélange yarn** project, enhancing our capacity by ~19,000 spindles. The unit shall commence operations in FY24.

We invested in setting up a new fiber dyeing unit which will see the light of the day in FY24.

In our drive to modernise the operational infrastructure -- from the blow room to the ring frame -- we periodically replace existing, traditional machines with new generation ones consistent with the changing technological milieu of our industry.

In FY24, we are set to commence operations with machines that are backed with the latest technologies. Orders for the same have already been placed and following their deliveries, we are looking forward to boosting our productivity and lowering the operational costs substantially. These changes would increase our productivity & quality and lower the cost of operations.

The commissioning of these facilities should accelerate our growth prospects over the coming years.



We are further strengthening our Fabric Business

Knitting is one of the primary methods of fabric construction and an extremely popular method. Casual wear is now the preferred attire and knitted garments have the flexibility of the fabric and the ease of maintenance.

Mindful of this trend, we upped our capital commitment to our fabric business at Maral Overseas.

We have added a continuous bleaching for fabric range with an OBA attachment (optical brightener attachment) which will increase our fabric dyeing capacity by 150 tonnes per month.

We added a stenter and compactor, which has enhanced our finishing capacity by 200 tonnes per month.

We have added 13 new knitting machines (8 are replacements for legacy machines), which will increase productivity, enhance product quality and optimise operating costs.

These additions promise to strengthen our position in the knitted fabric space.





We are adding more muscle to our Garment Business

Aware of the growing demand, we reorganised our garment business to maximise the utilisation of our assets.

We have consolidated our garment operations of one unit with another existing operating unit, which optimised operating costs and strengthened business profitability.

Despite the sharp deceleration in business volumes, we added about 4-5 new customers, which shall help us in enhancing the capacity utilisation.

We emerged as only the second company in India to secure business volumes from a renowned Japanese apparel company that enjoys a global presence and recognition. It lends a credibility watermark to our process and product quality.

These initiatives have the potential to add significant muscle to our value-added vertical.

About the Company

Maral Overseas Limited is a dominant player in Indian textiles, with a rich legacy extending over three decades.

Part of the LNJ Bhilwara Group, the Company commenced operations in 1991 at Maral Sarovar (from where it gets its name) and has gained global respect by catering to the requirements of global marquee brands.

The Company's yarn and fabric units are at its Maral Sarovar plant, located in Central India's cotton heartland and its garment factories are in Noida and Faridabad (Delhi NCR).

Spearheaded by Shri Shekhar Agarwal and Shri Shantanu Agarwal at the helm, the Company's day-to-day operations are managed by a team of experienced professionals.

The Company is headquartered in Noida, Delhi NCR Region, and its equity is listed on BSE Limited and the National Stock Exchange Limited.

₹ 503.74 crore

Capital Employed in the business
(March 31, 2023)

₹ 195.00 crore

Market Capitalisation
(March 31, 2023)

₹ 145.43 crore

Fixed Assets
(March 31, 2023)

₹ 1,025.85 crore

Revenue
(FY23)

₹ 34.71 crore

EBITDA
(FY23)

₹ (15.93) crore

Net Profit
(FY23)



About the Business

Maral Overseas Limited straddles the entire value chain of the textile space, namely spinning, knitting, processing and garmenting. It caters to marquee international and domestic clients.

Maral manufactures various blended and innovative yarns, knitted fabrics and garments. At its ultra-modern facilities, the Company produces 1,700 tons of grey yarn, 250 tons of dyed yarn, 700 tons of knitted fabric, and 8,50,000 garments every month. Its wide array of capabilities allows it to manufacture a diverse range of knit fabrics for innerwear and outerwear.

The Company enjoys an international footprint globally and caters to some renowned global brands. It also services some of the most renowned domestic brands with its products.

Key performance indicators

“Excellence is not a skill. It is an attitude.”
Ralph Marston



Chairman's Statement

We are ready for a promising future, having considerably enhanced our capacities and capabilities. We will continue to map our product offering against the dynamic market environment to create a portfolio that delivers value to our customers.



Dear shareholders,

I am privileged to write to you after a very challenging year.

The last couple of years have seen unprecedented challenges in the form of the pandemic, geopolitical flareups and a volatile macro environment with wide-ranging impacts on people, economies and businesses.

As an organisation, we have used this period to strengthen our capabilities, build innovative thinking and agility, and enhance our focus on efficiencies, all in the interest of creating a growth oriented company.

This mindset has helped your Company remain focused on our business strategy and firmly on track to achieving our goals.

After an outstanding performance in FY22, fiscal 2023 was a sharp fall. Although revenue from operations were almost at previous year levels, we reported a Net Loss. We were expecting this slide, considering the multiple issues that plagued the progress of the Indian textile industry.

The Russia-Ukraine war directly impacted Europe and other western markets as inflation skyrocketed, forcing people to curtail expenses. In the US, the stubborn and persistent inflationary headwinds also slowed garment offtake. The slowdown in garment demand had a domino effect on fabric and yarn.

The textile sectors woes were compounded by extreme volatility in cotton prices – it rose to a historic high and subsequently plummeted in 2023 which saddled yarn manufacturers with high cost inventory which could not be passed on to the weavers and knitters (as demand dropped).

As a result, the entire industry has suffered. The spinners were the worst hit. Our performance would have been worse had it not been for our people, who left no stone unturned to make the best of the prevailing bad times.

We are always prepared for changes in business environment. And there is a positive side to sectoral dips. Case in point is the pandemic which throttled demand. But after short cyclical ups and downs in demand, the net effect of the pandemic has been a net increase in the size of the domestic market by 15-20%, as people preferred to spend more time on their homes and living environment in favor of better-quality living.

Likewise, this downturn could result in capacity consolidation, which augurs well for established textile players.

The highlight of the year was our undeterred resolve to continue with our capex plans, most of which should be operational in the current year, during which we expect to see the green shoots of a turnaround in the fortunes of the textile industry.

Our melange unit should commence operations in FY24. This value-added yarn is in high-demand in India and across the world; it promises to emerge as a new growth lever and profitability driver for the Company.

The opportunities over the medium term appear very promising. Consider this: the benefits of India-UAE's CEPA to the textile sector shall be an additional increase in exports projected at US\$ 2 billion over the next five years. Also, the FTA with Australia coming into vogue from December 2022, will catapult India's exports of textiles and apparel from US\$392 million to US\$1,100 million in the next 3 years.

India also promises substantial opportunities. The forward-looking Government is targeting an average GDP growth of over 7% per annum to become a US\$5-trillion economy by 2025. As the world's fifth-largest economy with a population of 1.4 billion people, it is today one of the world's biggest and most rapidly emerging markets. India's aspiring young consumers with rising incomes are consistently moving upwards, adapting to better products, designs, and an international lifestyle.

Besides, India is also working persistently towards forging trade alliances with the US, Canada, the UK and the EU which are large and growing markets. A successful endorsement of these trade agreements promises to open enormous markets for the Indian textile sector. This opportunity will further amplify with the playing out of the China+1 policy, which will see many more global textile players making a beeline for India.

At Maral, we are ready for a promising future, having enhanced our capacities and capabilities considerably. From a product perspective, we will continue to map our product offering against the dynamic market environment to create a portfolio that delivers value to our customers and serves as a lever for our growth ambitions.

In closing, I sincerely thank our employees, our customers for their undeterred trust in our capabilities, and our stakeholders for their continued support. This collaboration navigates us ahead, motivates us to improve our performance, and remains value driven. We have added more wind to our wings. And ready to soar even higher as headwinds turn to tailwinds.

Warm regards

Shekhar Agarwal

Chairman & Managing Director and CEO

Yarn Business



79,776

Spindles

22,760

Yarn capacity (tonnes)

600.24

Revenue (₹ crore)

45.18

Contribution to total revenue (%)

The critical revenue spinner for the Company, the yarn division produces a wide range of cotton, blended, special and sustainable yarns which cater to diverse user applications. Product quality is the Company's most important differentiator and the primary factor for retaining leading textile players, both domestic and international. To sharpen this competitive edge, the Company continues to invest in modern technology and sophisticated equipment from world-renowned textile equipment names.



Performance in FY23

Demand dropped sharply due to reduced offtake from our customers owing to overall slowdown in the US and Europe, which are very large consuming markets. Moreover, extreme volatility in cotton prices impacted the cost of every spinning unit in India. Maral was no exception. The combination of a muted demand with input price volatility impacted performance – capacity utilisation of the unit dropped considerably during the first half of the year.

The arrival of new cotton in the year's second half and the consequent stability in cotton prices brought the business back on track. Also, the reopening of China after the Covid wave improved the yarn demand from India. Overall, yarn production dropped by [20.78]% from [13551.09] tonnes in FY22 to [10734.91] tonnes in FY23. The Company continued to invest in modernising its assets. It added sophisticated carding machines in FY23.

Blueprint for FY24

The Company plans to invest significant funds for equipment modernisation (blow room to ring frame), for which it has placed the orders. These machines shall be operational towards the end of the current year. The Company shall commence operations in its mélange project and the fiber dyeing unit in the current year.

Melange Yarn

We are setting up a ~19,000 spindle mélangé yarn unit which will be operational in FY24. This unit will house the best equipment sourced from global leaders.

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 30% of the output for value-addition in-house. It will open a new revenue vertical for the Company.

What is melange yarn?

Melange yarn is a blend of different colored fibers to develop various shades in the yarn. Different in ratio of fibers in the blend alters the uniqueness of spun melange yarns. There is a large variety in melange yarns not only in terms of colors but also according to the texture of the yarn. The final feel, hand, and aesthetic of each class is different, which opens up the room for designers to choose fibers and yarn types selectively. These yarns are primarily used in casual wear, sportswear, shirts, business suits, socks, intimate wear as well as bed linen, towels, decorative fabrics and other home fabric products.

Why melange is a perfect synergic fit for Maral?

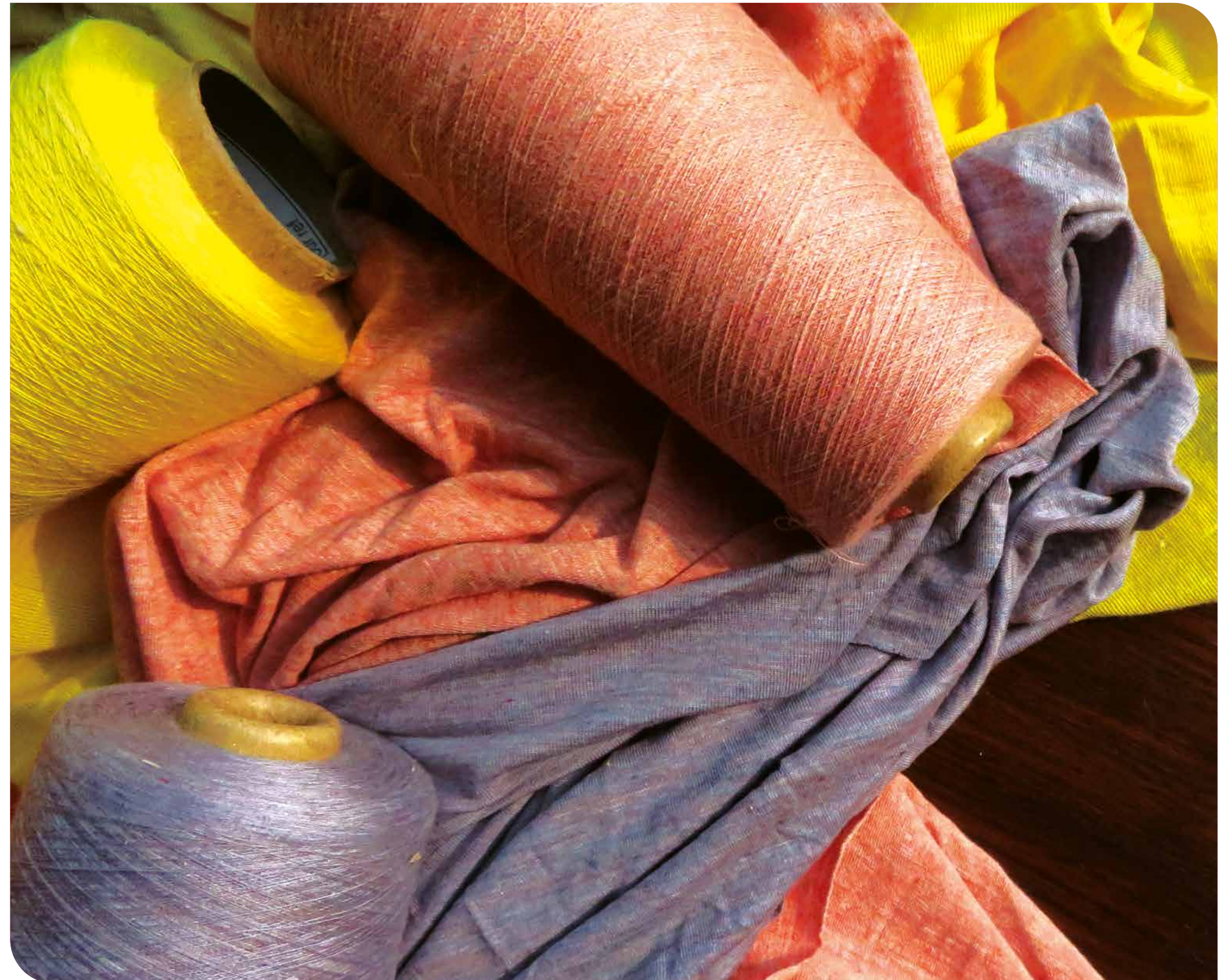
Melange yarn is primarily used for knitted garments. Hence, our melange unit emerges as a critical backward integration providing assured supplies of quality inputs for our knitting unit.

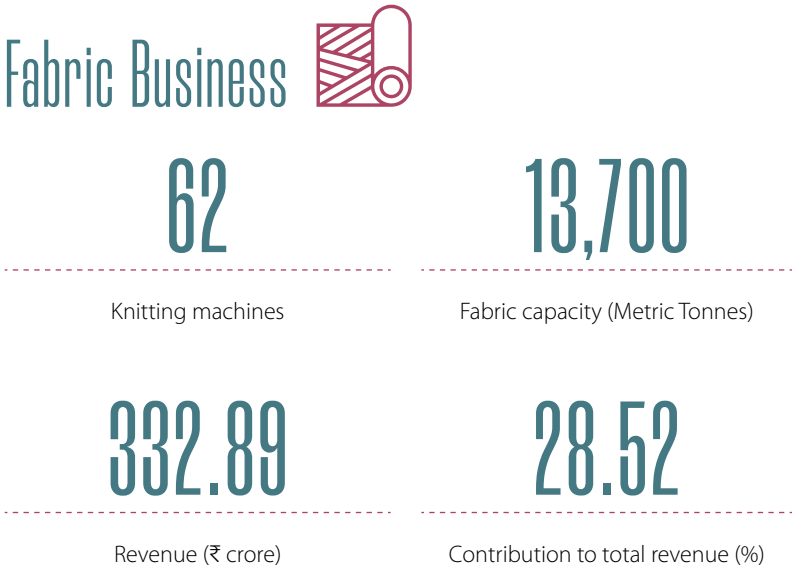
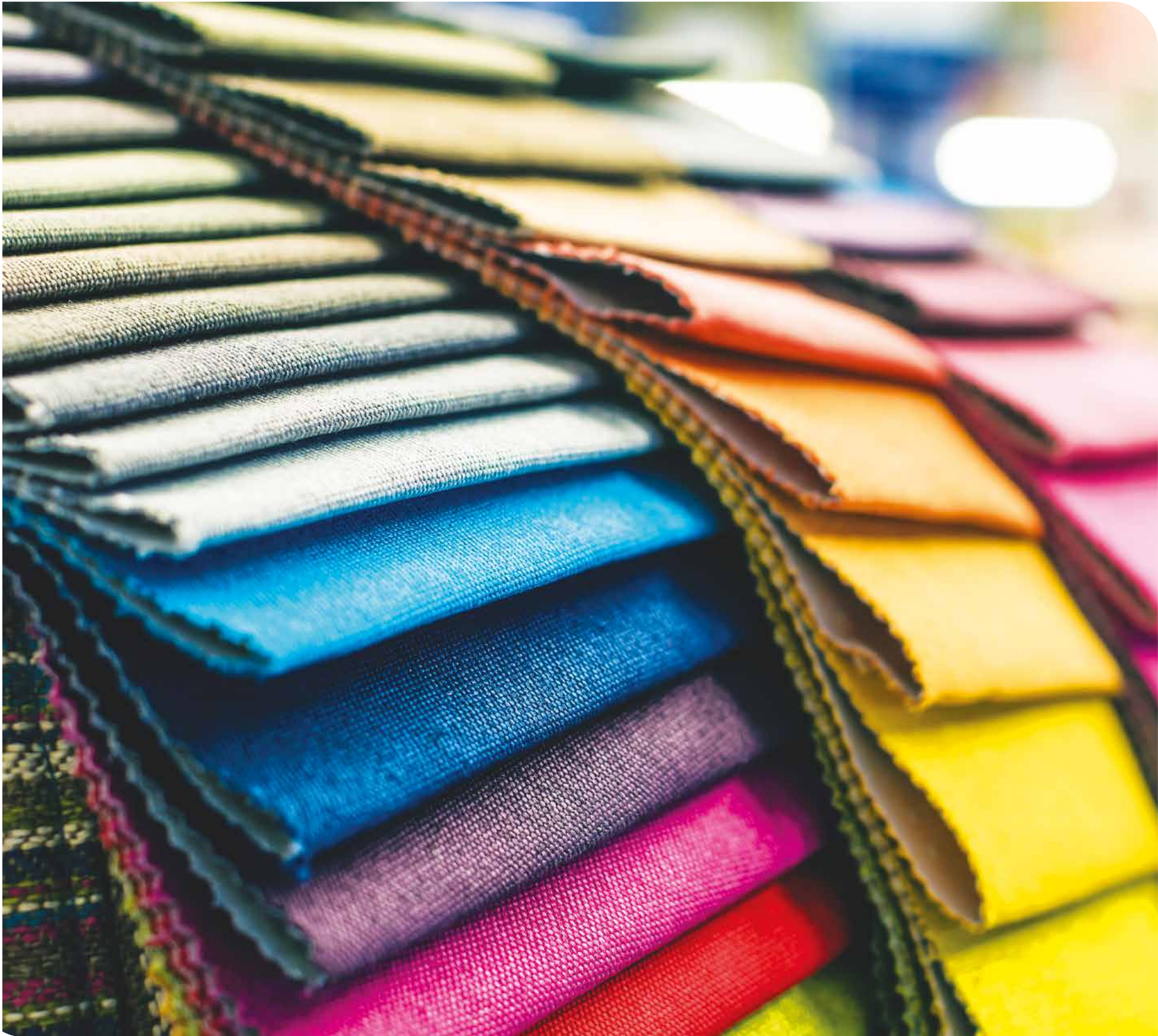
Also, our melange unit creates a new revenue vertical. We have large domestic and international clients for whom we manufacture knitted garments. They need melange yarn and fabric too. This unit will allow us to gain additional wallet share with our existing clients.

With India focused on entering into trade agreements with large textile consuming nations, the country will steadily emerge as a textile sourcing hub for these markets. This will increase the demand for melange yarn considerably. The unit will allow us to effectively capitalise on these emerging opportunities.

Knits in demand

According to the latest report by IMARC Group the global knitted fabric market is expected to exhibit a CAGR of 4.4% during 2023-2028.





Maral makes a comprehensive range of knitted fabrics which include Single Jerseys, Ribs, Interlocks, Piques, Honey Combs, Fleece, Plaited & Variegated Structured fabrics, Feeder & Engineered stripes etc., in 100% cotton and various blends.

It sources 32% of its yarn requirement from the yarn division. Moreover, about 5% of the production is used for value-adding to garments.

The Company enjoys a presence in diverse global markets, which include Vietnam, Indonesia, Turkey, etc. Its customers comprise domestic and international garments manufacturers and textile brands with whom it enjoys healthy business relations. Exports comprise about 44% of the Company’s sales.

Performance in FY23

The global gloom that cast a dark shadow over the Indian textile industry impacted the performance of the fabric division. For the first time in the Company's history, the knitting unit's capacity utilisation was throttled to balance the demand-supply equation. While the performance improved marginally towards the close of the year, the Company expects to be on track with improved utilisation of assets towards the second half of the current year.

Despite the headwinds, the Company continued to invest in improving capability. It added a continuous scouring line which should increase its fabric-washing capacity. The Company added contemporary knitting machines to replace legacy equipment which should improve product quality. Further, it enhanced its finishing capacity.

Blueprint for FY24

Maral will focus on maximising capacity utilisation as demand resurfaces in the second half of the current year. On the marketing front, the Company will work towards adding more names to its client base, which would result in business growth.

Garment business

2,414

Sewing machines

1 crore

Capacity (pcs/per annum)

270.28

Revenue (₹ crore)

26.35

Contribution to total revenue (%)

The garmenting business is value-added business that drives overall profitability and cements the Company's quality of operation in the minds of global textile brands.

Maral produces a wide range of garments, namely Activewear, Casual wear, Athleisure and Sleepwear for men and Ladies in Conventional and Organic, Fair Trade garments and soft toys for infants and kids, and a complete range of handmade home accessories by underprivileged ladies.

The Company has four garmenting units. The highly sophisticated equipment allows it to provide different textures and finishes to the fabric – customised to customer requirements. Its proficient and talented in-house design department can effectively and consistently execute specific styling and sampling needs.

Performance in FY23

This business faced the maximum brunt of the global slowdown in the textile space. The overbought position of global textile brands towards the close of FY22, coupled with the Russia-Ukraine war and the cascading inflationary headwinds, resulted in a sharp drop in garment purchases in the US and Europe – very large garment-consuming markets – forced destocking by the channel. This impacted the demand for garments from India and Maral.

Having added two garmenting units in FY22 (taking its garmenting units to 5), the Company consolidated it in one unit with another operating unit, which helped to optimise operating costs and made the business more sustainable.

The team successfully added 4-5 renowned customers to its client base, which should help grow business volumes in the current year.

Blueprint for FY24

The Company will focus on adding new customers from existing and new geographies, which should help scaling up its asset utilisation. Also, the team will focus on catering to a new global brand onboarded in FY23 – nurturing this business relation promises healthy business volumes over the long term.





Management Discussion & Analysis

An economic overview

World Economy

The world economy returned to the normal growth trend from the high growth number of 2021 (owing to pent-up demand).

The world economy grew at a healthy 3.2% in 2022 despite the raging Russia-Ukraine, which triggered stubborn inflation and unprecedented energy prices in Europe. Besides, other natural calamities also negatively impacted the progress of the world economy.

There were exciting positives from the second half of 2022. Business and consumer sentiments improved as food and energy prices retraced significantly. Also, the full reopening of China infused new energy into the world economy.

Developed economies such as the United States and the Eurozone showed resilience in the year's second half against recession. The US economy grew by an estimated 2.9% in the fourth quarter and 2.1% in 2022. The eurozone economy expanded by 0.1% in the fourth quarter and 3.5% for the year.

The global manufacturing output continued to be steady and exhibited a year-on-year growth between three to four per cent since the last quarter of 2021. However, this changed in the fourth

quarter of 2022, when growth decelerated considerably to 1.5%.

As far as the global fashion industry is concerned, hyperinflation and depressed customer sentiments have resulted in declining growth rates in the second half of 2022. However, the luxury sector should outperform the rest of the industry, as wealthy shoppers will continue to spend and thus remain more insulated from the effects of hyperinflation.

As per the latest estimates of the IMF, global growth should be 2.9%, up from a 2.7% forecast in October.

India Economy

India weathered the global economic turmoil with discipline and dedication to emerge as one of the largest growing major economies.

The Government's strong capex disbursements, recovery in auto sales, and improving capacity utilisation at a macro level supported India's economic progress as the nation reported a near 7% GDP growth for FY23 against 9.1% growth in FY22.

India's exports (including merchandise and services) are likely to increase by 13.84% to a record US\$770.18 billion in FY23, while

overall imports are likely to surge by 17.38% to US\$892.18 billion over the previous year. A strong trade performance on the services front helped boost the overall export numbers in 2022-23, even as the impact of a global economic slowdown was visibly felt in the case of merchandise trade.

India's industrial output, as measured by IIP, rose by 5.5% for 11 months from April 2022 to February 2023. The CPI (Consumer Price Index) has slowed to a 15-month low of 5.66%. It is in line with the RBI's target of keeping it below the 6% mark. Food inflation and vegetable prices slowing down helped the final figure in a big way.

In future, India is likely to sustain its economic progress in the current year. The RBI's rate-setting panel has projected India's real GDP to grow at 6.5% in FY24, about ten basis points higher than its earlier estimate. On the other hand, the International Monetary Fund (IMF) has pruned India's GDP growth forecast for FY24 by 20 basis points to 5.9%.



The Textile sector

Global textile market

The global textile market was valued at USD 993.6 billion in 2021 and is likely to grow at a compound annual growth rate (CAGR) of 4.0% from 2022 to 2030. Increasing demand for apparel from the fashion industry and the growth of e-commerce platforms should accelerate market growth over the forecast period.

The U.S. is expected to be the largest market for textiles in the North American region. It is one of the largest producers, raw cotton exporters, and top raw textile importers. Fashion is the largest application segment in the region owing to the fast-changing fashion trends due to increasing online fast fashion companies.

Asia Pacific also accounts for a significant share of the market, owing to the thriving technical textiles industry in India, China, Maldives, Bangladesh, Vietnam, and Japan, among others. Technical textiles include textiles used in cars, mattress covers, bags, tents, and parachutes, medical applications, road infrastructure among others. Over the next decade, technical

textiles in the region could grow by more than 20%, which will augment the growth of the global textile industry.

Fashion segment: After robust growth up to mid-2022, the fashion industry faced considerable challenges owing to hyperinflation and depressed customer sentiments. The luxury sector, on the other hand, continued to do well throughout 2022 and remains poised to see further expansion in the current year. As per McKinsey's analysis of fashion forecasts, the luxury sector is expected to grow between 5-10% in 2023, driven by strong momentum in China (projected to grow between 9-14%) and in the United States (projected to grow between 5-10%).

Smart textiles: Advancements in wireless technologies and rising demand for connectivity drive the demand for smart textiles. Smart textiles are fabrics capable of interacting with their environment. They can react to physical stimuli such as thermal, mechanical, electrical, and chemical sources. Sensors, actuators, and fabrics are the major components of smart textiles. The materials used in smart textiles include optical fibres, metals, and conductive polymers. Also, textile manufacturers incorporate microelectronics, biotechnology, and nanomaterials to improve the interconnection between components. They are widely used in fashion, entertainment, medicine, transportation, sports and fitness, and the military.

The current year will present unique challenges and opportunities for the apparel industry as brands navigate an uncertain economic climate and a shifting market landscape.

Defining trends

The top trends that are shaping the apparel industry in 2023.

New headwinds: The apparel industry struggled through the challenges of the COVID-19 pandemic—when retail traffic dropped and supply chains faced disruption. Now, the industry faces the constraints of inflation, the impact of geopolitical tensions, and weakened consumer demand. To succeed in this economic climate, brands must be agile and get creative to stand out through their marketing, product development, and choice of sales channels.

Focus on sustainability: Sustainability has also become a significant concern for consumers and businesses, and the apparel industry is no exception. Consumers are becoming more conscious of their impact on the environment and are demanding clothing made from sustainable materials and produced in an environmentally responsible way. Brands are responding by incorporating sustainable materials into their products, reducing their carbon footprint, and implementing environmentally friendly manufacturing processes.

D-2-C models gaining credence:

Direct-to-consumer (DTC) is becoming a vital feature of the apparel industry as consumers seek more personalised and convenient shopping experiences. Brands bypass traditional retail channels, selling their products directly to consumers through their online stores and showcasing their products on social media platforms.

Digital transformation: The apparel industry has embraced digital transformation, using technology to streamline operations, improve customer experiences, and better understand their customers. Brands are using data analytics to gain insights into consumer preferences and buying habits, and they are incorporating these insights into their product development and marketing strategies. Artificial intelligence, machine learning, and automation are also helping brands improve their supply chain operations and reduce waste.

Appeal for Athleisure: Athleisure, a term used to describe clothing that is suitable for both athletic and leisure activities, is another major long-standing trend in the apparel industry. Consumers are looking for comfortable, versatile clothing that can be worn in multiple settings, and athleisure provides just that. Brands are responding by offering a wide range of athleisure products, from yoga pants to hoodies, to meet the demands of this growing market.

India textile sector

The textile industry occupies a unique place in our country. It is one of India's oldest industries and has a formidable presence in the national economy owing to its major contribution to the manufacturing sector, exports and employment generation. Also, India is among the world's largest producers of Textiles and Apparel.

India's textiles and apparel industry has strengths across the entire value chain, from fiber, yarn, and fabric to apparel & home textiles. The Indian textile and apparel industry is highly diversified, with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organised textile industry in India. The organised textile industry in India deploys capital-intensive technology for mass production of textile products, including spinning, weaving, processing, and apparel manufacturing.

The past year (2022) saw the addition of seven new Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks and an added investment of a massive ₹19,000 crore in the sector under the Production-Linked Incentive (PLI) Scheme for textiles.



Performance in FY23: After 18 months of robust growth through mid-2022, global retail sales of clothing were dragged down by high inflation and depressed consumer sentiment. India's textile and apparel industry is facing a crisis as consumers in the United States, Europe and other big markets have cut spending on clothing following a surge in inflation after the war in Ukraine. The significant volatility in input prices, especially cotton, has only added to the woes of the textile players. Exports, accounting for more than a fifth of the output, dropped considerably during the second half of CY 2022. Domestic sales also remained sluggish despite robust economic growth due to high costs and cheap imported garments.

Going forward: The Government is committed to increasing textile exports from India from the current USD 44.4 billion to USD 100 billion in the next five years. It is working on multiple fronts to create growth avenues for the domestic textile sector.

- The India-Australia Economic Cooperation and Trade Agreement that came into force will boost textile and apparel exports. Under this agreement, Australia offers zero-duty access to India for about 96.4% of exports (by value) from day one. Australia, the largest importer of garments in the Southern Hemisphere, gives textile and garment exporters substantial business opportunities.

The UP Textile & Garment Policy 2022

The Uttar Pradesh (UP) government announced that it would provide a 25% subsidy on purchase of land and up to 100% exemption on stamp duty for setting up textile units in the state as part of its new policy. The move comes across as an effort to attract ₹10,000 crore investment for the textile sector to turn the state into a global textiles hub.

- Indian government has set up the National Technical Textiles Mission (NTTM) for a period of 4 years (2020-21 to 2023-24) with an outlay of ₹1,480 crore to boost the technical textiles sector in the country. The Mission aims to achieve an average growth rate of 15-20% per annum, taking the domestic market size to US\$40-50 billion by 2024.

- The Foreign Trade Policy (FTP) announced added the Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme as an additional scheme eligible for benefits under the Common Service Provider Scheme of the Export Promotion Capital Goods Scheme (EPCG).

- According to proposals being considered at the commerce ministry, textile exporters may soon get a fresh set of incentives to expand their business in European and other markets. The European markets currently slap high levy on Indian exports which make them unviable when compared with peers.

2023 has dawned with bright hopes for the Indian textile industry. The industry seems to progress towards a positive steady growth phase after a period of turbulence and uncertainty. With a world that is hopefully ending the pandemic, things are looking up for the textile industry.

This buoyant mood stems from a series of measures taken by the Union Government to revive the fortunes of the textile industry. These measures range from linking investment in technical textiles to the PLI scheme, launching mega textile parks signing FTA's and MoUs with many countries, etc.; the initiatives aim to catapult the fortunes of the Indian textile industry to new heights.

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. India has the second-largest capacity for spinning but is the market leader in global yarn trade. Indian spinning industry also has the unique capability of offering the entire range of yarns right from the coarsest count, like 6s Ne, to the finest count, like 160s Ne, both for domestic and export markets.

Performance in FY23: As Indian cotton prices continue to be costlier compared to the international market, cotton yarn exports have taken a significant hit to touch historic lows, with a 59% decline in the first half of FY23 compared to the year-ago period. With China opening up post the Covid induced lockdowns, demand for yarn scaled appreciably, with most units operating at optimum utilisation.

Business and its performance

About Maral

Maral Overseas Limited (Maral) is an integrated textile company that manufactures a comprehensive range of yarns, fabric and garments at its manufacturing facilities. The yarn business is the flagship business driving business growth. The garment division is the key focus area owing to increased value-addition and product acceptance by global marquee brands.

SWOT Analysis	
Strengths	Weaknesses
An integrated facility that houses best-in-class equipment	Fragmented and unorganised industry
A wide and growing product portfolio	
High-quality standards endorsed by global certifications	
Sharp focus on developing customised products for building customer relations	
Continued investments in the business to align with dynamic sectoral realities and customer requirements	
Opportunities	Threats
India is a vast consuming hub	Volatility in raw material prices
E-commerce is booming	Disturbed supply chain owing to geopolitical tensions prevailing across the globe
Export opportunities increase owing to the shift in global trade from China to India; FTA agreements also enhance India's competitiveness globally.	

Business performance

Despite an otherwise strong economy, the textile industry suffered due to a significant drop in demand from Indian and global consumers.

Demand from the US and Europe customers dipped owing to the recessionary fears that set in, which resulted in a pullback in discretionary expenses. Moreover, the unprecedented volatility in cotton prices and the surge in other essential input costs made it quite impossible to deliver products at agreed prices. The cost spike forced major textile players to throttle operations.

Maral faced similar challenges. The Company had to operate at sub optimum

level in FY23. It adopted multiple cost optimisation measures to curtail the drop in business profitability.

The reopening of China from its strict lockdowns has created a surge in demand for yarn. As a result, yarn units scaled to peak utilisation in no time.

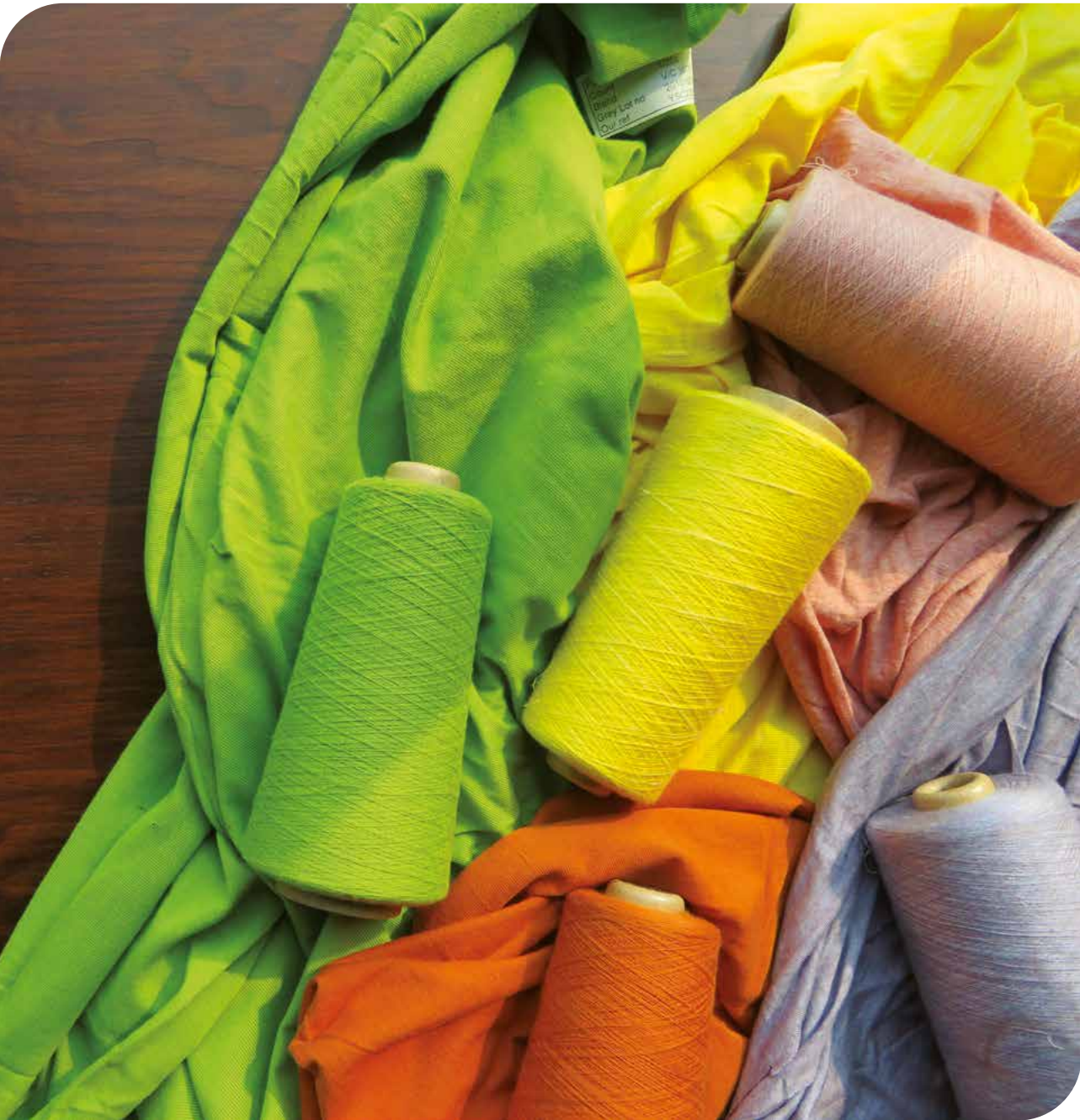
Demand for fabrics and garments is also likely to pick up marginally towards the close of the fiscal.

The management prudently utilised its cash reserves earned in previous years to continue with its equipment modernisation drive. It replaced legacy equipment with contemporary variants. Their efficiency resulted in higher quality output in a cost effective manner.

We continued to progress well on the commissioning of our ~19,000 spindle Melange yarn unit which is scheduled to commence operations in the current year (FY24). This investment will prudently complement the Company's existing product range and allow it to offer a more comprehensive product basket to its customers.

Strategic initiatives

- Consolidate and strengthen the production facility
- Setting up of Melange Yarn spinning facility
- Tying up with international garments brands



Financial performance

Your Company achieved a turnover of ₹1,025.85 crore for the year ended 31st March, 2023 against ₹1,082.44 crore in the previous year ended 31st March, 2022. Further, the Company achieved an operational profit of ₹34.71 crore as against ₹139.63 crore in the previous

year. The Company recorded a Net Loss at ₹15.93 crore as against Net Profit of ₹66.98 crore reported in the previous year.

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. During the FY23, the Net

worth decreased from ₹165.60 crore as on 31st March 2022 to ₹140.99 crore as on 31st March 2023. The return on net worth was (11.30)% in the FY23 against 40.44% in the previous FY23. The decreased in net worth was mainly due to losses during the FY23.



Significant changes i.e., a 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 immediate previous financial year, along with detailed explanations are reported hereunder.

Key Ratios

	FY23	FY23	% Change	Remarks
Stability Ratios				
Debt-equity Ratio (in times)	0.81	0.52	55.50	Majorly due to increase in long term debts.
Interest Coverage Ratio (in times)	2.54	19.30	(86.84)	Due to decrease in profitability.
Liquidity Ratios				
Current Ratio (in times)	1.18	1.37	(14.38)	-
Debtor Turnover Ratio (in times)	9.84	10.46	(5.86)	-
Inventory Turnover Ratio (in times)	5.39	7.20	(25.13)	Majorly due to increase in average inventory.
Profitability Ratios				
Operating Profit Margin (%)	3.38	12.90	(73.80)	Majorly due to decrease in profitability.
Net Profit Margin (%)	(1.55)	6.19	(125.04)	Majorly due to increase in average inventory.

Internal Controls and their Adequacy

The Company's internal controls are commensurate with its size and the nature of its operations. They have been designed to provide reasonable assurance about 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, ensures high accuracy in recording and providing reliable financial & operational information, meeting statutory compliances.

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

These findings provide input for risk identification and assessment. Timely and adequate measures are undertaken to ensure the undisrupted 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

Human capital is the biggest asset. Their passion and spirit, nurtured over the years, have driven the Company to scale to newer heights. It 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.

The recruitment policy is structured to make its talent pool sharp and energetic in an increasingly dynamic marketplace. The HR team constantly works to upgrade and sharpen the skills of this invaluable asset.

The HR policy helps to build a more competent workforce that stays tuned to the rapidly evolving business dynamics and infuses a culture of adaptability to changes, agility to work fast, and affinity to grow.

In keeping with this culture, the HR department continued to foster a conducive environment to develop ownership, accountability and positive energy among individuals. Town hall meets and periodic interaction with the leadership teams built the team's morale.

The HR team focused on the purposeful involvement of each team member to make a positive impact on the dual goal of commercial success and social impact.

There were 3420 permanent employees on the rolls of the Company as on March 31, 2023.

Disclosure of Accounting Treatment

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

Risk management

At Maral, the 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. It seeks to proactively identify, address and mitigate existing and emerging risks to strengthen the business model and ensure 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, may be '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 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 Government regulations, tax laws and other statutes and other incidental factors.

Corporate Information

L.N. Jhunjhunwala, Chairman - Emeritus

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

Shekhar Agarwal, Chairman & Managing Director and CEO
Shantanu Agarwal, Joint Managing Director
Manoj Gupta, Chief Financial Officer
Virendra Kumar Garg, Company Secretary

STATUTORY AUDITOR

S.S. Kothari Mehta & Company, New Delhi

INTERNAL AUDITORS

GSA & Associates, LLP, Chartered Accountants
 Arvind Kaul & Associates, Chartered Accountants

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

PLANT LOCATIONS

Sarovar

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

Noida & Faridabad

A-11, Hosiery Complex, Phase - II (Extension), Noida - 201305 (U.P.)
 D-347, Sector-63, Noida-201307 (U.P.)
 12/4, Main Mathura Road, Faridabad - 121003 (Haryana)
 A-37, Sector 64, Noida- 201301 (U.P.)

REGISTERED OFFICE

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

CORPORATE OFFICE

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

KEY EXECUTIVES

Sarovar Plant

Satya Narayan Goyal
 President

Noida & Faridabad Plant

Sanjay Jhangala
 Vice President- Operation

BANKERS

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

Directors' Report

To the members

Your Directors are pleased to present the Thirty Fourth 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 31st March, 2023.

The Financial performance of the Company for the year ended 31st March, 2023 is summarised as below:

Financial Results

	(₹ in Crores)	
Particulars	2022-23	2021-22
Revenue from Operation	1025.85	1082.44
Profit before Interest & Depreciation	34.71	139.63
Less: Finance Cost	23.10	21.03
Profit before Depreciation & Amortisation	11.61	118.60
Less: Depreciation & Amortisation	29.97	26.12
Profit/(Loss) before Tax	(18.36)	92.48
Less:		
a) Current Tax	-	27.14
b) Deferred Tax	(1.69)	(1.27)
c) Taxes adjustment for earlier years	(0.74)	(0.37)
Profit/(Loss) after Tax	(15.93)	66.98
Add: Opening Balance	45.39	(20.48)
Add: Transfer to Capital Redemption Reserve	-	(1.80)
Add: Other Comprehensive Income	0.05	0.69
Add: Dividend Distribution	(8.30)	-
Balance at the end of the year- Retain Earning	21.21	45.39

Number of meetings of Board of Directors

The particulars of the meetings of Board of Directors held during the year along with details regarding the meetings attended by the Directors, forms part of Corporate Governance Report. The composition of Board and its Committees has also been provided in detail in the Report on Corporate Governance.

Dividend and Other Appropriations

In view of the financial position of the Company during the year under review, your Directors do not recommend any dividend on the Equity Shares of the Company.

Operational Performance

Your Directors inform the members that during the year under review, the operations of the Company were affected due to several domestic as well as international developments. There was a slowdown in the global economy which led to decline in the margins of the Company and entire textile industry, hence, your Company suffered losses during the year. Textile industry was undergoing an uncertain phase due to poor demand and lower selling prices. The fabric division of your Company reported satisfactory performance and improved profitability during the year despite decrease in turnover. The Garment segment continued to remain sluggish due to market conditions and high raw material costs and reported losses in spite of increase in turnover. The Yarn division of the Company reported lower turnover and profitability. Your Company geared itself to face challenges and made all efforts to continue its operations with full efficiency at optimum capacity.

The current business conditions are uncertain and your Directors are taking all necessary steps to overcome the situation, perform better and recover lost ground. The Company has undertaken cost optimization and rationalisation exercise to bring down the cost of operations and is also working on realigning product mix to improve margins. Your Directors are optimistic about better economic condition in future and with the completion of the ongoing modernization programme, your Company would be able to significantly improve its performance and profitability.

During the year under review, operation of one of Garment unit located at C-126, Sector, 63, Noida- 201307 (U.P.), was consolidated with other existing unit located at A-37, Sector 64, Noida (U.P.) and after consolidation, the lease of said unit i.e. C-126, Sector, 63, Noida 201307 (U.P.) had been discontinued w.e.f. 30th April, 2023.

Your Company achieved a turnover of ₹1025.85 Crore for the year ended 31st March, 2023 against ₹1082.44 Crore in the previous year ended 31st March, 2022. Further, the Company achieved an operational profit of ₹34.71 Crore as against ₹139.63 Crore in the previous year. The Company recorded a Net Loss of ₹15.93 Crores as against a Net Profit of ₹66.98 Crore reported in the previous year.

During the period under review, your Company recorded a production of 13,281 MT of grey yarn (18,133 MT), 2,542 MT of dyed yarn (2,791 MT), 3,507 MT of grey knitted fabric (4,281 MT), 4,756 MT of processed fabric (6,224 MT) and 51.32 Lakh pieces of garments (55.38 Lakh pieces).

During the year under review, the Company's exports (FOB value) were to the tune of ₹437.67 Crore (₹516.48 Crores) and accounted for 42.66 % (47.72 %) of the Company's turnover. The yarn business accounted for 45.06 % (50.07 %) while knitted fabric and garment business accounted for 29.41 % (31.30 %) and 25.53 % (18.63%) 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 its Sarovar Plant.

Your Directors are pleased to inform the members that modernization programme of ₹11.00 Crore and ₹39.00 Crore had been fully completed and the Company had started deriving benefits from the same under review.

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 plant. It is expected that the said modernization programme would be completed during the current financial year 2024. This will result in improving the overall efficiency of production, quality of products and better utilization of installed capacity resulting to higher profitability.

Your Directors in their previous report had informed the members about the project for a 132 KVA Dedicated Feeder line which is now decided to be dropped. Your Directors proposes to explore the possibility of setting up Biomass cogeneration Power plant for captive consumption of power coupled with power generation through installation of roof-top solar panels.

Your Directors had also reported in previous report about the setting up a new garment manufacturing unit at Noida by setting up 500 Sewing Machines and printing at a Capital outlay of ₹14.93 Crore. Your Directors feel pleasure in informing the members that the commercial production of the unit commenced during the year under review and Company has started getting full benefits of value addition as well offering a wider range of products.

Your Directors had also reported in previous report about the 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 current financial year 2024.

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 has been involved with social initiatives and engages in various activities in the fields of education, healthcare and community upliftment.

CSR initiatives and activities of the Company are aligned to the requirements of Section 135 of the Companies Act, 2013. 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. The Company's Corporate Social Responsibility Policy as approved by the Board of Directors is disclosed on the website of the Company.

Annual Return

Pursuant to Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, Annual Return for the FY 23, is available on the website of the Company on the following link: <https://www.maraloverseas.com/Uploads/financial/Draft%20Annual%20Return%202022-2023.pdf>

Directors and Key Managerial Personnel

Your Directors inform the members that Shri Shantanu Agarwal (DIN-02314304), Director, retires by rotation and being eligible, offers himself for re-appointment.

During the year, Board of Directors had approved the re-appointment of Shri Shekhar Agarwal (DIN: 00066113) as Managing Director for a period of three years commencing from 1st April, 2022 and remuneration payable to Shri Shantanu Agarwal, Joint Managing Director w.e.f. 1st April, 2022 for his remaining tenure upto 18th June, 2025 upon commendation of Nomination and Remuneration Committee and the same were subsequently approved by the shareholders of the Company by way of Special Resolution through Postal Ballot by e-voting on 19th June, 2022.

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 under review, the Board at its meeting held on 4th November, 2022, appointed Shri Manoj Gupta as Chief Financial Officer of the Company in place of Shri Atul Kumar Jain with immediate effect.

Shri Shekhar Agarwal, Chairman & Managing Director and CEO, Shri Shantanu Agarwal, Joint Managing Director, Shri Manoj Gupta, Chief Financial Officer and Shri Virendra Kumar Garg, Company Secretary acted as Key Managerial Personnel of the Company as on 31st March, 2023.

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 as your Directors endeavours to follow the policy and all appointments in 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 individual Directors. The manner of evaluation is mentioned in the Nomination and Remuneration policy which forms part of Board Report. Your Directors feels 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 industry in which Company operates, business model of the Company, etc., through various programmes.

Auditors

Statutory Auditors

Your Directors inform the members that Board of Director has recommended the re-appointment of M/s. S. S. Kothari Mehta & Company, Chartered Accountants, (Firm Registration No. 000756N) as Statutory Auditor of the Company for a second term of five consecutive years, starting from the conclusion of 33rd Annual General Meeting ('AGM') held on 25th August, 2022 till the conclusion of this 38th AGM of the Company to be held in the year 2027 in accordance with the provisions of Section 139 of the Companies Act, 2013, upon commendation of Audit Committee subject to the approval of the members of the Company. Accordingly, the members of the Company had approved the re-appointment of M/s. S. S. Kothari Mehta & Company, as Statutory Auditor of the Company in their Annual General Meeting held on 25th August, 2022. Statutory Auditor have confirmed their eligibility under section 141 of the Companies Act, 2013 and rules framed thereunder.

Your Directors further inform the members that during the year under review, M/s. P. K. Deora & Co., Chartered Accountants (Firm registration No 004167N), who has completed their term of five years as Statutory Auditor of the Company, retired as Statutory Auditors of the Company at the conclusion of the 33rd Annual General Meeting of the Company held on 25th August, 2022.

During the year under review, the Auditor 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 Auditor, 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 2022-23.

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 Secretarial Auditor of the Company for the year ended 31st March, 2023. 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 (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 as amended, 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 to conduct the audit of the cost records of the Company for the year ended 31st March, 2023.

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/arrangement/transactions entered into by the Company during the financial year with related parties were in compliance with the applicable provisions of the Act and the Listing Regulations, 2015. Prior omnibus approval of the Audit Committee are obtained for all related party transactions, which are foreseen and repetitive in nature. Pursuant to the said omnibus approval, details of transactions entered into are also reviewed by the Audit Committee and the Board of Directors on a quarterly basis.

All related party transactions entered into by the Company during the financial year with related parties were on arm's length basis at prevailing market price 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/policy/Related%20Party%20Transactions%20Policy.pdf>

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 by 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.

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 shareholders' value by minimizing threats, 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 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/policy/Whistle%20Blower%20Policy.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. 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. Internal Controls also facilitate optimum utilization of resources, protect Company's assets and stakeholder's interests. Internal Auditors also ensure proper compliance of all policies and Standard Operating Procedures (SOPs) adopted by the Company. 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. 31st March, 2023 and the date of Report i.e. 4th May, 2023.

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, 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, 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 as on 31st March, 2023 and of the profit and loss of the Company for the year ended 31st March, 2023;
- 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;

- the annual accounts have been prepared on a going concern basis.
- proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- the system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Disclosure of Accounting Treatment

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

Transfer to Investor Education and Protection Fund

In terms of the provisions of Section 124 and 125 of the Act read with the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, there was no unclaimed amount or shares during the financial year that were required to be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. The Company has appointed a Nodal Officer under the provisions of IEPF.

During the year under review, the Shareholders of the Company in their meeting held on 25th August, 2022 had declared a dividend of ₹2/- per equity share of face value of ₹10/- each for the financial year 2021-22 as recommended by the Board of Directors and accordingly, the dividend had been paid to the members of the Company within prescribed time period. The unpaid / unclaimed amount of dividend which was not claimed by the shareholders within 30 days of the AGM, had been transferred to the Unpaid/ Unclaimed Dividend Account 2021-22 of the Company.

Pursuant to section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting Audit, Transfer and Refund) Rules, 2106 ("IEPF Rules"), dividend that are unpaid or unclaimed for a period of 7 (seven) consecutive years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). Further, according to said IEPF Rules, shares in respect of which dividend remain unpaid/ unclaimed by the shareholders for 7 (seven) consecutive years shall also liable to be transferred to the Demat account of the IEPF Authority. Therefore, the Company requests all the members to encash/ claim their unpaid/ unclaimed dividend within the

prescribed time. The details of unpaid/ unclaimed dividend for the FY 22 are available on the website of the Company i.e. www.maraloverseas.com

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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- No amount has been transferred to General Reserves during the year.

IV. There was 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

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN: 00066113

Place: Noida (U.P.)

Date: 4th May, 2023

Annexure – I to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities

For the financial year 2022-23

- 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 meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Priya Shankar Dasgupta	Chairman of the Committee/ Non Executive Independent Director	4	3
2	Shri Shekhar Agarwal	Member/ Executive Director	4	4
3	Dr. Kamal Gupta	Member/ Non Executive Independent Director	4	4
4	Shri Shantanu Agarwal	Member/ Executive Director	4	4

- 3** Web-link where Composition of CSR committee, CSR Policy and CSR projects/activities approved by the Board are disclosed on the website of the Company. https://www.maraloverseas.com/policy/MOL_CSR_Policy.pdf
- 4** Provide the executive summary alongwith web-link 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:- **Not Applicable**
- 5**
- | | |
|--|-----------------------|
| a) Average net profit of the company as per section 135(5). | ₹3567.13 Lacs |
| b) Two percent of average net profit of the company as per section 135(5): | ₹71.34 Lacs |
| c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | Not Applicable |
| d) Amount required to be set off for the financial year, if any | Not Applicable |
| e) Total CSR obligation for the financial year {(b+c)-(d)}. | ₹71.34 Lacs |
- 6**
- | | |
|--|-----------------------|
| a) Amount spent on CSR Project :- | |
| ➤ Ongoing Project - | Not Applicable |
| ➤ Other than Ongoing Project | ₹71.34 Lacs |
| b) Amount spent in administrative overheads | Nil |
| c) Amount spent on impact assessment, if applicable. | Not Applicable |
| d) Total amount spent for the financial Year (a+b+c) | ₹71.34 Lacs |
| e) CSR amount spent or unspent for the financial year: | |
| i. Total Amount Spent for the Financial Year | ₹71.34 Lacs |
| ii. Total Amount transferred to Unspent CSR Account as per section 135(6).
Amount/ Date of transfer | Not Applicable |
| iii. Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). Name of the Fund/ Amount/ Date of transfer | Not Applicable |

f) Excess amount for set off, if any-

Sl. No.	Particulars	₹ in Lacs
i.	Two percent of average net profit of the company as per section 135(5)	71.34
ii.	Total amount spent for the Financial Year	71.34
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

During the year the Company was required to spend ₹71.34 lacs on CSR activities and the Company had spent entire amount of ₹71.34 lacs under review. Therefore, no amount remained unspent/unutilised as at the end of the financial year 2023.

- 7 Details of Unspent CSR amount for the preceding three financial years:**
- | | |
|---|-------------------------------------|
| i. Preceding Financial Yeas- | 2021-22, 2020-21 and 2019-20 |
| ii. Amount transferred to Unspent CSR Account as per section 135(6) | Not Applicable |
| iii. Balance Amount in unspent CSR account under sub- section (6) of section 135 | Not Applicable |
| iv. Amount spent in the reporting Financial Year | Not Applicable |
| v. Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).
Amount / Date of transfer | Not Applicable |
| vi. Amount remaining to be spent in succeeding financial years | Not Applicable |
| vii. Deficiency if any | Not Applicable |
- 8 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR amount spent in the financial year:-** **Not Applicable**
- 9 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**

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN: 00066113

Priya Shankar Dasgupta
Chairman of CSR Committee
DIN: 00012552

Place: Noida (U.P.)
Date: 4th May, 2023

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 from 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- thirds shall be Independent Directors.

The Company already had in place a Remuneration Committee which was made well in line with the above mentioned requirements. Board has the authority to reconstitute this Committee from time to time. In order to align with the policy of 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 22nd 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. Chairman 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 atleast 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 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 a 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 Director(s) of the Company:

The evaluation/assessment of the Director(s), 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 relative to the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

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

The Performance Evaluation of 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:

- 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.
- 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 31st March 2023

[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 31st March, 2023. 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 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 31st March, 2023 according to the provisions of:

- The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and byelaws framed thereunder;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - Securities and exchange Board of India (Registrar to an issue and share transfer Agents) Regulations, 1993;
 - 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:

- The Boilers Act, 1923 as amended by the Indian Boilers (Amendment) Act, 2007;
- The Water (Prevention and control of Pollution) Act, 1974;
- The Air (Prevention and control of Pollution) Act, 1981;
- The Environment (Protection) Act, 1986;
- The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees State Insurance Act, 1948;
- The Factories Act, 1948;
- Maternity Benefit Act, 1961;
- Payment of Gratuity Act, 1972;
- Equal Remuneration Act, 1976;
- The Employers' Liability Act, 1938;
- 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, 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 taken 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 to 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
Firm Peer Review No. 1035/2020

Date: 05/05/2023
Place: Bhopal

Arpita Saxena
Partner
FCS-23822: COP-11962
UDIN: A023822E000262258

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 records 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 a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed provides a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the 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 a 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.

Date: 05/05/2023
Place: Bhopal

For **Pranav Kumar & Associates,**
Company Secretaries
ICSI Unique Code: P2005BI010400
Firm Peer Review No. 1035/2020

Arpita Saxena
Partner
FCS-23822: COP-11962
UDIN: A023822E000262258

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:-

1) Steps taken or Impact on conservation of energy:

Sarovar:-

- Replacement of old compressor with energy efficient compressor on low pressure line.
- Replacement of old Air dryer with energy efficient dryer.
- Replacement of some old inefficient pumps with energy efficient pumps in Humidification plant of Spinning.
- Optimization of voltage by installing voltage stabilizer on some speed frame machines in Spinning.
- Installation of Pressure reducing station in Process house for maintaining constant steam pressure.
- Regular monitoring, audit and maintenance of air leakages, steam and water leakages to minimize losses on accounts of leakages.

Plan for next year:-

- Installation of energy efficient motor and pulley conversion with frequency drive on Ring frame Unit 4 (Total 6 machines of 40 KW).
- Conversion of supply air and return air fans in Humidification plant after proper study.

Hosiery Complex- Noida:-

- Installed 15 no. of highway lights in cutting/finishing with energy efficient of low consumption of electricity.
- Installed 20 no. of highway lights in checking table with energy efficient of low consumption of electricity.
- To Installed one energy efficient fusing Machine with low consumption of electricity.
- Conversion of Traditional Finishing into online Finishing to increase the Production efficiency.

Plan for next year:-

- To Install Roof Top Solar Plant 105 KW.
- To Install 100 KF PNG Fired Boiler.

D-347, Sector- 63-Noida:-

- Installed PNG based boiler for production process with capacity (600 kg/hr.).
- Converted the Traditional Finishing into online Finishing to Increase the Production efficiency
- Installed the Double Head Needle Detector Machine to Double check the quality.
- Installed the De Humidifier to maintain the Humidity maintain in Dry Room.

Plan for next year:-

- To install Roof Top Solar Plant Capacity 35 KW.

12/4, Main Mathura Road, Faridabad:-

- Strengthened the machine maintenance preventive plan to minimize the energy and cost.
- Installed VFD Compressor.

Plan for next year:-

- To install Automatic Cutting and Spreader.

A-37, Sector 64, Noida: -

- Installed Low Liquor Ratio Washing Machine
- Installed Automatic Cutting Machine and Spreader
- Installed VFD Compressor
- Installed 350 new sewing machines with energy efficient (Servo Motor) of low consumption of electricity.
- Installed Double Head Needle Detector Machine to double check the quality
- Installed the Digitization system for Check quality, DHU and efficiency.
- Installed Screen Printing Machine

Plan for next year:-

- To install Roof Top Solar for Capacity 225 KW

2) Steps taken by the company for utilizing alternate sources of energy.

Sarovar:-

- We are planning to install roof top solar power panels of 3 MW under OPEX, besides 1.0 MW already in operation.

Noida and Faridabad:-

- To install Roof Top Solar Plant

3) Capital investment on energy conservation equipment;

Sarovar:-

An investment of approx. ₹180 Lacs has been done for energy conservation during 2022-23.

Noida and Faridabad:-

Hosiery Complex- Noida:	₹7 Lacs
D-347 Sector -63- Noida:	₹90 Lacs
12/4, Main Mathura Road, Faridabad:	None
A 37, Sec 64- Noida:	₹1200 Lacs

B. Technology Absorption:

1. Efforts made towards technology absorption:

Sarovar:-

- Open width dyeing of Fabric. A Continuous Fabric Processing Technology from Erbatech, along with High Speed Compactor and Stenter with an investment of about ₹21.80 Cr. in Q4 FY 23-24.
- Compact Ring Frame for PC blended yarn: Replacement of 4 old normal Ring frame with LMW compact Ring frame for polyester/cotton blended yarn in Unit- 3.
- In addition to replacement of Ring frames as mentioned above, under technology upgradation and modernization plan, we have replaced 4 Cards, 4 Draw frames and 1 Auto coner in Spinning Unit No. 3.
- Addition of facility for producing 100 % Aramed yarn.
- Increased use of Recycled cotton.
- As a part of technology absorption, we have replaced old Spectrometer with a new version Datascolor Spectrometer.

Hosiery Complex- Noida:

- Installed the Digitization System to reduce the DHU and increase the Efficiency.

D-347 Sector -63- Noida:

- Installed the Inbuilt Low Liquor Ratio Washer Extractor which reduced water Consumption, Energy Consumption and Process Time.
- Installed the Digitization System to reduce the DHU and increase the Efficiency.

- c) Installed the Compressor with VFD.
- d) Installed Double Head Needle detector which increased the Quality.
- e) Installed the De Humidifier for maintain the Garment Humidity.

12/4, Main Mathura Road, Faridabad:-

- Installed the Digitization System which reduce the DHU and Increased the Efficiency.

A 37, Sec 64- Noida Unit:

- i. Installed the Inbuilt Low Liquor Ratio Washer Extractor which reduced water Consumption, Energy Consumption and Process Time.
- ii. Installed the Digitization System which reduce the DHU and Increased the Efficiency.
- iii. Installed the Compressor with VFD.
- iv. Installed the RO with Sea Membrane which reduce the Reject Water up to 10 %.
- v. Installed PNG Based Boiler, DG & Dryer.
- vi. Stich line set up needle to needle which increase the Efficiency and Reduced the WFT and WIP.

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

Sarovar Unit:

Fabric:-

- We have developed Indigo range fabrics instead of real Indigo dyeing by Digital Print route and given faded effect through stone & bio wash in garmenting, which was appreciated by many customers.
- Another step towards innovation was development of single mercerized fabric, by using mercerized yarn and getting 3D print, Piquet, Single Jersey which are premium range of fabrics.
- Developed both way high stretch fabric through unique method on 3-thread knitting machine. This fabric helps us to get maximum stretch like body fit.
- We have adopted new technology in Fabric processing by installing Continuous Bleaching Range (CBR) to reduce the process time, steam, water and power consumption as well as reduction of Effluents.
- Continuous Open width bleaching range technology also produces better quality fabrics.

Yarn:

- With replacement of 4 old normal Ring frame with LMW compact Ring frame for polyester/cotton blended yarn in Unit-3, our capacity of compact yarn has increased which yielded additional contribution also. PC compact is a new product added in our basket.
- 100 % Aramid Product: (In combination of Meta Aramid Fiber + Para Aramid Fiber + Beltron antistatic fibers). This yarn is used for Personal Protective fabrics (PPE fabrics), which will be giving higher value addition. This is a new addition in our product basket as import substitution.
- Towards sustainability, we are increasing share of recycled cotton waste. This is also improving value addition in such yarns.
- Melange yarn project is under progress. Production will start in Q2 of FY 24. This will also help in sustainability by reducing water, steam, and chemical consumption.

Hosiery Complex- Noida

- a) In house Manufactured Auto Tape dispenser which reduced the Packing Time.
- b) Menthol Kaj attachment procured and production done successfully earlier done on job work.
- c) Develop 3 stripe Machine to enhance quality and production.
- d) Bar tack 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.
- e) Button Machine Special for 1 Side Hole attached in Button machine.

- f) Convert the lines in online finishing.
- g) Bar Tack Machine Developed the Attachment in House for draw core bar tak Directly Without using Single Needle Lock stitch this attachment developed successfully for Vanheusan. Save 1 single needle Lock Stitch Machine with operator.

D -347 Sector -63, Noida:-

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

A 37, Sector- 64, Noida: -

- a) To minimize the machine maintenance cost and increase the production efficiency.
- b) Modified the machine for folder making.
- c) Installed Eco-friendly steam and other pipe lines.
- d) ETP has been installed to treat the waste water and recycle the same.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Sarovar, Noida and Faridabad:

- | | |
|--|-------------|
| 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 |

4. Expenditure incurred on Research and Development

Sarovar:-

The expenditure incurred on Research and Development: ₹138 Lacs for FY 23.

Noida and Faridabad:

Hosiery Complex- Noida:	Nil
D-347 Sector -63- Noida:	Nil
12/4, Main Mathura Road, Faridabad: -	Nil
A 37, Sec 64- Noida:	Nil

C. Foreign Exchange Earnings and Outgo.

During the year, the Company has earned foreign exchange equivalent to ₹43,766.83 Lacs at FOB price against an outgo of ₹16754.69 Lacs compared to the previous year's ₹51647.79 Lacs and outgo of ₹3,350.22 Lacs 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 2022-23.

Sl. No.	Name	Designation	% increase in remuneration in the financial year 2022-23
1	Shri Shekhar Agarwal	Chairman & Managing Director and CEO	12.73
2	Shri Shantanu Agarwal	Joint Managing Director	-
3	Shri Manoj Gupta	Chief Financial Officer	-
4	Shri Virendra Kumar Garg	Company Secretary	5.40

- 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 2022-23 is 134.37:1
- The percentage increase in the median remuneration of employees in the financial year is 2.24%.
- There were 3420 permanent employees on the rolls of the Company as on the 31st March, 2023.
- Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2022-23 was 4.16 % and increase in the managerial remuneration for the same financial year was 9.07%.
- 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	Remu- neration (In Lacs)	Qualification	Expe- rience (Year)	Commence- ment of Employment	No. of Shares Held	Whether Permanent/ Contractual	Age (Years)	Last Employed Organiza- tion	Post Held	Dura- tion (Years)
1	Shri Shekhar Agarwal	Chairman & Managing Director and CEO	210.83*	B.Tech. (ME) M.Sc (Chicago)	45	27.01.1989	7,55,573	Contractual	71	RSWM LTD.	Vice Chairman & Managing Director	25
2	Shri S.N. Goyal	President	117.50	C.A.	38	16.02.2020	700	Permanent	62	BMD Pvt. Ltd.	President	35
3	Shri Sanjay Janghala	Vice President-Operations	101.00	B.Sc.	28	14.10.2019	-	Permanent	50	Orient Craft Ltd.	COO	2.5
4	Shri Shantanu Agarwal	Joint Managing Director	95.26	B.S. in Electrical and Computer Engineering-CMU, USA & MBA (USA)	15	01.04.2022	-	Permanent	37	BMD Pvt. Ltd.	Managing Director	14
5	Shri Mohit Maheshwari	Sr. Vice President - Marketing	59.00	MBA	25	01.04.1999	-	Permanent	48	-	-	-
6	Shri Naveen Maheshwari	Sr. Vice President	53.37	B. Com.	37	01.04.2002	-	Permanent	56	HEG Ltd.	Dy. General Manager-MIS	7
7	Shri Navjot Walia	AVP-Marketing	44.53	B.Tech Textile	31	07.03.2011	-	Permanent	53	Souza Designs Ltd	GM	1
8	Shri Sanjay Bolya	Vice President-Commercial	37.73	C.A.	20	03.10.2022	-	Permanent	46	Vardhman Textiles Ltd.	Sr.V.P.	3
9	Shri Rajesh Rajan Khanna	General Manager	36.10	B.A.	30	08.12.2021	-	Permanent	53	Pearl Global Ltd.	GM	25
10	Shri Manoj Gupta	Chief Financial Officer	25.93	C.A.	21	01.11.2022	-	Permanent	46	Simbhaoli Sugars Ltd.	GM	5

B. Persons employed throughout the financial year & paid Rs.1 crore two lac P.A. or more:

S. No.	Name of Employee	Designation	Remu- neration (In Lacs)	Qualification	Expe- rience (Year)	Commence- ment of Employment	No. of Shares Held	Whether Permanent/ Contractual	Age (Years)	Last Employed Organiza- tion	Post Held	Dura- tion (Years)
1	Shri Shekhar Agarwal	Chairman & Managing Director and CEO	210.83*	B.Tech. (ME) M.Sc (Chicago)	45	27.01.1989	7,55,573	Contractual	71	RSWM LTD.	Vice Chairman & Managing Director	25
2	Shri S.N. Goyal	President	117.50	C.A.	38	16.02.2020	700	Permanent	62	BMD Pvt. Ltd.	President	35

* Excluding Commission

NOTES:

- Shri Shekhar Agarwal and Shri Shantanu Agarwal, being father and son respectively are related.
- 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.
- Salary were proportionate from the date of appointment.
- The above remuneration are CTC of the employees of the Company.

Corporate Governance Report

The purpose of Corporate Governance is to cultivate effective and prudent management of the Company by describing the processes, structures, and mechanisms that influence the control and direction of the corporation through which the pursuits of the Company are set and the standards of attaining those objectives and monitoring performance are committed. A Corporate Governance structure should encourage the efficient use of resources and sets accountability for the stewardship of those resources. Good Corporate Governance is an essential part of a well-managed, successful business enterprise that delivers value to its shareholders. 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.

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 31st March, 2023 is set out below for information of the stakeholders and investors of the Company.

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 aims to construct a progressive Corporate Governance system and an organisational paradigm comprised of an ethical approach toward society. Corporate Governance aligns the interests of individuals, organisation and society and integrates all the participants/shareholders involved in the process. The Company recognizes the rights of its stakeholders and encourages co-operation between the Company and its 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, Code of Conduct have been adopted by the Company for Directors, Senior Management Personnel and Independent Directors and hosted on the website of the Company. 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.

Board of Directors Composition

The composition of the Board represents a fine blend of professionals from various diversified background which enables 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. 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.

Board comprises an optimum combination of Executive and Non-Executive Directors with the Chairman of the Board as an Executive Director. As on 31st March, 2023, 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 fields of strategy, human resource development, management, law, finance, technology etc. 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 looking after 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 as on 31st March, 2023, are tabled below:

Director’s 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	Director ships*	No. of Membership (s) / Chairmanship (s) of Board Committees in other Companies as on 31.03.2023#	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 Jhunjhunwala, Director, Promoter–Non-Executive	5	4	9	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
Shri Priya Shankar Dasgupta, Non- Executive, Independent Director	5	4	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	6	5 (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, Companies registered under Section 8 of Companies Act, 2013, 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 (10) Board level Committees and Chairman of five (5) 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.

Independent Director denotes a Director as mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

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 Jhunjunwala-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 :

Board of Directors meet regularly throughout the financial year 2023. Board had met five times during the year. The maximum time gap between any two consecutive meetings was conducted as per the provisions of Companies Act, 2013 and Listing Regulations, 2015 as amended time to time. The frequency of the meetings is enough for the Board to undertake its duties effectively. In case of any exigency/ emergency, Resolution (s) was also passed by circulation which would be noted in subsequent Board Meeting. Quorum was present in all the Board meetings. During the year, meetings of Board of Directors were held on 11th May, 2022, 03rd August, 2022, 04th November, 2022, 02nd February, 2023 and 16th March, 2023. Video conferencing facilities were used as and when required to facilitate Directors at other locations to participate at the meeting(s).

Agenda papers containing all the necessary information's were sent in advance to all the Directors 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 Board / Committee meeting(s) were then communicated to the concerned departments / divisions.

Annual General Meeting of the Company was held on 25th August, 2022 through Video Conferencing / Other Audio Visual Means during the financial year ended 31st March, 2023 and was attended by all the Directors except Shri Ravi Jhunjunwala, who could not

attend the meeting due to his preoccupation. Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of Board of Directors was presented at the aforesaid Annual General Meeting to answer queries of members of the Company. Statutory and Secretarial Auditors also attended the said AGM.

Board reviewed 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 Jhunjunwala 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, Independent Directors fulfilled the conditions specified in the Listing Regulations, 2015 and are independent of the management.

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 and perquisites 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 during the financial year under review except for payment of sitting fees to its Non-Executive Directors.

Familiarization program for Independent Directors

All new Independent Directors, if any, 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. New Independent Director meets with the Board members and Senior Management.

Shareholding of Non-Executive Directors

Equity Shares held by Non-Executive Directors as on 31st March, 2023

Name of Director	Category	Number of Equity Shares held
Shri Ravi Jhunjunwala	Promoter- Non Executive	Nil
Dr. Kamal Gupta	Independent- Non Executive	1,000* / 2000**
Shri Priya Shankar Dasgupta	Independent- Non Executive	Nil
Smt. Archana Capoor	Independent- Non Executive	Nil

*Equity shares held jointly with Mrs. Usha Gupta (Spouse)

** Equity shares held by Mrs. Usha Gupta Jointly with Dr. Kamal Gupta (Spouse)

Information placed before the Board:

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 plan & budgets and any update thereof,
- Capital budgets and any updates thereof,
- Quarterly results of the Company and operating divisions and business segments,
- Minutes of the meetings of 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,

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 and Familiarization Policy can be accessed at the following link: <https://www.maraloverseas.com/familiar.php>

Directors and Officers Insurance

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

- 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 investments, subsidiaries, assets of material nature, which are not in the normal course of business,
- Quarterly details of foreign exchange exposures and the steps taken by the 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.

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.

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

Committees of the Board

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. 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 Corporate Governance practice. 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, 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.

1. Audit Committee

Audit Committee is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with Section 177 of the Companies Act, 2013. Audit Committee of the Company met five times during the year under review. The meetings were held on 11th May, 2022, 3rd August, 2022, 30th August, 2022, 4th November, 2022 and 2nd February, 2023. The details of attendance of members and composition of the Committee 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	4
Shri Shantanu Agarwal	Executive Director	Member	5	4
Smt. Archana Capoor	Independent-Non Executive Director	Member	5	5

Majority of the members of the Audit Committee are Non-Executive and Independent Directors. Dr. Kamal Gupta is the Chairman of Audit Committee. During the year under review, all the recommendations made by Audit Committee were accepted by the Board. Dr. Kamal Gupta, Chairman of 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, Joint Managing Director, other Directors, Chief Financial Officer, President of the Sarovar plant, Vice President of Garment plants and representative of the Statutory Auditor and Internal Auditors. The representative of Statutory Auditors and Internal Auditors regularly make

presentations in the Audit Committee meetings. 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. Auditors have attended all the Audit Committee meetings held during the year.

During the year, Shri Manoj Gupta was appointed as Chief Financial Officer of the Company in place of Shri Atul Kumar Jain with effect from 4th November, 2022.

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 their 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 opinion (s) in the draft Audit Report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for their 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 thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors in 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 Auditor 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;
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

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;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditor;
- Internal Audit Reports relating to internal control weaknesses;
- Review with the management the quarterly and annually financial statements before submission to the Board;
- Review of appointment, removal and terms of remuneration of the Internal Auditor (s);

● Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable submitted to the Stock Exchanges in terms of Regulation 32(1) of the Listing Regulation 2015.
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulation 2015.

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.

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	3

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' grievance(s) and specifically looks into various aspects of interest of shareholder(s). 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, issue of new/duplicate certificates and other allied complaints. The terms of reference of the Committee are as follows:

- Resolve the grievances of the 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.

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, its 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

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 Committee met four times during the year under review. The meetings were held on 11th May, 2022, 3rd August, 2022, 3rd November, 2022 and 2nd February, 2023. Details of attendance of members and composition of Committee are as under:-

- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent (RTA) of the Company.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed/unpaid dividend(s) and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the year under review, the Company had received two complaints and the same 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 31st March, 2023. No request for dematerialization/ rematerialization of equity shares of the Company was pending for approval as on 31st March, 2023.

Details of Shareholders'/Investors' Complaints received and attended by the Company during the year ended 31st March, 2023 are given below:-

Sl. No.	Nature of query/complaint	Pending as on 1st April, 2022	Received during the year	Resolved during the year	Pending as on 31st March, 2023
1.	Non-receipt of Bonus/Transfer / Transmission / Issue of Duplicate Shares/ Others	Nil	2	2	Nil
2.	Non-receipt of Dividend, Non-receipt of Refund Order & Non-receipt of Annual Report	Nil	Nil	Nil	Nil
3.	Dematerialization/Rematerialization of shares	Nil	Nil	Nil	Nil
	Total	Nil	2	2	Nil

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

- Dr. Kamal Gupta
- Shri Shekhar Agarwal

However, in terms of SEBI press release no 12/2019 dated 27th March, 2019, physical transfer of shares is not permitted with effect from 1st April, 2019.

Further, the SEBI has come out with circular dated 25th 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.

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	3
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.

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 (CDSL) and the total issued and listed capital and places the Audit Report for the perusal of the Board. The Audit Report confirms that the total issued and listed capital is in agreement with the total number of shares had 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 a Corporate Social Responsibility ("CSR") Committee 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 Committee met four times during the year under review. The meetings were held on 11th May, 2022, 3rd August, 2022, 4th November, 2022 and 2nd February, 2023. The details of attendance of members and composition are as under:-

- 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 to ensure that the same is properly undertaken within the agreed 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 of the Company is available on the website of the Company under the following link. https://www.maraloverseas.com/policy/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:-

- 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 for their appointment and removal.
- Formulate the criteria for evaluation of performance of Independent Director's and Board of Directors.
- Formulate the criteria for determining qualification, positive attributes and independence of a Director.

- To devise a policy on Board diversity.
- To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the Report of performance evaluation of Independent Directors.
- Recommend to the Board a policy relating to the remuneration for the Directors, KMP, Senior Management and other employees.
- Succession planning for the Board and Senior Management of the Company.
- Specify the manner for effective evaluation of performance of Board, its Committee and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an Independent external agency and review its implementation and compliance.
- Recommendation to the Board, all remuneration, in whatever form, payable to the Senior Management.
- Carry out such other functions as are required or appropriate in discharging their duties.
- 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 Committee met three times during the year under review. The meetings were held on 11th May, 2022, 4th November, 2022 and 2nd February, 2023. The details of attendance of members and composition of the Committee 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	3	3
Shri Priya Shankar Dasgupta	Independent –Non Executive Director	Member	3	2
Smt. Archana Capoor	Independent –Non Executive Director	Member	3	3

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 available on the website of the company under the following link: <https://www.maraloverseas.com/policy/Nomination%20&%20Remuneration%20Policy.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. Nomination and Remuneration Committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance, industry standards and various other factors. The Non- Executive Directors are paid sitting fees for attending the Board meetings as well as other Committee meetings.

Board has carried out the 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 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 a 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 thereunder 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 Financial Year 2023

(₹ in lacs)

Name of Director	Category	Sitting Fee *	Salary	Benefits, perquisites and allowances#	Commission	Total
Shri Shekhar Agarwal \$	Promoter- Chairman & Managing Director and CEO	-	182.58	28.68	-	211.26
Shri Ravi Jhunjhunwala	Promoter- Non Executive	2.00	-	-	-	2.00
Shri Shantanu Agarwal**	Promoter- Joint Managing Director	-	80.40	12.96	-	93.36
Dr. Kamal Gupta	Independent- Non Executive	8.60	-	-	-	8.60
Shri Priya Shankar Dasgupta	Independent- Non Executive	5.50	-	-	-	5.50
Smt. Archana Capoor	Independent- Non Executive	7.00	-	-	-	7.00

*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 31st March, 2023.

** Shri Shantanu Agarwal, Joint Managing Director holds 1.34 % of Equity Shares in the Company as on 31st March, 2023.

During the year ended 31st March, 2023, 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 to any Directors.

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 02nd February, 2023 without the attendance of Non-Independent Directors and members of management to inter-alia:

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

- iii. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

Letter of Appointment

At the time of appointment, 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 Director are available on the Company's website under the following link: https://www.maraloverseas.com/pdf/Letter_of_Appointment_Independent_Director.pdf

Board Evaluation Mechanism

Upon recommendation of Nomination and Remuneration Committee, Board of Directors have devised an evaluation framework in line with the applicable provisions of Companies Act, 2013 and Listing Regulations 2015 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). 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.

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	Financial year	Time of meeting	Venue/Location where held	Special Resolution(s) passed
29 th 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 st 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
25 th August, 2022	2021-22	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

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 31st March, 2023, 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.

Management Discussion and Analysis

The Management Discussion and Analysis Report forms part of this Annual Report. During the financial year ended 31st March, 2023, 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.

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

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. 6th 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 19th June, 2020.
- (iii) Approval for extension of period of redemption of 6,00,000 3% Cumulative Redeemable Preference Shares (CRPS) of Rs.100/- each issued to the promoters, which are due for redemption on 31st March, 2021, for a period of one year i.e. 31st 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 31st August, 2021.

2021-22

No Special Resolution was required to be passed in the Annual General Meeting held on 25th August, 2022.

Postal Ballot

During the year under review, the Company conducted one postal ballot process for seeking approval of members of the Company for the five Resolutions through Postal Ballot – e-voting by way of Special Resolution on 19th June, 2022.

Procedure adopted for Postal Ballot:

- In view of the continuing threat of Covid-19 pandemic and in furtherance of compliance with the various circulars issued by Ministry of Corporate Affairs ("**MCA circulars**"), pursuant to the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("**the Rules**"), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing**

Regulations"), Secretarial Standard of General Meeting ("**SS-2**") issued by the Institute of Company Secretaries of India, the Company on 19th May, 2022 has sent a postal ballot Notice alongwith explanatory statement dated 11th May, 2022 to all its shareholders through email, who have registered their email addresses with the Company/RTA or depositories and whose names appeared on the Register of Members/List of beneficiaries as on Cut Off date i.e. May 13, 2022, to enable them to cast their votes electronically only. No physical copy of this postal ballot Notice was dispatched to the Members.

- The instructions for remote e-voting were appended in the Postal Ballot Notice. The Notice also specified the procedure for registering the email addresses and obtaining the Notice of postal ballot by the shareholders whose email addresses were not registered with the depositories.
- An advertisement was published in the Newspapers viz. 'Business Standard' (English) and 'Nava Bharat' (Hindi) on 20th May, 2022 giving the requisite details as per the provisions of the Act, MCA circulars and Secretarial Standard - 2.
- Shareholders were requested to communicate their assent or dissent through remote e-voting system only. The Company has engaged the services of National Securities Depository Limited ("**NSDL**") for facilitating remote e-voting to enable the Members to cast their votes electronically.
- The remote e-voting period began on 9.00 a.m. (IST) on Saturday, May 21, 2022 and ended at 5:00 p.m. (IST) on Sunday, June 19, 2022 (both days inclusive).
- The Board had appointed Mr. Pranav Kumar, Company Secretary in Practice (Membership No. FCS 5013), of M/s. Pranav Kumar & Associates, Company Secretaries, as Scrutinizer for conducting the Postal Ballot Process through the remote e-voting process in a fair and transparent manner.
- The Scrutinizer submitted its Report on 21st June, 2022 and confirmed that all Resolutions as contained in the Postal Ballot notice has been passed as Special Resolutions with requisite majority on Sunday, June 19, 2022 i.e. the last date specified for remote e-voting.

Details of voting of the above Resolutions are as under:-

Resolution	Percentage of votes cast in favour of the Resolution	Percentage of votes cast against the Resolution	Percentage of total e-votes	Result
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 st April, 2022.	99.99	0.01	100	Passed with requisite majority
2) Approval of remuneration payable to Shri Shantanu Agarwal (DIN: 2314304), Joint Managing Director of the Company w.e.f. 1 st April, 2022 for his remaining tenure upto 18 th June, 2025.	99.99	0.01	100	Passed with requisite majority
3) Approval for enhancement in power to borrow funds up to ₹750 Crores pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013.	99.79	0.21	100	Passed with requisite majority
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.	99.78	0.22	100	Passed with requisite majority
5) Approval for amendment in Articles of Association of the Company.	99.79	0.21	100	Passed with requisite majority

As on the date of this report, there is no proposal for passing any Resolution through postal ballot. However, if required, the same shall be passed in compliance with the provisions of the Act, MCA circulars, Listing Regulations and / or any other applicable laws.

Disclosures:

(i) Basis of Related Party Transactions:

- During the period under review, there is no materially significant related party transaction (s) 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 as per stipulated time as per law from the date of publication of financial results. The same is also updated on the website of the Company.
- Related party transactions are being done on an arm's length basis at prevailing market price 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: <https://www.maraloverseas.com/policy/Related%20Party%20Transactions%20Policy.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

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: <https://www.maraloverseas.com/policy/Policy%20for%20Determining%20Material%20Subsidiary.pdf>

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:-

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

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.

Compliance with Corporate Governance requirements

During the year under review, the Company has complied with corporate governance requirements specified in

Chapter IV, 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), Statutory Auditor of the Company regarding compliance of the condition of Corporate Governance forms part of this Annual Report.

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 is maintaining the structural digital data base in line with the requirement of SEBI under PIT Regulation and obtained the compliance certificates from the Practicing Company Secretaries.

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 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. 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.

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.

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.

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.

Quarterly/ Half yearly / Annual Results.

The quarterly, half yearly and annual financial results (audited & unaudited) are sent immediately to the Stock Exchanges after approved by the Board of Directors. The same are also displayed on Company's website at 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.

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 Shantanu Agarwal is retiring by rotation and being eligible, offers himself for re-appointment in the Annual General Meeting.

Shri Shantanu Agarwal- (Age-37)

Shri Shantanu Agarwal is Joint Managing Director of the Company. He holds a degree in B.S. in Electrical and Computer Engineering from Carnegie Mellon University, USA: MBA from Wharton School of Business (University of Pennsylvania), USA. He joined the Board on 22nd April, 2014 and was appointed as Joint Managing Director of the Company on 19th June, 2020. He is an industrialist with diversified business experience.

Details of Directorships held in other Companies:-

Directors Name	Name of the Company in which Directorship held *	Committee Chairmanship	Committee Membership
Shri Shantanu Agarwal (DIN -02314304)	Bhilwara Technical Textiles Limited	Nil	Audit Committee

*Excludes Directorships held in Private Limited Companies, Foreign Companies, Membership of Management Committee of various chambers/ Bodies/ Companies registered under Section 8 of Companies Act, 2013.

SEBI Complaints Redressal System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system.

Uploading on BSE and NSE: The quarterly, half yearly and annual financial results, 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).

Disclosure on Website: - The Company's website www.maraloverseas.com has separate section "Investor Relations" 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.

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.

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, M/s Pranav Kumar & Associates, Company Secretary in practice had confirmed that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority. A certificate of non-disqualification of Directors is forms part of this Annual Report.

General Shareholders' Information

a. Annual General Meeting :

Date : 20th September, 2023

Day : Wednesday

Time : 2:00 pm

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 : 1st April, 2022 to 31st March, 2023

For the year ended 31st March, 2023, results were announced on:

- 3rd August, 2022 : First quarter
- 4th November, 2022 : Second quarter and Half year
- 2nd February, 2023 : Third quarter and Nine months
- 4th May, 2023 : Fourth quarter and Annual.

For the year ending 31st March, 2023, quarterly results has been announced within 45 days from the end of each quarter

h. Stock Market Data: Share Price in ₹ of Maral Overseas Limited at BSE /NSE in 2022-23:

Months	BSE Ltd.			National Stock Exchange of India Limited		
	High	Low	Volume	High	Low	Volume
April-2022	108.95	83.85	164753	109.40	83.10	844505
May-2022	98.75	69.50	144303	100.45	69.40	781125
June-2022	80.00	60.05	35793	80.00	58.35	426212
July-2022	75.80	66.00	36204	75.80	66.00	312161
August-2022	79.50	61.00	80269	77.60	61.25	757114
September-2022	76.00	61.55	91297	71.80	61.35	861227
October-2022	77.00	62.00	46513	69.70	61.55	293904
November-2022	68.00	54.60	94691	67.40	55.90	663174
December-2022	78.00	57.85	188914	78.00	57.05	2186090
January-2023	72.30	61.50	105079	72.40	61.50	663055
February-2023	66.25	48.35	53510	65.95	48.00	492227
March-2023	61.80	45.35	118256	56.40	45.60	583000

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 : Thursday, 14th September, 2023 to Wednesday, 20th September, 2023. (Both days inclusive).

d. Equity Dividend Payment : N.A.

e. Listing of Equity Shares on Stock Exchange:

- I. BSE Limited (BSE)- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
- II. 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 31st March, 2024.

f. Payment of Depository Fees:

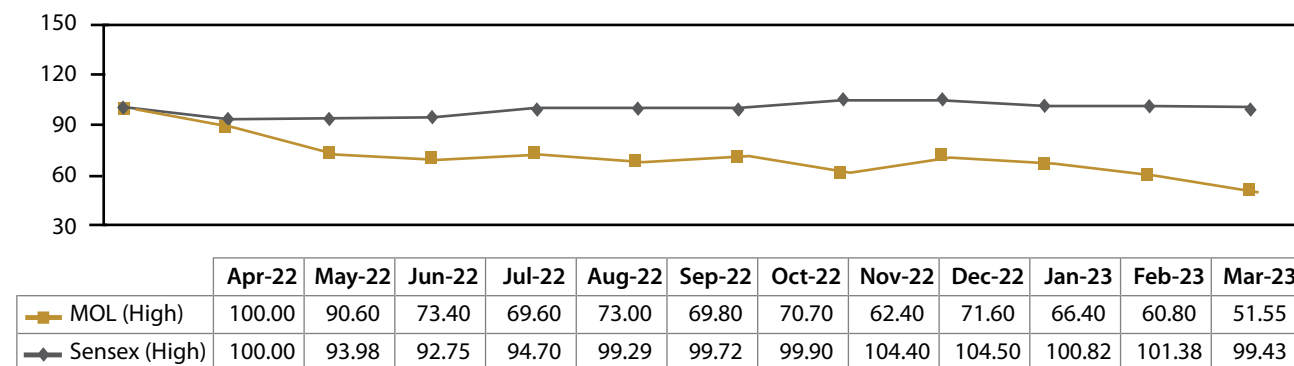
Annual Custody / Issuer fee is being paid by the Company within the due date based on invoices received from the Depositories for Financial Year 2024.

g. Stock Code:

BSE Limited (BSE) : 521018

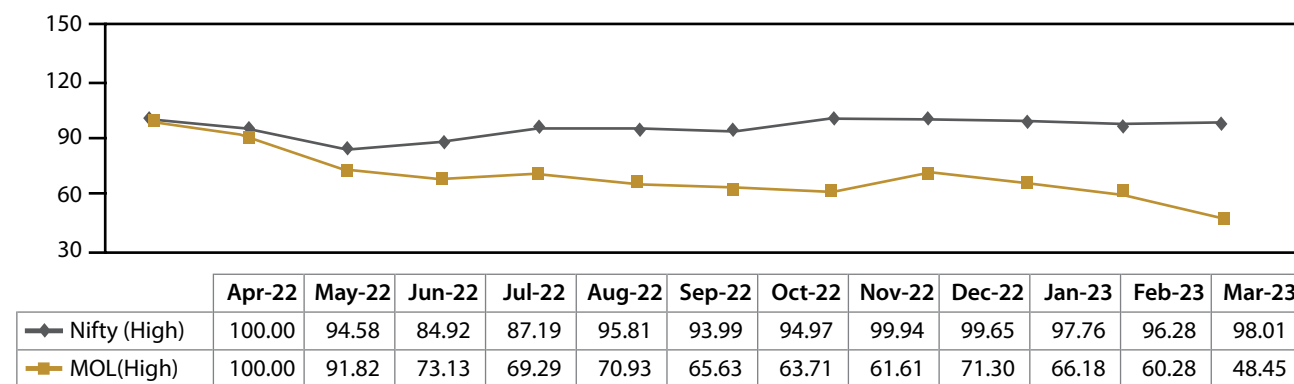
National Stock Exchange of India Ltd. (NSE) : MARALOVER

Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2022)



Source : BSE Limited

Performance in comparison with NIFTY (Both series indexed to 100 as on April, 2022)



Source: National Stock Exchange of India Limited

i. Registrar and Transfer Agents:

M/s. MCS Share Transfer Agent Limited is the Registrar & Share Transfer Agent (RTA) 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

(Unit – Maral Overseas Limited)

F-65, Okhla Industrial Area, Phase I, 1st Floor, New Delhi – 110 020,

Phone No. (s) : 011-41406149-52, Fax No : 011-41709881,

E- Mail : admin@mcsregistrars.com

j. Share Transfer System:

As per stipulations of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the shares of the Company can only be transferred in dematerialized mode w.e.f. 1st April, 2019. Further, SEBI vide its circular dated December 02, 2020 stipulated 31st 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

31st March, 2021. Further, as per the SEBI Circular dated 25th January, 2022, the transmission or transposition of securities held in physical or dematerialised form are being 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.

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 of the company 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 of the Company.

In furtherance of earlier SEBI Circular dated 3rd November, 2021 and dated 14th December, 2021, SEBI vide its Circular dated 16th March, 2023, has mandated to shareholders holding securities in physical mode for furnishing of the following documents to the Registrar and Share Transfer Agent (“RTA”) of the Company on or before 30th September, 2023 as an on-going measure to enhance the ease of doing business for investors in the securities market pertaining to Common and simplified norms for processing any service request from the shareholder/ investors.

1. PAN
2. Nomination / Declaration to Opt- out of Nomination
3. Contact details (Postal address with PIN Code, Mobile Number and E-mail address)
4. Bank Account details (Bank and branch name, account number, MICR, IFSC Code)
5. Specimen Signature through Form ISR-2

In case the aforesaid details are not made available to the Company/RTA, then such folio shall be frozen by the RTA on and after 1st October, 2023. Such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if it continues to remain frozen as on December 31, 2025.

In this regard, the Company is proposing to send intimation to all shareholders holding shares in physical form individually by Registered Post 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 render prompt service. The relevant Forms for registering/changing KYC details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 shall be 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: helpdeskdelhi@mcsregistrars.com / admin@mcsregistrars.com

In order to enhance the awareness of investors about the availability of arbitration facility at the Stock Exchanges for their dispute, if any, against listed companies/Registrar and Share Transfer Agent (“RTA”), SEBI vide its Circular No. SEBI/HO/OIAE/2023/03391 dated January 27, 2023, advised the listed companies to share below intimation, either by e-mails or by SMSs to all investors, who hold the shares in physical form:

“If you have any dispute against a listed company and or its Registrar and Share Transfer Agent (RTA) on delay or default in processing your request, as per SEBI circular dated 30.05.2022, you can file for arbitration with Stock Exchange.

For more details, please see the web links of the stock exchanges:

BSE: <http://tiny.cc/m1l2vz>

NSE: <http://tiny.cc/s1l2vz>

Accordingly, the Company had sent intimation to all shareholders holding shares in physical form on 17th February, 2023. The said details also available on the website of the Company i.e. www.maraloverseas.com

k. Distribution of Shareholding as on 31st March, 2023:

No. of Equity shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	15,123	89.30	19,29,296	4.65
501-1000	8,29	4.89	6,96,135	1.68
1001-10000	8,87	5.24	25,65,847	6.18
10001 and above	97	0.57	3,63,16,722	87.49
Total	16,936	100.00	4,15,08,000	100.00

l. Shareholding Pattern as on 31st March, 2023:

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	39,423	0.09
IV NRIs	1,08,267	0.26
V Bodies Corporate	16,42,569	3.96
VI Foreign Bodies Corporate	200	0.00
VII Individuals	86,07,412	20.74
Total	4,15,08,000	100.00

m. Dematerialization of Shares and Liquidity:

Equity Shares as on 31st March, 2023

Sl. No.	Description	No. of Share holders	No. of Shares	% of Equity
1.	Central Depository Services India Limited (CDSL)	5,972	2,48,07,956	59.77
2.	National Securities Depository Limited (NSDL)	6,168	1,60,97,236	38.78
3.	Physical	4,796	6,02,808	1.45
	Total	16,936	4,15,08,000	100.00

The ISIN number for Equity Shares of the Company in NSDL and CDSL is INE 882A01013. 4,09,05,192 equity shares were dematerialized till 31st March, 2023 which is 98.55 % of the total paid-up equity share capital of the Company. Trading in Shares of the Company is permitted only in dematerialized forms.

n. 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.

o. 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. 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. 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							

p. 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) D-347, Sector-63, Noida-201307 (U.P.)
- 4) 12/4, Main Mathura Road, Faridabad-121003 (Haryana)
- 5) A-37, Sector 64, Noida, 201301 (U.P.)

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

q. 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. Registered 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

r. 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. 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 through 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 9th 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	

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 7th 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 31st March, 2023, 4900 shares of 41 shareholders were still lying in the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

iv. Investors Education and Protection Fund (IEPF)

Pursuant to Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

Further Pursuant to Section 124 (6) of the Companies Act, 2013 read with the IEPF rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also liable to be transferred to the demat account of the IEPF Authority.

Accordingly, the shareholders are requested to immediately claim their unpaid / unclaimed dividends if any, failing which the said dividend & shares will be transferred to the IEPF. The details of unpaid/unclaimed dividend to the FY 22 are available on the website for the Company i.e. www.maraloverseas.com

- v. During the Financial Year 2022-23, 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.
- x. During the year under review the Company has not given any loans and advances to any firms/companies wherein the Directors of the Company are interested.

For and on behalf of the Board
Maral Overseas Limited

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN-00066113

Place:- Noida (U.P.)
Date: 4th May, 2023

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

We, Shekhar Agarwal, Chairman & Managing Director and Chief Executive Officer and Manoj Gupta, 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 ended 31st March, 2023 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.

Place: Noida (U.P.)
Date: 4th May, 2023

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN: 00066113

Manoj Gupta
Chief Financial Officer
FCA: 500020

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-451660, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the 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 March 31, 2023 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.

For **Pranav Kumar & Associates,**
Company Secretaries
ICSI Unique Code: P2005BI010400
Firm peer review No : 1035/2020
Arpita Saxena
Partner
ACS: 23822: COP: 11962
UDIN: A023822E000262381

Place: Bhopal
Dated: 5th May, 2023

Auditors' Certificate Regarding Compliance of Conditons of Corporate Governance

To
The Members of

Maral Overseas Limited

- We S. S. Kothari Mehta & Co., Chartered Accountants 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 31st March 2023, 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

Managements' Responsibility

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

Auditor's Responsibility

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

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

Date: 4th May, 2023
Place: Delhi

Neeraj Bansal
Partner (Membership No: 095960)
UDIN: 23095060BGWQYX4954



Financial Statement

Independent Auditor's 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 March, 2023, 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 March, 2023, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made

thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, 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;
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
- e. On the basis of the written representations received from the Directors as on 31 March, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023, 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:
 - i) The Company has disclosed the impact of pending litigations on its financial position in the financial statements - Refer Note 37 to the financial statements;
 - ii) The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) 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;

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 equity dividend declared and paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013.
- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Neeraj Bansal
Partner
Membership No. 095960

“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 March 31, 2023 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. 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 rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets; 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, 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 came 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 are not applicable.
- (vi) We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (1) of section 148 of Companied 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 the same.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees’ state insurance, income tax, service tax, duty of customs, duty of excise, Value added 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
	Non/Part Realization of Exports Proceeds for Draw Back	FY 2014 to 2019	386.36	Comm. of Customs, Mumbai
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
GST ACT	Wrong ITC availment on ISD	FY 2017 to 2019	627.02	Comm. Appeal
	Penalty on ITC reversal	FY 2017 to 2019	15.49	Comm. Appeal

*This includes interest & penalty.

- Based on information and explanation given to us, GST Show Cause Notice amounting to INR 127.16 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 no subsidiaries, associate or joint venture and therefore reporting under this sub clause (e) and (f) of Clause (six) 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 upto 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 amount 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.
- (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

Place: Noida (U.P.)
Date: 4th May, 2023
UDIN: 23095960BGWQYV1513

Neeraj Bansal
Partner
Membership No. 095960

“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 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

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

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Place: Noida (U.P.)
Date: 4th May, 2023
UDIN: 23095960BGWQYV1513

Opinion
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2023, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”.

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

Neeraj Bansal
Partner
Membership No. 095960

Balance Sheet as at 31st March, 2023

(₹ In Lakhs)

Particulars	Notes	As at 31 st March 2023	As at 31 st March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(i)	16,003.89	14,542.68
(b) Capital work - in - progress	3(ii)	4,101.30	321.27
(c) Other intangible assets	4	156.82	234.98
(d) Right of Use Assets	3(iii)	4,141.71	2,712.60
(e) Biological Assets other than bearer Plants	5	7.56	5.23
(f) Financial assets			
(i) Loans	7	43.68	42.59
(ii) Other financial assets	8	560.46	826.82
(g) Other non-current assets	9	1,020.13	877.54
Total non-current assets		26,035.55	19,563.71
Current assets			
(a) Inventories	10	17,950.10	20,104.27
(b) Financial assets			
(i) Investments	11	79.39	74.88
(ii) Trade receivables	12	9,911.61	10,928.61
(iii) Cash and cash equivalents	13	288.49	103.07
(iv) Bank Balances other than (iii) above	14	425.91	414.17
(v) Loans	7	89.62	64.25
(vi) Other financial assets	8	704.20	870.04
(c) Current tax assets (net)	15	163.61	-
(d) Other current assets	9	7,617.36	6,831.29
Total current assets		37,230.29	39,390.58
Total assets		63,265.84	58,954.29
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	4,150.80	4,150.80
(b) Other equity	17	9,947.75	12,409.51
Total Equity		14,098.55	16,560.31
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	9,028.04	6,688.39
(ii) Lease liabilities	19(i)	3,686.64	2,228.20
(iii) Other financial liabilities	19(ii)	22.35	18.11
(b) Provisions	20	399.18	363.58
(c) Deferred tax liabilities (net)	6	287.38	469.53
(d) Deferred government grant	22	1,085.36	1,339.59
Total non-current liabilities		14,508.95	11,107.40
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	23,885.57	15,017.28
(ii) Lease liabilities	19(i)	555.45	414.52
(iii) Trade payables			
A. Total outstanding dues of micro enterprises and small enterprises	23	1,386.15	2,372.51
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	23	3,812.33	8,741.77
(iv) Other financial liabilities	19(ii)	3,051.78	2,780.93
(b) Other current liabilities	21	1,826.89	1,644.24
(c) Provisions	20	140.17	132.77
(d) Current tax liabilities (net)	15	-	182.56
Total current liabilities		34,658.34	31,286.58
Total liabilities		49,167.29	42,393.98
Total Equity and liabilities		63,265.84	58,954.29

See accompanying notes to the financial statements

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As per our report of even date attached

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

Neeraj Bansal
Partner
Membership No.095960
UDIN: 23095960BGWQYV1513

Place: Noida (U.P.)
Date:- 04th May 2023

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

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN: 00066113

Manoj Gupta
Chief Financial Officer
FCA- 500020

Shantanu Agarwal
Joint Managing Director
DIN: 02314304

Virendra Kumar Garg
Company Secretary
FCS-7321

Statement of Profit and Loss for the year ended 31st March 2023

(₹ In Lakhs except per share data)

Particulars	Notes	Year Ended 31 st March 2023	Year Ended 31 st March 2022
1. Revenue from operations	25	1,02,585.06	1,08,244.01
2. Other income	26	1,527.04	2,230.33
3. Total Income (1+2)		1,04,112.10	1,10,474.34
4. Expenses			
a. Cost of materials consumed	27(i)	64,055.91	71,061.71
b. Purchases of stock-in-trade	27(ii)	839.12	58.45
c. Changes in inventories of finished goods and work-in-progress	28	3,983.24	(5,591.97)
d. Employee benefit expenses	29	14,635.22	13,029.99
e. Finance costs	30	2,309.83	2,102.58
f. Depreciation and amortisation expense	31	2,996.46	2,612.50
g. Other expenses	32	17,127.93	17,953.47
Total expenses		1,05,947.71	1,01,226.73
5. Profit/(Loss) before tax (3-4)		(1,835.61)	9,247.61
6. Tax expense			
a. Current tax	33	-	2,713.90
b. Deferred tax	33	(169.02)	(127.50)
c. Taxes for earlier years	33	(74.02)	(36.57)
Total tax expense		(243.04)	2,549.83
7. Profit/(Loss) for the year (5-6)		(1,592.57)	6,697.78
8. Other comprehensive income			
(i) Items that will not be reclassified to statement of profit or loss			
- Remeasurement of post-employment benefit plans	39	5.94	93.25
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss	33	(1.49)	(23.47)
(i) Items that will be reclassified to statement of profit or loss			
- Fair Value Gain/(Loss) on Cash flow hedges	41	(58.10)	29.37
(ii) Income tax relating to items that will be reclassified to statement of profit or loss	33	14.62	(0.97)
Total other comprehensive income		(39.03)	98.18
9. Total comprehensive income for the year (7+8)		(1,631.60)	6,795.96
Earnings per equity share	34		
(Face value ₹10 per share)			
- Basic (₹)		(3.84)	16.14
- Diluted (₹)		(3.84)	16.14
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

Neeraj Bansal
Partner
Membership No.095960
UDIN: 23095960BGWQYV1513

Place: Noida (U.P.)
Date:- 04th May 2023

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

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN: 00066113

Manoj Gupta
Chief Financial Officer
FCA- 500020

Shantanu Agarwal
Joint Managing Director
DIN: 02314304

Virendra Kumar Garg
Company Secretary
FCS-7321

Statement of Cash Flow for the year ended 31st March 2023

(₹ In Lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
A. Cash flow from operating activities		
Profit for the year before tax	(1,835.61)	9,247.61
Adjustments for:		
Finance costs recognised in P & L	2,193.01	1,970.16
Interest income recognised in P & L	(199.74)	(184.02)
Depreciation and amortisation expense	2,997.06	2,612.50
Loss/(Profit) on sale of property, plant & equipment	(38.36)	(539.87)
Unrealised Exchange Loss/(Gain)	(291.72)	(1,016.66)
Impairment loss recognised/(reversed) under ECL	6.53	590.48
Provision/Liability no longer required written back	(579.77)	-
Dividend Income	(1.48)	(0.61)
Fair value of investment through profit & loss	(4.51)	(19.58)
Operating Profit/(Loss) before working capital change	2,245.41	12,660.01
Movements in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	1,302.19	(1,745.66)
Other financial assets	341.47	222.54
Other assets	(928.66)	(1,754.94)
Inventories	2,154.17	(10,146.89)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(5,336.03)	6,073.52
Other current liabilities	182.55	436.71
Other financial liabilities	2,077.34	499.59
Provisions/other items	48.54	151.16
Deferred government grant	(254.23)	(200.16)
Cash generated/(used in) from operations before tax	1,832.75	6,195.88
Income tax paid	(272.24)	(2,790.63)
Net cash generated by/(used in) operating activities (A)	1,560.51	3,405.25
B. Cash flow from investing activities		
Capital expenditure on capital assets, including capital advances	(9,157.25)	(3,038.92)
(Increase) / Decrease in fixed deposit under lien	1.20	(265.11)
Interest received	192.97	200.60
Dividend received	1.48	0.61
Net cash generated by/(used in) investing activities (B)	(8,961.60)	(3,102.82)

Statement of Cash Flow for the year ended 31st March 2023 (Contd...)

(₹ In Lakhs)

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
C. Cash flow from financing activities		
Proceeds from Term Loan	4,768.49	3,853.84
Repayment of Term loan	(1,968.21)	(2,186.27)
Increase/(Decrease) in working capital loan	5,806.55	351.85
Increase/(Decrease) in Bill discounting facility for MSME	2,601.75	-
Interest paid	(1,875.30)	(1,990.10)
Payment of Lease liabilities	(594.72)	(428.08)
Interest on Lease	(321.90)	165.80
Dividend paid on Equity	(830.16)	-
Net cash generated by/(used in) financing activities (C)	7,586.50	(232.95)
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)	185.42	69.49
Cash and cash equivalents at the beginning of the year	103.07	33.58
Closing Balance of Cash and cash equivalents	288.49	103.07
Balances with banks		
In Current accounts	96.82	94.40
Cheques on hand	180.61	-
Cash in hand	11.06	8.67
Total	288.49	103.07

Notes:

- 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 outflow/Loss.
- 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

Neeraj Bansal
Partner
Membership No.095960
UDIN: 23095960BGWQYV1513

Place: Noida (U.P.)
Date:- 04th May 2023

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

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN: 00066113

Manoj Gupta
Chief Financial Officer
FCA- 500020

Shantanu Agarwal
Joint Managing Director
DIN: 02314304

Virendra Kumar Garg
Company Secretary
FCS-7321

Statement of Changes in Equity for the year ended 31st March 2023

a. Equity Share Capital (₹ in Lakhs)

Balance as at 1 st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 st April 2022	Changes in Equity Share Capital during the year	Balance as at 31 st March 2023
4,150.80	-	4,150.80	-	4,150.80

Balance as at 1 st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2021	Changes in Equity Share Capital during the year	Balance as at 31 st March 2022
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	Remeas-urement of post-employment benefit plans	
Balance as at 01 April 2022	113.47	2,590.07	5,085.40	4,573.12	10.16	71.17	(33.88)	12,409.51
-Profit for the year				(1,592.57)				(1,592.57)
-Other comprehensive Income/(Losses)				-		(43.48)	4.45	(39.03)
Total Comprehensive Income for the year	-	-	-	(1,592.57)	-	(43.48)	4.45	(1,631.60)
-Transfer to Preference Share Capital redemption reserve		-	-	-	-	-	-	-
-Dividend Distribution			-	(830.16)	-			(830.16)
Balance as at 31st March 2023	113.47	2,590.07	5,085.40	2,150.39	10.16	27.69	(29.43)	9,947.75

Balance as at 01 April 2021	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
Total Comprehensive Income for the year	-	-	-	6,697.77	-	28.41	69.78	6,795.96
-Transfer to Preference Share Capital redemption reserve	-	-	600.00	(180.00)	(420.00)	-	-	-
Balance as at 31st March 2022	113.47	2,590.07	5,085.40	4,573.12	10.16	71.17	(33.88)	12,409.51

Refer Note 16(iii), 17 & 44

See accompanying notes to the financial statements 1-47

Note: Nature and Purpose of Reserves

Capital Reserve

Capital reserve arises from erstwhile amalgamation of Asian Knitwear's Limited with the Company.

Securities Premium Reserve

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.

Preference Share Capital Redemption Reserve

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

As per our report of even date attached

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

Neeraj Bansal
Partner
Membership No.095960
UDIN: 23095960BGWQYV1513

Place: Noida (U.P.)
Date:- 04th May 2023

Retained Earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

General Reserve

This represents appropriation of profit after tax by the Company.

Cash Flow Hedges Reserve

This reserve represents the cumulative effective portion of changes in fair value of derivatives that are designated as Cash Flow Hedges. Such gains or losses will be reclassified to statement of profit & loss in the period in which the underlying hedged transaction occurs.

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

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN: 00066113

Manoj Gupta
Chief Financial Officer
FCA- 500020

Shantanu Agarwal
Joint Managing Director
DIN:02314304

Virendra Kumar Garg
Company Secretary
FCS-7321

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

1. Corporate Information

Maral Overseas Limited (the Company) is a public limited company incorporated and domiciled in India having its registered office at Maral Sarovar, V&P.O. Khalbujurg Tehsil Khasrawad, 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 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 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.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 which are earned on temporary investment of borrowings are deducted from borrowing costs. Any other interest income is recognised as interest income in profit or 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.

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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 indicated 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	Useful Life indicated under Part C of Schedule II
Building	5 to 60 years	5 to 60 years
Plant and Machinery (General)(Triple shift operation)	9 years 2 months	25 years
Plant and Machinery (Textile Made-ups) (Single shift operation)	9 years	15 years
Plant and Machinery (Power)	18 years	40 years
Furniture & Fixtures	10 years	10 years
Office Equipment	5 years	5 years
Computers & Software	3 – 6 years	3 – 6 years
Vehicles	5 years	8 – 10 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.

Free hold land is not depreciated.

Leasehold improvements are amortised over the primary period of lease.

Impairment

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

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable

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

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 recognised in Profit or Loss 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 or loss.

2.8. Intangible assets

Recognition and measurement

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

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

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

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

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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 non-cancellable 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-cancellable period of a lease.

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

(i) The Company as a lessee

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

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

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

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

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

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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th 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 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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 reclassified to the profit or 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 lump sum 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 of profit or loss.

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

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

Other long-term employee benefits

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

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

Termination benefits

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

- 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.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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.

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.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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

Subsequent measurement

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

a) Financial assets carried at amortised cost (AC)

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

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

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

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

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

B. Equity investments

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

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

C. Impairment of financial assets

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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

E. Derecognition of financial instruments:

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

F. Reclassification of financial assets

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

G. Offsetting of financial instruments

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

2.21. 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.

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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 for the year ended 31st March 2023

Note 3(i): Property, Plant and Equipment (PPE) consist of the following

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Net Carrying Cost of :		
Property, Plant and Equipment		
Land Freehold	42.43	42.43
Buildings	2,694.27	2,859.02
Plant & equipment	12,413.24	10,990.35
Office equipment	172.79	97.24
Furniture and fixtures	321.98	196.85
Vehicles	221.46	265.59
Leasehold Improvement	137.72	91.21
Sub-total (A)	16,003.89	14,542.69
Capital work-in-progress		
Plant & Machinery	4,101.30	321.27
Sub-total (B)	4,101.30	321.27
Right of Use Asset		
Right of Use Asset	4,141.71	2,712.59
Sub-total (C)	4,141.71	2,712.59
Total (A+B+C)	24,246.90	17,576.55

(₹ in Lakhs)

Particulars	Land Freehold	Buildings	Leasehold Improvement	Plant & equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Cost as at 1st April 2022	42.43	3,984.40	113.69	20,825.40	244.14	304.53	483.46	25,998.06
Additions	-	20.12	77.12	3,659.27	112.92	163.21	52.39	4,085.03
Disposals	-	(22.51)	-	(771.05)	(15.46)	(4.22)	(70.55)	(883.79)
Cost as at 31st March 2023	42.43	3982.01	190.81	23713.62	341.60	463.52	465.31	29,199.30
Accumulated depreciation as at 1st April 2022	-	1,125.38	22.48	9,835.05	146.90	107.68	217.88	11,455.37
Depreciation	-	172.52	30.61	2,197.91	35.60	37.75	64.77	2,539.16
Disposals	-	(10.16)	-	(732.57)	(13.68)	(3.90)	(38.81)	(799.12)
Accumulated depreciation as at 31st March 2023	-	1,287.74	53.09	11,300.39	168.82	141.54	243.85	13,195.41
Net Carrying amount as at 31st March 2023	42.43	2,694.27	137.72	12,413.24	172.79	321.98	221.46	16,003.89

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	Land Freehold	Buildings	Leasehold Improvement	Plant & equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Cost as at 1st April 2021	42.43	3934.63	27.08	19164.80	194.57	191.70	412.80	23,968.02
Additions	-	119.98	86.61	1,905.06	53.73	112.88	116.50	2,394.76
Disposals	-	(70.21)	-	(244.46)	(4.16)	(0.05)	(45.84)	(364.72)
Cost as at 31st March 2022	42.43	3984.40	113.69	20825.40	244.14	304.53	483.46	25,998.06
Accumulated depreciation as at 1st April 2021	-	936.14	9.01	7,989.77	127.84	84.01	188.97	9,335.74
Depreciation	-	189.61	13.47	2,074.23	22.65	23.71	56.27	2,379.94
Disposals	-	(0.37)	-	(228.95)	(3.59)	(0.04)	(27.36)	(260.31)
Accumulated depreciation as at 31st March 2022	-	1,125.38	22.48	9,835.05	146.90	107.68	217.88	11,455.38
Net Carrying amount as at 31st March 2022	42.43	2,859.02	91.21	10,990.35	97.24	196.85	265.59	14,542.68

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. 01st 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.

Note 3(ii): Capital work in progress consist of the following

Capital work in progress as at 31st March 2023

(₹ 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	4,101.30	-	-	-	4,101.30
Total	4,101.30	-	-	-	4,101.30

Capital work in progress as at 31st 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
Total	321.27	-	-	-	321.27

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 3(iii): Right of use assets (ROU) consist of the following (₹ in Lakhs)

Particulars	Right of Use Asset	Total
Cost as at 1st April 2022	3,452.04	3452.04
Additions	2,161.57	2161.57
Disposals	-	-
Cost as at 31st March 2023	5613.61	5613.61
Accumulated depreciation as at 1st April 2022	739.44	739.44
Depreciation	732.46	732.46
Disposals	-	-
Accumulated depreciation as at 31st March 2023	1,471.90	1,471.90
Net Carrying amount as at 31st March 2023	4,141.71	4,141.71

Particulars	Right of Use Asset	Total
Cost as at 1st April 2021	1529.41	1529.41
Additions	2,357.50	2,357.50
Disposals	(434.87)	(434.87)
Cost as at 31st March 2022	3452.04	3452.04
Accumulated depreciation as at 1st April 2021	369.85	369.85
Depreciation	402.20	402.20
Disposals	(32.61)	(32.61)
Accumulated depreciation as at 31st March 2022	739.44	739.45
Net Carrying amount as at 31st March 2022	2,712.59	2,712.59

Notes:

1. In current year depreciation on ROU has been capitalised to the extent of ₹112.19 Lakhs.
2. Refer Note No. 24 for disclosures of Right of Use assets.

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

Particulars	Software	Total
Cost as at 1st April 2022	596.59	596.59
Additions	13.41	13.41
Disposals	-	-
Cost as at 31st March 2023	610.00	610.00
Accumulated depreciation as at 1st April 2022	361.61	361.61
Depreciation	91.58	91.58
Disposals	-	-
Accumulated depreciation as at 31st March 2023	453.18	453.18
Net Carrying amount as at 31st March 2023	156.82	156.82

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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

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

Notes:

1. Assets are mortgaged against secured term loans from banks & financial institutions (refer note no 18)

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

Particulars	Biological Assets	Total
Cost as at 1st April 2022	5.23	5.23
Additions	4.37	4.37
Disposals - Livestock losses	(2.04)	(2.04)
Cost as at 31st March 2023	7.56	7.56
Net Carrying amount as at 31st March 2023	7.56	7.56

Particulars	Biological Assets	Total
Cost as at 1st April 2021	6.18	6.18
Additions	-	-
Disposals - Livestock losses	(0.95)	(0.95)
Cost as at 31st March 2022	5.23	5.23
Net Carrying amount as at 31st March 2022	5.23	5.23

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

Particulars	As at 31 st March 2023	As at 31 st March 2022
Deferred tax assets	2,041.47	916.34
Deferred tax liabilities	(2,328.85)	(1,385.87)
Deferred tax Assets/(Liabilities)-Net	(287.38)	(469.53)

Movement in Deferred tax assets (₹ in Lakhs)

FY 2022-23	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Closing Balance
Deferred Tax Assets in relation to				
Provision for employee benefits	260.29	31.95	-	292.24
Income on ITR Revised u/s 153 A for earlier years	526.23	-	-	526.23
Lease liabilities	-	1,067.65	-	1,067.65
Redeemable cumulative preference share	1.27	-	-	1.27
Others	128.55	10.91	14.62	154.08
Total	916.34	1,110.50	14.62	2,041.47

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

(₹ in Lakhs)

FY 2021-22	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Closing Balance
Deferred Tax Assets in relation to				
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
Redeemable cumulative preference share	202.06	(200.79)	-	1.27
Others	232.10	(102.58)	(0.97)	128.55
Total	1,207.07	(289.76)	(0.97)	916.34

Movement in Deferred tax liabilities

(₹ in Lakhs)

FY 2022-23	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Closing Balance
Deferred Tax liabilities in relation to				
Property, Plant & Equipment	1,260.74	(53.70)	-	1,207.04
Right of Use Assets (ROU)	-	995.18	-	995.18
Redeemable cumulative preference share capital	9.27	-	-	9.27
Borrowings at amortised cost	5.88	-	-	5.88
Provision for employee benefits	90.75	-	1.49	92.24
Cash flow hedges	19.23	-	-	19.23
Total	1,385.87	941.49	1.49	2,328.85

(₹ in Lakhs)

FY 2021-22	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Closing Balance
Deferred Tax Liabilities in relation to				
Property, Plant & Equipment	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 hedges	19.23	-	-	19.23
Total	2,067.15	(704.75)	23.47	1,385.87

Note 7: Loans

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Non- Current		
Loans Receivables from Employees considered good - Unsecured	43.68	42.59
Total	43.68	42.59
Current		
Loans Receivables from Employees considered good - Unsecured	89.62	64.25
Total	89.62	64.25

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 8: Other financial assets

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Non- Current		
Other receivables / Capital Subsidy	438.93	691.85
Security Deposits	121.53	134.97
Total	560.46	826.82
Current		
Forward Contract* (Refer Note 41.3.1)	80.25	116.69
Other receivables	623.95	753.35
Total	704.20	870.04

* Receivable from forward contract hedging as on 31st March 2023 ₹80.25 Lakhs (₹116.69 Lakhs as on 31st March 2022)

Note 9: Other assets

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Non- Current		
Security and earnest money deposits	852.61	709.86
Prepaid expenses	9.10	9.26
Income tax refundable (Refer Note (i) Below)	158.42	158.42
Total	1,020.13	877.54
Current		
Balances with Government authorities		
GST Receivable	3,082.71	2,654.30
Excise Duty Receivable	36.11	3.11
VAT and Sales Tax Receivable	6.71	6.71
Advance to vendors		
Capital Advances	2,011.53	1,012.72
Unsecured, considered good	1,337.71	2,057.09
Less: Provision for doubtful advances	(6.79)	(6.70)
Others		
Interest subsidy receivable (Under TUF's)	119.23	119.23
Interest subsidy receivable (Under State Subsidy)	212.34	235.79
Export Incentives Recoverable	550.78	472.09
Prepaid expenses	238.73	189.69
Advances-Employees	1.22	11.29
Surplus of planned asset over Gratuity obligation (Refer Note 39)	27.08	75.97
Total	7,617.36	6,831.29

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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 10: Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Raw Materials	8,885.69	6,894.63
Work - in - progress	2,732.38	3,226.21
Finished goods	6,051.96	9,555.69
Stores & Spares	166.24	246.99
Waste	53.72	39.40
Fuel and Others	60.11	141.35
Total	17,950.10	20,104.27

Note 11: Investments

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Current		
Investments in fully paid equity instruments at FVTPL		
Quoted Equity shares		
State Bank of India	79.39	74.87
15,180 (PY 15,180) shares of ₹ 1 /- each fully paid up		
Unquoted Equity shares		
BPL Engineering Limited	-	0.01
7,700 (PY 7,700) shares of ₹ 10 /- each fully paid up		
Total	79.39	74.88
Aggregate amount of Quoted investments	79.39	74.87
Aggregate market value of Quoted investments	79.39	74.87
Aggregate amount of unquoted investments	-	0.01
Aggregate amount of impairment in value of investment	-	0.01

Note 12: Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Current		
(a) Trade Receivables considered good - Unsecured		
Trade Receivables considered good	9,911.61	10,928.61
Trade Receivables considered doubtful	1,004.47	997.64
Total	10,916.08	11,926.25
(b) Trade Receivables - credit impaired	-	-
Less- Allowances for credit losses	(1,004.47)	(997.64)
Total	9,911.61	10,928.61

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 12 (i): Trade Receivables ageing schedule as at 31st March 2023

(₹ 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	7,058.53	2,521.70	-	-	-	-	9,580.23
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	13.04	73.54	28.13	-	-	114.70
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	16.42	32.35	374.69	751.92	45.77	1,221.15
Total	7,058.53	2,551.16	105.89	402.82	751.92	45.77	10,916.08
Less:- Allowance for Doubtful trade receivables							1,004.47
Trade Receivables							9,911.61

Note 12 (i): Trade Receivables ageing schedule as at 31st 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	7,433.66	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
Total	7,433.66	3,214.14	509.35	718.20	49.68	1.21	11,926.25
Less:- Allowance for Doubtful trade receivables							997.64
Trade Receivables							10,928.61

Note 13: Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balances with banks		
- in current accounts	96.82	94.40
Cheques on hand	180.61	-
Cash on hand *	11.06	8.67
Total	288.49	103.07

*Cash on hand include foreign currency notes also.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 14: Bank balances

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Current		
Deposit held as Margin Money*	412.97	414.17
Unpaid/Unclaimed Dividend in current account	12.94	-
Total	425.91	414.17

* FDR under lien towards Letter of credit, Bank guarantee & Debt service retention account(DSRA)

Note 15: Current Tax Assets and liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Current tax liabilities		
Provision for tax	-	2,713.90
Less: Advance Tax	(163.61)	(2,531.34)
Total	(163.61)	182.56

Note 16: Share capital

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Authorised share capital		
4,40,00,000 (PY 4,40,00,000) Equity Shares of ₹ 10/- each	4,400.00	4,400.00
31,00,000 (PY 31,00,000) Cumulative Redeemable Preference Shares of ₹ 100/- each	3,100.00	3,100.00
Total	7,500.00	7,500.00
Issued, subscribed and capital paid-up		
4,15,08,000 (PY 4,15,08,000) fully paid up Equity Shares of ₹ 10/- each	4,150.80	4,150.80
For Issue, subscribed and fully paid-up Cumulative Redeemable Preference Shares (refer note (iii) below)	-	-
Total	4,150.80	4,150.80

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

(₹ in Lakhs)

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	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	-	-	-	-
Shares outstanding at the end of the year	4,15,08,000	4,150.80	4,15,08,000	4,150.80

(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 approval of shareholders in the ensuing Annual General Meeting. Equity shareholders are entitled to receive dividend only after distribution of dividend to preference shareholders.

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

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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

In previous year, the 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 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 and their associates, against infusion of funds by them, pursuant to the Corporate Debt Restructuring ('CDR') Package were 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 had been redeemed on March 2019 and for second installment which was due in March 2020, approval for further extension of one (1) year was taken, from the board on 08th August 2019 and shareholders in the annual general meeting held on 19th September 2019 and was 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 March 2022 by the board of directors in their meeting held on 07th August 2020 and approval of shareholders in the annual general meeting was obtained on 29th September 2020. In the FY 2021-22, the second installment of ₹600.00 Lakh was paid.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of 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.

The Board of Directors of the Company during the year under review in their Board meeting held on 28th October, 2021, had approved the accumulated preference dividend on Cumulative Redeemable Preference Shares amounting to ₹377.08 Lakhs and ₹185.21 Lakhs aggregating to ₹ 562.29 Lakhs to the lenders 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.

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

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	Number of shares	% Holding	Number of shares	% Holding
Agarwal Trademart Private Limited	1,97,60,000	47.61%	1,97,60,000	47.61%
Agarwal Finestate Private Limited	73,96,056	17.82%	73,96,056	17.82%
	2,71,56,056	65.43%	2,71,56,056	65.43%

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

Promoter Name	As at 31 st March 2023		(%) Change during the year	As at 31 st March 2022		(%) 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
Shri Shantanu Agarwal	5,54,500	1.34%		5,54,500	1.34%	
Smt. Shashi Agarwal	10,37,600	2.50%		10,37,600	2.50%	
Smt.Shuchi Poddar	56,100	0.14%		56,100	0.14%	
Shekhar Agarwal Huf	4,03,800	0.97%		4,03,800	0.97%	
Shantanu Agarwal Huf	2,750	0.01%		2,750	0.01%	
Shekhar Agarwal-Trust	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%	
Agarwal Finestate Private Limited	73,96,056	17.82%		73,96,056	17.82%	
Diplomat Leasing And Finance Private Limited	11,35,500	2.74%		11,35,500	2.74%	
Total	3,11,08,829	74.95%		3,11,08,829	74.95%	

*Share holding in % is rounded off to the nearest figure.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note :17: Other equity

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Retained Earnings	2,120.96	4,539.25
General Reserve	10.16	10.16
Securities Premium Reserve	2,590.07	2,590.07
Preference Share Capital Redemption Reserve	5,085.40	5,085.40
Capital Reserve	113.47	113.47
Cash Flow Hedging Reserve	27.69	71.17
Total	9,947.75	12,409.51

Note: 17.1 Retained earnings

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of year	4,539.24	(2,048.31)
Profit for the year	(1,592.57)	6,697.77
Transfer to Preference shares capital redemption reserve (Refer Note 17.4)	-	(180.00)
Dividend Distribution (Refer note 45)	(830.16)	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	4.45	69.78
Balance at the end of the year	2,120.96	4,539.24

Note: 17.2 General reserve

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of year	10.16	430.16
Transfer to Preference shares capital redemption reserve (Refer Note 17.4)	-	(420.00)
Balance at the end of year	10.16	10.16

Note: 17.3 Securities premium reserve

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of year	2,590.07	2,590.07
Balance at the end of year	2,590.07	2,590.07

Note: 17.4 Preference share capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of year	5,085.40	4,485.40
Transfer From General Reserve & Profit for the year (Refer Note 17.1 & 17.2)	-	600.00
Balance at the end of year	5,085.40	5,085.40

Note: 17.5 Capital reserve

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of year	113.47	113.47
Balance at the end of year	113.47	113.47

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 17.6 Cash flow hedging reserve

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of year	71.17	42.76
Other comprehensive income arising from cash flow hedge net of income tax	(43.48)	28.41
Balance at the end of year	27.69	71.17

Note 17.7 Nature and Purpose of Reserves

Retained Earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

General Reserve

This represents appropriation of profit after tax by the company.

Securities Premium Reserve

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.

Preference Share Capital Redemption Reserve

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

Capital Reserve

Capital reserve arises from erstwhile amalgamation of Asian Knitwear's Limited with the Company.

Cash Flow Hedging 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.

Note 18: Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Non-Current		
Secured - at amortised cost		
Term loans from banks (Refer Note: 18 (i) and 18(ii))	9,152.88	5,625.51
Term loans from financial institutions (Refer Note: 18 (i) and 18(ii))	2,293.58	3,020.67
Interest accrued but not due shown separately (Refer Note no 19 (ii))	25.69	29.88
Total secured - at amortised Cost	11,472.15	8,676.06
Less: Interest accrued but not due shown separately (Refer Note no 19 (ii))	(25.69)	(29.88)
	11,446.46	8,646.18
Less: Current maturities of Long term debt	2,418.42	1,957.79
Total	9,028.04	6,688.39
Current		
Secured		
Working capital loan from banks repayable on demand (Refer Note: 18 (viii))		
Cash Credit facilities from Banks	8,932.65	3,638.61
Export credit facilities from Banks (in Indian Rupees)	9,556.17	8,975.22
Current maturities of long term debts	2,418.42	1,957.79
Foreign Bill Purchase (FBP) Bill Discounting	376.44	445.66
Unsecured		
Bill discounting facility for MSME vendors through RXIL	2,601.89	-
Total	23,885.57	15,017.28

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

18 Notes:

- (i) Term loans from lenders viz banks & financial institutions are secured by mortgage and first pari passu charge over fixed assets of the company (both movable & immovable) and collaterally secured by second pari passu charge over current assets of the company. During the financial year 2020-21 pursuant to notification DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 company had availed the extension of repayment period of term loan instalments including Interest.

(ii) Maturity Profiles & Interest rate of secured loans & unsecured loans (₹ in Lakhs)

Lending institution	Maturity	Interest	As at 31 st March 2023	As at 31 st March 2022
Term loans from banks				
Project term loans	2029 to 2032	MCLR+ 1% to 1.60%	5,228.08	1,293.92
Term loans from financial institutions				
Project term loans	2025 to 2026	MCLR +1.90%	1,760.00	2,346.67
Covid Loan from banks under ECLGS 1, 2 & 2 (extention)	2026 to 2029	MCLR+ 0.60% to 1.90 %	3,924.80	4,331.59
Covid Loan from financial institutions under ECLGS 1, 2)	2025 to 2026	MCLR +1.00%	533.58	674.00

- (iii) All secured loans are repayable in quarterly instalments except ECLGS 1, 2 and 2 (extention) which are repayable on monthly instalments basis.
- (iv) The Company's financial restructuring package was approved under the Corporate Debt Restructuring mechanism (CDR) by the CDR Empowered group vide letter dated March 26, 2009 ('CDR letter') and subsequent approvals were received from the all lenders to the company.
- (v) Some of the lenders follow the practice to recover, *suo motto*, payment of both principal as well as interest from the working capital facility advanced by them, where applicable, or from the current account under instructions from the Company. It is regarded as accepted practice that the due date for payment shall be the date next following the date when interest is charged. Any delay on part of the lender to recover payment, either in line with past practice or specific instructions given in this regard by the Company, is not attributable to default on part of the Company Accordingly, there is no default in repayment of the principal loan and interest amounts.
- (vi) Loans repayable on demand, comprises of working capital facilities from banks and which are secured by way of 1st pari-pasu charge by way of hypothecation on company's entire 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 ranking pari-pasu in favour of all the working capital lenders. Collaterally secured by way of 2nd pari pasu charge on fixed assets both present & future in the name of company with other working capital lenders.
- (vii) Working capital facilities are secured by pledge of stipulated promoter's equity shareholding, constituting 36% of the issued equity capital, in favour of lenders on pari-passu basis.
- (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, during the year,the Company have been sanctioned and received a Loan of ₹421.00 Lakhs. (In previous year ₹ 2868.00 Lakhs)

Note 19 : (i) Financial liabilities (₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Non-Current		
Lease Liabilities (refer note 24)	3,686.64	2,228.20
Total	3,686.64	2,228.20
Current		
Lease Liabilities (refer note 24)	555.45	414.52
Total	555.45	414.52

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 19 : (ii) Other financial liabilities

Particulars	As at 31 st March 2023	As at 31 st March 2022
Non-Current		
Security deposits from employees	22.35	18.11
Total	22.35	18.11
Current		
Interest accrued but not due on borrowings	25.69	29.88
Other Liabilities for Expenses	1,163.20	781.66
Employee Related Liability	1,278.43	1,349.96
Security deposits-Employees	81.58	78.75
Security deposits-Others	156.19	110.08
Retention Money from Vendors/Suppliers	81.32	48.81
Payable on purchase of capital assets	62.20	96.48
Rebates & claims	176.03	270.21
Other payables	14.20	15.10
Unpaid dividend on Equity Shares (Refer note no. 45)	12.94	-
Total	3,051.78	2,780.93

Note 20: Provisions

Particulars	As at 31 st March 2023	As at 31 st March 2022
Non-current		
Provision for employee benefits		
- Compensated absences	399.18	363.58
Total	399.18	363.58
Current		
Provision for employee benefits		
- Compensated absences	68.18	65.41
- Superannuation	71.99	67.36
Total	140.17	132.77

Note 21: Other liabilities

Particulars	As at 31 st March 2023	As at 31 st March 2022
Non-Current		
Current		
Statutory dues (contribution to PF, ESIC, Withholding tax, GST etc.)	298.70	265.80
Contested demands	373.16	461.65
Advances received from customers	1,155.03	916.79
Total	1,826.89	1,644.24

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 22: Deferred Government grant

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
TUF Capital investment subsidy - Opening	1,339.59	1,539.75
Add: Addition during the year**	0.32	52.90
Less: Apportioned to revenue (M.P. Govt Subsidy)*	(240.82)	(240.82)
Less: Apportioned to revenue (TUF Subsidy)	(13.73)	(12.24)
Total	1,085.36	1,339.59

* 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.

** During the Year 2022-23, Deferred govt grant liability has been recognised against the capital subsidy for ETP & ZLD amounting to ₹ Nil (previous year ₹ 25.00 Lakh) from M.P. State Govt. and Duty Exemption ₹ 35.72 Lakh on import of Capital Goods to be adjusted over the life of assets.

Note 23: Trade payables

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note. No. 23.1)	1,386.15	2,372.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,812.33	8,741.77
Total	5,198.48	11,114.28

Note: 23.1

Disclosure Under the Micro, Small and Medium enterprise Development Act, 2006 are provided as under for the year 2022-23, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
(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.	1,386.15	2,372.51
(ii) interest due on above	-	-
(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
(ii) interest actually paid under section 16 of MSMED Act.	-	0.15
(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.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Trade Payables ageing schedule as at 31st March 2023

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) MSME*	1,337.50	48.82	(0.16)	-	-	1,386.15
(ii) Others	2,083.33	1,497.17	66.76	79.69	33.53	3,760.48
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	51.85	51.85
Total	3,420.83	1,545.99	66.60	79.69	85.38	5,198.48

*MSME as per the micro, small and medium enterprises development act 2006

Trade Payables ageing schedule as at 31st March 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Year	2-3 Year	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
Total	5,614.55	5,170.72	137.30	116.19	75.52	11,114.28

*MSME as per the micro, small and medium enterprises development act 2006

Note 24: Right of Use Assets (ROU)

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

(₹ in Lakhs)

Particulars	Category ROU Assets			Total
	Tangible assets	Land	Buildings	
Balance as at April 1, 2021	-	641.11	518.45	1,159.56
Reclassified on account of adoption of Ind AS 116 (refer to note 3)				
Additions	201.99	-	2,155.51	2,357.50
Deletion	-	434.87	-	434.87
Depreciation	0.99	5.13	363.48	369.60
Balance as at April 1, 2022	201.00	201.11	2,310.48	2,712.59
Additions	-	-	2,161.57	2,161.57
Deletion	-	-	-	-
Depreciation	22.65	2.06	707.75	732.46
Balance as at March 31, 2023	178.35	199.05	3,764.31	4,141.71

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

The following is the break-up of current and non-current lease liabilities as at March 31 2023 (₹ in Lakhs)

Particulars	March 31 2023	March 31 2022
Current lease liabilities	555.45	414.52
Non-current lease liabilities	3,686.64	2,228.20
Total	4,242.09	2,642.72

The following is the movement in lease liabilities during the year ended March 31 2023 (₹ in Lakhs)

Particulars	Year Ended March 31 2023	Year Ended March 31 2022
Balance at the beginning	2,642.72	697.19
Additions	2,095.80	2,357.50
Finance cost accrued during the period	321.90	165.80
Finance cost accrued and capitalised	98.28	-
Deletions	-	88.52
Payment of lease liabilities	916.62	489.25
Balance at the end	4,242.09	2,642.72

The table below provides details regarding the contractual maturities of lease liabilities as at March 31 2023 on an undiscounted basis:

Particulars	As at 31 st March 2023	As at 31 st March 2022
Less than one year	901.05	44.06
One to five years	3,718.07	965.86
More than five years	1,755.44	3,094.80
Total	6,374.56	4,104.72

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 31st March 2023 (₹ Nil as on 31st March 2022) for a lease term ranging less than one year.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 25: Revenue from operations (₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
A. Sale of Goods		
Manufactured goods		
Yarn	38,207.49	46,779.16
Fabric	29,255.00	32,818.01
Garments/Made-ups	25,474.33	19,525.31
Cotton/Other waste	5,609.70	5,637.86
Traded Goods		
Cotton	1,105.01	-
Yarn	113.47	88.05
Total (A)	99,765.00	1,04,848.39
B. Sale of Services		
Job charges	422.73	951.17
Total (B)	422.73	951.17
C. Other operating revenue		
Sale of scrap	182.48	201.26
Export incentives	2,214.85	2,243.19
Total (C)	2,397.33	2,444.45
Total (A)+(B)+(C)	1,02,585.06	1,08,244.01

Note 25.1: Revenue from contracts with customers disaggregated based on geography (₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
India	59,317.97	56,756.76
Outside India	43,267.09	51,487.25
Total	1,02,585.06	1,08,244.01

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 st March 2023	Year ended 31 st March 2022
At the point in time	1,02,585.06	1,08,244.01
Over the period	-	-
Total	1,02,585.06	1,08,244.01

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 st March 2023	Year ended 31 st March 2022
Revenue from contracts with Customers as per Contract price	1,02,651.93	1,08,296.21
Less: Incentives, Discounts and Claims	66.87	52.20
Revenue from Contracts with Customers as per Statement of Profit & Loss	1,02,585.06	1,08,244.01

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

Note 26: Other income

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest income	199.74	184.02
Net gain on foreign currency transaction & translation (Other than considered as finance cost)	389.51	1,016.66
Dividend on current investments	1.08	0.61
Net gain on sale of capital assets	61.50	542.16
Net gain on sale of investment	-	-
Provision/Liability no longer required written back	579.77	204.84
State interest subsidy	14.51	10.24
Gain on Modification of CRPS & Unsec Loan	-	-
Miscellaneous income	276.42	252.22
Fair value gain on Re-measurement of investment at FVTPL	4.51	19.58
Total	1,527.04	2,230.33

Note 27(i): Cost of material consumed

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
A. Raw materials consumed		
Cotton	37,390.25	42,615.23
Other fibers	3,684.50	1,813.30
Dyes & Chemicals	3,780.50	4,134.46
Embellishments	2,095.26	1,772.62
Total (A)	46,950.51	50,335.62
B. Purchases for consumption		
Yarn	9,569.01	12,792.37
Fabric	6,396.96	6,583.25
Total (B)	15,965.97	19,375.62
C. Other materials consumed		
Packing materials	1,139.43	1,350.48
Total (C)	1,139.43	1,350.48
Total (A)+(B)+(C)	64,055.91	71,061.71

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Purchases		
Cotton/Yarn	839.12	58.45
Total	839.12	58.45

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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Inventories (At close)		
Finished Goods	6,051.96	9,555.69
Work-in-progress	2,732.38	3,226.21
Waste	53.72	39.40
Total A	8,838.06	12,821.30
Inventories (At opening)		
Finished Goods	9,555.69	4,971.65
Work-in-progress	3,226.21	2,045.17
Waste	39.40	204.02
Total B	12,821.30	7,220.84
Total (B-A)	3,983.24	(5,591.97)

Note 29: Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Salaries & wages	13,129.19	11,720.51
Contribution to provident and other funds	1,347.67	1,165.30
Workman and staff welfare	158.36	144.18
Total	14,635.22	13,029.99

Note 30: Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest expense including corporate restructuring exp (refer note (i & ii) below)	2,193.01	1,970.16
Bank Charges related to borrowings	116.82	132.42
Total	2,309.83	2,102.58

Notes:

- Interest expenses are net off - from current year interest subsidy under the Technology Up gradation Fund Scheme (TUFS) ₹ 0.58 Lakhs & under State subsidy ₹ 71.18 Lakhs for 31st March 2023 (previous year under the Technology Up gradation Fund Scheme (TUFS) ₹ NIL & under State subsidy ₹ 116.06 Lakhs).
- Recompense Expenses - Refer note number - 44

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 31: Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Depreciation of property, plant and equipment	3,159.43	2,779.86
Amortisation of Intangible assets	91.58	85.71
Less: Amortisation of deferred Govt. grant (M.P. Govt Subsidy)	(240.82)	(240.82)
Less: Amortisation of deferred Govt grant (TUF Subsidy)	(13.73)	(12.24)
Total	2,996.46	2,612.50

Note 32: Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Consumption of stores & spare parts	1,564.28	1,872.84
Job work costs	2,636.85	2,923.41
Power & fuel	6,391.67	6,052.02
Repairs & maintenance		
-Plant & Machinery	237.55	194.43
-Buildings	13.20	12.56
-Others	232.93	240.76
Insurance	227.18	197.80
Rent	30.54	6.55
Rates & Taxes	56.06	42.99
Freight & Forwarding	1,309.07	2,354.14
Commission to selling agents	523.46	605.08
Selling expenses	1,035.20	972.12
Provision for doubtful debts (ECL)/advances	6.83	590.48
Loss on sale of Capital assets	23.14	2.29
Corporate social responsibility (CSR) expenditure (refer note (i to iii) below)	71.34	18.87
Payment to statutory auditors (refer note (iv) below)	29.47	24.47
Internet Expenses	29.47	25.65
Subscription & Membership	32.45	18.42
Other expenses	967.02	631.49
Printing & Stationery	29.34	25.13
Postage & Telegraph	139.31	85.28
Security Expenses	134.22	79.34
Exchange Forex Loss (Net)	97.79	70.13
Consultancy	335.68	211.92
Legal & Professional Charges	110.09	143.45
Conveyance	759.75	433.44
Vehicle Running & Maintenance	104.04	118.41
Total	17,127.93	17,953.47

Notes:

- (i) The Company has contributed and expensed ₹ 71.34 Lakhs (31 March, 2022 : ₹ 18.87 Lakhs) on CSR activities against the total contributable amount of ₹ 71.34 Lakhs for the year ended 31 March, 2023 (31 March, 2022 : ₹ 18.35 Lakhs) in accordance with section 135 of Companies Act, 2013 to various trusts and social organisation. The contributions have been made for promoting education and health care activities as per note (iii) below.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

(ii) Amount spent during the year

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Corporate social responsibility		
-In cash/Cheque	71.34	18.87
Total	71.34	18.87

(iii) Corporate social responsibility

(₹ in Lakhs)

S. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1	Amount required to be spent by the company during the year	71.34	18.35
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) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	59.34	7.25
	(iv) Promoting health care including preventive health care and making available safe drinking water	12.00	-
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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
(i) Statutory audit Fee	21.00	21.00
(ii) Limited review	1.50	1.50
(iii) Out of pocket expenses	6.97	1.97
Total	29.47	24.47

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Notes 33: Income Taxes

33.1 Income taxes recognised in statement of profit and loss

	(₹ in Lakhs)	
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Current tax expense		
Current year	-	2,713.90
Tax of earlier years Written off/ (Written back)	(74.02)	(36.57)
Deferred tax expense		
Origination and reversal of temporary differences	(169.02)	(127.50)
Total income tax expense recognised in the current year	(243.04)	2,549.83

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

	(₹ in Lakhs)	
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Profit before tax	(1,835.61)	9,247.61
Statutory Income tax rate	25.168%	25.168%
Tax at Indian statutory income tax rate	-	2,327.00
Tax due to timing diffrence	(169.02)	259.40
Adjustment recognised in the current year in relation to the current tax of prior years *	(74.02)	(36.57)
Income tax expense recognised in statement of profit and loss	(243.04)	2,549.83

* In the previous year FY 2022, the Company has opted for new Income Tax regime with effect from 1st April 2020 at the time of filling of Income Tax return for AY 2021-22. There was a change from the earlier estimate of tax liability which was given effect in 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 st March 2023	Year ended 31 st March 2022
Income tax liability for the assessment year 2021-22	-	358.09
Income tax liability for the assessment year 2022-23	2,639.88	-
Total of Provision for tax	2,639.88	358.09
Less:- Provision for Income tax for the assessment year 2021-22	-	394.66
Less:- Provision for Income tax for the assessment year 2022-23	2,713.90	-
Total	(74.02)	(36.57)

*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 st March 2023	Year ended 31 st March 2022
Current tax		
Deferred Tax		
Remeasurements of defined benefit obligation	(1.49)	(23.47)
Effective portion of cash flow hedge reserve	14.62	(0.97)
Total income tax recognised in other comprehensive income	13.13	(24.44)

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

33.4 Deferred Tax Assets, Liabilities & MAT details

	(₹ in Lakhs)	
Particulars		Year ended 31 st March 2023
Opening Balance as on 1st April 2021		833.99
Amount Charged to statement of profit and loss		
Reversal of deferred tax assets (MAT) due to adoption of new Income Tax Regime	26.09	
Deferred Tax Liability on provision for employees benefit, Doubtful Debts & Loss of previous year	88.97	
Deferred Tax Assets created on PPE	(704.75)	
Deferred Tax Liability on CRPS	200.79	
Total Amount charged to statement of profit and loss	(388.90)	(388.90)
		445.09
Amount charged to other comprehensive income (OCI)		
Deferred Tax Assets set off for cash flow hedge reserve	0.97	
Deferred Tax Liability set off for employees benefit	23.47	
Total Amount charged to other comprehensive income (OCI)	24.44	24.44
Opening Balance as on 1st April 2022		469.53
Amount charged to P & L A/c		
Deferred Tax Liability on provision for employees benefit, Doubtful Debts & Lease Liability	(1,110.50)	
Deferred Tax Assets created on PPE & ROU	941.49	
Total Amount charged to statement of profit and loss		(169.02)
Amount charged to other comprehensive income (OCI)		
Deferred Tax Assets set off for cash flow hedge reserve	(14.62)	
Deferred Tax Liability set off for employees benefit	1.49	
Total Amount charged to other comprehensive income (OCI)		(13.13)
Closing Balance as on 31st March 2023		287.38

33.5 Reconciliation of tax expenses

	(₹ in Lakhs)	
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Total Amount Charged to statement of Profit and Loss A/c as above Note no. 33.4	(169.02)	(388.90)
Add:- Amount of difference in Tax Provision & actual Tax liability of Previous year	(74.02)	224.83
Add:- For Provision for Income tax	-	2,713.90
Tax Expenses as per statement of profit and loss	(243.04)	2,549.83

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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.

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Profit after tax as per statement of Profit & Loss	(1,592.57)	6,697.78
Net earning for computing basic earnings per share	(1,592.57)	6,697.78
Add: Interest (net of tax)	-	-
Total	(1,592.57)	6,697.78
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	(3.84)	16.14
Diluted earnings per share of ₹10 each	(3.84)	16.14
Face value per share (in ₹)	10	10

Note 35: Segment Reporting

The Company is currently organized into three business operating segments: Yarn, Fabric and Garment. These 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 the 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 consists 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 for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	As at 31 st March 2023				
	Yarn	Fabric	Garments	Inter Segment and Unallocated Items	Total
Segment Revenue					
External customers	46,172.43	29,384.57	27,028.05	-	1,02,585.05
Inter-segment	13,851.64	3,904.45	-	(17,756.09)	-
Total Revenue	60,024.07	33,289.02	27,028.05	(17,756.09)	1,02,585.05
Segment Expenses	59,801.69	31,926.75	27,841.92	-	1,19,570.36
Segment Results	222.39	1,362.27	(813.87)	770.79	770.79
Un-allocable Expenses					(356.60)
Other Income					60.03
Finance costs					(2,309.83)
Profit before Tax					(1,835.61)
Tax Expenses					243.04
Profit After Tax					(1,592.57)
Other Information:					
Depreciation, Amortization and Impairment					
Allocable	1,564.10	438.68	993.69	-	2,996.46
Total	1,564.10	438.68	993.69	-	2,996.46
Capital Expenditures					
Allocable	1,712.28	-	2,386.16	-	4,098.44
Total	1,712.28	-	2,386.16	-	4,098.44
Segment Assets					
Allocable	29,899.36	17,092.81	15,872.28	-	62,864.45
Un-allocable	-	-	-	401.39	401.39
Total Assets	29,899.36	17,092.81	15,872.28	401.39	63,265.84
Segment Liabilities					
Allocable	26,903.42	13,652.33	8,324.15	-	48,879.90
Un-allocable	-	-	-	287.39	287.39
Total liabilities	26,903.42	13,652.33	8,324.15	287.39	49,167.29

(₹ in Lakhs)

Particulars	As at 31 st March 2022				
	Yarn	Fabric	Garments	Inter Segment and Unallocated Items	Total
Segment Revenue					
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)	-
Total Revenue	73,306.13	37,424.42	21,075.36	(23,561.90)	1,08,244.01
Segment Expenses	64,065.06	35,506.11	21,024.28	-	1,20,595.45
Segment Results	9,241.07	1,918.31	51.08	11,210.46	11,210.46
Un-allocable Expenses	-	-	-	-	(403.00)
Other Income	-	-	-	-	542.73
Finance costs	-	-	-	-	(2,102.58)

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	As at 31 st March 2022				
	Yarn	Fabric	Garments	Inter Segment and Unallocated Items	Total
Profit before Tax	-	-	-	-	9,247.61
Tax Expenses	-	-	-	-	(2,549.83)
Profit After Tax	-	-	-	-	6,697.78
Other Information:					
Depreciation, Amortization and Impairment					
Allocable	1,379.89	654.95	577.66	-	2,612.50
Total	1,379.89	654.95	577.66	-	2,612.50
Capital Expenditures					
Allocable	16.20	227.53	3,530.06	-	3,773.79
Total	16.20	227.53	3,530.06	-	3,773.79
Segment Assets					
Allocable	27,062.71	15,614.50	15,967.81	-	58,645.02
Un-allocable	-	-	-	309.27	309.27
Total Assets	27,062.71	15,614.50	15,967.81	309.27	58,954.29
Segment Liabilities					
Allocable	22,488.55	12,148.61	7,028.76	-	41,665.92
Un-allocable	-	-	-	728.06	728.06
Total Liabilities	22,488.55	12,148.61	7,028.76	728.06	42,393.98

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:

(₹ in Lakhs)

Geography	As at 31 st March 2023	As at 31 st March 2022
India	59,317.97	56,756.76
North America	7,051.57	5,688.53
Europe	9,417.12	10,488.80
Gulf & Middle east	852.04	2,890.41
Far East & South east Asia	20,001.19	29,233.33
Africa	5,909.33	2,982.86
Rest of the world	35.85	203.33
Total	1,02,585.06	1,08,244.01

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

(₹ in Lakhs)

Geography	As at 31 st March 2023	As at 31 st March 2022
India	26,035.55	19,563.71
Outside India	-	-
Total	26,035.55	19,563.71

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Sale of goods	99,765.00	1,04,848.39
Sale of services	422.73	951.17
Total	1,00,187.73	1,05,799.56

Note 36 : Ratios

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance %	Reason w for variance
Current ratio (in times)	Current assets	Current liabilities less Current Maturity of Term Loan & Lease Liability	1.18	1.37	(14.38)%	
Debt equity ratio (in times)	Long Term Debts (Excluding Lease Liability)	Shareholder's equity	0.81	0.52	55.50%	Due to increase in long term debts.
Debt service coverage ratio (DSCR) (in times)	Earning for Debt Service	Debt Service	1.04	3.39	(69.25)%	Due to decrease in Profitability
Return on equity (ROE) (in %)	Net Profit after tax less Preference Dividend	Average shareholders equity	(10.39)%	50.89%	(120.42)%	Majorly due to decrease in Profitability
Inventory turnover ratio (in times)	Revenue from operations	Average inventory	5.39	7.20	(25.13)%	Majorly due to increase in average Inventory
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	9.84	10.46	(5.86)%	
Trade payables turnover ratio (in times)	Net Purchases	Average trade payables	9.16	9.74	(5.96)%	
Net capital turnover ratio (in times)	Revenue from operations	Average Working capital	12.81	16.72	(23.41)%	
Net profit (in %)	Net Profit after tax	Revenue from operations	(0.02)	6.19%	(125.09)%	Majorly due to decrease in Profitability
Return on capital employed (ROCE) (in %)	Earning before interest & Tax (PBIT)	Capital employed	0.94%	27.33%	(96.56)%	Majorly due to decrease in Profitability
Return on investment (ROI) (in %)	Income generated from investments	Average investments	7.24%	31.00%	(76.64)%	Majorly due to decrease in investment income

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 37: Contingent Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
i. Income tax matters in dispute	72.65	72.65
ii. Excise / customs / service tax matters in dispute	423.23	423.23
iii. Sales tax matters in dispute	9.34	9.34
iv. Recall of certain DEPB benefits, in dispute	36.63	5.51
v. Labour cases involving claims for reinstatement, back wages etc.	185.69	224.76
vi. GST Related cases involving tax & Interest etc.	802.67	516.66

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

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	10,419.07	9,702.70
Export obligations under the Export Promotion Capital Goods Scheme, remaining to be fulfilled within the specified period	17,573.63	3,314.24

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:

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Provident fund	862.21	718.13
Superannuation fund	67.88	65.39

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 for the year ended 31st March 2023

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

Assumptions	As at 31 st March 2023	As at 31 st March 2022
Economic Assumptions		
Discount rate	7.44%	7.26%
Salary escalation	5.00%	5.00%
Demographic Assumptions		
Retirement Age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
-Up to 30 Years	3%	3%
-From 31 to 44 years	2%	2%
-Above 44 years	1%	1%

(₹ in Lakhs)

ii. Movements in present value of the defined benefit obligation	As at 31 st March 2023	As at 31 st March 2022
Present value of obligation as at the beginning of the period	1,894.96	1,794.40
Interest cost	137.57	121.12
Current service cost	194.56	201.60
Benefit paid	(134.22)	(120.41)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(42.00)	(88.06)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(46.73)	(13.69)
Liability at the end of the year	2,004.15	1,894.96

(₹ in Lakhs)

iii. Movements in the fair value of plan assets	As at 31 st March 2023	As at 31 st March 2022
Fair Value of plan assets at the beginning of the period / year	1,970.93	1,859.46
Actual return on plan assets	60.30	117.02
Benefits paid	-	(5.54)
Fair value of the plan assets at the end of the period / year	2,031.22	1,970.93

(₹ in Lakhs)

iv. Amount recognized in the Balance Sheet	As at 31 st March 2023	As at 31 st March 2022
Present Value of the obligation at end	2,004.15	1,894.96
Fair value of plan assets at the end of the period /year	2,031.23	1,970.93
Funded (Liabilities)/Asset recognised in the Balance Sheet	27.08	75.97

(₹ in Lakhs)

v. Expenses recognized in the Statement of Profit and Loss	As at 31 st March 2023	As at 31 st March 2022
Current service cost	194.56	201.60
Net Interest cost	(5.52)	(4.39)
Expense recognised in the Statement of Profit and Loss	189.04	197.20

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

(₹ in Lakhs)

vi. Other Comprehensive Income	As at 31 st March 2023	As at 31 st March 2022
Actuarial gain / (loss) for the year on PBO	88.73	101.75
Actuarial gain /(loss) for the year on Asset	(82.79)	(8.50)
Unrecognized actuarial gain/(loss) at the end of the year	5.94	93.25

vii. Description of plan assets:

Major categories of plan assets	As at 31 st March 2023	As at 31 st March 2022
Insurer managed fund	100%	100%

(₹ in Lakhs)

viii. Change in Net benefit Obligations	As at 31 st March 2023	As at 31 st March 2022
Net defined benefit liability at the start of the period	(75.97)	(65.06)
Acquisition adjustment	-	-
Total Service Cost	194.56	201.60
Net Interest cost (Income)	(5.52)	(4.39)
Re-measurements	(5.94)	(93.25)
Benefit paid directly by the enterprise	(134.22)	(114.86)
Net defined benefit liability at the end of the period	(27.08)	(75.97)

(₹ in Lakhs)

ix. Bifurcation of PBO at the end of year in current and non current	As at 31 st March 2023	As at 31 st March 2022
Current liability (Amount due within one year)	243.42	220.63
Non-Current liability (Amount due over one year)	1,760.72	1,674.33
Total PBO at the end of year	2,004.15	1,894.96

(₹ in Lakhs)

x. Sensitivity Analysis of the defined benefit obligation	As at 31 st March 2023	As at 31 st March 2022
a) Impact of the change in discount rate		
-Impact due to increase of 0.50 %	(87.18)	(86.85)
-Impact due to decrease of 0.50 %	93.98	93.83
b) Impact of the change in salary increase		
-Impact due to increase of 0.50 %	94.61	94.65
-Impact due to decrease of 0.50 %	(88.45)	(88.29)

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 ₹258.47 lakhs.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

xiii. Maturity profile of Defined Benefit obligation

(₹ in Lakhs)

Year	As at 31 st March 2023	As at 31 st March 2022
0 to 1 Year	243.42	220.63
1 to 2 Year	87.15	57.32
2 to 3 Year	76.08	83.01
3 to 4 Year	79.17	70.40
4 to 5 Year	74.18	72.24
5 to 6 Year	77.42	66.48
6 Year onwards	1,366.73	1,324.87

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 st March 2023	As at 31 st March 2022
Economic Assumptions		
Discount rate	7.44%	7.26%
Salary escalation	5.00%	5.00%
Demographic Assumptions		
Retirement Age	60	60
Leave Availment Rate	5%	5%
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
-Up to 30 Years	3%	3%
-From 31 to 44 years	2%	2%
-Above 44 years	1%	1%

(₹ in Lakhs)

ii. Movements in present value of the defined benefit obligation	As at 31 st March 2023	As at 31 st March 2022
Present value of obligation as at the beginning of the period	398.80	355.00
Interest cost	28.95	23.96
Current service cost	133.09	110.47
Benefit paid	(175.28)	(95.26)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(7.99)	(22.33)
Actuarial (Gain)/Loss on arising from Experience Adjustment	56.28	26.96
Liability at the end of the year	433.85	398.80

(₹ in Lakhs)

iii. Amount recognized in the Balance Sheet	As at 31 st March 2023	As at 31 st March 2022
Liability at the end of the period / year	433.85	398.80
Unfunded Liabilities recognised in the Balance Sheet	433.85	398.80

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
iv. Expenses recognized in the Statement of Profit and Loss		
Current service cost	133.09	110.47
Net Interest cost	28.95	23.96
Actuarial (gain)/loss on obligations	48.29	4.63
Expense recognised in the Statement of Profit and Loss	210.33	139.06

	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
v. Change in Net benefit Obligations		
Net defined benefit liability at the start of the period	398.80	355.00
Total Service Cost	133.09	110.47
Net Interest cost (Income)	28.95	23.96
Re-measurements	48.29	4.63
Benefit paid directly by the enterprise	(175.28)	(95.26)
Net defined benefit liability at the end of the period	433.85	398.80

	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
vi. Bifurcation of PBO at the end of year in current and non current		
Current liability (Amount due within one year)	61.55	59.61
Non-Current liability (Amount due over one year)	372.30	339.20
Total PBO at the end of year	433.85	398.80

	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
vii. Sensitivity Analysis of the defined benefit obligation		
a) Impact of the change in discount rate		
-Impact due to increase of 0.50 %	(21.88)	(20.24)
-Impact due to decrease of 0.50 %	23.34	21.63
b) Impact of the change in salary increase		
-Impact due to increase of 0.50 %	24.03	22.21
-Impact due to decrease of 0.50 %	(22.14)	(20.47)

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 ₹188.12 lakhs.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
x. Maturity profile of Defined Benefit obligation		
Year		
0 to 1 Year	61.55	59.61
1 to 2 Year	13.49	7.01
2 to 3 Year	17.04	14.89
3 to 4 Year	16.60	15.21
4 to 5 Year	12.68	15.63
5 to 6 Year	14.19	11.62
6 Year onwards	298.31	274.82

These plans typically expose the Company to actuarial risks such as Investment risk, salary risk, discount rate risk, mortality risk, withdrawals risk.

Salary risk Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment risk 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

Discount rate risk Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability risk Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals 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 ₹ 6.63 lakhs of (31st March, 2022 ₹ 5.80 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Note : 40 Related Party Disclosures

Notes : 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
A	(i) A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity.	
	Shri Shekhar Agarwal	Promoters having voting control
	Shri Shantanu Agarwal	Promoters having voting control
(ii) A person or a close member of that person's family of a reporting entity has significant influence over the reporting entity.	Shri Shekhar Agarwal	
	Smt. Shashi Agarwal	
	Shri Shantanu Agarwal	
	Smt. Shuchi Poddar	
	Smt. Alka Agarwal	

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

S.No.	Name of Related Party	Nature of Relationship
B	(iii) A person or a close member of that person's family of a reporting entity is a member of the Key Management Personnel of the reporting entity or of a parent of the reporting entity.	
	Shri Ravi Jhunjhunwala	Directors of the Company
	Shri Shekhar Agarwal	
	Shri Shantanu Agarwal	
	Dr. Kamal Gupta	
	Shri Priya Shankar Dasgupta	
	Smt. Archana Capoor	Chief Financial Officer
	Shri Atul Jain (resigned as CFO w.e.f. Nov. 04, 2022)	
	Shri Manoj Gupta (appointed as CFO w.e.f. Nov. 04, 2022)	
	Shri Virendra Kumar Garg	Company Secretary
	(i) The entity and the reporting entity are members of the same group (which means that each parents, subsidiary and fellow subsidiary is related to the others.	
	Not Applicable	
	(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).	
	Not Applicable	
	(iii) Associated and other entities are joint ventures of the same third party.	
	Not Applicable	
	(iv) One Entity is a joint venture of a third party and the other entity is an associate of the third entity.	
	Not Applicable	
	(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.	
	Maral Overseas Limited senior executive superannuation	Trust
	MOL Employees gratuity fund	Trust
	(vi) The entity is controlled or jointly controlled by a person identified in A.	
	Aadi Marketing Company Private Limited	Holding more than 50 % of the Shareholding along with relatives in the Company and including KMPs.
	Agarwal Finestate Private Ltd	
	AKJ Apparels Private Limited	
	Asia Law Office	
	Bhilwara Technical Textiles Limited	
	BMD Power Private Limited	
	BMD Private Limited	
	BMD Renewable Energy Private Limited	
	Bhilwara Energy Limited	
	BSL Limited	
	Captain Trade & Agencies Private Limited	
	Diplomat Leasing and Finance Private Limited	
	Essay Kalyan Nidhi Trust	
	HEG Limited	
	MG Marketing and Trading Private Limited	
	RANDR Trustee Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	RSWM Limited	
	Sita Nirman Private Limited	

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

S.No.	Name of Related Party	Nature of Relationship
1	SKLNJ Family Trusteeship Private Limited	Holding more than 20 % of the Shareholding along with relatives in the Company.
	SSSA Family Private Limited	
	Shri Shekhar Agarwal - HUF	
	Shri Shantanu Agarwal - HUF	
	Shri Shekhar Agarwal - Trust	
	Swami Vivekanand Educational Sports culture and welfare Society	
	Zoongoo Commercial Co. Private Limited	
	(vii) 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).	
	Shri Shekhar Agarwal	
	Aadi Marketing Company Private Limited	
	Agarwal Finestate Private Limited	
	Bhilwara Technical Textiles Limited	
	BMD Power Private Limited	
2	BMD Private Limited	Holding more than 20 % of the Shareholding along with relatives in the Company .
	BMD Renewable Energy Private Limited	
	Diplomat Leasing and Finance Private Limited	
	Essay Kalyan Nidhi Trust	
	MG Marketing and Trading Private Limited	
	Sita Nirman Private Limited	
	SSSA Family Private Limited	
	Swami Vivekanand Educational Sports culture and welfare Society	
	Shri Shekhar Agarwal - HUF	
	Shri Shekhar Agarwal - Trust	
	Shri Shantanu Agarwal	
	Aadi Marketing Company Private Limited	
	Agarwal Finestate Private Limited	
	Bhilwara Technical Textiles Limited	
	BMD Power Private Limited	
	BMD Private Limited	
	BMD Renewable Energy Private Limited	
	Diplomat Leasing and Finance Private Limited	
	Essay Kalyan Nidhi Trust	
	MG Marketing and Trading Private Limited	
	Sita Nirman Private Limited	
	Swami Vivekanand Educational Sports culture and welfare Society	
	SSSA Family Private Limited	
	Shri Shantanu Agarwal - HUF	
	(viii) The Entity, or any member of a group of which it is part , provide key management personal service to the reporting entity of to the parent of reporting entity.	
	Not Applicable	
	(ix) Reporting entity being an associate of the other entity.	
	Agarwal Trademart Private Limited	

Note: Hon'ble NCLT Bench Kolkata Vide order dated. 17-05-22 by sanctioned amalgamation of Apeksha Vyapar Private Limited, Pawanputra Trading Private Limited , Ultramarine Impex Private Limited with Sita Nirman Private Limited.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

40.2 Details of transactions with related parties

(₹ in Lakhs)

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 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
1	Advance for DR Server	-	-	-	-	199.95	227.15	199.95	227.15
2	Contribution for CSR activities	-	-	-	-	44.29	-	44.29	-
3	Dividend accrued on Cumulative Redeemable Preference Shares	-	19.29	-	-	-	165.92	-	185.21
4	Dividend Paid	48.15	-	395.20	-	178.83	-	622.18	-
5	Job Charges Payable	-	-	-	-	80.46	88.65	80.46	88.65
6	Job Charge Received	-	-	-	-	167.53	540.35	167.53	540.35
7	Outstanding Cumulative Redeemable Preference Shares	-	-	-	-	-	-	-	-
8	Outstanding Due to	-	-	-	-	-	46.04	-	46.04
9	Outstanding Receivable	-	-	-	-	100.65	8.08	100.65	8.08
10	Payment made to trust towards superannuation	-	-	-	-	61.27	58.86	61.27	58.86
11	Payment received from trust towards gratuity	-	-	-	-	-	8.23	-	8.23
12	Purchases of Material	-	-	-	-	108.13	14.16	108.13	14.16
13	Redemption of Cumulative Redeemable Preference Shares (CRPS)	-	62.50	-	-	-	537.50	-	600.00
14	Reimbursement of Expenses paid to	-	-	-	-	86.58	79.11	86.58	79.11
15	Reimbursement of Expenses recovered from	-	-	-	-	2.20	6.50	2.20	6.50
16	Remuneration - Paid to Key Managerial Personel								
	a Short term employees benefit	329.85	414.98	-	-	-	-	329.85	414.98
	b Post employment benefit	48.54	31.24	-	-	-	-	48.54	31.24
	c Termination benefits	-	-	-	-	-	-	-	-
	d Share-based payment.	-	-	-	-	-	-	-	-
	e Other long-term benefits	-	-	-	-	-	-	-	-
17	Rent Paid	10.08	9.60	-	-	69.00	56.25	79.08	65.85
18	Sale of Material	-	-	-	-	1,932.96	1,370.23	1,932.96	1,370.23
19	Services for DR Server Services - Capex	-	-	-	-	43.34	21.67	43.34	21.67
20	Services for DR Server Services - Opex	-	-	-	-	8.06	4.03	8.06	4.03
21	Sitting Fees	23.10	27.70	-	-	-	-	23.10	27.70
	Total	459.72	565.31	395.20	-	3,083.25	3,232.73	3,938.17	3,798.04

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 for the year ended 31st March 2023

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 are as follows:

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Debt (See note 'i' below) (Refer Note no. 18 & 19)	32,935.96	21,723.79
Cash and bank balances (Refer Note no. 13 & 14)	(714.40)	(517.24)
Net debt	32,221.56	21,206.55
Total equity (Refer Note no. 16 & 17)	14,098.55	16,560.31
Total equity and Net Debt	46,320.11	37,766.86
Gearing Ratio	69.56%	56.15%

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 recall 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

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Financial assets		
Measured at amortised cost		
Other financial assets (non current) (Refer Note No 8)	560.46	826.82
Trade receivables (Refer Note No 12)	9,911.61	10,928.61
Cash and cash equivalents (Refer Note No 13)	288.49	103.07
Bank Balances other than Cash and cash equivalents (Refer Note No 14)	425.91	414.17
Other financial assets (current) (Refer Note No 8)	623.95	753.35
Loans (Refer Note No 7)	133.30	106.84
Measured at fair value through Profit & Loss		
Investments (Refer Note No 11)	79.39	74.88
Forward Contracts-Derivatives (Refer Note No 8)	80.25	116.69
Financial liabilities		
Measured at amortised cost		
Borrowings (non-current) (Refer Note No 18)	11,446.46	8,646.18
Borrowings (current) (Refer Note No 18)	21,467.15	13,059.49
Trade payables (Refer Note No. 23)	5,198.48	11,114.28
Other financial liabilities (non-current) (Refer Note No 19)	3,708.99	2,246.31
Other financial liabilities (current) (Refer Note No 18 & 19)	3,607.23	3,195.45

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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.

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.

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 March 31 2023:

(₹ in Lakhs)

Particular	As at March 31 st 2023	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	79.39	79.39	-	-
Investment in equity instruments-BPL Engineering Limited	-	-	-	-
Derivative financial instruments - foreign currency forward	80.25	-	80.25	-
Financial Assets Measured at Amortised Cost	-	-	-	-
Financial Liabilities Measured at Amortised Cost				
Borrowings (non-current)	11,446.46	-	11,446.46	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31st March 2022:

(₹ in Lakhs)

Particulars	As at March 31 st 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	74.87	74.87	-	-
Investment in equity instruments-BPL Engineering Limited	0.01	-	0.01	-
Derivative financial instruments - foreign currency forward	116.69	-	116.69	-
Financial Assets Measured at Amortised Cost			-	
Loans	0.67	-	0.67	-
Financial Liabilities Measured at Amortised Cost				
Borrowings (non-current)	8,646.18	-	8,646.18	-

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 received/given and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate. Risk of non-performance for the company is considered to be insignificant in valuation.
- 3) The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

41.4 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 change in market prices. Market prices risk comprise of 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 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.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Details in respect of the outstanding hedge accounting relationships relating to a firm commitment given below:
(₹ in Lakhs)

Particulars	Year ended March 31 st 2023			Year ended March 31 st 2022		
	USD	EURO	INR	USD	EURO	INR
Trade Payables						
Trade Receivables	63.59	2.86	5464.93	69.11	9.89	5979.83
Less: Hedged Portion	63.59	2.00	5393.91	69.11	9.89	5979.83
Unhedged Exposure	-	0.86	71.02	-	-	-

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 March 31 st 2023		Year ended March 31 st 2022	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-increase/(decrease) by 1%	-	-	-	-
EURO Sensitivity				
INR/EURO-increase/(decrease) by 1%	0.01	(0.01)	-	-

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:

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Variable rate borrowings	11,446.46	8,646.18
Fixed rate borrowings	-	-
Total borrowings	11,446.46	8,646.18

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 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

Particulars	(₹ in Lakhs)			
	As at 31 st March 2023		As at 31 st March 2022	
	Increase	Decrease	Increase	Decrease
Interest rates-increase/decrease by 100 basis points.	114.46	(114.46)	86.46	(86.46)

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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 sensivity is provided for the same.

41.6 Credit Risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The company's major exposure is from trade receivables, which are unsecured and derived from external 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:

Age Bracket	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
0-90	9,472.68	10,573.95
91-180	137.01	77.30
181-365	105.89	505.91
Above 365	1,200.50	769.09
Total	10,916.08	11,926.25
Trade Receivables - Credit Impaired	1,004.47	997.64
Closing Balance	9,911.61	10,928.60

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.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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

(₹ in Lakhs)	
Particulars	ECL for Trade Receivables
As at 01-04-2021	416.63
Provided/(Reversal) during the year	581.02
As at 31-03-2022	997.64
Provided/(Reversal) during the year	6.83
As at 31-03-2023	1,004.47

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 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.

(₹ in Lakhs)						
Particulars	0-1 year	1-3 years	3-5 years	5+ years	Total	Carrying Amount
31st March 2023						
Trade payables	5,198.48	-	-	-	5,198.48	5,198.48
Other financial liabilities	3,074.13	-	-	-	3,074.13	3,074.13
Borrowings	23,885.57	7,933.19	1,094.85	-	32,913.61	32,913.61
31st March 2022						
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

41.8 Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Term Loan Facilities	10,824.29	1,006.00

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 ₹ 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 for the year ended 31st March 2023

As at March 31st 2023

Types of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (₹ in Lakhs)	No. of Outstanding Contracts	Amount (₹ in Lakhs)					
Cash flow hedge-sell	54	129.71	1	2.00	80.25	April 23 - Sep.23	1:1	83.09	88.90
Cash flow hedge-Buy	-	-	-	-	-	-	-	-	-

As at March 31st 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	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (₹ in Lakhs)	No. of Outstanding Contracts	Amount (₹ in Lakhs)					
Cash flow hedge-sell	80	231.84	11	26.53	116.69	April 22 - Jan.23	1:1	76.95	86.04
Cash flow hedge-Buy	-	-	-	-	-	-	-	-	-

Disclosure of effects of hedge accounting on financial performance

(₹ in Lakhs)				
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 st March 2023	(58.10)	-	-	-
31 st March 2022	29.37	-	-	-

The Movement in hedging reserve during the year ended March 31, 2023 for derivatives designated as cash flow hedge (refer note no. 17) is as follows:

(₹ in Lakhs)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Balance at the beginning of the year	71.17	42.77
Change in fair value of Effective portion of Cash Flow Hedge Recognised during the year	(58.10)	29.37
Amount Reclassified to Profit & Loss account during the period	-	-
Tax impact on above	14.62	(0.97)
Closing Balance	27.69	71.17

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.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

The Impact on the other component of Equity arises from foreign forward exchange contract designated as cash flow hedge reserve is given below:

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023		Year ended 31 st March 2022	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-increase/(decrease) by 1%-Sell	107.77	(107.77)	178.40	(178.40)
INR/USD-increase/(decrease) by 1%-Buy	-	-	-	-
EURO Sensitivity				
INR/EURO-increase/(decrease) by 1%-Sell	1.78	(1.78)	22.83	(22.83)
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.	Balance as at 01 st April 2022	Cash flows	Non Cash	Balance as at 31 st March 2023
Long term borrowings	18	6,688.39	4,768.49	(2,428.84)	9,028.04
Current Maturities of long term debts	18	1,957.79	(1,968.21)	2,428.84	2,418.42
Short term borrowings excluding current maturities of long term debts	18	13,059.49	8,407.30	-	21,466.79
Interest Accrued on Borrowings	19	29.88	(4.19)	-	25.69
Lease Liabilities	19	2,642.72	(916.62)	2,516.00	4,242.09

(₹ in Lakhs)

Particulars	Note No.	Balance as at 1 st April 2021	Cash flows	Non Cash	Balance as at 31 st March 2022
Long term borrowings	18	4,790.82	3,853.84	(1,956.27)	6,688.39
Current Maturities of long term debts	18	2,187.78	(2,186.27)	1,956.28	1,957.79
Short term borrowings excluding current maturities of long term debts	18	10,519.87	2,539.62	-	13,059.49
Preference Liability	19	1,191.45	-	(1,191.45)	-
Interest Accrued on Borrowings	19	49.82	(19.94)	-	29.88
Lease Liabilities	19	697.18	(428.08)	2,373.61	2,642.72

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 43: Recent Accounting Pronouncements

Ministry of Corporate Affairs has notified amendments to Indian Accounting Standards (Ind AS) on 31st March 2023 effective for annual reporting periods beginning on or after 1st April 2023. Amendments relate to:

Ind AS 1 – Presentation of Financial Statements

Disclosure of Accounting Policies, amended paragraphs 7, 10, 114, 117 and 122, added paragraphs 117A–117E and deleted paragraphs 118, 119 and 121. The amendments to Ind AS 1 are applicable for annual reporting periods beginning on or after 1 April 2023. The amendment seeks to replace significant accounting policies with material accounting policy information and provides guidance on material accounting policy information. The amendment requires complete review of existing disclosure of accounting policies and may involve redrafting, removing some of the accounting policies now being disclosed or adding new accounting policy disclosures. The company is reviewing its accounting policy disclosure to change the same as per the amendments.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates, amended paragraphs 5, 32, 34, 38 and 48 and added paragraphs 32A, 32B and 34A. These amendments are applicable for annual reporting periods beginning on or after 1 April 2023. The amendment replaces the definition of changes in accounting estimates with a new definition of accounting estimates and provides guidance on that definition, what are regarded as changes in accounting estimates and how to apply changes in accounting estimates. The amendments shall be applied to changes in accounting estimates and changes in accounting policies that occur on or after 1st April 2023. Therefore, the amendments have no impact on the financial position, financial performance or the cash flows of the entity in the current and previous year.

Ind AS 12 – Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amended paragraphs 15, 22 and 24 and added paragraph 22A. The amendment clarifies that in case, where at the time of initial recognition, equal amount of taxable and deductible temporary differences arise, the initial recognition exemption does not apply and the company shall recognise deferred tax liability and deferred tax asset on gross basis on that date of initial recognition depending on the applicable tax law. This happens typically when a lease liability and right-of-use asset is recognised initially or when decommissioning obligations are initially recognised and the same is added to the cost of the item of property, plant and equipment. If the application of this requirement results in unequal amount of deferred tax asset and deferred tax liability, the difference shall be recognised in profit or loss. These amendments are to be applied for annual reporting periods beginning on or after 1 April 2023 to transactions that occur on or after the beginning of the 1 April 2022. The amendment also requires deferred tax assets and deferred tax liabilities to be recognised on 1 April 2022 based on the carrying amounts of the lease liability and right-of-use asset as on 1 April 2022 and recognise any difference in opening balance of retained earnings or another component of equity, where appropriate, if the company has applied the initial recognition exemption requirements earlier or had recognised deferred tax assets and deferred tax liabilities on net basis. The same is also required for decommissioning obligations recognised initially and added to the cost of the item of property, plant and equipment. As the company has recognised deferred tax assets and deferred tax liabilities on gross basis on lease liability and right-of use assets, the amendment has no impact of the financial statements. Further, the requirements relating to decommissioning obligations are not applicable to the company.

Rest of the Amendments to Ind AS 101, Ind AS 103, Ind AS 107, Ind AS 109 and Ind AS 34 are consequential and clerical in nature having no impact of the financial statements of the Company.

Note 44 :

In terms of the Master Restructuring Agreement under the Corporate Debt Restructuring (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 amount for the reliefs and sacrifices extended by them within the CDR mechanism. The company has provided for in the books of accounts towards recompense amount of ₹ Nil in the current financial year (Previous year ₹292.96 Lakhs) out of which ₹207.54 Lakhs has been paid during the financial year 2023 (Previous year ₹262.20 Lakhs). Recompense payable as on 31.03.23 is ₹NIL (as on 31.03.22 was ₹357.54 Lakhs). As per management best estimates excess provision, towards lenders' recompense amount payable under CDR, has been written back and included under the head excess provision written back disclosed in other income Note no. 26. and clubbed with other income. Company is in process of applying for making an exit from CDR mechanism with lenders.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

Note 45 : Dividend

The Board of Directors of the Company had recommended dividend of ₹2/- per Equity Shares of face value of ₹10/- each for the financial year 2022 amounting to ₹830.16 Lakhs, which was subsequently approved by the Shareholders in Annual General Meeting. Out of declared dividend, ₹12.94 Lakhs remained unpaid and transferred to an account with scheduled bank under unpaid/unclaimed dividend account.

Note 46 : Other Statutory Information

- (i)

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

The Company does not have any transactions with struck off companies.
- (iii)

The Company does not have any charges or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- (iv)

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v)

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a)

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

(b)

Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (vi)

The Company has no subsidiary, associates and joint venture down word.
- (vii)

The lender of the company has not declared company as wilful defaulter and also company has not defaulted in loan repayment to the lender.
- (viii)

Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (ix)

There is no transaction which are not recorded in the books of account that has been surrender or disclosed as income during the year in the tax assessments under the income tax act. 1961

Note 47: Approval of financial statements

The financial statements for the period ended 31st March 2023 were approved by the Board of Directors and authorise to issue on 04th May 2023.

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

Neeraj Bansal
Partner
Membership No.095960
UDIN: 23095960BGWQYV1513

Place: Noida (U.P.)
Date: 04th May 2023

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

Shekhar Agarwal
Chairman & Managing Director and CEO
DIN: 00066113

Manoj Gupta
Chief Financial Officer
FCA- 500020

Shantanu Agarwal
Joint Managing Director
DIN:02314304

Virendra Kumar Garg
Company Secretary
FCS- 7321

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Maral Overseas Limited

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