

Reaching
Out To
New Horizons



Annual Report 1997-98



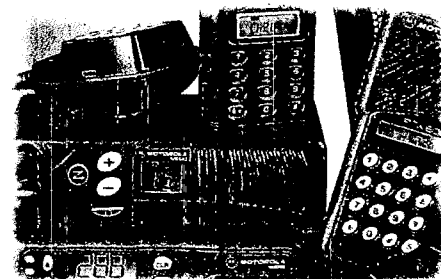
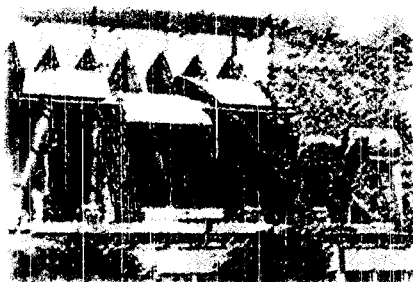
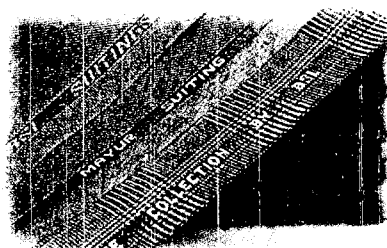
Maral Overseas Limited

Adding Value - Adding Profit



The World of LNJ Bhilwara Group

*Quality manifests itself
in various forms.
Excellence, leadership status
and rapid growth being
some important
benchmarks.*



*We, the LNJ Bhilwara Group,
are a multi-product Group
with interests in diverse fields
like Textiles (spinning, weaving, knitting,
processing and garment making),
Graphite Electrodes, Sponge Iron, Hydro-Electric Power,
Telecommunications and Financial Services.*



MARAL OVERSEAS LIMITED

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

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of the Company will be held on Wednesday the 26th day of August, 1998 at 2.30 P.M. at the Registered Office of the Company at Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone, Madhya Pradesh to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the period ended on that date and the Report of Directors and Auditors thereon.
2. To declare dividend on Equity Shares and confirmation of interim dividend paid on Preference Shares.
3. To appoint a Director in place of Shri L. N. Jhunjhunwala, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Kamal Gupta, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for creation of such mortgages and charges in addition to the existing mortgages and charges and hypothecations created by the Company as the Board may direct on the assets of the Company both present and future and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of :

- (i) Export Import Bank of India (Exim Bank) in connection with Rupee Term Loan of Rs.30.00 Crores;
- (ii) Bank of Baroda (BOB) in connection with Foreign Currency Loan of US\$ 5 Million

(hereinafter collectively referred to as the lenders)

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia

on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to Exim Bank and BOB under the Loan Agreements entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the lenders, the documents for creating the aforesaid mortgages and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT subject to the provisions contained in the Companies Act, 1956 (as amended and prevalent including any statutory modification or re-enactment thereof and any ordinance as may be enacted/promulgated from time to time), subject to approval of Financial Institutions, if required, and subject to such other necessary approvals as may be considered desirable and required, and also subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, which may be agreed to or accepted by the Board of Directors of the Company (hereinafter referred to as the Board which expression shall also include a Committee thereof), the consent of the Company be and is hereby accorded to the Board for application of funds of the Company in purchase/buy-back in such quantity or quantities in fully/partly paid up shares of the Company from existing holders of shares and/or other securities as may be specified by the government or in such proportion and manner as may be permitted by the law, at such rates and on such terms and conditions as the Board may deem proper and as may be prescribed by the law from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase/buy-back of shares or other securities."

By order of the Board
for Maral Overseas Ltd.

Place: Noida (U.P.)
Date : 30th June, 1998

Rajat Prothi
Company Secretary



NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company at the registered office not less than forty - eight hours before the commencement of the meeting.
2. The Explanatory Statement in respect of items of Special Business of the Meeting is annexed to this Notice as required by Section 173(2) of the Companies Act, 1956.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 11th August, 1998 to 19th August, 1998 (both days inclusive).
4. The dividend if declared at the ensuing Annual General Meeting will be paid to those shareholders whose names will appear on the Company's Register of Members on 19th August, 1998.
5. Members are requested to furnish, if not already done so, the following details to facilitate payment of Dividend and to avoid the warrant falling into improper hands:
 - (i) Name & complete address of their Bank where the warrant is proposed to be deposited.
 - (ii) Bank Account No.
6. Members are requested to:
 - (i) Quote their folio number in all correspondence with the Company.
 - (ii) Notify immediately to the Company any change in their address and their mandate, at the Head Office of the Company at Bhilwara Towers, A-12 Sector-1, Noida-201 301 (U.P.).
7. Dividend declared by the Company for the financial year 1994-95, shall be, in terms of Section 205 A(5) of the Companies Act, 1956, deposited with the Central Government after 15th November, 1998. Members are therefore requested to claim their unpaid dividend if any, in respect of the said financial year before 15th November, 1998.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

The Company had approached the Export Import Bank of India (Exim Bank) and Bank of Baroda (BOB) for financial assistances in the form of Rupee Term Loan of Rs.30.00 crores and Foreign Currency Loan of US\$ 5 Million respectively to part finance expansion of spinning capacity and acquisition of DG Set for increase in captive power generation facilities at the plant.

The above financial assistances are to be secured by mortgage/hypothecation of the assets of the Company, both present and future.

Section 293(1)(a) of the Companies Act, 1956, provides inter alia that the Board of Directors of the Company shall not, without the consent of members of Company in general meeting, sell, lease or otherwise dispose off the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its assets as aforesaid in favour of Exim Bank and BOB may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of said mortgage/charge.

Copies of sanction letters received from Exim Bank and BOB and copies of relevant documents/ correspondence are open for inspection at the Registered Office of the Company during the office hours on any working day prior to the date of meeting.

Your Directors recommend the resolution for approval.

None of the Directors of the Company is concerned or interested in the resolution.

Item No.7

Presently buy-back/purchase of its own shares by the Company is not allowed by the Companies Act, 1956. The Companies Bill, 1997 contained the enabling provisions for buy-back of its own shares by the companies. The said bill however, as yet not become law.

However, it is expected that buy-back/purchase of its own securities by the Company may be permitted in future. Subject to the buy-back of securities becoming legally permissible, it is proposed to enable the Company to buy-back/purchase its own shares in such manner as may be specified/permitted. The resolution under Item no.Seven is proposed for this purpose.

Since the existing Companies Act, does not permit the purchase/buy-back of its securities by a Company, this resolution shall be treated as enabling provision and shall be effective only as and when the buy-back shall become legally permissible.

None of the Directors of the Company is interested in this resolution.

By order of the Board
for Maral Overseas Ltd.

Place: Noida (U.P.)
Date : 30th June, 1998

Rajat Prothi
Company Secretary

**PROXY FORM****Maral Overseas Limited**

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

Folio No.

No. of share(s) held.....

I/We.....

of.....

being a member/members of Maral Overseas Limited, hereby appoint.....

of..... failing him.....

of..... or failing him.....

of..... as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 9th Annual General Meeting of the Company to be held on Wednesday, the 26th day of August, 1998 at 2.30 P.M. and at any adjournment thereof.

As WITNESS my/our hand/hands this..... day of 1998.

Signed by the said.....

30 Paise
Revenue
Stamp

Address

Note : The Proxy must be deposited at the Registered Office of the Company at Maral Sarovar, V. & P. O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone (Madhya Pradesh) - 451 660, not less than forty eight hours before the time of holding the meeting.

ATTENDANCE SLIP**Maral Overseas Limited**

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



Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional attendance slips on request.

Name and address of the shareholders :

L.F. No.(s)

Number of shares held :

I hereby record my presence at the 9th Annual General Meeting of the Company held on Wednesday the 26th day of August, 1998 at 2.30 P.M. at the Registered Office of the Company at Maral Sarovar, V. & P.O. Khalbujurg, Tehsil Kasrawad, Distt. Khargone (Madhya Pradesh) - 451 660.

*Strike out whichever is not applicable

Signature of the Shareholder / Proxy/ Representative*



GROUP HIGHLIGHTS

- ◆ India's largest producer and exporter of Polyester/Viscose yarn and Graphite Electrodes.
- ◆ Almost 39% of the Group's turnover comes from Exports alone.
- ◆ Winner of CAPEXIL-Top Export Award for Graphite Electrodes for the last 12 years in a row.
- ◆ Winner of SRTEPC Highest Export Award for Polyester/Viscose Yarn exports for consecutive 8 years.
- ◆ Maral Overseas Ltd., is the winner of TEXPROCIL Silver Trophy for the second highest Export Award in the 100% EOU/EPZ category.
- ◆ HEG's graphite electrodes plant is the largest in the whole of South Asia.
- ◆ MARAL is India's only fully integrated 100% EOU cotton knitwear unit with Spinning, knitting processing & garment making.
- ◆ The Group also enjoys prestigious foreign collaborations and technologies of several world leaders:
 - Hydro Quebec of Canada for Hydro Electric Power.
 - Motorola of USA for 'Public Mobile Radio Trunked Services' (PMRTS)
 - Melba Industries of Australia and De Witte Lietaer of Belgium for Specialised Automotive fabrics.
 - RSW International of Canada for Power Consultancy Services.
- ◆ Rajasthan Spinning & Weaving Mills Ltd. and Maral Overseas Ltd., are India's first composite textile and knitting textile units to get the coveted ISO-9002 certification. HEG Ltd., BSL Limited and Bhilwara Processors Ltd. also enjoy this certification.

GROUP SALIENT FEATURES

Sl. No.	Particulars	Rs. in Crores	
		1997-98	1996-97
1.	Turnover	1170	1202
2.	Exports	526	407
3.	PBIDT	250	202
4.	PBDT	150	117
5.	PBT	83	57
6.	PAT	77	51
7.	Gross Fixed Assets	1268	1070



Maral Overseas Limited

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	1995-96	1996-97	1997-98
Turnover	12172.13	14257.76	15836.68
Exports	11022.66	13346.57	14096.39

Net Worth	5993.77	7094.62	9932.84
Capital Expenditure	1507.07	525.84	4477.95

PBIDT	2653.47	3337.23	3645.72
Interest	1117.28	1198.74	1071.79
PBDT	1536.19	2138.49	2573.93
Depreciation	512.84	621.37	670.37
Taxation	--	--	--
PAT	1023.35	1517.12	1903.56

EPS (Rs.)	5.43	8.04	10.03
CEPS (Rs.)	8.14	11.34	13.58
Book Value (Rs.)	31.77	37.61	52.66



Maral Overseas Limited

BOARD OF DIRECTORS

CHAIRMAN EMERITUS

Shri L.N. Jhunjhunwala

CHAIRMAN

Shri Ravi Jhunjhunwala

MANAGING DIRECTOR

Shri Shekhar Agarwal

DIRECTORS

Shri Kamal Gupta

Dr. Abhishek Singhvi

Shri B.V.Bhatt

Shri Kamal Kishore (Nominee - IFCI)

PRESIDENT

Shri M.S. Anjane

VICE PRESIDENT

Shri Sethu Chakravarty

COMPANY SECRETARY

Shri Rajat Prothi

AUDITORS

Doogar & Associates, New Delhi

Ashim & Associates, New Delhi

HEAD OFFICE

Bhilwara Towers

A-12, Sector-1

Noida-201 301 (U.P.)

REGISTERED OFFICE & WORKS

Maral Sarovar

V. & P.O. Khalbujurg

Tehsil Kasrawad

Distt. Khargone-451 660

Madhya Pradesh

BANKERS

Bank of Baroda

Canara Bank

State Bank of Bikaner & Jaipur

State Bank of Indore

State Bank of Patiala

State Bank of Hyderabad

ANZ Grindlays Bank

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Maral Overseas Limited

DIRECTORS' REPORT

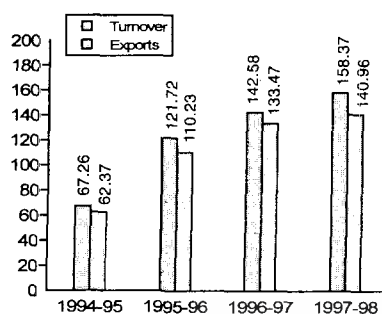
Your Directors have pleasure in presenting the Ninth Annual Report for the year ended 31st March, 1998.

Financial Results

(Rs. in Crores)
Current Year
Previous Year

TURNOVER/EXPORTS

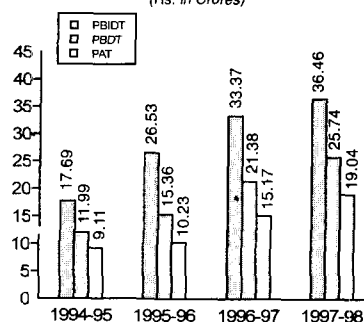
(Rs. in Crores)



Turnover	158.36	142.57
Profit before Interest and Depreciation	36.45	33.37
Interest	10.72	11.99
Profit before depreciation	25.73	21.38
Depreciation	6.70	6.21
Profit before tax	19.03	15.17
Provision for taxation	—	—
Profit after tax	19.03	15.17
Surplus of previous year	8.91	5.35
Surplus available for appropriation	27.94	20.52

PBIDT/PBDT/PAT

(Rs. in Crores)



Appropriations

Dividend		
– Paid on Preference Shares	0.11	—
– Proposed on Equity Shares	3.77	2.83
Tax on Dividend	0.39	0.28
Transfer to General Reserve	10.00	8.50
Surplus carried to Balance Sheet	13.67	8.91

Operations

During the year your Company continued to perform well in spite of unfavourable market conditions and higher cost of inputs. Your Company has been concentrating over the past few years on value addition and this was also successfully maintained during the period under review. This has resulted in a steady and continuous growth of operations. Your Company achieved a turnover of Rs.158.36 Crores showing an