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# Setting Benchmarks



*Maral Overseas Limited*

*Annual Report 2006-2007*



## A Passion for Excellence

Having been built on solid, reliable foundations, the LNJ Bhilwara Group has evolved beyond its rich heritage, steeped in integrity, reliability, quality... and most importantly, an innate ability for innovation.

This ethos has catapulted the Group onto a global platform, having set several benchmarks along the years, driven by a passion for excellence.

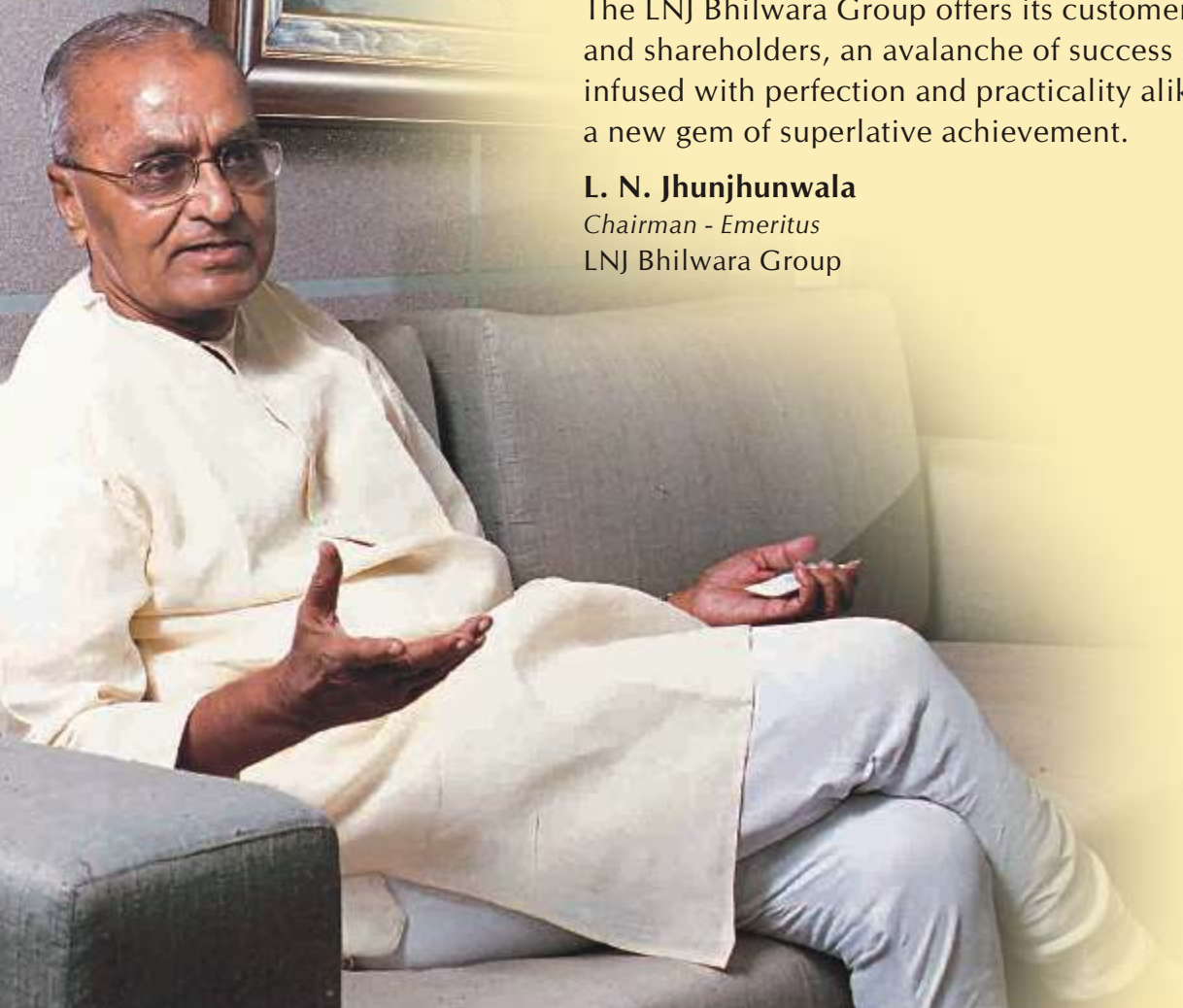
Today, the Group is driven selflessly by its dedicated team, which constantly innovates to generate out-of-the-box solutions, extrapolating the current market scenarios and trends, to focus on the needs of tomorrow.

The LNJ Bhilwara Group offers its customers, clients and shareholders, an avalanche of success stories, infused with perfection and practicality alike, each one a new gem of superlative achievement.

### **L. N. Jhunjhunwala**

*Chairman - Emeritus*

LNJ Bhilwara Group





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## GROUP SALIENT FEATURES : 2006-07

- RSWM Limited is the new name for Rajasthan Spinning & Weaving Mills Ltd.
- RSWM has initiated a Rs 900 crore expansion plan. Its Denim & Captive Thermal Power Plants are nearing completion.
- RSWM, Maral Overseas and BSL Limited expand their spindle capacities.
- RSWM was recently felicitated with Rajiv Gandhi National Quality Award.
- RSWM announced the acquisition of Cheslind Textiles Ltd., a Bangalore based textile unit.
- RSWM International B.V., Holland, incorporated, a 100% subsidiary of RSWM, executes a 50:50 JV with SISA S.A., Spain. The new JV entity is known as RSWM SISA.
- RSWM ropes in Salman Khan as brand ambassador for Mayur Suitings.
- HEG's 52,000 MT per annum, Graphite Electrode plant stabilised.
- HEG institutes LNJ Award for outstanding work in the field of Carbon.
- HEG initiated Rs 110 crore Capex during the year.
- Bhilwara Energy Limited incorporated as the Holding Company for the Group's power businesses.
- Bhilwara Energy Limited bags three Hydel Power projects in Arunachal Pradesh.
- Bhilwara Energy formalises agreement with Punjab State Electricity Board to develop and run a 75 MW power plant near Pathankot.
- MPCL becomes the first hydro power company in India to implement ERP.
- Bhilwara Scribe ranked amongst the top 5 BPOs in the Healthcare segment.

## GROUP FINANCIAL HIGHLIGHTS

(Rs in crore)

PARTICULARS	2004-2005	2005-2006	2006-2007
Turnover	2049	2387	<b>2859</b>
Exports	893	1016	<b>1361</b>
PBIDT	274	374	<b>434</b>
PBDT	208	286	<b>323</b>
PBT	96	156	<b>193</b>
PAT	79	115	<b>134</b>
Gross Fixed Assets	2494	2922	<b>3835</b>
Net Worth	969	1382	<b>1525</b>

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# Maral Overseas Limited

## BOARD OF DIRECTORS

L. N. Jhunjhunwala	<i>Chairman-Emeritus</i>
Ravi Jhunjhunwala	<i>Chairman</i>
Shekhar Agarwal	<i>Managing Director</i>
D. N. Davar	<i>Director</i>
Kamal Gupta	<i>Director</i>
P. S. Dasgupta	<i>Director</i>

## KEY EXECUTIVES

• <b>Corporate Office</b>	
R. K. Khandelwal	<i>President</i>
• <b>Sarovar Unit</b>	
R. K. Bhatnagar	<i>President</i>
• <b>Noida Unit</b>	
Anil Gandotra	<i>President</i>

## COMPANY SECRETARY

Rajat Prothi

## AUDITORS

Doogar & Associates, New Delhi

Ashim & Associates, New Delhi

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## WORKS :

• <b>Sarovar Unit</b>	
Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone - 451 660 (M.P.)	
• <b>Noida Unit</b>	
A-11, Hosiery Complex, Phase - II (Extension), Noida - 201 305 (U.P.)	

## BANKERS

Bank of Baroda
Canara Bank
Central Bank of India
Export-Import Bank of India
IndusInd Bank Limited
Industrial Development Bank of India Limited
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Indore
State Bank of Patiala
The Jammu & Kashmir Bank Limited
UTI Bank Limited
Yes Bank Limited

## MARAL FINANCIAL HIGHLIGHTS

(Rs in crore)

PARTICULARS	2004-2005	2005-2006	2006-2007
Net Turnover	248.64	245.23	<b>289.92</b>
Exports	185.53	181.79	<b>231.51</b>
Net Worth	79.38	86.20	<b>61.93</b>
Capital Expenditure	13.20	55.57	<b>86.83</b>
PBIDT	28.53	26.30	<b>(2.86)</b>
Interest	10.22	12.09	<b>16.98</b>
PBDT	18.31	14.21	<b>(19.84)</b>
Depreciation	18.25	16.46	<b>17.02</b>
Provision for Taxation	(1.03)	(2.74)	<b>(12.35)</b>
PAT	1.09	0.49	<b>(24.51)</b>
EPS (Rs)	0.53	0.23	<b>(11.26)</b>
CEPS (Rs)	9.42	7.79	<b>(3.44)</b>
Book Value (Rs)	38.66	39.62	<b>28.46</b>



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## Management Discussion and Analysis

The Textile Industry is a sunrise sector of the economy. India has a dominant place in the global textile industry. It covers a wide range of economic activities and thus has a significant role in the economy of the country. Despite an obsolescence in the infrastructure, the textile industry has shown remarkable progress in the last decade. India is the world's second-largest producer of textiles and garments after China, the third-largest producer of cotton (China is No. 1 and USA is No. 2) and the second-largest consumer of cotton (China is No. 1). At present, textiles contributes about 14% to industrial production, 4% to the Gross Domestic Product (GDP) and 17% to the country's export earnings.

At present, India's textile sector is in the process of adapting itself to the changes that are occurring in the global market. Dozens of Indian textile firms are foraying into global markets for acquisition opportunities that would bring them scale, technology and design capabilities.

Customers now aggressively seek alternatives, compare offers and hold out for the best option. Product portfolios have a shorter product lifecycle and enjoy ever-growing levels of variety. The competition for India's textile companies is becoming bigger and non-traditional.

Maral Overseas Limited (MOL) is fully geared up to meet global challenges. The Company has undertaken capacity expansion to ensure economies of scale and is focused on quality, prices, design, adherence to delivery schedules, marketing skills, as well as cost-efficient operations, to enhance the overall profitability of the Company. It is in the process of increasing its presence across the value-chain to capture more market share in USA and Europe.

### Opportunities and Threats

Prospects for the textile industry appear healthy, provided that it continues to modernise. This suggests that, with appropriate scale, investment and technology, it can achieve rapid industrial growth. To achieve growth, the Company is in the process of installing a coal-based power generating plant and expanding its spinning capacity, the efforts for which are progressing as per schedule.

In the post-quota regime, sales are affected as a result of abrupt shifts in market conditions and volatile consumer behaviour. The competition is based on price, quality, service and design. The Company emphasises the need for cost-consciousness, consistent quality and reliable service to customers, in order to meet challenges and maintain a leadership position. The Company is in the process of basing itself competitively on the certainty of implementation of the declared capabilities, and increasing its presence in the value chain, through systematic innovation and much higher levels of service based activities.

The Company is flexible in its production process and has a long operating experience in major markets like USA and the European Union, and is fully equipped to meet global challenges.

### Businesses

MOL is a leading manufacturer of cotton yarn, knitted fabric (both grey and processed) and textile garments. It is one of the leading exporters of cotton yarn from India and has a commanding position

in knitted fabrics and textile garments in domestic as well as international markets.

The Company consolidated its position in cotton yarn during the year, through a constant process of evaluation, and subsequent upgradation and modernisation of integrated processes. During the year under review, the Company recorded a turnover of Rs 289.92 crore, as against Rs 245.23 crore in the previous year.

The Company is now focusing on value-addition and controlling costs to increase margins, in order to be competitive and survive in global markets. The Thermal Power Project, which is currently under implementation, is expected to reduce power costs.

The Company's exports (FOB value) were to the tune of Rs 205.76 crore, against Rs 177.71 crore last year. The share of exports accounted for 70.97% of MOL's revenues.

The yarn business accounts for 46.42% of its revenues, while knitted fabric and textile made-ups business accounts for 14.60% and 38.98%, respectively.

Maral was certified for ISO-9001:2000 by SGS for another three years, from 2006 to 2009. This vindicates the commitment of the Company on providing top quality that meets customers' expectations.

The costs at the Jammu unit had been increasing to unsustainable levels, seriously impacting the bottom line of the Company. In order to cut down costs, the Company closed down its Jammu unit, after obtaining all necessary approvals.

### Yarn Business

The Company expects that demand for fabric and yarn will increase in the months to come, as exports of textiles and apparel from the country should rise. This will eventually result in a higher demand for yarn. The Company offers to its customers the finest quality of yarn, which commands a premium in global markets, and an increased demand for Indian yarn and fabric in the months to come would be beneficial to the Company.

The yarn dyeing facility of 1000 MT per annum installed last year has helped to increase the production capacity. The performance of the yarn business was good during the year and it contributed more than 46% towards the turnover of the Company.

### Knitted Fabric Business

The performance of the fabric business remained satisfactory during the year. This business contributed Rs 93.53 crore towards the turnover of the Company, out of which Rs 1.40 crore was the share of knitted fabric and Rs 92.13 crore accrued from processed fabric.

### Textile made-up Business / Garments

The units of Maral located at Sarovar and Noida are engaged in manufacturing and exporting garments and textile made-ups. These units manufacture global quality garments and textile made-ups. The highly reputed international customer base of Maral demands quality, which the Company has succeeded in providing, thereby helping it in making its mark in the highly fashion-conscious markets across the world. During the year, the Company exported 60.52 lac pieces of made-ups.





## *Maral Overseas Limited*

The Company is looking at producing higher value-added products, and is also making its presence felt in new markets, in order to achieve substantial growth in this business.

### **Risk Management**

#### **Market Risk**

Two and a half years into the quota-free regime, MOL operates in a highly-competitive global environment. In recent months, the market share of the Indian textile and clothing industry has been affected by the rally in the value of the rupee. The rise in the value of the rupee has eroded the competitiveness of the Indian textile industry, vis-à-vis its major competitors, like Sri Lanka, Bangladesh, China and Indonesia. Exports have started showing negative trends, as the country is able to produce volumes and high quality, but is not competitive in price terms that hamper its progress in the global market.

The Government, it is expected, will take action to arrest the rising value of the rupee, to ensure that the textile industry remains competitive and to boost the country's position in global textile industry.

MOL is embarking upon various strategies to combat and minimise these risks. The Company has undertaken expansion of the Company's spinning capacity by 19200 spindles, at a cost of about Rs 60 crore. This project is at an advanced stage of implementation and the Company is expected to reap the full commercial benefits of the same in the current financial year.

The Company is also focusing on value-addition to increase its margins. The Company is also exploring untapped destinations to increase its volume of exports, and is moving beyond the traditional markets of exports.

#### **Currency Risk**

MOL, due to its higher content of exports, has considerable exposure in foreign currency. The new currency regime that RBI is following, has led to difficulty for Maral, as the level of the rupee / US dollar has shifted from Rs 45 to Rs 40 per dollar, and the volatility of the exchange rate has gone up. The new currency regime represents a qualitative change from an RBI-controlled rate, to a market-determined exchange rate. MOL due to its higher content of exports, may get affected due to this upsurge in volatility.

Sometimes a currency risk is beneficial, however, Maral has in place a well-documented and established foreign exchange risk policy, which is reviewed by the Audit Committee on a regular basis to face all types of risks, in view of the changing scenario of the forex market, and currency risks are hedged accordingly.

#### **Internal Control Systems and their adequacy**

The Company has a proper and adequate system of internal controls and policies in all its sphere of activities. The Internal controls are

supplemented by regular Internal Audit of all the units of the Company, which helps in improving efficiency. The Company's Internal Control Systems ensure effective monitoring of operations to make sure that there is maximum utilisation of resources, and that all assets are safeguarded and protected against loss from unauthorised use and dispositions, and that all transactions are authorised, recorded and reported diligently. The Audit Committee and the Management review the reports of the Internal Auditors regularly, who then bring out the deviations to the notice of the Audit Committee and recommend suitable steps to implement their recommendations.

### **Human Resources**

MOL continued building sustainable competitive advantage through its human resources. Your Company facilitated learning and development processes in a focused manner during the year. Special emphasis was laid on IT-related training and upgrading the functional knowledge and skills of employees. Your Company believes that the competence and commitment of its people is the key in a competitive world. The dedicated services tendered by the employees at all levels resulted in significant enhancement in quality and productivity.

The total strength of MOL as at the end of the financial year 2006-07, was 2630 employees.

### **Corporate Social Responsibility**

Corporate Social Responsibility (CSR) is crucial in today's business environment. MOL takes the concept of CSR very seriously. Maral has a long tradition of community service and a strong sense of Corporate Social Responsibility. The focus of Maral is to improve the quality of life of the work force, the local community and society at large. MOL has helped to build several schools, and in the area of healthcare, it regularly conducts health education programmes and health camps that educate people on various diseases and other health-related issues. Maral works closely with the Government, NGOs and charitable institutions to build a stronger community.

### **Cautionary Statement**

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the Section on 'Risk Management'. The Company takes no responsibility for any consequence of decisions made based on such statements, and holds no obligation to update these in the future.



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## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighteenth Annual Report of the Company and the audited financial statements for the year ended 31st March, 2007.

### Financial Results

	(Rs in crore)	
	Current Year	Previous Year
<b>Net Turnover</b>	<b>289.92</b>	245.23
Profit from continuing operations	4.37	1.11
Less: Taxation	1.17	(1.58)
<b>Profit from continuing operations after Tax</b>	<b>3.20</b>	2.69
Loss from discontinuing operations (net of Tax)	(13.02)	(2.20)
Termination costs (net of Tax)	(14.69)	–
<b>Profit / (Loss) after Tax</b>	<b>(24.51)</b>	0.49
Add: Balance brought forward from previous year	(15.03)	(15.52)
<b>Balance carried to Balance Sheet</b>	<b>(39.54)</b>	(15.03)

### Operations

During the period under review, the operations of the Company suffered set back mainly due to discontinuance of operations at the Jammu Unit of the Company, which continued to remain economically unviable and eventually leading to its closure. Simultaneously the power and fuel cost increased substantially due to high petroleum product prices. Financial cost also increased due to hardening of interest rates as well as payment under Voluntary Retirement Scheme and terminal benefits of the employees of Jammu Unit.

During the year, your Company has been able to achieve a production of 11748 (11787 MT) of cotton yarn, 657 (164 MT) of dyed yarn, 3041 (2849 MT) of knitted fabric, 2859 (2951 MT) of processed fabric and 60.52 (67.62 lac) pieces of textile made-ups.

Your Directors are hopeful that with the amicable settlement at the Jammu Unit and with the focus on increasing efficiency, stricter quality control, the Company will be on growth track once again in the coming years.

### Dividend

Your Directors are unable to recommend any Dividend on the Equity Shares in view of the financial position of the Company.

### Industry Scenario

The opportunities in the world market have opened for the cost efficient entities in the last couple of years since the removal of quantitative restrictions. At present developed countries are outsourcing their textile & clothing requirement to developing

countries, in view of the cost advantage. Consequently, spinning capacity in USA is down by about 18% and import of cotton products in USA up by about 6.3%. Resultantly the market share from SAARC & Asian Countries is increasing in USA. In this scenario, China followed by India has been the front-runner in the race and hence are the key beneficiaries.

Your Directors recognizing these opportunities had taken initiatives and undertaken capacity expansion in the previous year to bring economies of scale as well as cost efficient operations for enhancing the overall profitability of the Company. Your Company is focussing on increasing its presence in value added segment to capture higher market share of USA and Europe.

### Expansion cum Modernisation

Your Directors in the last Annual Report had informed about the installation of yarn dyeing facility of 1000 MT per annum and the expansion of fabric knitting and processing capacities by 240 MT and 390 MT. Your Directors are pleased to state that the operations in the new projects installed last year have stabilized.

Your Directors in the last Annual Report had also stated about the expansion of the Company's spinning capacity by 19200 spindles and the installation of a 10 MW Coal Thermal Power Plant at an aggregate cost of Rs 100 crore. Both of them are at an advanced stage of implementation and the Company is expected to reap the full commercial benefits of these projects in the current financial year.

### Closure of Jammu unit of the Company

During the period under review, the Jammu Unit of the Company which had become economically unviable was closed after, completion of a Voluntary Retirement Scheme and obtaining all necessary approvals.

### Voluntary Delisting of Equity Shares

The Company has applied for voluntary delisting of its Equity Shares from The Calcutta Stock Exchange Association Limited, whose response to the application made by the Company, is awaited.

### Directors

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

### Auditors

M/s. Doogar & Associates and M/s. Ashim & Associates, Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company, and are eligible for re-appointment.

The observations of the Auditors are explained wherever necessary, in the appropriate notes to the accounts.

### Internal Control Systems

The Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. The Operational Management and Audit Committee review and ensure that the Internal Control System effectively operates in the organization. All organizational activities are subject to internal controls. In order to provide reasonable assurance of the Internal



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Control System, the Audit Committee recommends to the Board any changes in the system of Internal Controls, procedures and practices which the Audit Committee determines to be appropriate.

### **Particulars of Employees**

Particulars of Employees as required to be furnished pursuant to Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are attached hereto and form part of the Report as Annexure - I.

### **Directors' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and they have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company on 31st March, 2007, and of the profit or loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- the Annual Accounts have been prepared on a going concern basis.

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

The particulars relating to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as per Annexure-II to the Directors' Report.

### **Acknowledgements**

Your Directors take this opportunity to express their appreciation for the assistance and continued support of the Customers, Suppliers, Bankers, Financial Institutions, Central and State Governments and Shareholders. The Directors also acknowledge the dedicated service rendered by the Employees of the Company at all levels in helping the Company to achieve greater levels of growth.

for and on behalf of the Board

Noida (U.P.)  
5th May, 2007

**Ravi Jhunjunwala**  
Chairman





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## ANNEXURE - I TO DIRECTORS' REPORT

Statement of Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

Sl. No.	Name	Age (Years)	Designation/Date of commencement of Employment	Remuneration (Rs)	Qualification	Experience (Years)	Last Employment Held		
							Organisation	Position Held	Duration (Years)
A. PERSONS EMPLOYED THROUGHOUT THE FINANCIAL YEAR									
1.	Mr. Shekhar Agarwal	54	Managing Director 01.01.1991	30,48,000	B. Tech. (ME), M. Sc. (Chicago)	25	Shashi Commercial Ltd.	Chief Executive	2.5
2.	Mr. R. K. Khandelwal	51	President 07.08.2003	33,80,530	B. Com, LLB, FCA	27	RSWM Ltd.	President	4
B. PERSONS EMPLOYED FOR PART OF THE FINANCIAL YEAR									
1.	Mr. R. K. Bhatnagar	57	President 01.11.2006	6,89,419	B. Tech.	35	Ginni International Ltd.	CEO	5
2.	Mr. H. S. Jha	47	Vice President-HRM 05.02.2007	8,17,345	M. Phil, MBA	22	Bajaj Hindustan Ltd.	Group GM	1

**Note:** Mr. Shekhar Agarwal, Managing Director is a relative of Mr. L. N. Jhunjunwala, Chairman Emeritus and Mr. Ravi Jhunjunwala, Chairman.

## ANNEXURE - II TO DIRECTORS' REPORT

Statement of particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

### I. CONSERVATION OF ENERGY

#### (a) Energy conservation measures taken:

1. Fixing of ERP fans in Humidity Plant.
2. Installation of inverters on H-Plants Pumps & Fans.
3. Reduction of light intensity in non-productive region.
4. Replacement of conventional ballast with electronic ballast.
5. Recycling of machine cooling water from dye house.
6. Heat utilisation from effluent.
7. Saving in TFO power consumption by star conversion of three motors.
8. Installation of energy efficient compressed air system.
9. Utilisation of waste heat from Effluent (use of hot water in Yarn dyeing & Fab dyeing).
10. Saving by using coal fired boiler & Theropac.
11. Hot water supply system for Fabric Dyeing.

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

1. Replacement of old motor with energy-efficient motors.
2. Installation of energy-efficient Air Compressor.
3. Conversion of Electric heating system to Steam heating.
4. Utilisation of waste heat for hot water generation.
5. Replacement of H-Plant pumps with energy efficient pumps.
6. Energy efficient hydro-pneumatic pressure boosting system for constant water supply pressure for process house.
7. Replacement of centrifugal pumps with submersible pump for treated effluent handling to horticulture.
8. Use of submerdible pump in place of monoblock pump at Narmada water supply station.
9. Replacement of rewined motors with energy efficient motors.
10. Installation of ved for humidification plant pumps.
11. 10 MW Coal loaded Thermal Power Plant.

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

The estimated saving on account of the above measures are expected to be about 1.50 lac units per month.

### INFORMATION AS PRESCRIBED IN FORM A

#### (A) POWER AND FUEL CONSUMPTION

1. Electricity		Current Year	Previous Year
a. Purchased			
Units		1,88,07,275	1,925,187
Total amount (Rs)		7,96,31,226	4,842,720
Rate / Unit (Rs)		4.23	2.52



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	Current Year	Previous Year
<b>b Own Generation</b>		
<b>i) Through Diesel Generator</b>		
Units	29064247	45,180,136
Units/Litre of HSD/FO	4.08	4.08
Cost/Unit	3.57	3.44
<b>ii) Through Steam Turbine / Generator</b>		
Units	—	—
Units/Litre of fuel oil	—	—
Gas	—	—
Cost/Unit	—	—
<b>2. Coal</b>		
Quantity MT	3334	—
Total Cost	10468095	—
Average Rate/MT	3.14	—
<b>3. Furnace Oil/HSD</b>		
Quantity KL	7645	11067
Total Cost	115579869	155,394,727
Average Rate/Litre	15.12	14.04
Other/Internal Generation	N. A.	N. A.
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>i) Electricity</b>		
Cotton Yarn (Kg.)	3.29	3.23
Knitted Fabric (Kg.)	0.25	0.32
Processed Fabric (Kg.)	1.34	1.7
Garment (Pc.)	0.39	0.39
Yarn Dyeing (Kg.)	1.56	—

## II. TECHNOLOGY ABSORPTION

### A. RESEARCH AND DEVELOPMENT

The Company has a Central Development Department, which undertakes product development activities for new products. During the period under review, the Company focused on production of more value-added Yarn and Fabric.

Besides this, the Company has a Quality Assurance Department equipped with well experienced /qualified personnel and latest sophisticated machines, to monitor and ensure quality parameters at each stage of production and to ensure consistency in quality and adherence to quality standards norms.

### B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

#### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation

The Company has continued renovation and upgradation of its Spinning Mill. It has also continued Yarn development and Fabric development, by adding latest technologies, equipment and machines. The Company has taken the expansion plan to increase capacity in spinning by adding 19200 spindles with state of art technology of auto doffing and link coner. Also a new Thermal Captive Power Plant of 10 MW is under commissioning.

#### 2. Benefits derived as a result of the above efforts

The Company will produce export quality value added yarn from the expanded capacity in spinning and on commissioning of Thermal Power Plant will get cheap power, which will improve productivity and bottom line of the Company.

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

The Company has not recently imported any technology.

## III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The products being exported by the Company are Yarn, Fabric and Garments. The Company has been participating in international textile exhibitions and is developing new products, especially High Value Products, to enter new markets and to sustain the existing clientele. The Company has embarked upon a modernisation-cum-expansion programme involving a capital expenditure of Rs 60 crore to take care of the increased export. During the year, the Company has earned foreign exchange of Rs 20576.48 lac at FOB price, against an outgo of Rs 4715.37 lac compared to the previous period's foreign exchange earning of Rs 17771.42 lac and outgo of Rs 5518.17 lac.



## CORPORATE GOVERNANCE REPORT

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

The Company has consistently been following high level of Corporate Governance. The Company believes in promoting corporate fairness, transparency and accountability. It fundamentally believes that good Corporate Governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory/ regulatory requirements. The Company's guiding principles are focused on attaining the highest standards of Corporate Governance and the business operations of the Company are conducted in such a manner so as not to benefit any particular interest group, but for the benefit of all the stakeholders.

### 2. Board of Directors

The present strength of the Board is Six Directors, comprising of the Chairman Emeritus, Chairman, Managing Director and three Independent Directors. The Chairman Emeritus, Chairman and the Managing Director are Promoter Directors. The Managing Director is Executive and all the other Directors are Non-Executive. All the three Independent Directors are professionals and have expertise in their respective functional areas.

The Composition of the Board, their attendance at the Board Meetings held during the year, alongwith the number of Directorships, Memberships held in various Committees in other Companies as on 31st March, 2007, are given below:

Sl. No.	Name	Title	Category	No. of Meetings		No. of other Directorships and Committee Membership/Chairmanship#		
				Held	Attended	Directorships*	Committee Memberships	Committee Chairmanships
1.	Mr. L. N. Jhunjunwala	Chairman Emeritus	Promoter - Non-Executive	6	4	7	1	–
2.	Mr. Ravi Jhunjunwala	Chairman	Promoter - Non-Executive	6	5	9	4	2
3.	Mr. Shekhar Agarwal	Managing Director	Promoter - Executive	6	6	7	3	1
4.	Dr. Kamal Gupta	Director	Independent - Non-Executive	6	5	5	7	2
5.	Mr. P.S. Dasgupta	Director	Independent - Non-Executive	6	6	5	5	–
6.	Mr. D. N. Davar	Director	Independent - Non-Executive	6	6	14	8	5

Notes : \* Excludes Directorships held in Private limited Companies

# Includes Audit and Shareholders' / Investors' Grievance Committees only

The Board of Directors meets regularly throughout the year. During the financial year 2006-2007, the Board of Directors met six times on the 25th April, 2006, the 23rd May, 2006, the 28th July, 2006, the 27th October, 2006, the 30th October, 2006 and the 30th January, 2007.

The previous Annual General Meeting of the Company was held on the 28th September, 2006 and was attended by Dr. Kamal Gupta, Director and Chairman of the Audit Committee of the Company. None of the Directors is a member of more than ten Board level Committees or Chairman of more than five such Committees.

### 3. Audit Committee

The Audit Committee of members of the Board comprises of following Four Directors as on the 31st March, 2007:

- 1) Mr. L. N. Jhunjunwala
- 2) Dr. Kamal Gupta
- 3) Mr. P. S. Dasgupta
- 4) Mr. D. N. Davar

All the members of the Audit Committee are Non-Executive Directors. Mr. L. N. Jhunjunwala, Chairman Emeritus is a Promoter Director. The other Directors are Independent Directors with Dr. Kamal Gupta being the Chairman of the Audit Committee.

Dr. Kamal Gupta, Chairman of the Audit Committee, possesses high degree of accounting and financial management expertise and all members of the Committee have sound accounting and financial knowledge.

Mr. Rajat Prothi, Company Secretary is the Secretary to the Committee. Invitees to the Audit Committee include the Chief Financial Officer, Chief Coordinator- Internal Audit and the representative of the Statutory Auditors, Internal Auditors and Cost Auditors.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.



## Maral Overseas Limited

- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

MOL has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.
- If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice.

With regard to information on related party transactions, whenever applicable, the Audit Committee is presented with the following information:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

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

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

The Audit Committee of the Company met four times during the financial year 2006-2007. The meetings were held on the 25th April, 2006, the 28th July, 2006, the 27th October, 2006 and the 30th January, 2007. The attendance of the Committee members at these meetings was as follows:

Name of the Member	No. of Meetings Attended
Mr. L. N. Jhunjhunwala	3
Dr. Kamal Gupta	3
Mr. P.S. Dasgupta	4
Mr. D. N. Davar	4



#### 4. Remuneration Committee

The Remuneration Committee comprised of following Three Non-Executive Independent Directors as on the 31st March, 2007:

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

Dr. Kamal Gupta is the Chairman of this Committee. The composition of the Remuneration Committee remained unchanged during the year. In the financial year 2006-2007, no meeting of the Remuneration Committee was required to be held.

The Remuneration Committee considers, approves and recommends to the Board the remuneration payable to Managerial personnel coming within the purview of applicable provisions of the Companies Act, 1956.

Table 1 gives details of the remuneration paid to Directors during the year 2006-2007.

##### 1. Remuneration paid or payable To Directors for 2006-2007

(in Rs)

Name of the Director	Category	Sitting Fee	Salaries, Allowances and Perquisites#	Commission	Total
Mr. L. N. Jhunhunwala	Promoter – Non-Executive	1,40,000	–	–	1,40,000
Mr. Ravi Jhunhunwala	Promoter – Non-Executive	1,00,000	–	–	1,00,000
Mr. Shekhar Agarwal	Promoter – Executive	–	30,48,000	–	30,48,000
Dr. Kamal Gupta	Independent – Non-Executive	4,40,000	–	–	4,40,000
Mr. D. N. Davar	Independent – Non-Executive	2,60,000	–	–	2,60,000
Mr. P. S. Dasgupta	Independent – Non-Executive	2,00,000	–	–	2,00,000

# Includes retirement benefits

During 2006-07, the Company did not advance any loans to any of its Directors. The Company does not have any Stock Option Scheme.

Table 2 gives details of the shares held by the Non-Executive Directors as on 31st March, 2007.

##### 2. Equity Shares held by Non-Executive Directors as on the 31st March, 2007

Name of the Director	Category	Number of Shares held
Mr. L. N. Jhunhunwala	Promoter – Non-Executive	Nil
Mr. Ravi Jhunhunwala	Promoter – Non-Executive	10
Dr. Kamal Gupta	Independent – Non-Executive	1000
Mr. D. N. Davar	Independent – Non-Executive	1000
Mr. P.S. Dasgupta	Independent – Non-Executive	Nil

The Company has not issued convertible instruments to any of its Directors. The Non-Executive Directors are paid sitting fees for attending the Board meetings as well as Committee meetings. The remuneration of the Managing Director is subject to approval of the Board and shareholders at the Annual General Meeting, and is within the ceilings laid down under the Companies Act, 1956.

#### 5. Code Of Conduct

MOL's Board has laid down a code of conduct for all Board members and designated senior management of the Company. All Board members and designated senior management personnel have affirmed compliance with this Code of Conduct. The code of conduct is displayed on the website of the Company [www.maraloverseas.com](http://www.maraloverseas.com). A declaration signed by Mr. Shekhar Agarwal, Managing Director and Mr. P. S. Puri, Chief Financial Officer, to this effect, is enclosed at the end of this report.

#### 6. Management

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

During the financial year 2006-2007, there were no material financial or commercial transactions by the Company with its Promoters, Directors, Management or relatives, etc. that may have potential conflict with the interests of the Company at large.





## Maral Overseas Limited

### 7. Shareholders' Committee

The Company's Shareholders' / Investors' Grievance Committee comprised of following Directors as on the 31st March, 2007:

- 1) Dr. Kamal Gupta - Independent – Non-Executive
- 2) Mr. D. N. Davar - Independent – Non-Executive
- 3) Mr. Shekhar Agarwal – Promoter-Executive

Dr. Kamal Gupta is the Chairman of this Committee and Mr. Rajat Prothi, Company Secretary is the Compliance Officer. The terms of reference of the Committee include redressal of Shareholders and Investors complaints relating to transfer and transmission of shares, non-receipt of Annual Reports, Dividend Warrants and other share related matters. The Committee also reviews the status of Investors' grievances and redressal mechanism.

The Committee met four times during the year 2006-2007 on the 25th April, 2006, the 28th July, 2006, the 27th October, 2006 and the 30th January, 2007.

14 Complaints were received during the financial year 2006-2007 all of which were redressed/answered to the satisfaction of the shareholders. No Investor Grievance remained unattended/pending for more than 30 days. There were no complaints pending disposal as on the 31st March, 2007. No request for dematerialisation of Equity Shares of the Company was pending for approval as at the 31st March, 2007.

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

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

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

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

### 8. General Body Meetings

The details of the location and time of the last three Annual General Meetings (AGMs) of the Company are as follows:

Date of AGM	Relevant Financial Year	Venue/Location where held	Time of Meeting
28th September, 2004	2003-2004	Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh - 451 660	12:30 P.M.
17th August, 2005	2004-2005	Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh - 451 660	2:30 P.M.
28th September, 2006	2005-2006	Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone Madhya Pradesh - 451 660	12:30 P.M.

No Special Resolutions were passed at the Annual General Meetings of the Company held on the 28th September, 2004, the 17th August, 2005 and the 28th September, 2006 respectively. No resolutions were passed by Postal Ballot in the year under review.

### 9. Compliances

The Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement. The Company has also complied to an extent with the non-mandatory requirements of Clause 49 of the Listing Agreement such as constitution of a Remuneration Committee and that the Company's financial statements are free from any qualifications by the Auditors.

### 10. Means of Communication

The quarterly, half yearly and annual audited results are sent immediately to the Stock Exchanges after they are approved by the Board of Directors and are also uploaded on website <http://sebidifar.nic.in>. The Company publishes its results in at least one prominent national and regional newspaper. The same are also displayed on Company's website at [www.maraloverseas.com](http://www.maraloverseas.com).

The Annual Reports of the Company are also displayed on website, <http://sebidifar.nic.in>. This website is also accessible through a hyperlink 'EDIFAR' from SEBI's official website, <http://www.sebi.gov.in>.



## SHAREHOLDERS' INFORMATION

### 1. Annual General Meeting

Day, Date and Time : Saturday, the 29th September, 2007 at 2:00 P.M.  
Venue : Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad  
Distt. Khargone - 451 660, Madhya Pradesh

### 2. Financial Calendar

Financial year : April - March  
Quarterly Financial reporting : Within one month from the end of each quarter except fourth quarter when annual results are published within two months

### 3. Dates of Book Closure

: 24th Sept., 2007 (Monday) to 29th Sept., 2007 (Saturday) (Both days inclusive)

### 4. Dividend Payment Date

: N/A

### 5. Listing of Shares on Stock Exchange

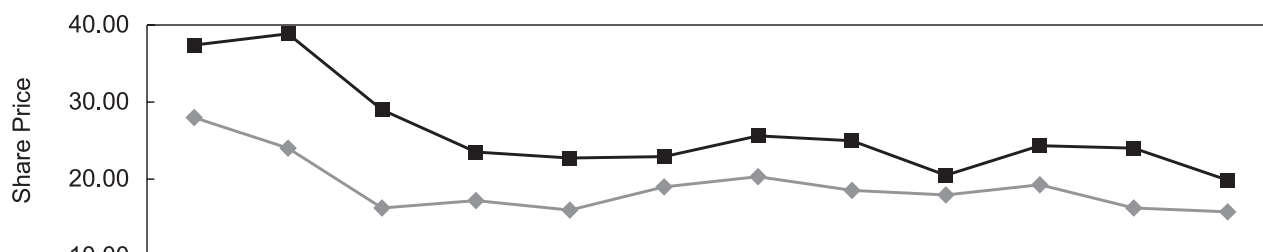
- 1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- 2) National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
- 3) The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata - 700 001.

Listing fee as prescribed has been paid to the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) upto 31st March, 2008. The Company has made application to The Calcutta Stock Exchange Association Limited for delisting and its approval is awaited.

### 6. Stock Code

Bombay Stock Exchange Limited : 521018  
National Stock Exchange of India Limited : MARALOVER

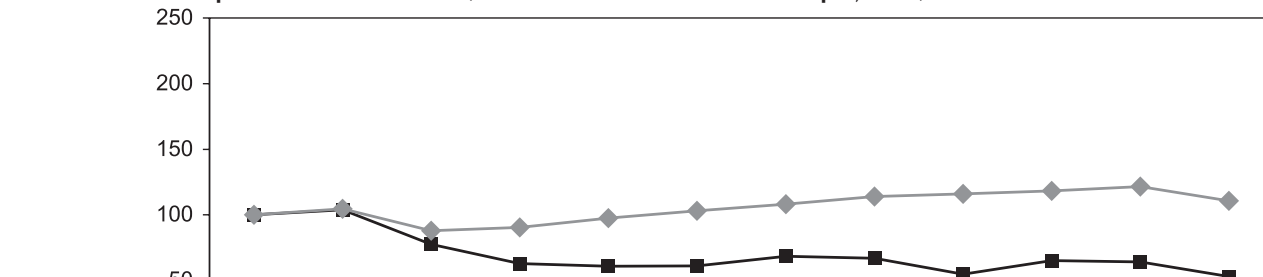
### 7. Stock Market Data: Monthly High Low closing values (in Rs) at BSE



	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
High	37.40	38.85	29.00	23.50	22.75	22.90	25.60	25.00	20.50	24.35	24.00	19.85
Low	28.00	24.00	16.25	17.20	16.00	19.00	20.30	18.55	17.95	19.25	16.25	15.75

Source: Bombay Stock Exchange Limited

### 8. Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2006)



	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
MOL (High)	100.00	103.88	77.54	62.83	60.83	61.23	68.45	66.84	54.81	65.11	64.17	53.07
Sensex (High)	100.00	104.70	87.81	90.40	97.46	103.17	108.05	114.02	115.98	118.38	121.66	110.62

Source: Bombay Stock Exchange Limited



## *Maral Overseas Limited*

### 9. Registrar and Transfer Agent

M/s MCS Limited is the Share Transfer Agent of the Company. The Shareholders may contact M/s MCS Ltd. for matters related to Share Transfers etc. at the following address:

MCS Limited, Sri Venkatesh Bhavan, W-40, Okhla Industrial Area, Phase II, New Delhi - 110 020  
Phone No. : 011-41406149, Fax No. : 011-41709881, E-Mail : [mcscomplaintsdel@mcsdel.com](mailto:mcscomplaintsdel@mcsdel.com)

### 10. Share Transfer System

The matters related to Share Transfer and transmission etc. are attended by the delegated authorities on fortnightly basis. Share transfers are registered and returned within 30 days from the date of receipt, if the documents are in order in all respects. The total number of shares transferred during the year 2006-07 were 30,300.

### 11. Distribution of Shareholding as on 31st March, 2007

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares	% of Share holding
1-500	18,618	88.22	28,44,027	13.07
501-1000	1,260	5.97	10,72,308	4.93
1001-10000	1,070	5.07	30,20,331	13.88
10001 and above	122	0.58	1,47,88,726	67.97
Shares in Transit	34	0.16	32,608	0.15
<b>Total</b>	<b>21,104</b>	<b>100.00</b>	<b>2,17,58,000</b>	<b>100.00</b>

### 12. Dematerialisation of Shares and Liquidity

1,57,27,570 Equity Shares were dematerialised till 31-03-2007, which is 72.28 % of the total paid up Equity Share Capital of the Company. Trading in Shares of the Company is permitted in dematerialised form only.

The ISIN number for Equity Shares of the Company in NSDL and CDSL is **INE 882A01013**.

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

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

### 14. Plant Locations

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

### 15. Address for Correspondence

Investor correspondence should be addressed to:

#### 1. Share Transfer Agent

MCS Limited, Sri Venkatesh Bhavan, W-40, Okhla Industrial Area, Phase II, New Delhi - 110 020  
Phone No. : 011-41406149, Fax No : 011-41709881, E-Mail : [mcscomplaintsdel@mcsdel.com](mailto:mcscomplaintsdel@mcsdel.com)

#### 2. Company Secretary

Maral Overseas Limited, Bhilwara Towers, A-12, Sector 1, Noida- 201301 (U.P.)  
Phone Nos. : 0120-2541810, 4390300 Fax No. : 0120-2531648, E-mail : [maral.investor@lnjb.com](mailto:maral.investor@lnjb.com)

#### 3. Registered Office

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



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## AUDITORS' REPORT

### To the Members of Maral Overseas Limited

We have audited the attached Balance Sheet of Maral Overseas Limited as at 31st March, 2007 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 'A' a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- e) On the basis of written representations received from the directors, as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) The Company, as technically advised, had hitherto been considering certain plant & machinery as continuous process and charging depreciation accordingly. This being a technical matter, we cannot form an independent opinion on such classification of assets and are therefore unable to comment thereon. From the financial year 2000-2001, the Company has revised, downwards, the estimated useful life of said plant & machinery and has accordingly charged higher depreciation (Refer Note no.4 to Schedule 16-Notes on Accounts).

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
- ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Doogar & Associates  
Chartered Accountants

**Mukesh Goyal**  
Partner  
Membership No. 81810

Noida (U.P.)  
5th May, 2007

For Ashim & Associates  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No.84968



## Maral Overseas Limited

### ANNEXURE 'A' TO AUDITORS' REPORT

(Referred to in the Auditors' Report of even date to the members of Maral Overseas Ltd for the year ended 31st March, 2007)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management has physically verified certain fixed assets during the year. As informed to us, no material discrepancies were noticed on such verification.  
(c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. (a) The inventory, except material lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.  
(b) The procedures for physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
3. (a) The Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses 4 (iii) (b) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable  
(b) The Company has taken unsecured loans from one body corporate covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year in this respect was Rs 1975.00 lac and the year end balance of loan taken from such party was Rs 1975.00 lac.  
(c) In our opinion, the rate of interest and other terms and conditions on which such loans have been taken are not prima facie prejudicial to the interests of the Company.  
(d) The Company is regular in the payment of interest and principle amount, wherever demanded during the year.
4. In our opinion, and according to the information and explanations given to us during the course of the audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods & services. We did not observe any major weaknesses in internal control during the course of our audit.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.  
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and aggregating during the year to Rupees five lac or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, where such market prices are available.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
8. We have broadly reviewed the records, including the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of Company's products and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and other statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us and as per the books and records examined by us, there are no arrears of undisputed statutory dues outstanding as on the date of balance sheet for a period exceeding six months from the date they became payable  
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues of the specified status as at the end of the year, which have not been deposited on account of a dispute are referred to in Annexure 'B'.
10. The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth. The Company has incurred cash loss in the current financial year though it did not incur cash loss in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.





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- |  |   |
|--|---|
| <p>13. Provisions of the order applicable to chit funds, nidhi, mutual benefit fund / societies are not applicable to the Company.</p> <p>14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.</p> <p>15. According to the information and explanations given to us and as per the books and records examined by us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.</p> <p>16. In our opinion, and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lender.</p> <p>17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the Company on short term basis have not been applied for long term investments.</p> <p>18. The Company has not raised any fresh share capital during the year.</p> | <p>19. The Company has not issued any debentures.</p> <p>20. The Company has not raised any money by way of public issue, during the year.</p> <p>21. Based on our examination of the books and records of the Company and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.</p> |
| <p>For Doogar &amp; Associates<br/>Chartered Accountants</p> <p><b>Mukesh Goyal</b><br/>Partner<br/>Membership No.81810</p> <p>Noida (U.P.)<br/>5th May, 2007</p>  | <p>For Ashim &amp; Associates<br/>Chartered Accountants</p> <p><b>Ashim Agarwal</b><br/>Partner<br/>Membership No.84968</p>   |

## ANNEXURE 'B' TO AUDITORS' REPORT

Referred to in Paragraph 9 (b) of Annexure 'A' a statement on the matters specified in the Companies (Auditors' Report) Order, 2003 of Maral Overseas Limited for the year ended 31st March, 2007

Name of the Statute	Nature of Dues	Amount Rs in lac	Forum where the dispute is pending
Income Tax Act	Disputed regular Income Tax demands	8.35	Income Tax Tribunal
Income Tax Act	Disputed regular Income Tax demands	27.64	CIT (Appeals)
Central Sales Tax Act	Non submission of relevant statutory forms	0.64	Assistant Commissioner of Sales Tax
	Non submission of relevant statutory forms	7.93	Deputy Commissioner of Sales Tax (Appeals)
Central Excise Act	Duty on scrap sale	144.00	CESTAT
	Duty rate on debonded goods	88.69	CESTAT
Madhya Pradesh Upkar Adhiniyam	Cess on captive power consumption	146.18	High Court



# Maral Overseas Limited

## BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	As at 31.03.2007 Rs / lac	As at 31.03.2006 Rs / lac
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	1	2,175.80	2,175.80
Reserves & Surplus	2	4,713.54	7,999.71
		<b>6,889.34</b>	<b>10,175.51</b>
<b>Loan Funds</b>			
Secured	3	27,830.55	20,339.63
Unsecured	4	1,975.00	500.00
		<b>29,805.55</b>	<b>20,839.63</b>
<b>Deferred Tax Liability</b>		<b>—</b>	<b>1,127.20</b>
<b>TOTAL</b>		<b>36,694.89</b>	<b>32,142.34</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	5		
Gross Block		34,341.58	33,739.11
Less : Depreciation & Impairment		17,349.35	16,145.19
Net Block		16,992.23	17,593.92
Capital Work in Progress		8,414.76	917.46
		<b>25,406.99</b>	<b>18,511.38</b>
<b>Investments</b>	6	<b>13.79</b>	<b>11.91</b>
<b>Deferred Tax Assets</b>		<b>154.27</b>	<b>—</b>
<b>Current Assets, Loans &amp; Advances</b>	7		
Inventories		7,808.32	9,202.87
Sundry Debtors		2,267.88	1,737.79
Cash & Bank Balances		941.82	297.06
Loans & Advances		3,166.99	2,740.84
		<b>14,185.01</b>	<b>13,978.56</b>
<b>Less : Current Liabilities &amp; Provisions</b>	8		
Liabilities		3,582.26	1,705.36
Provisions		179.61	209.50
		<b>3,761.87</b>	<b>1,914.86</b>
<b>Net Current Assets</b>		<b>10,423.14</b>	<b>12,063.70</b>
<b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted)	9	<b>29.67</b>	<b>52.74</b>
<b>Profit &amp; Loss Account</b>		<b>667.03</b>	<b>1502.61</b>
<b>TOTAL</b>		<b>36,694.89</b>	<b>32,142.34</b>
<b>NOTES ON ACCOUNTS</b>	16		

As per our report of even date  
For Doogar & Associates  
Chartered Accountants

Mukesh Goyal  
Partner  
Membership No.81810

For Ashim & Associates  
Chartered Accountants

Ashim Agarwal  
Partner  
Membership No. 84968

Ravi Jhunjhunwala  
Chairman

Shekhar Agarwal  
Managing Director

P.S. Puri  
Chief Financial Officer

Rajat Prothi  
Company Secretary

Noida (U.P.)  
5th May, 2007



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## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	Year Ended 31.03.2007 Rs / lac	Year Ended 31.03.2006 Rs / lac
<b>Income</b>			
Gross Turnover	10	29,170.70	24,765.57
Less : Excise Duty		178.82	242.69
Net Turnover		28,991.88	24,522.88
Other Income	11	587.39	570.66
Increase / (Decrease) in Stocks	12	(637.56)	935.74
		28,941.71	26,029.28
<b>Expenditure</b>			
Materials	13	15,634.69	12,903.83
Operating & Other Expenses	14	11,368.49	10,494.93
Financial Expenses	15	1,698.03	1,209.02
		28,701.21	24,607.78
<b>Profit Before Depreciation, Amortisation &amp; Exceptional Items</b>		240.50	1,421.50
Depreciation & Amortisation		1,701.70	1,646.24
<b>(Loss) before Tax &amp; Exceptional Items</b>		(1,461.20)	(224.74)
<b>Profit from continuing operations before tax (see note 10 of Schedule 16)</b>		436.61	111.20
Taxation – Current		–	–
– Adjustment for earlier years		–	(3.00)
– Deferred		(74.50)	197.18
– Fringe Benefits Tax		(34.39)	(36.18)
– Fringe Benefits Tax for earlier years		(8.09)	–
<b>Profit from continuing operations after tax - (a)</b>		319.63	269.20
<b>(Loss) from discontinuing operations before Tax &amp; Exceptional Item (see note 10 of Schedule 16)</b>		(1,897.81)	(335.94)
Taxation – Deferred		599.85	126.91
– Fringe Benefits Tax		(3.85)	(10.73)
<b>(Loss) from discontinuing operations before Exceptional Items</b>		(1,301.81)	(219.76)
Employee Termination Costs	2,224.53	–	–
Less: Deferred Tax thereon	(756.12)	1,468.41	–
<b>(Loss) from discontinuing activities after Exceptional Items - (b)</b>		(2,770.22)	(219.76)
<b>Profit / (Loss) After Taxation (a + b)</b>		(2,450.59)	49.44
Balance brought forward from previous year		(1,502.61)	(1,552.05)
<b>Balance Carried to Balance Sheet</b>		(3,953.20)	(1,502.61)
<b>Earnings Per Share (Equity Shares, par value Rs 10/- each)</b>			
Basic		(11.26)	0.23
Diluted		(11.26)	0.23
<b>NOTES ON ACCOUNTS</b>	16		

As per our report of even date  
For Doogar & Associates  
Chartered Accountants

**Mukesh Goyal**  
Partner  
Membership No.81810

For Ashim & Associates  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No. 84968

**Ravi Jhunjhunwala**  
Chairman

**Shekhar Agarwal**  
Managing Director

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

**Rajat Prothi**  
Company Secretary

Noida (U.P.)  
5th May, 2007



# Maral Overseas Limited

		As at 31.03.2007 Rs / lac	As at 31.03.2006 Rs / lac
<b>1. Share Capital</b>			
<b>Authorised</b>			
3,00,00,000 Equity Shares of Rs 10/- each		3,000.00	3,000.00
25,00,000 Cumulative Redeemable Preference Shares of Rs 100/- each		2,500.00	2,500.00
		<b>5,500.00</b>	<b>5,500.00</b>
<b>Issued, Subscribed &amp; Paid-up</b>			
2,17,58,000 Equity Shares of Rs 10/- each fully paid up		2,175.80	2,175.80
		<b>2,175.80</b>	<b>2,175.80</b>
<b>2. Reserves and Surplus</b>			
	As at 31.3.2006 Rs / lac	Additions Rs / lac	Deductions Rs / lac
Capital Reserve	123.48	—	—
Capital Redemption Reserve Account	2,000.00	—	—
Share Premium Account	2,590.06	—	—
General Reserve	3,286.17	—	3,286.17 *
	7,999.71	—	3,286.17
			<b>4,713.54</b>
* Offset against debit balance			
In Profit & Loss Account, movement in which is	(1,502.61)	(2,450.59)	(3,286.17)
			<b>(667.03)</b>
<b>3. Secured Loans</b>			
		As at 31.3.2007 Rs / lac	As at 31.3.2006 Rs / lac
<b>From Financial Institutions &amp; Banks</b>			
Rupee Term Loans	19,287.09		10,402.24
Foreign Currency Term Loans	677.90		2,410.18
		<b>19,964.99</b>	<b>12,812.42</b>
<b>From Banks</b>			
For Working Capital		7,865.56	7,527.21
		<b>27,830.55</b>	<b>20,339.63</b>

## Notes

- Term loans of Rs 17,934.38 lac are secured by a first charge on all the present and future immovable properties (except those situated in the State of Jammu & Kashmir) of the Company and hypothecation of movable assets (except book debts) ranking pari-passu, subject to prior charges in favour of the Company's bankers on stocks of raw material, semi-finished and finished goods, consumable stocks and book debts for availing Working Capital Facilities.
- Term loans of Rs 1,030.61 lac are secured by a first charge on all the movable / immovable properties (save & except book debts) of the Company's Jammu unit, both present and future, subject to prior charges created in favour of the Company's bankers to secure borrowings for working capital for the Jammu unit.
- Term loans of Rs 1,000.00 lac are secured by a first charge on all the present and future immovable properties of the Company and



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hypothecation of movable assets (except book debts) ranking pari-passu, subject to prior charges in favour of the Company's bankers on stocks of raw material, semi-finished and finished goods, consumable stocks and book debts for availing working capital facilities.

4. Term Loans repayable in next 12 months Rs 2,750.95 lac (Previous Year-Rs 2,671.91 lac).
5. Working Capital Facilities from banks are secured by way of hypothecation of stock in trade, stores (excluding machinery spares) and book debts.

In respect of facilities, other than those related to the Company's Jammu unit, these are further secured by second pari-passu charge on all the immovable properties of the Company (other than the properties in respect of the Company's Jammu unit).

In respect of Working Capital Facilities from banks for the Company's Jammu unit these are further secured by second charge on the properties of the Company's Jammu unit.

	As at 31.3.2007 Rs / lac	As at 31.3.2006 Rs / lac
<b>4. Unsecured Loans</b>		
From Corporate	1,975.00	500.00
	<b>1,975.00</b>	<b>500.00</b>

**5. Fixed Assets** (Rs / lac)

Particulars	Gross Block			Depreciation, Impairment & Amortisation				Net Block		
	As at 1.4.2006	Additions during the year	Sale/ Adj. 31.3.2007	As at 31.3.2007	As at 1.4.2006	For the year	Sale/ Adj. 31.3.2007	As at 31.3.2007	As at 31.3.2006	As at 31.3.2006
<b>A Fixed Assets</b>										
Land – Lease Hold	72.35	–	–	72.35	4.48	0.87	–	5.35	67.00	67.87
– Free Hold	32.48	10.37	–	42.85	–	–	–	–	42.85	32.48
Building	5,103.26	68.13	–	5,171.39	1,191.28	142.40	–	1,333.68	3,837.71	3,911.98
Plant & Machinery	27,174.53	993.64	554.43	27,613.74	14,074.85	1,403.29	484.51	14,993.63	12,620.11	13,099.68
Furniture & Office Equip.	449.55	38.05	0.53	487.07	275.26	25.47	0.01	300.72	186.35	174.29
Vehicles	264.77	75.12	27.65	312.24	147.50	35.97	13.03	170.44	141.80	117.27
Livestock	2.34	–	0.23	2.11	–	–	–	–	2.11	2.34
<b>B Intangibles</b>										
Software	639.83	–	–	639.83	451.82	93.71	–	545.53	94.30	188.01
Total (A + B)	33,739.11	1,185.31	582.84	34,341.58	16,145.19	1,701.71	497.55	17,349.35	16,992.23	17,593.92
<b>C Capital Work in Progress</b>										
Building									700.77	113.41
Plant & Machinery									4,547.97	20.19
Capital Advances (Unsecured, Considered good)									2,477.93	597.51
Pre-operative Expenses pending allocation									688.09	186.35
Total (C)									8,414.76	917.46
<b>Grand Total</b>	33,739.11	1,185.31	582.84	34,341.58	16,145.19	1,701.71	497.55	17,349.35	25,406.99	18,511.38
Previous Year	28,620.22	5,536.27	417.38	33,739.11	14,902.20	1,646.24	403.25	16,145.19	18,511.38	

Note: Buildings include Rs 0.02 lac paid for acquiring shares in housing society.

Fixed assets include assets belonging to the discontinued operations (Refer Note No.10 of Schedule 16 - Notes on Accounts).





## Maral Overseas Limited

		As at 31.3.2007 Rs / lac	As at 31.3.2006 Rs / lac
<b>6. Investments</b>			
<b>Quoted</b>			
<b>A. Long Term</b>			
75,000 Equity Shares of Rs 10/- each fully paid of Bhilwara Spinners Limited		15.00	15.00
<b>B. Current</b>			
7,700 Equity Shares of Rs 10/- each fully paid of BPL Engineering Limited		5.78	5.78
560 Equity Shares of Rs 100/- each fully paid of State Bank of Bikaner & Jaipur		3.02	3.02
		23.80	23.80
Less: Provision for diminution in value of Investments		10.01	11.89
		13.79	11.91

### Notes:

1. Market value Rs 29.51 lac (Previous Year - Rs 32.21 lac).
2. None of the Investments are trade investments.

		As at 31.3.2007 Rs / lac	As at 31.3.2006 Rs / lac
<b>7. Current Assets, Loans &amp; Advances</b>			
<b>INVENTORIES</b>			
(At lower of cost or net realisable value)			
Raw Materials	3,903.75	4,615.92	
Packing Materials	5.37	4.64	
Stores and Spares	254.67	309.45	
Dyes & Chemicals	96.35	86.14	
Embellishments	203.15	204.13	
Finished goods	2,439.53	3,145.29	
Stock in process	894.00	825.60	
Waste	11.50	11.70	
	7,808.32	9,202.87	
<b>SUNDRY DEBTORS</b>			
(Unsecured, Considered good)			
Due over six months	189.77	157.49	
Others	2,078.11	1,580.30	
	2,267.88	1,737.79	



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	As at 31.3.2007 Rs / lac	As at 31.3.2006 Rs / lac
Considered doubtful		
Due over six months	49.30	58.93
	2,317.18	1,796.72
Less : Provision for doubtful debts	49.30	58.93
	2,267.88	1,737.79
<b>CASH &amp; BANK BALANCES</b>		
Cash, Cheques & Stamps in hand	50.64	201.48
Balances with Scheduled Banks in :		
Current Account	814.99	35.57
Deposit Account #	55.36	27.60
Margin Money Account #	5.43	6.27
Dividend Account	14.58	21.02
Savings Bank Account (Employees' Security Deposit)	0.81	5.11
Post Office Saving Account	0.01	0.01
	941.82	297.06
# Includes pledged with : Government Departments Rs 3.76 lac (Previous Year Rs 3.33 lac) Bank as Margin Rs 8.23 lac (Previous Year Rs 8.82 lac)		
<b>LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	2,813.13	2,482.36
Excise and other deposits	353.86	258.48
	3,166.99	2,740.84
	14,185.01	13,978.56
<b>8. Current Liabilities &amp; Provisions</b>		
<b>CURRENT LIABILITIES</b>		
Trade Creditors	2,198.11	609.07
Advance from customers	146.29	145.55
Other Liabilities	1,148.42	888.25
Unclaimed Dividend *	14.58	21.02
Interest accrued but not due	74.86	41.47
	3,582.26	1,705.36

\* There are no outstanding amounts which are due for deposit but not deposited in Investor Education & Protection Fund.



## Maral Overseas Limited

	As at 31.3.2007 Rs / lac	As at 31.3.2006 Rs / lac
<b>PROVISIONS</b>		
For Gratuity & other Employee Benefits	168.57	184.02
For Taxation	9.52	9.52
For Fringe Benefit Tax	—	14.47
For Wealth Tax	1.52	1.49
	<b>179.61</b>	209.50
	<b>3,761.87</b>	1,914.86

### 9. Miscellaneous Expenditure

(To the extent not written off or adjusted)

Deferred Revenue Expenses (Premium paid on resetting of interest rate on term loans)	29.67	52.74
	<b>29.67</b>	52.74

	Year Ended 31.3.2007 Rs / lac	Year Ended 31.3.2006 Rs / lac
--	-------------------------------------	-------------------------------------

### 10. Turnover

Export Sales	22,271.26	17,871.93
Deemed Export Sales	879.87	307.35
Domestic Sales	4,114.99	4,760.02
Domestic Waste Sales	1,375.06	1,380.99
Job Charges	9.20	67.03
Export Incentives	520.32	378.25
	<b>29,170.70</b>	24,765.57

### 11. Other Income

Insurance and Other Claims	17.79	170.34
Exchange Fluctuation	146.27	106.85
Miscellaneous Income	284.85	270.46
Dividend on Investment	0.36	0.56
Profit on sale of fixed assets	138.12	22.45
	<b>587.39</b>	570.66



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	Year Ended 31.3.2007 Rs / lac	Year Ended 31.3.2006 Rs / lac
<b>12 Increase / (Decrease) in Stocks</b>		
Stock in Trade (At close)		
Finished Goods	2,439.53	3,145.29
Stock in Process	894.00	825.60
Waste	11.50	11.70
	<b>3,345.03</b>	<b>3,982.59</b>
Stock in Trade (At opening)		
Finished Goods	3,145.29	2,123.03
Stock in Process	825.60	915.00
Waste	11.70	8.82
	<b>3,982.59</b>	<b>3,046.85</b>
	<b>(637.56)</b>	<b>935.74</b>

### 13. Purchases & Materials Consumed

Purchases	3,430.43	2,441.70
Raw Material Consumed		
Stock at opening	4,615.92	3,211.37
Purchases	8,403.61	9,223.52
Less: Cotton Sold	—	1.35
Less: Stock at close	3,903.75	4,615.92
	<b>9,115.78</b>	<b>7,817.62</b>
Packing Materials	525.21	451.59
Dyes & Chemicals	1,089.79	1,007.31
Embellishments	1,258.75	1,019.48
Stores	214.73	166.13
	<b>15,634.69</b>	<b>12,903.83</b>



## Maral Overseas Limited

	Year Ended 31.3.2007 Rs / lac	Year Ended 31.3.2006 Rs / lac
<b>14. Operating &amp; Other Expenses</b>		
Salaries, Wages & Benefits		
Salaries, Wages, Bonus & Gratuity etc.	2,882.82	3,460.37
Contribution to Provident Fund, ESI etc	281.32	289.97
Employee Welfare & Other Expenses	83.73	104.38
	<b>3,247.87</b>	<b>3,854.72</b>
Job Charges	2,370.17	1,470.29
Power & Fuel	2,145.65	1,704.45
Repairs & Maintenance		
Machinery (including spares)	241.49	499.48
Building	17.36	24.09
Others	78.38	88.28
	<b>337.23</b>	<b>611.85</b>
Insurance Charges	151.65	165.03
Rent	124.62	119.09
Rates & Taxes	110.49	31.42
Travelling & Conveyance	178.26	216.62
Managerial Remuneration (including sitting fee)	41.88	19.62
Miscellaneous Expenses	705.84	630.29
Freight & Forwarding	1,149.03	1,008.62
Commission/Claims	509.62	414.35
Other Selling Expenses	154.99	132.05
Provision for doubtful debts	46.55	0.20
Loss on sale of fixed assets	0.28	0.16
Excise Duty	69.58	84.66
Wealth Tax	1.71	1.50
Amortisation of Deferred Revenue Expenses	23.07	30.01
	<b>11,368.49</b>	<b>10,494.93</b>





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	Year Ended 31.3.2007 Rs / lac	Year Ended 31.3.2006 Rs / lac
<b>15. Financial Expenses</b>		
Interest		
On Term Loans	728.55	626.91
On Working Capital	662.96	407.60
Others	110.92	22.49
	<b>1,502.43</b>	1,057.00
Less : Interest Income (T.D.S. Rs 2.43 lac Previous Year Rs 0.58 lac)	12.16	16.50
	<b>1,490.27</b>	1,040.50
Bank charges & other financial expenses	207.76	168.52
	<b>1,698.03</b>	1,209.02



## *Maral Overseas Limited*

### **16. Accounting Policies & Notes on Accounts**

#### **A. Accounting Policies**

##### **1) Revenue Recognition**

- i) The accounts of the Company are prepared under the historical cost convention and in accordance with the applicable accounting standards.
- ii) Income is accounted for on accrual basis in accordance with Accounting Standard (AS) 9 - "Revenue Recognition".
- iii) Sale is recognised on dispatch to customer.
- iv) Insurance and other claims are recognised in accounts on lodgment to the extent these are measurable with reasonable certainty of acceptance. Excess/shortfall is adjusted in the year of receipt.

##### **2) Inventories**

Inventories are valued at lower of cost, computed on a weighted average basis, and estimated net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work-in-progress include costs of conversion and other costs in bringing the inventories to their present location and condition.

##### **3) Investments**

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. The current investments are stated at lower of cost or quoted / fair value computed categorywise.

##### **4) Fixed & Intangible Assets**

- i) Fixed assets are stated at historical cost less provision for impairment losses, if any, depreciation, amortization and after adjustments on account of foreign exchange fluctuation in respect of changes in rupee liability of foreign currency loans used for acquisition of fixed assets.
- ii) Borrowing costs eligible for capitalisation incurred, in respect of acquisition / construction of a qualifying asset, till the asset is substantially ready for use, are capitalised as part of the cost of that asset.
- iii) Pre-operative, trial run and incidental expenses relating to the projects are carried forward to be capitalised and apportioned to various assets on commissioning of the project.
- iv) Intangible assets are recognised on the basis of recognition criteria as set out in Accounting Standard (AS) 26 - "Intangible Assets".

##### **5) Depreciation & Amortisation**

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

- i) Plant & machinery, building, furniture & office equipment, on straight line method at the rates specified in Schedule XIV to The Companies Act, 1956 (Also refer note no. 4 of this Schedule-Notes on Accounts).
- ii) Vehicles, on written down value method at the rates specified in Schedule XIV to The Companies Act, 1956.
- iii) Leasehold land is amortised over the period of lease.
- iv) Free hold land and live stock are not depreciated.
- v) Assets costing upto Rs 5,000 are fully depreciated in the year of purchase.
- vi) Software costs are amortised at the rate applicable for computers specified in Schedule XIV to The Companies Act, 1956, which is a fair representation of the period of time over which the asset is expected to be used.
- ix) In the case of assets where an impairment loss is recognized, the revised carrying amount is depreciated over the remaining estimated useful life.

##### **6) Impairment of Assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount being the higher of the asset's net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognised impairment losses are reversed where the recoverable amount increases because of a favourable change in the estimates used to determine the recoverable amount since the last impairment was recognised. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization), had no impairment loss been recognised in prior years.

##### **7) Foreign Currency Transactions**

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account except exchange differences related to acquisition of fixed assets which are adjusted in the carrying amount of the related fixed assets.



Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at exchange rates prevailing on the last working day of the accounting year. The resultant exchange differences (except those related to acquisition of fixed assets) are recognized in the profit & loss account.

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date as well as future transactions in respect of which either firm commitments have been made or which are highly probable forecast transactions. The premium or discount on all such contracts arising at the inception of each contract is amortised as expense or income over the life of the contract. The exchange differences on such forward contracts are accounted for in the profit and loss account except for exchange differences relating to acquisition of fixed assets which are adjusted in the carrying amount of the related fixed assets, being the difference between (i) the foreign currency amount of the contract translated at the exchange rate on the reporting date, or the settlement date where the transaction is settled during the reporting period, and (ii) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date. Any profit or loss arising on cancellation or renewal a forward exchange contract is recognized as income or expense for the period.

#### 8) Miscellaneous Expenditure

Premium paid on resetting of interest rate on term loans is amortised over balance period of the respective loans.

#### 9) Retirement Benefits

Contribution to provident and superannuation funds is accounted on accrual basis. Liability for gratuity and leave encashment is provided as determined on actuarial valuation.

#### 10) Tax On Income

- Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.
- Deferred tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rates and laws for continuing operations.

Deferred tax assets arising on account of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognized only where there is virtual certainty of realization.

Deferred tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of realization.

The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess realization.

#### 11) Provisions and Contingent Liabilities

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the possibility of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the possibility of outflow of resources embodying economic benefits is remote.

#### B. Notes on Accounts

As at 31.3.2007  
Rs / lac

As at 31.3.2006  
Rs / lac

##### 1) Contingent Liabilities not provided for in respect of :

i) Counter guarantees given in respect of Guarantees given by the Company's bankers	171.00	176.09
ii) Duties & tax liabilities disputed by the Company	651.20	455.16

2) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	2,226.21	5,891.81
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3) Bills discounted with banks	2,742.59	3,253.00
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- Based on technical opinion, the Company was treating plant & machinery of spinning unit as continuous process plant and accordingly charging depreciation upto financial year 1999-2000. To keep pace with changes in technology, Company has since revised estimated useful life of the said plant & machinery to 13 years.

Had the depreciation been provided at rates applicable for triple shift operations, the depreciation charge for the year would have been lower by Rs 85.86 lac (Previous Year - Rs 90.94 lac).



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- 5) Miscellaneous income includes provision for diminution in value of investments written back during the year of Rs 1.87 lac (Previous Year - Rs Nil). Miscellaneous expenses include provision for diminution in value of investments made of Rs Nil (Previous Year - Rs 5.85 lac).
- 6) Trade creditors include outstanding dues of small scale industrial undertakings Rs 8.33 lac (Previous Year - Rs 74.69 lac). The above information regarding small scale industrial undertakings has been determined to the extent such parties have been identified by the Company, on the basis of information available with them. This has been relied upon by the auditors.
- 7) The Company is in process of identifying Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Consequently, as of now, it is neither possible for the Company to ascertain whether payment to such enterprises has been made within 45 days from date of acceptance of supply of goods or services rendered by a supplier nor to give the relevant disclosures as required under the Act.
- 8) During the year, the Company has capitalised borrowing costs of Rs 203.31 lac (Previous Year - Rs 112.81 lac), incurred on acquisition of fixed assets. The allocation of interest on borrowings, for the purpose of capitalisation, in respect of funds borrowed and used for the purpose of obtaining a qualifying asset has been done on the basis of use of funds as per the best possible estimates.
- 9) The following were the unadjusted foreign exchange contracts & unhedged exposures as at the balance sheet date

Category	Purpose	Currency	As at 31.03.2007	As at 31.3.2006
<b>A Outstanding forward exchange contracts</b>				
Exports	Hedging	USD	2,064,410	1,404,877
	Hedging	Euro	540,906	554,458
	Hedging	GBP	1,000,000	342,732
Imports	Hedging	CHF	–	125,000
	Hedging	Euro	–	174,000
	Hedging	GBP	–	144,000
	Hedging	JPY	–	175,000,000
Term loans	Hedging	USD	–	3,332,909
<b>B Unhedged foreign currency exposures</b>				
Term loans		USD	1,559,456	2,069,272
Imports		Euro	1,879,000	–
		CHF	125,000	–
		USD	29,981	–

- 10) (a) During May, 2005, the Board of Directors had resolved disposal of the Company's retail clothing division, which was included in the 'Textile Made-up' business segment. The process of disposing the division was substantially completed during the same year. As at the end of current year, the carrying amount of assets of this discontinued operation was Rs 1.77 lac (previous year Rs 27.60 lac) and liabilities were Rs 8.31 lac (previous year Rs 18.58 lac).
- (b) In July, 2006, the Board of Directors resolved to initiate steps towards substantive downsizing of the Company's manufacturing facility at Jammu in the State of Jammu & Kashmir, due to the unit's operations continuing to remain economically unviable. Subsequently in October, 2006, the Board of Directors approved the voluntary retirement scheme for employees at Jammu unit and made appropriate public disclosures.

Exceptional item represents Rs 2,224.53 lac as costs of termination and voluntary retirement scheme, less deferred tax credit Rs 756.12 lac, in respect of employees whose jobs were terminated as a result of the aforesaid exercise. All payments on this account have been settled.

Necessary approval for closure from the state regulatory authorities was obtained in March, 2007 and informed to the Stock Exchange. In May, 2007, the Board of Directors formally approved closure of the unit and relocation/disposal of its assets.



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Being an integrated manufacturing facility, Jammu unit's operations were included in the business segments of 'Fabric' & 'Textile Made-ups'. Company expects to complete the process of disposing the division's assets within 2007-08. On basis of the Company's decision to relocate Jammu's manufacturing capacity, the Management has concluded that there is no impairment loss.

As at the end of current year, the carrying amount of assets & third party liabilities of this discontinued operation were as follows:

	As at 31.3.2007	As at 31.3.2006
Fixed assets (Net Block)	1,853.71	2,214.50
Capital work in progress	–	27.91
Current assets, loans & advances	533.23	2,299.71
<b>Total Assets</b>	<b>2,386.94</b>	<b>4,542.12</b>
Secured loans	1,094.12	2,201.71
Unsecured loans	–	500.00
Current liabilities	380.06	454.57
<b>Total Liabilities</b>	<b>1,474.18</b>	<b>3,156.28</b>

Since disposal of the retail clothing division was substantially completed during 2005-06 itself, the current year revenues and expenses attributable to this division, not being material in nature, have for purposes of this statement been included alongwith the operating results of the Jammu unit.

The following statement shows the revenue and expenses of continuing operations and discontinuing operation:

	Continuing Operations		Discontinuing Operation		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Net sales from operations	27649.39	19642.21	1342.49	4880.66	28991.88	24522.87
Interunit transactions	(134.95)	665.21	134.95	(665.21)		
Other income	477.67	416.49	49.72	124.17	587.39	570.66
Total income	27992.11	20723.92	1527.16	4339.62	29579.27	25093.54
Operating expenses	26158.61	19603.68	3123.83	4475.58	29342.44	24109.26
Pre-tax profit / (loss) from operations	1833.50	1120.24	(1596.67)	(135.96)	236.83	984.28
Financial expenses	1460.74	1042.97	237.29	166.05	1698.03	1209.02
Interunit financial transactions	(63.85)	(33.93)	63.85	33.93		
Profit / (loss) before tax & exceptional item	436.61	111.20	(1,897.81)	(335.94)	(1,461.20)	(224.74)
Taxation	(116.98)	158.00	596.00	116.18	479.02	274.18
Profit / (loss) before exceptional item	319.63	269.20	(1301.81)	(219.76)	(982.18)	49.44
Employee termination costs			2224.53		2224.53	
Less: Deferred tax thereon			(756.12)		(756.12)	
Profit / (loss) after exceptional item	319.63	269.20	(2770.22)	(219.76)	(2450.59)	49.44



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### 11) Deferred taxes

Deferred taxes arise because of difference in treatment between financial accounting and tax accounting, known as "Timing differences". The tax effect of these timing differences is recorded as "deferred tax assets" (generally items that can be used as a tax deduction or credit in future periods) and "deferred tax liabilities" (generally items for which the Company has received a tax deduction, but have not yet been recorded in the statement of income).

The principal components of the net deferred tax balance are as follows :

	As at 31.3.2007	As at 31.3.2006
<b>Deferred tax liabilities</b>		
Depreciation	2,312.70	2,360.54
Intangibles	10.08	17.75
<b>Deferred tax assets</b>		
Employee benefits	55.87	60.52
Provisions for expenses	63.30	66.49
Voluntary Retirement Scheme	502.44	—
Unabsorbed Depreciation and carried forward loss	1,834.61	1,100.24
Others	20.83	23.84
<b>Net deferred tax liability / (assets)</b>	<b>(154.27)</b>	<b>1,127.20</b>

Based on schedule of reversal of timing differences giving rise to deferred tax liabilities, historical pre-tax earnings and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes there is the requisite degree of certainty that the deferred tax assets would be realised.

	2006-2007 Rs / lac	2005-2006 Rs / lac
<b>12) Auditors' remuneration</b>		
Audit Fee	8.00	6.00
Tax Audit	1.00	1.00
Certification	1.70	1.41
Reimbursement of Expenses	0.86	1.05

### 13) (a) Managerial Remuneration

Salary	24.00	6.00
Provident Fund Contribution	2.88	0.72
Contribution to Superannuation	3.60	0.90
	<b>30.48</b>	<b>7.62</b>

The above excludes provisions for leave encashment and gratuity which are determined based on an actuarial valuation done on an overall basis for the Company. As no commission is payable to the Managing Director, the computation of net profits in accordance with Section 309 (5) read with Section 349 of the Companies Act, 1956, has not been given. Previous figures in respect of managerial remuneration were for part of the year.



	2006-2007 Rs / lac	2005-2006 Rs / lac
<b>(b) Payments to Directors</b>		
Sitting fee	11.40	12.00
	11.40	12.00

#### 14) Lease Commitments

The Company leases space for office and other facilities under various operating leases for periods ranging between three to five years along with options that permit renewals for additional periods. The total amount recognised in the profit & loss account on account of rental expense for operating leases for the year is Rs 124.62 lac (Previous year - Rs 119.09 lac).

Future minimum commitments in respect of the operating leases that have remaining non-cancelable terms are set out below.

	As at 31.3.2007	As at 31.3.2006
Within one year	43.74	—
One year to five years	192.30	—

#### 15) Earnings Per Share

Basic earning per share is computed by dividing the net profit or loss for the year available to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares in issue, adjusted for the effect of all dilutive potential equity shares that were outstanding during the year. Dilutive potential equity shares are weighted for the period they were outstanding and are deemed converted as of beginning of the year, unless they have been issued at a later date.

The following table sets forth the computation for basic and diluted earnings per share:

	2006-2007		2005-2006	
	Basic	Diluted	Basic	Diluted
<b>Numerator</b>				
Net income / (loss) for the year	(2450.59)	(2450.59)	49.44	49.44
Add: Interest (net of tax)	—	—	—	—
Net earnings / (loss) for per share calculation	(2450.59)	(2450.59)	49.44	49.44
<b>Denominator</b>				
Weighted average number of equity shares	2,17,58,000	2,17,58,000	2,11,23,601	2,11,23,601
Dilutive potential equity shares	—	—	—	—
Total average equivalent shares	2,17,58,000	2,17,58,000	2,11,23,601	2,11,23,601
<b>Net earnings / (loss) per share (Rs)</b>	(11.26)	(11.26)	0.23	0.23
Nominal value per share (Rs)	10.00	10.00	10.00	10.00

Potential equity options may arise only in the event of default in payment due on certain loan funds. For the current year, diluted earnings per share is the same as the basic calculation, as the inclusion of any equity options would be anti dilutive, but these options could be dilutive in future.





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### 16) Related Party Transactions

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

- a) Related parties with whom transactions have taken place.
  - i) Group A comprises of enterprise having key management in common with the Company.
    - RSWM Ltd.
  - ii) Group B comprises of enterprises over which the key management personnel of the Company are able to exercise significant influence
    - Mayur Knits (P) Ltd.
    - Raghav Knits (P) Ltd.
    - Jyoti Knits (P) Ltd.
    - Essay Marketing Company Ltd.
  - iii) Group C comprises of key management personnel and their relatives
    - Mr. Shekhar Agarwal
    - Mrs. Shashi Agarwal
    - Mr. Shantanu Agarwal
    - Miss Shuchi Agarwal

	<u>2006-2007</u>	<u>2005-2006</u>
b) Sales to related parties (as a proportion to total turnover)		
Group A	<b>0.46%</b>	2.02%
c) Purchase of materials from related parties (as a proportion to materials consumed)		
Group A	<b>3.75%</b>	2.38%
d) Outstanding 'Due to' (as a proportion of trade creditors)		
Group A	<b>6.10%</b>	3.96%
Group B	<b>0.28%</b>	1.06%
e) The Company paid Rs 47.61 lac (Previous year - Rs 40.61 lac) as rent for space occupied by them in the corporate head quarters owned by RSWM.		
f) In view of common occupation of the corporate head quarters by the Company alongwith RSWM and others, certain expenses consisting primarily of proportionate common expenses of Rs 56.02 lac (Previous year - Rs 61.01 lac) were allocated by RSWM towards Company's share. Likewise, expenses of Rs 3.27 lac (Previous year - Rs Nil) were allocated by the Company to RSWM.		
g) The Company has received commission on export sales from RSWM of Rs Nil (Previous year - Rs 22.15 lac) as consideration for marketing of the latter's products in certain overseas markets.		
h) There were minor recoveries of Rs Nil (Previous year - Rs 4.35 lac) towards use of the Company's testing & other facilities by RSWM.		
i) During the year Company raised a sum of Rs Nil (Previous year Rs 612.58 lac) through private placement of equity shares on preferential basis to the promoters comprising of group 'B' & 'C' parties.		
j) Company has paid to RSWM, job charges of Rs 20.44 lac (Previous year - Rs 59.61 lac) and interest on delayed payments of Rs 0.18 lac (Previous year Rs Nil).		
k) Company has paid rent for lease of office premises to group 'C' parties of Rs 6.00 lac (Previous year - Rs 6.00 lac).		
l) Company has purchased fixed assets of Rs Nil (Previous year Rs 5.87 lac) from a Group B enterprise.		
m) Payment of remuneration to directors is as per note no.13 of this schedule.		

### 17) Segment Information

The Company is currently organized into three business operating segments: Yarn, Fabric and Textile Made-ups. The Company's business segments offer different products and require different technology and marketing strategies.

Yarn, covers bought out yarn as well as production of cotton yarn over a wide range of counts, which besides being primarily exported, is also used for further value addition in fabric and garments. Fabric includes both bought out fabric as well as the value added activities relating to knitting, dyeing and processing. Textile Made-ups, comprise of made-ups made for renowned international brands.

The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the note on significant accounting policies.

Transfer prices for inter segment revenues are generally set on an arm's length basis and are eliminated in consolidation.

Revenue and direct expenses in relation to segments are categorized based on items that are individually identifiable or allocable on a reasonable basis to that segment. Certain corporate level revenue and expenses, besides financial costs and taxes are not allocated to operating segments and are included in "reconciliation".

Assets and liabilities represent assets (both tangible and intangible) employed in operations and liabilities owed to third parties that are individually identifiable or allocable on a reasonable basis to that segment. Assets and liabilities excluded from allocation to operating segments such as investments, corporate debt and taxes etc. are included in "reconciliation".



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Segment assets employed in the Company's various business segments are all located in India. Capital expenditure includes expenditure incurred during the period on acquisition of segment fixed assets.

Geographical revenues are segregated based on location of the customer who is invoiced. North America comprises the United States of America, Canada and Mexico; Europe includes continental Europe (both the east and west), Ireland and the United Kingdom; Africa includes Mauritius; Asian continent has been segregated into the Middle East & Gulf countries while the rest of Asia, other than India has been covered under Far East & South East Asia; Rest of the World comprises all other places except those mentioned above and India.

**a) Segment data**

Rs / lac

	Yarn	Fabric	Textile Made-ups	Reconciliation	Consolidated Total
<b>Sales</b>					
External	13,459 (11,419)	4,231 (3,257)	11,302 (9,847)	– (–)	28,992 (24,523)
Inter segment	1,325 (2,322)	5,122 (4,398)	– (–)	(-6,447) (-6,720)	– (–)
<b>Total revenue</b>	<b>14,784</b> <b>(13,741)</b>	<b>9,353</b> <b>(7,655)</b>	<b>11,302</b> <b>(9,847)</b>	<b>(-6,447)</b> <b>(-6,720)</b>	<b>28,992</b> <b>(24,523)</b>
<b>Segment result (Continuing)</b>	<b>1,162</b> <b>(1,531)</b>	<b>425</b> <b>(33)</b>	<b>185</b> <b>(-481)</b>	–	<b>1,772</b> <b>(1,083)</b>
<b>Segment result (Discontinuing)</b>	– (–)	(471) (82)	(1,134) (-225)	– (–)	(-1,605) (-143)
Other income				0 (1)	0 (1)
Unallocated expense				(-69) (-39)	(-69) (-39)
Employee termination costs				(-2,225) (–)	(-2,225) (–)
Financial costs				(-1,559) (-1,127)	(-1,559) (-1,127)
Taxes				1,235 (274)	1,235 (274)
<b>Net profit</b>	<b>1,162</b> <b>(1,531)</b>	<b>(-46)</b> <b>(115)</b>	<b>(-949)</b> <b>(-706)</b>	<b>(-2,618)</b> <b>(-891)</b>	<b>(-2,451)</b> <b>(49)</b>
Assets	25,141 (18,502)	6,172 (6,693)	6,850 (6,773)	1,473 (534)	39,636 (32,502)
Liabilities	1,899 (609)	589 (360)	1,091 (866)	181 (80)	3,760 (1,915)
<b>Capital employed</b>	<b>23,242</b> <b>(17,893)</b>	<b>5,583</b> <b>(6,333)</b>	<b>5,759</b> <b>(5,907)</b>	<b>1,292</b> <b>(454)</b>	<b>35,876</b> <b>(30,587)</b>
Capital expenditure	419 (2,485)	379 (2,904)	387 (147)	– (–)	1,185 (5,536)
<b>Non cash expense</b>					
Depreciation & Amortisation	1,006 (865)	426 (450)	270 (331)	– (–)	1,702 (1,646)
Other non cash expense	19 (13)	– (9)	4 (8)	– (–)	23 (30)



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### b) Revenues from customers by geographic region

Rs / lac

Geographic Segments	Yarn	Fabric	Textile Made-ups	Total
North America	— (—)	— (—)	5,552 (2,889)	5,552 (2,889)
Europe	741 (614)	84 (99)	3,764 (4,236)	4,588 (4,949)
Gulf & Middle East	740 (462)	— (—)	1,144 (1,216)	1,884 (1,678)
Far East & South East Asia	3,616 (3,221)	3,037 (1,814)	26 (450)	6,680 (5,485)
Africa	3,458 (2,839)	20 (—)	— (—)	3,478 (2,839)
Rest of the World	89 (31)	— (—)	— (—)	89 (31)
India	4,814 (4,252)	1,090 (1,344)	816 (1,056)	6,721 (6,652)
<b>Total</b>	<b>13,459</b> <b>(11,419)</b>	<b>4,231</b> <b>(3,257)</b>	<b>11,302</b> <b>(9,847)</b>	<b>28,992</b> <b>(24,523)</b>

### 18) Additional information pursuant to Schedule VI to the Companies Act, 1956:

#### a) Capacities

	Unit	Licensed	Installed*
Spindles	Nos.	<b>89088</b> (89088)	<b>54528</b> (54528)
Knitted Fabric	MT/Annum	<b>7533</b> (7533)	<b>5915</b> (5497)
Processed Fabric	MT/Annum	<b>6319</b> (6319)	<b>5357</b> (4431)
Dyed Yarn	MT/Annum	<b>1000</b> (1000)	<b>1000</b> (1000)
Readymade Garments	lac Pcs. /Annum	<b>97</b> (97)	<b>87</b> (79)
Knitted Sweater	lac Pcs. /Annum	<b>1</b> (1)	— (1)
Knitted/Woven Made-ups	lac Pcs./Annum	<b>50</b> (50)	— (—)

\* As certified by the Management. Since the Company's installation can technically be considered as a multi-purpose plant, its capacity is necessarily variable in line with process improvements and the product mix adopted from time to time. The figures given in relation to installed capacity, are therefore, approximate and refer to an assumed product mix.

\* Includes capacities of 'Knitted Fabric 2067 MT', 'Processed Fabric 1357 MT', 'Readymade Garments 21 lakh pieces', relating to Jammu unit, a discontinuing operation.



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**b) Production, Turnover & Stocks**

Rs / lac										
	Unit	Opening Stock		Production % / Purchases		Captive Consumption	Turnover		Closing Stock	
		Qty.	Value	Qty.	Value		Qty.	Value	Qty.	Value
Yarn	MT	686.775 (462.038)	742.69 (540.47)	13,310.469 * (13,143.727)	– (–)	4,082.402 (3,655.242)	9,688.772 (9,263.748)	11,658.76 (10,145.90)	226.070 (686.775)	337.38 (742.69)
Dyed Yarn	MT	31.564 (–)	46.56 (–)	656.562 (164.151)	– (–)	305.944 (87.493)	346.596 (45.094)	605.17 (87.73)	35.586 (31.564)	50.95 (46.56)
Knitted Fabric	MT	264.570 (166.423)	385.86 (235.82)	3,699.377 # (3,574.312)	– (–)	3,648.500 (3,393.408)	147.588 (82.757)	144.44 (71.51)	167.859 (264.570)	246.10 (385.86)
Processed Fabric	MT	302.982 (163.075)	726.37 (395.23)	3,835.326 ^ (3,240.781)	– (–)	2,212.025 (2,139.060)	1,662.374 (961.814)	3,932.85 (3,145.32)	263.909 (302.982)	626.24 (726.37)
Woven Fabric	Mtrs in lac	– (0.010)	– (0.44)	– (–)	– (–)	– (–)	– (0.01)	– (0.14)	– (–)	– (–)
Garments / Made-ups	Lac Pcs	9.391 (5.870)	1,243.81 (951.07)	60.652 @ (67.772)	– (–)	– (–)	60.518 (64.251)	10,859.20 (9,439.04)	9.525 (9.391)	1,178.86 (1,243.81)
Cotton/Other Waste	MT	43.357 (33.749)	11.70 (8.82)	5,257.561 (5,472.293)	– (–)	– (–)	5,247.460 (5,462.685)	1,440.76 (1,430.65)	53.458 (43.357)	11.50 (11.70)

**Notes:**

* Includes outside production/purchases	MT	<b>1,562.663</b>	1,356.901
# Includes outside production/purchases	MT	<b>658.224</b>	724.924
^ Includes outside processing/purchases	MT	<b>976.378</b>	289.407
@ Includes purchases	lac Pcs	<b>0.133</b>	0.150
% Production excludes quantities produced for third parties under contract with the Company			

2006-2007			2005-2006	
Unit	Qty.	Value Rs / lac	Qty.	Value Rs / lac

**c) Raw Material Consumed**

Cotton	MT	<b>17,480.139</b>	<b>9,115.78</b>	16,371.131	7,817.62
Yarn purchased	MT	<b>1,562.663</b>	<b>2,246.28</b>	1,318.530	2,012.87
Fabrics purchased	MT	<b>475.641</b>	<b>1,184.13</b>	215.984	402.37
		<b>12,546.19</b>		10,232.86	

**d) Value of Imports calculated on CIF basis in respect of :**

Raw Materials	<b>1,785.39</b>	754.81
Stores & Spares (including Dyes, Chemicals & Embellishments)	<b>722.65</b>	2,304.24
Capital Goods	<b>1,630.34</b>	1,984.78



# Maral Overseas Limited

	2006-2007	2005-2006
	Value Rs / lac	Value Rs / lac
<b>e) Expenditure in Foreign Currency</b>		
Travelling	47.19	31.61
Commission and others	415.09	281.40
Interest	114.71	161.33
<b>f) Earnings in Foreign Currency</b>		
FOB value of Exports	20,576.48	17,771.42
Others (Freight, Insurance, Claims etc.)	616.16	311.85

	2006-2007		2005-2006	
	Value Rs / lac	%	Value Rs / lac	%
<b>g) Details of imported and indigenous Raw Material &amp; Stores consumed</b>				
Raw Material				
– Imported	733.60	5.85	754.81	7.38
– Indigenous	11,812.59	94.15	9,478.05	92.62
Stores & Spares (including Dyes, Chemicals & Embellishments)				
– Imported	514.54	19.21	47.33	1.86
– Indigenous	2,163.29	80.79	2,493.63	98.14

18) a) Figures in brackets, wherever given, are in respect of previous year.

b) Previous year's figures have been regrouped and recast wherever considered necessary.

The Schedules referred to in Balance Sheet and Profit & Loss Account form an integral part of the accounts.

Signed for identification Schedule 1 to 16

For Doogar & Associates  
Chartered Accountants

**Mukesh Goyal**  
Partner  
Membership No.81810

For Ashim & Associates  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No. 84968

**Ravi Jhunjhunwala**  
Chairman

**Shekhar Agarwal**  
Managing Director

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

**Rajat Prothi**  
Company Secretary

Noida (U.P.)  
5th May, 2007



## SCHEDULE - VI

### PART - IV

#### BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

##### I. Registration Details

Registration No. 

0	0	0	0	8	2	5	5
---	---	---	---	---	---	---	---

 State Code 

1	0
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	0	7
---	---	---	---

##### II. Capital Raised during the year (Amount in Rupees Thousands)

Public Issue 

				N	I	L
--	--	--	--	---	---	---

 Right Issue 

				N	I	L
--	--	--	--	---	---	---

Bonus Issue 

				N	I	L
--	--	--	--	---	---	---

 Private Placement 

				N	I	L
--	--	--	--	---	---	---

##### III. Position of Mobilisation and Deployment of Funds (Amount in Rupees Thousands)

Total Liabilities 

3	6	6	9	4	8	9
---	---	---	---	---	---	---

 Total Assets 

3	6	6	9	4	8	9
---	---	---	---	---	---	---

**Sources of Funds** **Application of Funds**

Paid-up Capital 

	2	1	7	5	8	0
--	---	---	---	---	---	---

 Net Fixed Assets 

2	5	4	0	6	9	9
---	---	---	---	---	---	---

Reserves & Surplus 

	4	7	1	3	5	4
--	---	---	---	---	---	---

 Investments 

			1	3	7	9
--	--	--	---	---	---	---

Secured Loans 

2	7	8	3	0	5	5
---	---	---	---	---	---	---

 Net Current Assets 

1	0	4	2	3	1	4
---	---	---	---	---	---	---

Unsecured Loans 

	1	9	7	5	0	0
--	---	---	---	---	---	---

 Miscellaneous Expenditure 

			2	9	6	7
--	--	--	---	---	---	---

Deferred Tax Liability 

				N	I	L
--	--	--	--	---	---	---

 Accumulated Losses 

		6	6	7	0	3
--	--	---	---	---	---	---

Deferred Tax Assets 

		1	5	4	2	7
--	--	---	---	---	---	---

##### IV. Performance of Company (Amount in Rupees Thousands)

Net Turnover 

2	8	9	9	1	8	8
---	---	---	---	---	---	---

 Total Expenditure 

3	2	6	7	7	6	1
---	---	---	---	---	---	---

+/- Profit/Loss before tax 

-	3	6	8	5	7	3
---	---	---	---	---	---	---

 +/- Profit/Loss after tax 

-	2	4	5	0	5	9
---	---	---	---	---	---	---

Earning per share (in Rs) 

(-)	1	1	.	2	6
-----	---	---	---	---	---

 Dividend Rate (%) 

				N	I	L
--	--	--	--	---	---	---

##### V. Generic Names of Three Principal Products / Services of the Company (As per monetary terms)

Item Code No. (ITC Code)	Product Description							
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>5</td><td>2</td><td>.</td><td>0</td><td>0</td></tr></table>		5	2	.	0	0	C O T T O N C O M B E D H O S I E R Y Y A R N	
	5	2	.	0	0			
Item Code No. (ITC Code)	Product Description							
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>6</td><td>0</td><td>.</td><td>0</td><td>0</td></tr></table>		6	0	.	0	0	C O T T O N K N I T T E D F A B R I C	
	6	0	.	0	0			
Item Code No. (ITC Code)	Product Description							
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>6</td><td>1</td><td>.</td><td>0</td><td>0</td></tr></table>		6	1	.	0	0	C O T T O N K N I T T E D G A R M E N T	
	6	1	.	0	0			

**Ravi Jhunjunwala**  
Chairman

**Shekhar Agarwal**  
Managing Director

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

**Rajat Prothi**  
Company Secretary



# Maral Overseas Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

Rs / lac

	Year Ended 31.3.2007	Year Ended 31.3.2006
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss ) before Tax & Exceptional Item	(1,461.20)	(224.74)
Employee Termination costs	(2,224.53)	–
Net Profit / (Loss ) before tax	(3,685.73)	(224.74)
Adjustments for:		
Depreciation & Amortisation	1,701.71	1,646.24
Dividend received	(0.36)	(0.56)
Interest Cost	1,490.27	1,040.50
Unrealised Exchange Difference	(29.99)	63.27
Diminution in value of investments	(1.87)	5.85
(Profit)/Loss on sale of Fixed Assets (Net)	(137.84)	(22.29)
Miscellaneous Expenditure written off	23.06	30.01
<b>Operating profit before working capital changes</b>	<b>(640.75)</b>	<b>2,538.28</b>
Adjustments for:		
Trade Receivables	(530.09)	666.83
Inventories		
Raw Material & Packing Material	711.43	(1,396.40)
Stock in process	(68.40)	89.40
Finished Goods & Waste	705.96	(1,025.15)
Stores, Spares & Others	45.54	(226.08)
	<b>1,394.53</b>	<b>(2,558.23)</b>
Loans & Advances	(412.85)	(410.00)
Trade Payables	1,849.94	139.17
Provisions	(15.42)	(0.13)
	<b>1,834.52</b>	<b>139.04</b>
Deferred Revenue Expenditure	–	(10.00)
<b>Cash from operating activities</b>	<b>1,645.36</b>	<b>365.92</b>
Taxes Paid	(60.80)	(35.44)
<b>Net cash from operating activities</b>	<b>1,584.56</b>	<b>330.48</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(8,479.28)	(5,443.34)
Sale/Adjustment of fixed assets	223.15	36.41
Interest received	15.05	14.99
Dividend received	0.36	0.56
<b>Net Cash used in investing activities</b>	<b>(8,240.72)</b>	<b>(5,391.38)</b>





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Rs / lac

	Year Ended 31.3.2007	Year Ended 31.3.2006
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from increase in Share Capital	–	612.58
Receipts from Term & Other Borrowings	12,718.60	7,168.19
Increase/ (Decrease) in Short Term Bank Borrowings	338.35	2,545.34
	13,056.95	10,326.11
Repayment of Term & Other Borrowings	(4,061.05)	(4,108.69)
Interest Cost	(1,672.36)	(1,164.26)
	(5,733.41)	(5,272.95)
<b>Net Cash from financing activities</b>	<b>7,323.54</b>	<b>5,053.16</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>667.38</b>	<b>(7.74)</b>
Opening Cash and Cash equivalents	237.07	244.81
Closing Cash and Cash equivalents	904.45	237.07

- Notes: 1. Cash and cash equivalents consist of cash on hand and demand deposits with bank.  
2. Cash and cash equivalents included in the cash flow statement comprise of the following amounts:

Cash, Cheques & Stamps in hand	50.64	201.48
Balances with Bank	891.17	95.57
Post Office Saving Account	0.01	0.01
As per the Balance Sheet	941.82	297.06
Less: Deposits under lien	6.55	5.88
Margin Money Account	5.43	6.27
Unpaid Dividend Account	14.58	21.02
Employees Security – Savings Account	0.81	5.10
– Deposit Account	10.00	21.72
	37.37	59.99
Closing cash & cash equivalents as restated	904.45	237.07

3. Cash flows of continuing operations and discontinuing operation are:

	Continuing Operations		Discontinuing Operation		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Net cash from / (used in) operating activities	3,439.47	555.77	(1,854.91)	(225.28)	1,584.56	330.48
Net cash from / (used in) investing activities	(8,289.64)	(4,684.75)	48.92	(706.63)	(8,240.72)	(5,391.38)
Net cash from / (used in) financing activities	9,216.39	4,303.03	(1,892.84)	750.13	7,323.55	5,053.15

4. Previous year's figures have been rearranged wherever necessary

As per our report of even date  
For Doogar & Associates  
Chartered Accountants

**Mukesh Goyal**  
Partner  
Membership No.81810

For Ashim & Associates  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No. 84968

**Ravi Jhunjunwala**  
Chairman

**Shekhar Agarwal**  
Managing Director

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

**Rajat Prothi**  
Company Secretary

Noida (U.P.)  
5th May, 2007



*Maral Overseas Limited*

## FINANCIAL INDICATORS

(Rs / lac)

S.NO.	DESCRIPTION	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
1	Net Turnover	26,574.48	23,824.32	24,864.12	24,522.87	<b>28,991.88</b>
2	PBIDT	3,544.58	(259.03)	2,853.07	2,630.52	<b>(286.00)</b>
3	Interest					
	– Long Term	766.82	681.85	592.43	626.91	<b>728.55</b>
	– Short Term	466.40	523.81	429.18	582.11	<b>969.48</b>
	– Total	1,233.22	1,205.66	1,021.61	1,209.02	<b>1,698.03</b>
4	Depreciation	2,038.93	2,142.86	1,825.44	1,646.24	<b>1,701.70</b>
5	PBT	272.43	(3,607.55)	6.02	(224.74)	<b>(3,685.73)</b>
6	Provision for Income Tax	(38.42)	(1,288.27)	(102.94)	(274.18)	<b>(1,235.14)</b>
7	PAT	310.85	(2,319.28)	108.96	49.44	<b>(2,450.59)</b>
8	EPS(Weighted Avg.)	1.48	(11.30)	0.53	0.23	<b>(11.26)</b>
9	Equity Capital	2,053.28	2,053.28	2,053.28	2,175.80	<b>2,175.80</b>
10	Preference Capital	–	–	–	–	–
11	Return on Net Worth (PAT/Net Worth)	3.00	(28.73)	1.37	0.57	<b>(39.57)</b>
12	Interest Cover # (PBIDT-Tax)/Interest	3.17	0.83	3.25	2.63	<b>0.56</b>
13	Debt - Equity	0.74	1.00	1.28	1.54	<b>3.54</b>
14	Return on Sales	1.17	(9.73)	0.44	0.20	<b>(8.45)</b>
1	Total Capital Employed	26,523.72	23,888.26	24,560.94	30,586.99	<b>35,998.19</b>
2	Net Worth	10,129.57	8,072.98	7,938.13	8,620.16	<b>6,192.64</b>
3	Total Debt	13,324.72	14,034.12	15,171.52	20,839.63	<b>29,805.54</b>
4	Term Debt	7,511.33	8,045.61	10,189.65	13,312.42	<b>21,939.98</b>
5	Gross Fixed Assets	27,685.49	28,291.30	29,516.97	34,656.57	<b>42,756.34</b>



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## QUANTITATIVE DATA

YEAR	YARN MT	FABRIC MT	PROCESSED FABRIC MT	GARMENT LAC PCS
<b>PRODUCTION</b>				
2002-2003	12166.63	2981.52	2463.72	65.77
2003-2004	9952.95	1920.62	1678.65	42.10
2004-2005	11846.61	2224.72	2087.67	46.21
2005-2006	11786.83	2849.39	2951.37	67.62
<b>2006-2007</b>	<b>11747.81</b>	<b>3041.15</b>	<b>2858.95</b>	<b>60.52</b>
<b>SALES</b>				
2002-2003	11051.53	680.52	554.31	66.67
2003-2004	9738.05	622.96	818.84	45.42
2004-2005	10199.69	483.26	709.21	45.79
2005-2006	9263.75	82.76	961.81	64.25
<b>2006-2007</b>	<b>9688.77</b>	<b>147.59</b>	<b>1662.37</b>	<b>60.52</b>

## FINANCIAL STATISTICS

### CAPITAL ACCOUNT

(Rs / lac)

YEAR	CAPITAL	RESERVES	NETWORTH
2002-2003	2053.28	8573.56	10129.57
2003-2004	2053.28	6254.29	8072.98
2004-2005	2053.28	5957.59	7938.13
2005-2006	2175.80	6497.10	8620.16
<b>2006-2007</b>	<b>2175.80</b>	<b>4046.51</b>	<b>6192.64</b>

### REVENUE ACCOUNT

(Rs / lac)

YEAR	NET SALES	OPERATING COST			PBIDT	INTEREST	DEPRECIATION	PBT	TAX	PAT
		RAW MATERIAL	PACKING COST	VALUE ADDED						
2002-2003	26,574.48	13,918.84	560.70	12,094.94	3,544.58	1,233.22	2,038.93	272.43	(38.42)	310.85
2003-2004	23,824.32	12,853.02	421.43	10,549.87	(259.03)	1,205.66	2,142.86	(3,607.55)	(1,288.27)	(2,319.28)
2004-2005	24,864.12	13,419.19	350.96	11,093.96	2,853.07	1,021.61	1,825.44	6.02	(102.94)	108.96
2005-2006	24,522.88	12,452.24	451.59	11,619.05	2,630.52	1,209.02	1,646.24	(224.74)	(274.18)	49.44
<b>2006-2007</b>	<b>28,991.88</b>	<b>15,109.49</b>	<b>525.21</b>	<b>13,357.00</b>	<b>(286.00)</b>	<b>1,698.03</b>	<b>1,701.70</b>	<b>(3,685.73)</b>	<b>(1,235.14)</b>	<b>(2,450.59)</b>



*Maral Overseas Limited*

## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY**

We, Shekhar Agarwal, Managing Director and P.S. Puri, Chief Financial Officer, of Maral Overseas Limited, hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by Maral Overseas Limited during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Maral Overseas Limited and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- (e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- (f) We further declare that all Board members and designated senior management have affirmed compliance with the Code of Conduct for the current year.

Noida (U.P.)  
5th May, 2007

**Shekhar Agarwal**  
Managing Director

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

## **CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

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

We have examined the compliance of conditions of Corporate Governance by Maral Overseas Limited, for the year ended on 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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.

For Doogar & Associates  
Chartered Accountants

For Ashim & Associates  
Chartered Accountants

**Mukesh Goyal**  
Partner

**Ashim Agarwal**  
Partner

Noida (U.P.)  
5th May, 2007

# LNJ BHILWARA GROUP

## A NATIONWIDE PRESENCE

### A. TEXTILES

#### RSWM Limited

- |                          |  |
|--------------------------|--|
| 1. Kharigram             | Synthetic, Regenerated Cellulosic Blended Grey, Dyed Yarn    |
| 2. Mayur Nagar, Banswara | Synthetic, Regenerated Cellulosic & Cotton-blended Grey Yarn |
| 3. Mandpam               | Cotton Melange Yarn, Cotton-blended Melange & Dyed Yarn      |
| 4. Rishabhdev            | Synthetic, Blended & Grey Yarn                               |
| 5. Ringas                | Synthetic & Blended Dyed Yarn                                |
| 6. Bangalore             | Apparel  |
| 7. LNJ Nagar, Mordi      | Fabric   |
| 8. LNJ Nagar, Mordi      | Denim  |
| 9. LNJ Nagar, Mordi      | Captive Thermal Power  |
| 10. Bagalur              | Cotton Yarn  |

#### Maral Overseas Ltd.

- |                              |   |
|------------------------------|---|
| 11. Maral Sarovar (100% EOU) | Cotton Yarn, Cotton-Knitted Fabric & Cotton Knitwears |
| 12. Maral Sarovar            | Captive Thermal Power                                 |
| 13. Noida                    | Knitwears   |
| 14. Noida                    | Knitwears   |

#### BSL Ltd.

- |               |  |
|---------------|--|
| 15. Bhilwara  | Yarn, Worsted, Synthetic & Silk Fabric, Garments & Accessories |
| 16. Jaisalmer | Captive Wind Power Generation                                  |

#### Bhilwara Spinners Ltd.

- |                      |   |
|----------------------|---|
| 17. Bhilwara         | Synthetic, Blended Grey & Dyed Yarn               |
| 18. LNJ Nagar, Mordi | Specialised Automotive Fabric & Furnishing Fabric |

#### Bhilwara Processors Ltd.

- |              |   |
|--------------|---|
| 19. Bhilwara | Processing of Synthetic & Worsted Fabric, Tops Fibre Dyeing |
|--------------|---|

### B. GRAPHITE

#### HEG Ltd.

- |               |                                   |
|---------------|-----------------------------------|
| 20. Mandideep | Graphite Electrodes               |
| 21. Mandideep | Captive Thermal Power             |
| 22. Durg      | Steel Billets                     |
| 23. Durg      | Captive Waste Heat Recovery Power |
| 24. Tawa      | Captive Hydro Electric Power      |

### C. POWER

#### Bhilwara Energy Ltd.

- |               |  |
|---------------|--|
| 25. Pathankot | UBDC Stage III Hydro Electric Power Generation |
| 26. Tawang    | Nyamjung Chhu Hydro Electric Power Generation  |

#### Malana Power Company Ltd.

- |                    |                                 |
|--------------------|---------------------------------|
| 27. Malana (Kullu) | Hydro Electric Power Generation |
|--------------------|---------------------------------|

#### AD Hydro Power Ltd.

- |                              |                                 |
|------------------------------|---------------------------------|
| 28. Allain-Duhangan (Manali) | Hydro Electric Power Generation |
|------------------------------|---------------------------------|

#### Indo Canadian Consultancy Services Ltd.

- |           |                            |
|-----------|----------------------------|
| 29. Noida | Power Engineering Services |
|-----------|----------------------------|

### D. INFORMATION TECHNOLOGY

#### Bhilwara Scribe Pvt. Ltd.

- |            |                                |
|------------|--------------------------------|
| 30. Bhopal | Medical Transcription Services |
|------------|--------------------------------|

#### Bhilwara Infotech Ltd.

- |               |             |
|---------------|-------------|
| 31. Bangalore | IT Services |
|---------------|-------------|

### E. OFFICES

#### Corporate Office

- |                         |  |  |  |
|-------------------------|--|--|--|
| 32. Noida (NCR - Delhi) |  |  |  |
|-------------------------|--|--|--|

#### Regional / Marketing

- |              |              |               |               |
|--------------|--------------|---------------|---------------|
| 33. Mumbai   | 34. Kolkata  | 35. Bangalore | 36. New Delhi |
| 37. Ludhiana | 38. Amritsar | 39. Bhilwara  |               |

This is only an indicative map



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

## the Group Companies



Textiles



Graphite Electrode



Knitted Garments



Power Generation



Power Generation



Power Generation



Power Engineering  
Consultancy



Suitings



Automotive Fabric



Yarn



Information Technology

Bhilwara  
Scribe  
Pvt. Ltd.

Medical Transcription  
Services

## the Group Brands



Suitings



Suitings



Yarn



Garments



Fabric

## the Group Partnerships

Company	Partner with	Activity
Statkraft Norfund Power Invest A.S., Norway	Malana Power Co. Ltd.	192 MW Hydro-electric Power Project
RSW International, Canada	ICCS Ltd.	Power Consultancy Services
International Finance Corporation, Washington	AD Hydro Power Ltd.	Equity holders in AD Hydro Power Project
Tencel, UK (now Lenzing, Austria)	RSWM Ltd.	Tencel Yarn Spinning
Trevira GmbH, Germany	RSWM Ltd.	Flame Retardant Yarn & Fabric
eScribe Inc., USA	Bhilwara Scribe Pvt. Ltd.	IT Enabled Services
Enercon (India), a subsidiary of Enercon (Germany)	BSL Ltd.	Wind Energy Project
SISA S.A., Spain	RSWM Ltd.	Yarn Marketing



Maral Overseas Limited

Corporate Office :

Bhilwara Towers, A-12 Sector I, Noida-201301 (NCR Delhi) India

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