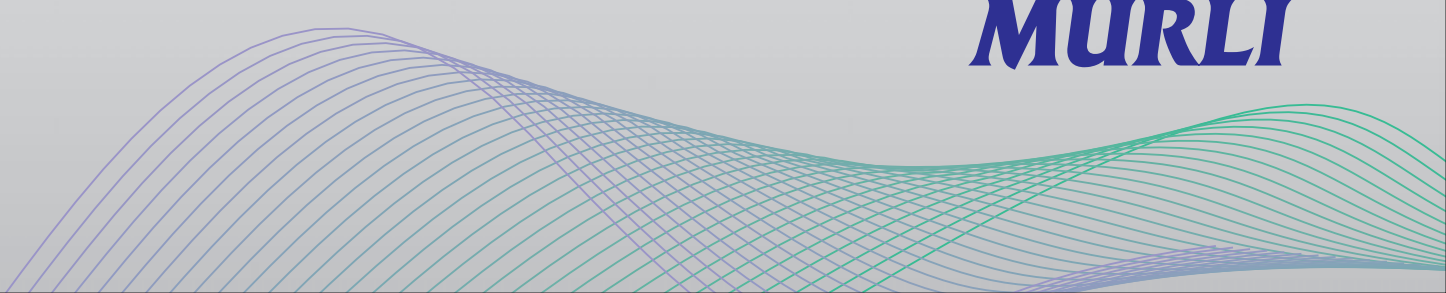


agro cement  
power paper

ANNUAL REPORT 2010 - 2011



**MURLI**





**ऊर्ध्वं गच्छन्ति सत्त्वस्था मध्ये तिष्ठन्ति राजसाः।  
जह्न्यगुणवृत्तिस्था अधो गच्छन्ति तामसाः।।**

Those who abide in the quality of Sattva  
wend their way upwards; while  
those of Rajasik disposition stay in the middle. And those of a  
Tamasik temperament, sink down.



## A Forward looking statement...

We are feeling extremely delighted while presenting our beloved patrons with the Twentieth Edition of our Annual Report 2010-11.

The principal objective of the presentation of this Report to our dear patrons, whose support forms the bedrock of all our corporate moves, is to let them know about the corporate activities being pursued alongside the initiatives being launched by us and to present a fairly accurate picture of our corporate performance so that they could judge the prospects of our future growth and take informed decisions vis-a-vis investment of their capital.

We would like to make it pretty clear at the very outset that this Report as also other Statements we make from time outlining the corporate activities we are going to embark upon, are intended to let our valued stakeholders envisage the moves we intend to make and the monetary gains we expect to derive from them. We would, however, like to strike a note of caution for our dear patrons that the achievement of the results as anticipated by us depends invariably on the combination of a variety of factors with the market scenario prevailing at a given time being among the most significant ones. Besides, what we would like to make crystal clear is the fact that it is always beyond human capacity to foresee and predict spot-on the market conditions prevailing at a given point of time and as such there always exists the likelihood of such predictions going awry.

It would not be out of place to add that our corporate performance may be influenced a great deal by the factors which do have a bearing on the national economy, which is very much an integral part of the Global Economic Order. If any event of the type of global economic meltdown, which had blighted many economies across the globe in varying degrees at the fag

end of the previous decade of this century, were to recur, then undeniably Indian economy would also be shaken by it. And we, like other corporate entities, being a constituent unit of the Indian economy would also be affected in some form or the other. In such a scenario our predictions and projections made in this Report may contrast with the actual results achieved by us. We expect our dear patrons to bear this in mind while scrutinizing and analyzing it and visualising the performance we expect to put up in the days and months ahead.

Notwithstanding the fact that there may be a number of factors which may lead to our projections being off the mark, it has been our sincere endeavour to make as realistic and prudent assumptions as possible so that we are able to put before our esteemed stakeholders as much accurate picture of the anticipated results as possible. We are also acutely aware of the fact that there may be situations, both artificial and natural, which may cause our assumptions to go wrong and in the event of such situations arising, the results envisaged may be at variance with those actually achieved by us. We expect all our dear patrons to be alive to this while going through this Report. What is equally significant is that a number of uncertainties and risks, which can not be foreseen or avoided, can also play their part in rendering our calculations ineffective. This is why we have qualified our forward-looking statements by using the terms like hope(s), expect(s), project(s), intend(s), believe(s) or other words carrying similar meaning while giving our patrons an insight into what we believe are likely to be the trends of our performance.

We hereby underline that we are under no obligation whatsoever to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

# Brief Descriptions of MIL Units



**AGRO UNIT 1 :** This unit, which set in motion MIL corporate journey in 1991, has been among the mainstays of MIL strength. Known for quality products like Soya, De-oiled Cake and Refined Edible Oil, it has consistently and significantly contributed to the rise of the Company on the business horizons of the country.

**AGRO UNIT 2 :** The acquisition of this Umred-based unit by the Company in 1994 carried forward its attempts to take a bigger role in the industrial scenario of the country. In recent times this unit of the Company has got a major boost with the introduction of advanced technology seeing a quantum jump in its production levels.

**DUPLEX UNIT :** Commissioned in 2000, this unit gave a major fillip to the Company's endeavour to enlarge its sphere of influence and earn its clout as a market player of note. An improved performance by this unit is on the cards as the far-reaching measures taken by the Management to upgrade its production level start yielding dividends.

**NEWS PRINT PAPER UNIT :** Roaring success of Duplex Unit of the Company prompted MIL Directors to tread along the way to even greater prosperity by launching this Unit in 2001. MIL think-tank has planned to inject fresh funds into this unit so as to achieve the desired performance from it and turn it into a tool of growth.

**WRITING & PRINTING PAPER UNIT :** This biggest constituent of the paper unit from the standpoint of investment and quantum of production was launched in 2004 with the express aim of catering to the ever-increasing number of consumers of MIL papers. Over the years this unit has by and large been the most prolific source of earning for the Company.

**POWER UNIT :** Power Units have lent new dimensions to the Company's quest to rule the roost and stamp its dominance on the market. Power Plants have not only enabled the Company to ensure that its production process goes on unimpeded but have also facilitated Company's evolution into a market force believing in surging ahead with resoluteness.

**PILP MILL :** The Pulp Mill is expected to become a harbinger of Company's growth by enabling it to do away with the import of pulp and meet its requirement of this raw material internally. Efforts are on at the moment to turn it into a self-sustaining, viable unit occupying a place of prominence in MIL affairs.

**CEMENT UNIT :** The setting up of this unit in Naranda in Chandrapur District, has indubitably given a decisive push to MIL efforts to penetrate a potentially hugely promising cement market with exciting opportunities galore. A number of measures initiated for the uplift of this unit are expected to lead to a remarkable improvement in its performance.

**SBS BOARD UNIT :** This unit has given a new direction to the Company's bid to emerge as unrivalled force in paper industry. Employer of biggest manpower among all the paper units of the Company and an embodiment of the application of latest technology, this unit is set to quicken the process of Company's transformation into a major market force.

# CONTENTS

## Director's Profile

---

Notice	04
Biographies	
Shobhagmal Maloo, Chairman	07
Nandlal Maloo, Managing Director	09
Other Directors	10

## Corporate Information

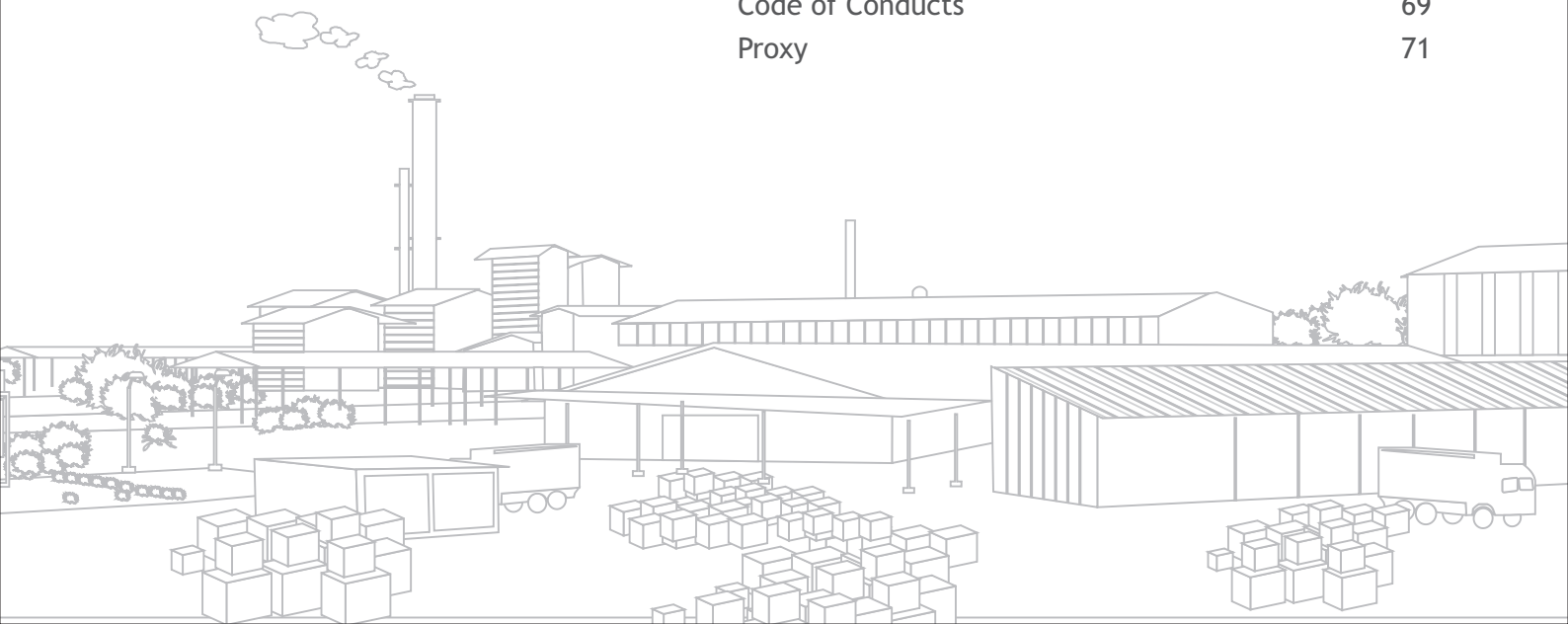
---

Board of Directors, Auditors, Bankers	16
Highlights of the Company	18
Milestone	25
Managing Director's Statement	26

## Annual Report 2010 - 2011

---

Director's Report	29
Management Discussions & Analysis	33
Corporate Governance Report	39
CEO & CFO Certificate	48
Auditor's Report	49
Financial Statements & Schedules	52
Code of Conducts	69
Proxy	71





**MURLI**

## NOTICE

NOTICE is hereby given that twentieth Annual General Meeting of the Members of MURLI INDUSTRIES LIMITED will be held on Friday, 30th September, 2011 at the Corporate Office of the Company at 'Radha House' 239, East Wardhman Nagar, Nagpur- 440 008, at 11.00 a.m. to transact the following businesses as:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditor thereon.
2. To appoint a Director in place of Shri Shobhagmal Maloo, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Lalchand Maloo, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Sunil Kumar Maloo, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s Demble Ramani & Co., Chartered Accountants, as statutory auditors of the company, who shall hold the office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider and if fit to pass with or without modification the following Resolution as an Ordinary Resolution.  
"RESOLVED that Shri Vinayak Thergaonkar, who was appointed as an Additional Director by the Board of Directors on 31.03.2011 and who hold office as per section 260 of the Companies Act, 1956, upto the conclusion of the Annual General Meeting be and is hereby appointed as a regular director of the Company subject to retirement by Rotation."
7. To consider and if fit to pass with or without modification the following Resolution as an Ordinary Resolution.  
"RESOLVED that Shri Avinash Mardikar, who was appointed as an Additional Director by the Board of Directors on 12.08.2011 and who hold office as per section 260 of the Companies Act, 1956, upto the conclusion of the Annual General Meeting be and is hereby appointed as a regular director of the Company subject to retirement by Rotation."
8. To consider and if fit to pass with or without modification the following Resolution as an Ordinary Resolution.  
"RESOLVED that Shri Subhash Rode, who was appointed as an Additional Director by the Board of Directors on 26.08.2011 and who hold office as per section 260 of the Companies Act, 1956, upto the conclusion of the Annual General Meeting be and is hereby appointed as a regular director of the Company subject to retirement by Rotation."

By Order of the Board of Directors  
of Murli Industries Limited  
Sd/-

**Nandlal Maloo,**  
Managing Director

**NOTES:**

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy in order to be effective must be deposited at the Company's registered office at 101, Jai Bhawani Society, Central Avenue, Wardhman Nagar, Nagpur 440008, not less than 48 hours before the commencement of the Meeting.

The Register of Members and Share Transfer Book of the Company will remain closed from 29th September, 2011 to 30th September, 2011 (Both days inclusive).

All communications pertaining to the shares are to be addressed to the Company Secretary at the Company's Corporate Office at 'Radha House' 239, East Wardhaman Nagar, Central Avenue Road, Nagpur 440 008 (MS).

Members holding shares in dematerialized form are requested to bring their ID and DP ID number for easy identification for attendance at the meeting.

EXPLANATORY STATEMENT AS PER SECTION U/S 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6, 7, & 8

The Directors Shri Vinayak Thergaonkar, Shri Avinash Mardikar, and Shri Subhash Rode were appointed as an Additional Director of the company under section 260 of the Companies Act, 1956. The appointments of these directors were good up to the conclusion of this Annual General Meeting. As per Listing Agreement the Company has to appoint certain number of directors to act as Independent Directors to look after the affairs of Board of Directors. Hence Shri Vinayak Thergaonkar, Shri Avinash Mardikar, and Shri Subhash Rode are proposed to be appointed as directors of the company.

None of the directors of the Company is interested except Shri Vinayak Thergaonkar, Shri Avinash Mardikar, and Shri Subhash Rode.

**By Order of the Board of Directors  
For Murli Industries Limited**

**Regd Off:**

101, Jai Bhavani Society  
Wardhman Nagar,  
Nagpur 440008

Sd/-

**Nandlal Maloo**  
Managing Director



**MURLI**

## Acting as benefactor of society

MIL's conviction is that corporate houses should not be indifferent to the cause of the society and not found wanting in discharging their commitment towards it. It is in line with its thinking that the Company has been rendering yeoman services to the society alongside the pursuit of its goal of emerging as a corporate power with tremendous financial clout.

Serving the society with passion, zeal and a spirit of dedication and contributing to its uplift is what MIL has been doing right since its inception in 1991. To put in a nutshell, we are paying back to society what we have got from it.

Being a strong advocate of the concept of inclusive growth, the Company has absorbed into its workforce eligible persons from those impoverished households in its immediate vicinity who find it difficult to get assured source of sustenance. The Company has liberated them from vicious cycle of poverty, while at the same time they constitute an important part of Company's growth story till date.

The Company is deeply moved to see the plight of farmers in its immediate neighbourhood who are fighting penury. The Company finds it extremely repulsive that those very farmers who sustain the society are themselves doomed to lead a woeful life thanks to the apathetic view the society takes towards their situation. The Company has attempted successfully to rid them out of this situation by offering gainful employment to those farmers who are suitable enough to be a part of MIL organisational set-up. The Company is thus instrumental in bringing about a qualitative change in their lives.

Similarly, the Company offers liberal financial largesse to the socio-cultural bodies, which help hone the creative talents of the budding artists. Sports, cultural events, programmes designed to inculcate patriotic feelings among the masses, etc., are the occasions in which the Company registers its presence in a big way by associating itself with them in some way or the other.

The recent organisation of Stress Management Camp by the Company in its premises, which benefited scores of people by educating them about the ways and means to de-stress, reflects the desire on the part of the Company to do its bit to create healthy atmosphere for the society.

The Company also periodically organises Health Camp in which experienced medical practitioners examine locals and enlighten them about general rules of hygiene. Till date scores of locals, who can not afford to meet the high costs of treatment, have been examined and treated for their ailments free of cost by the noted surgeons providing their invaluable services at these camps.

The Company has earned its spurs as an entity unwaveringly committed to the cause of education. MIL, by way of its substantial financial assistance, is invariably a part of such interactive programmes in which emerging young professionals do get an opportunity to be benefited from the guidance of heavyweights in their fields. Similarly, academically bright children of the locals battling poverty are given financial support by the Company thereby enabling them to forge ahead on the road to success and glory in life.

As a sign of its appreciation of the efforts taken by the Constabulary in building a vibrant and law-abiding society, the Company makes liberal financial contribution to Police Welfare Fund and participates in a big way in all such activities that go a long way in instilling pride in the minds of Police Personnel for the onerous task they are accomplishing for the betterment of the society as a whole.

The Company is committed to the uplift of Village Vadoda where its paper units are situated. The Company has embarked on a major initiative designed to give a face-lift to this otherwise sleepy rural backwater.

To put it succinctly, the Company takes great pride in and derives tremendous satisfaction from fulfilling what it looks upon as its moral obligations towards society.







## **Mr. Shobhagmal B. Maloo**

**Chairman,  
Murli Industries Limited**

There are some figures who can be succinctly termed as the architect of the golden history of MIL, and who have firmly etched their names in the pages of its corporate history. Mr. Shobhagmal Maloo, 70, who is the Chairman of MIL Group, is one such figure for the Company, whose contribution to the Company's rise is monumental.

He has been a great chapter in MIL having reigned supreme for nearly two decades in the process of evolution of the Company. Viewed as the harbinger of MIL transformation, he is hard to be compared with anybody.

Terming the fiscal 2010-11 as just an exception when the Company's performance has not been upto the mark, he stresses that barring this year, the Company has been able to put up a scintillating performance in its thrilling 20-year long journey. Crediting the workers of the Company for its dazzling showing so far he says. "It is in the strength of their commitment and hard work that the Company has reached such heights. He says the Company has maintained a unique relationship with them and has mirrored their aspirations. It has reflected their hopes and has been a vehicle of their accomplishments".

He has worked tirelessly without personal expectation to build and strengthen MIL.

Giving mantra of success to MIL employees he says, "Know your work, insist on realism, set clear goals and priorities, follow through with your constructive plans and avoid procrastination."

He has Victorian values like philanthropy and altruism. If such values are cherished by all people with loads of money, then human societies will start enjoying a serene social environment which fosters goodness.

Conceding that the Board of Directors will have to handle the added pressure of putting the Company back on the rails in the least possible time, he predicts that things would start falling in line and soon the high-octane expansion campaign undertaken by the Directors of the Company would go full throttle, which would mark the beginning of a new chapter for the Company. "Our greatest glory is not in never falling but in rising every time we fall", he observes while spurring the MIL top brass into more vigorous action.

Coming down heavily on unscrupulous entrepreneurs who give a go-by to business ethics and tinker with the quality of their goods to make a quick buck, he avers, "we cannot discard our core values as some do for the sake of profit.

The Company is highly indebted to him for the assiduous efforts he has been taking for the rise of the Company on the industrial scenario of the country.



**MURLI**

## **A Company with tremendous promise of growth**

MIL think-tank is very much keen to consolidate the gains of the growth it has achieved during the course of twenty years of its existence. What is particularly encouraging for the Company planners is the fact that Murl Horsepower Cement has been received well in the market giving rise to the hope that it would play a decisive role in the Company's frantic bid to gain greater foothold in the market.

The Company, which puts premium on quality, has made it absolutely clear time and again that superior quality of its products viz. paper, refined soda and deoiled cake lies at the very heart of wide acceptability won by its products. The Company is all set to capitalise on this heart-warming situation and prospect for more and more new customers through its extensive dealers' network while at the same time focussing on ramping up its production levels so as to cater to an expected rise in the demand for its products.

With a number of far-reaching measures having already been put in place to tide over the current adverse situation, the Company believes that their positive impact would be discernible soon.

With the expansion drive of the Company currently underway the priority of the MIL supreme bosses is to ensure that its cement projects coming up at Rajasthan and Karnataka are commissioned as per schedule. These flagship projects of the Company along with the one at Chandrapur, which has already come up, are expected to significantly add to the Company's prowess and clout as a major market player.

MIL Management is optimistic that the future of the Company is full of promise with the growth initiative taken by it expected to come to fruition.





## **Mr. Nandlal B. Maloo**

**Managing Director,  
Murli Industries Limited**

Among those persons who have been serving MIL with deep commitment and untiring zeal is our 57 year old Managing Director, whom the market commentators put in the same league as other industrial titans of note who have left the industrial world dazzled by their spectacular achievements as corporate leaders par excellence.

The man who is in charge of the Company's administrative, taxation and financial matters, he ensures with meticulous care that the officials of the Company observe austerity and that non-essential expenses are done away with.

Seeking to address the concerns raised by this year's below par performance of the Company in the light of the fact that the Chandrapur Cement Unit has not delivered results on the expected lines, he makes it pretty clear that the top honchos of the Company are determined to defend its reputation as a corporate house, which is destined to occupy centrestage in the industrial arena of the country with an enormous clout. "In any new venture there are bound to be some setbacks. But these setbacks are only temporary and should not worry MIL stakeholders. They can't and won't melt away resolve to continue with our efforts to expand our business left, right and centre and script a golden history of MIL," he affirms, radiating confidence.

He takes heart from the fact that Murli Horsepower Cement, which is tipped by the market watchers to give a new identity to the Company and reinforce its image as a market force in the making, has been received very well across the country as is evident from the fact that it has already flooded the markets with the demand for it set for a quantum leap, which in turn, would open up new possibilities of brisk business thereby taking the Company out of woods.

"What we are noticing is that there is a groundswell of opinion that Murli Horsepower Cement is going to rule the roost in the days ahead. The future has in its pouch some really exciting things for us. It's only a matter of time when everything would be in apple-pie order as the string of measures taken by us to retrieve the situation come to fruition," he says, issuing a ringing warning to MIL rivals, who concede privately that MIL is bound to resume its pursuit of ambitious goal of reaching the pinnacle of name, fame, glory, honour and prosperity after putting this troubled spell behind it.

The Company is confident that with men like him to guide its destiny, it can rest assured that its future is very very promising.



**MURLI**



### **Mr. Bajranglal B. Maloo**

Our 55 -year old Director Mr. Bajranglal B. Maloo, who can be termed as the gem of a person in the MIL Board of Directors, is among those key figures who have been striving ceaselessly to build golden road to destiny for the Company.

Calling the current adverse situation being witnessed by the Company as a transient phase, he observes that this is the most critical and defining moment in contemporary history of MIL. And this highlights the importance of staying focussed on the urgent task of restoring financial health of the Company, which he opines, would not be a difficult task for the Company, given the fact that the MIL has the wherewithal for bringing about a dramatic turn around in its fortunes as also an unwavering commitment to bounce back with a vengeance.

He is mighty satisfied by the fact that Murli Horsepower Cement has reached every nook and corner of the country in a relatively short period of time thanks to its matchless superior quality. The sheer volume of business it has generated for the Company at a phenomenally brisk pace has taken the market watchers by surprise. "This indicates that we have momentum on our side and there are lots of things to be encouraged by," he remarks, insisting that it is vitally important to ensure that the Cement Unit runs at its 100% capacity, which, according to him, is an absolute must for turning the tide to impressive effect. He believes that the spin- offs of this achievement would be many and the trickle -

down effect would lead to better results in other units of the Company as well, especially the paper unit.

A keen and serious operator and an intelligent implementer of innovative ideas, he has always acted as a catalyst in the Company's metamorphosis and has had a lead role in the setting up of Duplex Paper Unit, News Print Unit, Writing & Printing Unit and Captive Power Plant of the Company.

He strikes an instant chord with the employees of the Company. Every MIL employee feels that he belongs to him. This type of connectivity and relationship is rare to be found. He calls upon them to work devotedly to build a rosy future of the Company on the foundation of its glorious past.

He takes the line that industrial growth has to be inclusive and not in statistical terms only.

It would not be out of place to say that he has been among the principal architects of MIL's rise as a major corporate power to reckon with in industrial circles.



### **Mr. Lalchand B. Maloo**

Our 51-year old vastly experienced Director Mr. Lalchand B. Maloo, whose name is byword for brilliance, is among those hugely important figures for the Company whose pioneering role in the evolution of the Company in its proud two- decade long history has been a sort of boon for the Company.

He makes it abundantly clear that this year's adverse financial result notwithstanding, MIL would stay the

course and the ongoing projects would be pursued with the same degree of passion, zeal and vigour as ever. "There has been no compromise on the ongoing projects. The resource crunch should not be interpreted in a manner that may show that there is any compromise on the ongoing projects as we have already carefully devised our way forward," he sets the record straight stressing that we need to look inward to know the micro details of what went wrong.

The man, whose towering presence in the MIL Board of Directors is the greatest beacon of hope, he maintains that MIL well-wishers can take confidence from the wonderful unity that exists among the members of the Board of Directors, who are a superbly unified team. "It is largely owing to this cohesion among the members of the MIL Board of Directors, which operates on the principle of collective functions and individual responsibility, that the Company has been able to put up such a splendid performance in the past and is very much upbeat about replicating it in the times ahead," he asserts.

The man, who has nurtured the Company through thick and thin, he has proved time and again that he has the guts and will-power to mould the future of the Company because of his unmatched ability to steer the Company to success despite difficulties.

It is worthwhile to note that the cement project at Chandrapur, which is expected to serve as a gateway to our future prosperity, was commissioned under his able guidance and monitoring.

He belongs to an altogether different league of people, who are engaged perpetually in ambitious pursuits. There is absolutely no denying the fact that it is his dedication, devotion as well as steely resolve that has helped the MIL scale one peak after another. "20 years is just a milestone, we have miles to go," he articulates his vision, underlining the doughty spirit of the MIL Directors to put the Company firmly on a course of greatness.

The Company expresses its gratitude to him for the stupendous job he has done for it and looks up to him for guiding its way to the summit of glory.



### **Mr. Sunil Kumar Maloo**

Amongst the most prominent and distinguished members of the MIL Board of Directors is our 42-year old Commerce Graduate Director Mr. Sunil Kumar Maloo, who exemplifies the spirit of an emerging corporate force named Murli Industries Ltd.

He refuses to buy the argument that in the wake of the reverses suffered by the Company this year, it would be forced to slow down the commissioning of its new projects. "No, not at all, in our two-decade long history we have never strayed from our path and we would continue on this avowed path of sustained growth all the time," he stresses. "MIL is still in its prime, having completed 20 years of existence, we can say that now it is on its way to becoming more mature and the pitfalls like this will only make it stronger," he says adding that his confidence stems from the fact that the Company has taken a number of well thought-out steps to address the current situation and their positive impact will become palpable very soon.

Terming MIL employees as the 'vehicle of prosperity hitherto achieved by the Company', he calls upon them to keep abreast of new and emerging technologies and concepts of technology-driven growth. It would not be improper to contend that behind the sterling performance put up by the Company perspiration is of the employees but the inspiration is his.

Presently, he is looking after the agro units of the Company. He is also actively associated with the upcoming cement projects of the Company at



## **MURLI**

Rajasthan and Karnataka. The Company expects that its rich history of thrilling achievements would be given another golden chapter when all its cement units run concurrently at their 100% operational capacity.

He remains involved 110% with any activity he entrusts himself with. This expression-110%- has a special meaning in corporate activity at the topmost level.

He can be equated with the captain of a team who not only leads from the front but is also the one who shows no emotion whatsoever as he marshals his team along a challenging path.

There is direct co-relation between risks and returns. His risk-taking ability has been rewarded with good returns as is obvious from the exponential growth achieved by the Company in its history steeped in milestones.

A noted tactician known for remarkable business acumen, he has an amazing ability to understand the subtle strategic shifts the rivals effect.

The Company is absolutely confident that with the man of his experience, dynamism and vision shaping its future, its march forward is bound to be a smooth affair.

### **Mr. Yashpal Dhiman**

56-year old Executive Director of the Company Mr. Yashpal Dhiman is one of the principal figures constituting the think-tank of the Company. An M.A. in Economics besides an LL.B. from Kanpur University, he has Post Graduation Diploma in Personnel Management too.

One of the foremost thinking members in the MIL Board of Directors, he maintains his composure even through high-voltage situations.

He concedes that we are going through a tough time, but at the same time exudes confidence that with the corrective action taken in right earnest, the Company would soon be forging ahead on the way to becoming an unrivalled force in the corporate world.

Recalling the glorious past of the Company when it successfully encountered a number of odds to become an influential market player, he implores MIL stakeholders not to be unnerved by this year's results

achieved by the Company and to exercise patience adding that it's important not to look too far down the road. "We know what our success means to scores of our stakeholders and we are prepared to work very hard to bring renewed honour and glory to MIL", are his electrifying words that enthuse all the MIL employees, who are ever ready to work their heart out for the sake of the Company under his supervision and guidance.

He leads by personal example. He takes charge of a bad situation and makes way through it with his calm and composed attitude.

The most outstanding characteristics of his personality are his interpersonal skills and proficiency in handling industrial relations.

A proponent of free market economy without any shackles for entrepreneurs, he takes the line that the rapid economic growth of the country is possible only if the government focuses on building infrastructure, which is so very badly needed if India has to outclass China, which has emerged as our most formidable rival in global trade. "There is the need to create infrastructure- social and intellectual, which has all along been the prime mover of India's growth," he observes.

Exhorting MIL employees to stay ahead and be open to new ideas, he asks them to learn through mistakes. He takes the line that thinking big and acting with a sense of self-belief and the desire to excel pays handsome dividends and paves the way for one's aggrandisement in life.

He is confidence personified. His positive attitude towards the job he is assigned is so infectious that the whole unit excels in its performance.

The Company is optimistic that with his drive, dedication and hard work he would take the Company to new heights

### **Mr. B.P. Ganu**

Mr. B.P. Ganu, 69, Independent Director of the Company, who has been associated with the Company for 6 uninterrupted years, is unquestionably one of the most erudite minds in the Board of Directors of the Company.

The man who has a lengthy record of working on various positions in corporate sector, he emphasises that MIL has never compromised with the quality of its products by yielding to the temptation of making easy pickings. "For us ethics and morality are not mere dictionary words in the rat race to earn profits. We have all along been walking a fine line between maintaining quality and lowering the cost of production," he argues, with the satisfaction of MIL products having all along been a touchstone for quality writ large on his face.

Like rest of the members of the MIL Board of Directors, he too is not unduly disturbed in the face of the Company unexpectedly posting losses this year. He shares their optimism that the Company would soon leave this phase behind and in line with the expectations of market analysts, would move forward with aplomb and vigour. "MIL has the strength and the resilience to overcome all obstacles. We have shown time and again as to how adversities could be turned into opportunities," he underscores. At the same time he calls upon the stakeholders to lend renewed strength to MIL observing that the key to a solid performance by MIL lies in its strong and meaningful partnership with all its stakeholders.

A Graduate in Architecture from Nagpur University, who has been rendering hugely important services to the Company through immaculate project drawings, he takes the line that education is the panacea for curing the economic ills of the country. "Education is a pious source to enlighten the hearts and minds of the people as also an important engine of future growth and needs big investment," he sums up the importance of education.

The man whose leadership has always inspired the Company think-tank to fuel its sustained economic growth, he acts as a catalyst in the Company's metamorphosis.

Rejoicing at MIL products penetrating domestic and international markets in a big way, he predicts that MIL's image will improve markedly in many parts of the world largely because of high levels of confidence and trust reposed by the customers in MIL products and their qualities.

The Company appreciates that it has survived troubled times due to the presence of such

personalities, who stood like the powerful light house that guided ships to safety, with its powerful guiding light.

## **Mr. Rajinder Paul Gupta**

The galaxy of personalities who are integral pillars of the vast edifice of MIL includes our Independent Director Mr. Rajinder Paul Gupta, 73, who is currently sharing with other Directors the momentous task of giving a concrete direction to the process of evolution of the Company.

Mincing no words that the performance put up by the Company this year has been a bitter pill to swallow, he reminds MIL stakeholders that earning profit has been a staple hallmark of MIL in the past. "Looking back at the breathtaking progress achieved by MIL in its 20-year long corporate journey, I admit that it has not been a smooth walk to the pinnacle of glory. At times it was a rollicking performance; at other times it was causing anxiety in our minds, as is true about any corporate house. But what is striking about MIL is that every time it has faced an ordeal, it has been able to extricate itself out of tight situations. This time too we are sure we would bring this uniqueness of MIL into public eyes," he articulates his viewpoint sounding upbeat about the prospects of the Company taking the route to glory again after weathering this tumultuous spell.

Exhorting MIL employees to work with a spirit of enthusiasm so as to achieve best results possible, he opines that enthusiasm is the X-ray of the soul that penetrates and reveals the invisible. It is the philosopher's stone that transmutes dull tasks into delightful deeds.

Expressing satisfaction that MIL products, which are known for their premium quality, are becoming increasingly popular, he takes the line that it is on the strength of surging popularity of its products that MIL can realistically hope to outperform its rivals. "Entire energy of the Board of Directors is engaged in the turf war against its rivals. It is a relentless war and we are determined to prevail. We are very very keen and are passionate about it," he strikes a note of caution for MIL rivals, who concede, though not openly, that MIL has the potential to upstage them and make big splash in the corporate world as it has in the past proved



**MURLI**

beyond doubt that it has the will not only to survive tough situations but also to make unbelievable progress.

The Company derives immense pleasure from the fact that the person of his stature is instrumental in taking the growth story of the Company forward.

## **Dr. V.P. Thergaonkar**

Among the personalities whose association with the MIL Board of Directors is a matter of great pride for the entire MIL Group, is our 74-year old Independent Director Dr. Vinayak P. Thergaonkar, whose scholarly brilliance is beyond description.

Applauded for his awe-inspiring academic achievements, he is an internationally acclaimed Environmental Scientist having acted as WHO Consultant to the governments of Afghanistan and S. Yeman enlightening them on environmental aspects of the developmental projects undertaken by them.

An Ex-lecturer in Chemistry having rendered his invaluable services to Government College of Science, Nagpur, he has authored illuminating manuals and brought out several research papers and reports on the impact of human activities on environment. His illustrious career spanning five decades during which he has earned the rare distinction of serving Nagpur-based National Environmental Engineering Research Institute (NEERI) as Scientist In-charge at various laboratories across India and Institute of Sciences, besides a number of other prominent entities, is dotted with numerous achievements, which have been extolled time and again by many leading lights belonging to various fields.

There is no doubt that he has carved out a legend for himself. The light of knowledge shines bright when he speaks at length about a host of issues like air pollution & control, wastewater treatment, solid waste management, etc.

“Adversity tests the grit of a person. The feeling of emerging victorious in the face of all adversities is something better experienced than explained. Problems bring out the strong and resourceful person hibernating within us. We won’t let the repercussions of the problems deflect us from our path and goals,” he remarks, sounding philosophical about the adverse

situation being experienced by the Company at the moment.

He makes it amply clear that the top echelons of the Company are committed to redoubling their efforts to put the Company back on its growth trajectory and predicts that once the Company surmounts this challenge, there would be no looking back and in no time the Company would join the big league. In the same breath he insists that there is an imperative need on the part of the MIL think-tank to carry out a thorough review of their existing business policies and chart out future strategy, the one that facilitates or rather quickens the attainment of MIL goal of emerging as a corporate superpower. “We need to prepare our future road map and carve out our role in the changed scenario,” is his terse yet powerful message to MIL policy makers.

With men like him in its fold, the Company hopes to attain its efflorescence very soon.

## **Mr. Subhash Rode**

Our 60-year old Independent Director Mr. Subhash Rode occupies a place of prominence in MIL affairs.

An academician par excellence, he has done B.Sc. Tech. and M. Tech. A Gold Medalist from Nagpur University, he has Diploma in Business Management also under his belt.

A noted personality in industrial circles, he has rendered meritorious services to a host of industries while adorning positions as their top executive. The man whose life is a model of simplicity, he is credited to have evolved a number of innovative corporate practices that went a long way in giving a fillip to the growth stories of the companies he has served during his phenomenally successful stint in the industrial sector spanning more than three decades which also saw him leave an indelible mark of remarkable professional expertise while working as Head - India Operations at Nozomi Infotech based in Japan. The high point of his illustrious career, marked by immense achievements and meteoric rise to a position of eminence and glory, came when he graced the position of Additional Director of Industries at the Office of Development Commissioner, Mumbai.

In the context of the financial performance of the



Company not being on the expected lines, he opines that success is, no doubt, a wonderful thing, but equally important are the lessons derived from failures. "We would have an in-depth analysis and serious introspection of where we went wrong and take calculated steps to ensure that this is one-off episode in the otherwise enviable history of the Company." He goes on to add that there are many challenges ahead of us. They never cease. There are certain areas where we can improve. His remarks assume added significance as the Company's think tank ponders deeply how to tread the road ahead.

He expresses the hope that India would move forward to become an exemplary democracy, an economic power and a progressive society. In this context, he highlights the importance of the knowledge economy and IT and IT-enabled services.

His ability to function with aplomb in challenging times, abundant managerial skills and effective cost management gives him an edge over his counterparts in corporate world.

Hailing MIL record of putting a premium on quality, he takes a swipe at its rivals who do not shy away from diluting the quality of their products in a desperate bid to make easy pickings. "Diluting the quality must be an abomination to all the players in the world of business," he comments forthrightly.

With men of his caliber very much in the loop, MIL think-tank is bullish about rewriting a history of spectacular achievements.

## **Mr. Avinash Mardikar**

Among those key figures for the Company whose very presence in the MIL Board of Directors makes it feel buoyed and who are putting in tremendous amount of hard work to get us into a place where we feel very confident is Mr. Avinash P. Mardikar, 76, acting as Independent Director of the Company.

Widely acclaimed as a 'legal eagle' in legal circles, he is a B.Sc. LL.B. from Nagpur University.

A dyed-in-the-wool professional commanding tremendous respect for his virtually bottomless knowledge of all the facets of agro-based industries especially the ones dealing in oil, he has rendered exemplary services to several high-profile industrial

entities during his career spanning more than half a century.

An intellectual and powerful leader with distinguished academic record, he puts a rather straight forward perspective of the unexpected showing by the Company. He says the economic successes made by the Company in the past can not be belittled, just because it has floundered recently.

The man who knows the ins and outs of complex industrial operations, he avers that those who are thinking that it would take herculean efforts for the Company to rally have a mistaken notion and predicts that given the shared wish and commitment of the top brass of the Company to take it forward and the strenuous efforts being currently put in to translate this ambition into a reality, the tide would decisively turn in favour of MIL very soon and the Company would surprise everybody by registering growth at a blistering pace. "Setbacks can either make you lose your spirit to fight or make you strong enough to fight back and MIL may have been hard done by unfavourable times, it is committed to putting it behind and take forward its growth story. The heart-warming impact of the string of measures taken by the Company would soon become palpable," he exudes confidence while conceding that it is a major assignment calling for determination and courage.

Praised for his acute industrial antennae, he is a very good corporate leader. Art of leadership has got ingrained in his personality.

There is absolutely no doubt that he is an important figure for the Company with a definite stamp on the present phase of its corporate history. Due to his matter-of-fact attitude he enjoys total support of his colleagues.

He looks upon MIL employees as intrinsic to the process of transformation of the Company into a market force with very very strong national and international presence.

The Company is confident that with men like him around to guide its destiny, it would be able to script its growth history with redoubled zeal.



**MURLI**



**Chairman (Non- Executive)**

Shri Shobhagmal Maloo

**Managing Director**

Shri Nandlal B Maloo

**Executive Director**

Shri Bajranglal Maloo

Shri Lalchand Maloo

Shri Sunil Kumar Maloo

Shri Yashpal Dhiman

**Non - Executive Director**

Shri Bhargavram P. Ganu

Shri Rajinder P. Gupta

Dr. Vinayak P. Thergaonkar

Shri Avinash P. Mardikar

Shri Subhash A. Rode

**AUDIT COMMITTEE**

Shri B. P. Ganu | Chairman

Shri Nandlal Maloo | Member

Shri Rajinder P Gupta | Member

**REMUNERATION COMMITTEE**

Shri Bajranglal Maloo | Chairman

Shri Yashpal Dhiman | Member

Shri B. P. Ganu | Member

**SHAREHOLDER & INVESTOR  
GRIEVANCE COMMITTEE**

Shri B. P. Ganu | Chairman

Shri Nandlal Maloo | Member

Shri Rajinder P. Gupta | Member

**PROJECT MONITORING  
COMMITTEE**

Shri Rajinder P. Gupta | Chairman

Shri Lalchand Maloo | Member

Shri B. P. Ganu | Member

## **BANKERS & FINANCIAL INSTITUTION**

Allahabad Bank  
Axis Bank Ltd.  
Bank of Maharashtra  
ICICI Bank  
Punjab and Sind Bank  
SICOM Ltd.  
State Bank of India  
State Bank of Patiala

Andhra Bank  
Bank of Baroda  
Corporation Bank  
IDBI Bank Ltd.  
Punjab National Bank  
State Bank of Hyderabad  
State Bank of Mysore  
State Bank of Travancore

## **AUDITORS**

Demble Ramani & Co., 201, M.G. House, Civil Line, Nagpur

## **Company Secretary & Compliance officer**

Tarun K. Singh, 101, Jai Bhawani Society, Central Avenue, Wardhman Nagar, Nagpur - 440008

## **REGISTERED OFFICE**

101, Jai Bhawani Society, Central Avenue,  
Wardhman Nagar, Nagpur 440008.  
PH : 0712 -2768912 FAX : 0712- 2761145  
EMAIL : info@murliindustries.com  
WEB SITE: www. murliindustries.com

## **CORPORATE OFFICE**

'Radha House' 239, East Wardhman  
Nagar, Central Avenue, Nagpur 440008  
PH : 0712 -3050000 FAX : 0712- 2684422  
EMAIL:info@murliindustries.com  
WEB SITE: www. murliindustries.com

## **MANUFACTURING FACILITIES:**

AGRO UNIT I	: M.I.D.C. Industrial Area, Hingna Road, Nagpur
AGRO UNIT II	: Durkheda Road, Umred, Dist: Nagpur
DUPLEX BOARD UNIT	: Vill. Vadoda, Tah. Kamptee, Dist. Nagpur
NEWSPRINT PAPER UNIT	: Vill. Vadoda, Tah. Kamptee, Dist. Nagpur
WRITING & PRINTING PAPER UNIT	: Vill. Vadoda, Tah. Kamptee, Dist. Nagpur
PAPER POWER UNIT 18 MW	: Vill. Vadoda, Tah. Kamptee, Dist. Nagpur
CEMENT POWER UNIT 50 MW	: Vill. Naranda, Tah. Korpana, Dist. Chandrapur
PULP MILL	: Vill. Vadoda, Tah. Kamptee, Dist. Nagpur
SBS BOARD UNIT	: Vill. Vadoda, Tah. Kamptee, Dist. Nagpur
CEMENT UNIT	: Vill. Naranda, Tah. Korpana, Dist. Chandrapur



**MURLI**

## Highlights of the Company

### 20 years of MIL success and glory : reflecting will to persevere

This year marks the completion of 20 years since the Company heralded its advent on the industrial map of the country. Following the launch of its first industrial agro-based unit at MIDC in 1991 and the subsequent commissioning of second unit, again an agro-based one, in 1994, the promoters of the Company had visualized with perfect clarity that the stage is set for them to gain greater toehold in the market and penetrate it in a much bigger way. This confidence was generated by the fact that MIL products, which have always been synonymous with superior quality, were instant hits.

The success tasted by the agro-based units of the Company proved to be morale-booster for the Top Management as they went on an expansion spree and took the paper industry by storm by commissioning Duplex, News Print, Writing & Printing and lately SBS paper plants. These plants have together given a distinct identity to the Company and reinforced its credentials as a market player with limitless potential.

The MIL Board of Directors acknowledges unreservedly that it has taken them sustained and strenuous efforts and a long grind to reach this position. While factors like rising cost of raw materials, stiff competition characterizing modern-day markets, enormous pressure of customers' expectations, to name just a few, took a heavy toll on the newly emerged, fledgling industrial units and turned them into a basket case, the Company pressed home the advantage in terms of runaway success and further tightened its grip on the market.

The Chandrapur Cement Unit, which is the latest addition to the Company's list of possessions, has taken forward the ongoing process of the expansion of MIL business empire. Although this year's financial result has not been encouraging, the Company reiterates its commitment to move swiftly and decisively to take the remedial action so as to tread the way to glory.

### Power Plants: Lifeblood of MIL operations

Power plants at the disposal of the Company have traditionally been the mainstay of its operations enabling it to ramp up its production to meet the rise in the demand for its goods, which have an edge over those of its rivals.

The Power Plant with combined capacity of 18 MW at the paper units of the Company has enabled it to acquire self-sufficiency in terms of its power requirement. However, the Management visualises the need to augment the supply of power as the expected surge in the demand for various brands of its paper is likely to render the current availability of power inadequate. The Top Management of the Company has chalked out plan in this regard and the same will be actioned as and when the need for it arises in foreseeable future.

Similarly, the three power plants of 16.5 MW capacity each are currently sustaining the manufacturing operations at the Chandrapur Cement Unit of the Company. At the moment, however, 2 Power Plants with joint capacity of 33 MW capacity are taking a momentous role in carrying on the operations of the Company.

It is worthwhile to mention that the Top Management is very much keen that the operations at the Power Plant must go on unimpeded so as to guarantee that the overall plant operations too go on smoothly. It is with this view that the Company takes meticulous care to ensure that its Power Plants are run by those technical experts who have rich experience of carrying on Power Plant operations so that the possibility of frequent breakdowns is kept at bay.

The Company expects its Power Plant to play a pivotal role as it gears up to widen the sphere of its influence by tapping new markets and strengthening its presence in the pockets where it is already a dominant force.

## **Exploiting advanced technology : Quickening the pace of growth**

MIL has always been a strong votary of the use of latest technology to promote the growth of corporate sector. The Company has been able to achieve the vitally important element of efficiency in all its operations thanks to the application of state-of-the-art technology.

The Company takes the line that huge investments in the introduction of new technology are always worth making as it is new technology which sets the direction the industrial unit would take in the highly competitive modern day business scenario.

Since the extent of prosperity achieved by a corporate house is directly proportional to the degree of automation introduced by it, the Company has made gargantuan investments in employing most sophisticated technology with its SBS and the Cement Unit being the epitomes of technological revolution.

The introduction of ERP (Enterprise Resource Planning) system in the Company which links Company's plants with its Corporate Office is essentially designed to secure better coordination among IT personnel of the Company. This has gone a long way in bringing about marked improvement in the operational efficiency of MIL units. What is pertinent to note here is the fact that those operating the ERP system are themselves vastly experienced men from IT field and the brains behind a successful IT revolution in the Company. Also, the implementation of SAP in Chandrapur Cement Unit has proved to be immensely helpful with industrial operations being toned up there. The Company is going to replicate the success of SAP at Cement Unit in rest of its units too.

The Company welcomes into its fold techno- savvy personnel as it is they who are the drivers of Company's growth.

## **Taking well-defined measures to widen customer base**

Over the years MIL has built its image as a dependable supplier of quality papers like News Print, Writing &

Printing and Duplex Board Paper. The consistency with which the Company has been supplying quality goods to its numerous customers based across the country and overseas at a most competitive price has won it numerous customers.

MIL customers have time and again certified unequivocally that it is the premium quality of its papers supplied at reasonable prices by the Company as and when demanded by them that keeps them perpetually bound with it. Apart from papers other products manufactured and marketed by the Company include Soya Oil, Deoiled Cake and Acid Oil, Cream Vowe, Map Litho, Copier and Chromo Board. What applies in respect of the supply of papers applies very much in respect of the supply of these products too.

Murli Horsepower Cement, the newest product launched by the Company has also taken the market by storm. Although due to some technical reasons there has been marginal drop in the volume of sales of cement effected by the Company during the current financial year, the Top Management of the Company remains committed to introducing Murli Horsepower Cement in every nook and corner of the country in the shortest time possible thereby giving a major push to its sales. The Company remains upbeat about Murli Horsepower Cement soon acquiring a dominant position in the market with other hitherto established names being reduced to fringe players.

Through this policy document MIL would like to convey a deep sense of gratitude to all its customers who have reposed their unwavering faith in it and provided it with the fillip needed for any corporate entity to strengthen its presence in the market. The Company hopes that as in the past its dear customers would continue to be central to its phenomenal success in future too.

## **Upgrading quality through thrust on research and analysis :**

MIL Management has repeatedly vouched that it would never be tempted to take a shortcut to profit through unfair trade practices and that it believes in discharging its sacred commitment to supplying



**MURLI**

quality products through research and analysis of materials, intermediate products and inputs.

The persons handling the production department are struck by new ideas about further upgrading the quality of our products as they carry out an extensive research and analysis of the products.

The MIL Management has made it abundantly clear to its production department that it would adopt a policy of zero tolerance towards any failure to meet the quality specifications laid down by it. It follows with meticulous care the prescriptions given by the Management in this regard.

The Purchase Department manned by expert personnel also takes a momentous role in ensuring the sound quality of MIL products by procuring quality materials and supplying the same to the production department. Thus the Purchase Department of the Company shares to some degree the task of the Research & Analysis Section of the Production Department.

An extensive research and analysis process undertaken in the fully automated laboratories of the Company which are manned by experts of science having in-depth knowledge of industrial research and analysis is aimed at ensuring that MIL products continue to enjoy a very high degree of acceptability in the market.

## **Striving to push up sales by harnessing new technology :**

Over the years MIL has earned the repute for being a go-ahead Company which believes in the transformation latest technology is capable of bringing about in the fortunes of an industrial unit. The Company is now using extensively the ERP plus Information Technology to maximize the sales of its products. Under this separate code numbers have been allotted to each and every dealer reaching the products of the Company to various parts of the country besides, of course, foreign countries. They are thus able to know online through this code number all the details vis-a vis production schedule, availability of stocks with the Company, etc., to name just a few. They are also using this very facility to

place their orders online.

Similarly we have now adopted the system of processing online the orders of our customers as well as dealers. Needless to say that our switch to this new way of reaching out to our patrons has led to an effective, smooth, time saving and more frequent and fruitful interaction between the Company and its dealers which is expected to manifest itself in an upswing in sales of the Company's products.

In addition to the innovative measures spelt out above the Company enlists the services of its techno-commercial staff which is doing the crucial job of providing effective after-sale services to MIL customers. We remain confident that all these measures would contribute significantly to further improvement in the quality of services rendered by MIL to its customers, whose unflinching support is among the principal pillars of its magnificent performance.

## **Attending to dealers' grievances on a priority basis :**

MIL's record so far in terms of sticking to time schedules of the delivery of the goods to its customers has been spotless. The Company would like to make it abundantly clear that it would be its utmost endeavour to see to it that like in the past in future too there is absolutely no scope for complaints by its customers about quality of its products, dispatch schedule, etc. However, the Company would like to clarify that as there has been a perceptible surge in its operations especially during the past few years, there may be situations wherein it may not always be possible on its part to strictly stick to dispatch schedule. In such a scenario, its customers may probably have complaints to make regarding non-receipt of the consignment of goods on time.

To tackle this situation the Company has now made it mandatory for its senior most officials to look into any such complaints and take steps to redress them within a stipulated period of seven days. If the response by the senior most officers of the Company to their grievance does not satisfy them, then they can exercise the option of lodging their complaint directly

with the Directors of the Company, who will then be seized with the matter and do the needful to ensure that the complaint made by the valued customer of the Company is resolved to his full satisfaction. Besides, if the delay in the supply of goods was found to be avoidable, accountability will also be fixed for the same with the erring employee facing the music for lapses on his part.

The MIL Management is glad to disclose that while reacting favourably to this mechanism, its dealers have opined that such a move would further boost their enthusiasm to market the products of the Company with redoubled vigour.

## **Committed to furthering the interests of stakeholders :**

MIL has always been protective of the interests of the stakeholders and taken all possible measures to address their problems. We are fully aware and sensitive to the needs and aspirations of the stakeholders; their well-being has always been our top priority.

MIL website was launched with the express aim of enabling all our stakeholders to keep a tab on our operations and judge for themselves as to how we are faring as a corporate group and what our future growth prospects are.

The provision of facility to all our customers as well as dealers to place their orders online is designed to save their precious time and energy required in using conventional methods.

The MIL Management's insistence on optimum use of all the resources at the Company's command, strict rules and regulations in this regard being there in place, their strict enforcement, etc. accompanied by a string of other such safeguards including checks and balances go on to suggest that MIL has well fortified systems which give a cast-iron guarantee that the interests of MIL stakeholders are fully taken care of.

## **Maintaining tradition of quality :**

MIL has always been conscious of the fact that maintaining an excellent quality of its products holds

the key to winning more and more new customers thereby enlarging the scope of its business. Maintaining supreme, matchless and premium quality of its products is something that has all along been at the heart of its marketing policy.

We at MIL take the line that business without ethics is sin and condemn in unequivocal terms the most unethical and abominable tendency indulged in by some unscrupulous entrepreneurs to temper with the quality of their products with a view to making easy pickings.

MIL draws tremendous satisfaction from the fact that it has never, under any circumstances, whatsoever, resorted to this undesirable practice of diluting the quality of its products and maintained its glorious image as a most trusted supplier of a wide range of quality products, which enjoy a very high degree of acceptability as is evident from the fact that over the past twenty years the Company has evolved into a market force with formidable repute, gaining automatic recognition as an entity taking an uncompromising stand on quality. It is screamingly obvious that without an unblemished and impeccable record of the quality of its products, it would not have been possible for the Company to earn accolades from all quarters.

Through this policy document the Company reaffirms that quality would continue to be its watchword and that it would continue to strive to bolster its position in the market on the strength of the superior quality of its products.

## **Dedicated employees : Pillars of MIL strength**

MIL subscribes to the notion that the pace and the quantum of strides made by an industrial undertaking depends largely on the quality of its employees, who act as a catalyst in the process of its evolution-cum-transformation. It is in keeping with this ideology that the Company takes meticulous care to see to it that it inducts into its ranks only those employees who fit the bill.

The Company is uplifted by the fact that an able, dedicated and disciplined workforce is shouldering



**MURLI**

the vitally important task of promoting the interests of the Company. The employees of the Company, many of whom have risen from obscurity to fame after leaving an indelible mark of their sterling performance, view the Company as a platform to shape their personality as they ready themselves to take a central place in the MIL scheme of things.

The Management follows dual policy of rewarding its promising employees while at the same time sternly asking the slackers to shape up or ship out as it can ill-afford to let the quality of its operations suffer. If such non-performers or under-performers having been asked to pull up their socks within a reasonable time-frame fail to raise the level of their performance in conformity with the standards set by the Company, they have to make way for their worthier replacements after the set procedure in this regard has been fully complied with.

The Company is heartened that its employees are more than willing and eager to join it in its ambitious pursuits.

## **Improved productivity : Our focus of attention**

The Company is very much mindful of the fact that there is an interface between productivity and profitability.

The Top Management of the Company attaches great importance to improving productivity by enhancing the efficiency of workmen, especially those who are directly engaged in manufacturing operations. With this view the Company arranges to provide training to its workers so that they become conversant with the mode of operating most advanced production machines. These training programmes help the employees in fine-tuning their skills and iron out their weaknesses. It may be underlined that the results of the training imparted to the workers have been fabulous so far.

The Production Department keeps a close tab on the quantum of production on a daily basis and the causes of shortfall, if any, are addressed forthwith. In addition to this the Top Management of the Company remains in constant touch with those manning the

Production Department and keeps taking stock of all those factors which impact on the level of overall productivity. It also exercises a strict vigil on the performance of production personnel, who spare no effort to ensure that the level of productivity is not allowed to slump at any point of time.

## **Protection of environment : Obsession of MIL**

Thanks to a slew of steps aimed at conserving the environment, MIL has become a corporate unit with protection of environment as its major identifying mark.

The Company leaves no stone unturned to see to it that a perfect ecological balance is maintained while at the same time the Company takes up its activities unhindered.

It has all along been sincere endeavour of the Company to ensure that all the anti-pollution norms laid down by the Maharashtra Pollution Control Board (MPCB) are strictly adhered to.

The Environment Cell of the Company consists of senior executives, who have in-depth knowledge of handling environment-related matters with remarkable adeptness. It is due to their persistent, well-choreographed efforts taken over a period of time that the Company has been able to significantly cut down on the level of pollution. The Company adopts a policy of zero tolerance towards any lapses committed by any of its units that could potentially harm the environment and the erring personnel are issued explicit warning to immediately take remedial action so that the Company's image as an eco-friendly unit is not dented.

A highly advanced Electrostatic Precipitator (ESP) installed in the Power Plant of the Company operated by a team of technical staff specialising in pollution-related methodology has contributed significantly to curbing pollution.

The functioning of the Effluent Treatment Plant (ETP) run by the technical staff of the Company is kept constant watch on. It is at this plant that the water used in plant processes is recycled and made fit for



reuse. The Company takes due care to try and ensure that the effluents generated during plant processes are kept to an absolute minimum. Before they are disposed of these effluents are treated at the ETP under very effective supervision and monitoring of senior personnel of the Company tasked with taking measures to reduce pollution. The water treated biologically is put to reuse for watering the tiny saplings planted all over the Company premises. These saplings, which have added to the green cover in and around MIL units, have also supplemented our efforts to check pollution.

A significant portion of the recycled water is reused in plant operations which has resulted in cutting down on the consumption of fresh water by the Company.

The Reverse Osmosis (RO) Plant run by persons with profound knowledge of ways and means has been instrumental in a drastic fall in the consumption of fresh water by the Company.

The Company has volunteered to initiate plantation drive in its immediate neighbourhood. This step by the Company, in which it roped in locals in a big way, has not only helped create a rejuvenating environment in the areas in its proximity but also reinforced its identity as a corporate unit which attaches top priority to safeguarding environment.

Through this policy document, the Company renews its pledge to continue to be environment-sensitive.

## **Attaching highest priority to workers' safety :**

Over the years the Company has built its reputation as a business establishment where workers safety is of paramount importance and as such sacrosanct. The Company has, time and again, made it crystal clear that it never compromises when it comes to ensuring safety of its workers, whom the Company describes as 'its real soldiers who hold the key to the success of its ongoing efforts to scale the summit of glory'.

MIL credo places the safety and welfare of the workers first, always and every time and this is why the Company takes optimum care to provide an absolutely safe working atmosphere to its workers. This is guided by the belief that the workers who are constantly

haunted by the feeling of lack of safety measures can not work with a relaxed mindset.

The Company has initiated a string of safety measures which are essentially designed to create a foolproof safe working environment for its workers. These measures are reviewed by the senior executives of the Company, who have profound knowledge of safety aspects of industrial operations.

It is worthwhile to note that the Industrial Safety Committee, which is a body comprising senior executives of the Company besides, of course, workers' representatives meets on a regular basis to discuss threadbare all the safety-related matters concerning workers as also to review the efficacy of safety rules and regulations prevalent in the Company. The Industrial Safety Committee has enabled the Company to raise the efficacy of the safety norms and regulations by identifying potential risk areas and recommending action to be taken to plug the lacunae, if any, in the existing safety norms. It is noteworthy that the recommendations made by this Committee have made a significant contribution towards the revamping-cum- strengthening of safety norms in the Company.

Thanks to the exemplary job done by the Industrial Safety Committee the Company has been able to create a feeling in the minds of the workers that it is its serious endeavour to create such a working atmosphere for its workers wherein they feel that there is no potential threat of their meeting with any accident or for that matter, ugly incident potentially causing serious injury to them.

The Company provides safety helmets, jackets and other safety items to its workers which they have to use compulsorily during their duty hours. The Company has also embarked on Training Programme for its employees so as to educate them about safety aspects of their operations. With the Training Programme MIL employees have honed their managerial proficiency which has, in turn boosted their confidence level. All the employees, who have participated in the training programme, are now instrumental in creating safety consciousness and the sanctity of safety rules in the minds of their fellow employees.



**MURLI**

The Company also periodically organises seminars on Workers' Safety in which workers are enlightened about the precautions they are supposed to take to exclude any possibility of the occurrence of industrial accidents during the course of their duty hours. In addition to this the Company also invites suggestions and views from its employees on improving the safety standards in the Company. Those making worthwhile suggestions in this regard are also rewarded by the Company. Needless to say, such suggestions are actioned forthwith by the Company as well.

To put it briefly, the Company takes meticulous care to ensure that its workers working their heart out are provided with a safe working environment

## Human Resources Department at MIL : Setting new benchmarks

The Human Resources Department at MIL is instrumental in bridging the gap between the workers and the Management thereby forging a close relationship between them. We at MIL believe that the employees of the Company are the architects of the progress and prosperity achieved by it and as such the Management ought to demonstrate a spirit of considerateness towards them. It is in this context that the HR Department, run by senior executives with a huge wealth of experience behind them has done a stupendous job by treating MIL employees with kid gloves and turning them into agents of its prosperity by making them feel that the Company is the be- all and end- all for them. At the same time the HR Department has also been able to convince them that their well-being is what the Company incessantly strives for.

The organisational set-up prevailing in the Company is such that all the Departments have the number of employees commensurate with the scale of operations handled by those Departments and as such the question of over-sizing or under-sizing of any Department does not arise.

As is commonplace in the present business scenario, the Company is required to outsource some of its operations to contractual workers. While doing so the Company takes meticulous care to ensure that all the

legal provisions governing the award of contract are fully observed. At the same time the Company also takes care of the interests of its workers who are on the roll of the Company are fully protected.

The Company's record in terms of following all the statutes and legal provisions governing the entire gamut of its operations has been commendable. The senior executives keep interacting with their subordinates to get first hand account of the functions being performed by them keeping in mind the provisions of statutes as also to guide and educate them about how they have to achieve improvement in operational efficiency.

# M i l e s t o n e s

**2010**

Cement Unit established with a capacity of 3 MnT

Setting Up of Power Plant at Chandrapur with a capacity of 50 MW to cater the power requirement of Cement Unit

**2009**

Newly established SBS Board Unit, commenced its production, established with a capacity of 250 TPD

**2008**

Expansion of capacities of News Print Unit from 70 TPD to 140 TPD

**2007**

Successfully floated the Foreign Currency Convertible Bond in London of USD 23 Million & securities listed on Singapore Stock Exchange. 2007 the backward Integration of Paper unit i.e. Pulp Mill established with a capacity of 150 TPD to cater the need of high quality Raw Material for the Writing & Printing Paper Unit

**2006**

First time the Turnover of the Company crosses ₹ 5000 Million

The Name of the Company changed from Murli Agro Products Limited to Murli Industries Limited

**2005**

Commissioned Writing Printing Power Unit, capacity of 300 TPD

Commissioned another captive Power Unit of 15 MW to cater the increased power requirement



**MURLI**

## Managing Director's Statement



**Dear Shareholders,**

Talking to you through this letter and sharing my innermost feelings with a spirit of candour and frankness has always been an exhilarating experience for me. It is through this letter that I have been able to let you know as to how we, as a corporate entity, have been able to perform by translating our plans into concrete actions in the just-concluded fiscal. It also enables me to apprise you about the moves your Company is going to make in the times ahead so as to reinforce its identity as a market force to reckon with.

Friends, there is a saying which goes; 'time and tide wait for none'. Even seemingly resilient corporate units have had to face the fury of times. Even a cursory look at the corporate history of India would reveal that there have been such bad times when even the most formidable industrial houses have been battered by adverse conditions which accounted for the most unexpected results achieved by them. Needless to say, the losses suffered by them were a shocker for all those who had a stake in those units. History, however bears testimony to the fact that many of them were able to rally smartly and script the revival of their fortunes in a most spectacular manner. At times even we have also extricated ourselves from a most unfavourable conditions and left the corporate world surprised by the sheer pace of the process of recovery.

In the light of this observation I would like to disclose with considerable unease and discomfort that this year your Company too has been hit by harsh times as

we have posted losses to the tune of ₹ 197 Crores. While telling you about the losses incurred by us, I would like to share with you the crucial information that a slew of factors viz. under-utilisation of the production capacity of flagship Cement Project at Chandrapur was one of the significant factors causing loss of this magnitude. The cement unit is in initial stage and has been taking time to stabilise its operations and is operating at nearly 35% to 40% of its capacity, which is below the BEP (break even point) of the unit. The below-par performance of the Cement Unit had spill-over effect on other units of the Company too. They had to face cash crunch impacting negatively on their performance.

I know that my statement that in the year gone-by our performance has not been something to write home about would not go down well with you, but in the same breath I would like to remind you that in the past too we had to face such ordeal but every time we coped with it successfully and emerged even stronger. I have not even an iota of doubt that this time too we would be able to extricate ourselves out of this turbulent phase in the otherwise glorious and remarkable history of this beloved Company of yours. My confidence stems from the fact that we have the ability to put this sordid chapter behind and chart our route to renewed glory again. This would require putting our act together. I hope and trust that our valued stakeholders, including yourselves won't read too much in this year's financial performance of your Company. You can take my words at their face value when I assure you in unequivocal terms that it is only a matter of days, rather than months when this Company of yours would be once again firmly on course to achieving its rightful place of prominence in the industrial map of the country.

Friends, every dark cloud has a silver lining. My conviction is that if you draw positives even from a negative situation and take an optimistic view of the things to come; you can turn around the situation for yourself and rest assured that you are in for exciting times. I assert that this year's performance of the Company, which has not been on our expected lines,

has only strengthened our resolve to make redoubled efforts for earning that coveted centrestage in the corporate scenario of the country. Our first and foremost priority, however, remains to see to it that we are once again on the way to recovery, which would hopefully start sooner rather than later. Once this process is set in motion, I am sure what would follow in its wake would be a remarkable phase of transformation of the Company, which would see your Company once again regaining its credentials as an influential market force. Let there be no doubt about this in any quarter. Truly speaking, that wonderful period should beckon you just as it is beckoning me.

I would like to deliver a strong message to all those sceptics, who might be questioning our ability to overcome such difficult period and assert our identity, that we are not going to be deterred by this setback, which I would call a passing phase and an aberration. I would like them to note very carefully that situations like this, though unwelcome, do not at all dampen our determination, which is rock-solid. Let me remind them that our economic fundamentals are very very strong indeed. Forget about the statistics pertaining to our performance this year. I would like to give you a cast-iron guarantee that our economic fundamentals would remain strong. We have given an unmistakable signal in the past that we know how to combat problematic situations successfully. May it be the worldwide credit crunch, which had buffeted numerous industrial entities or the prolonged spell of strike in our paper unit in the recent past, which had brought the entire production activities to a grinding halt, every time we remained unruffled and continued to chart our way forward. This goes to suggest that MIL is very much capable of absorbing these shocks with relative ease and claw or rather force its way back to prosperity. If this has happened in the past, then there is no reason as to why we can not replicate the same this time around. Laconically put, we are very much optimistic about things looking up again.

You must be wondering as to what I am predicating my assertions on. Friends, you know unprecedented situations call for unprecedented response. Let me reveal that we have already done a thorough introspection through brainstorming meetings and

identified those areas where, frankly speaking, our performance has left much to be desired. They would unquestionably be our thrust areas. Through the evolution of more effective strategies we would definitely apply brakes on this ugly phenomenon of incurring losses. Rest fully assured that we would do what it takes to rectify this unnerving yet challenging situation. I call it challenging because it is the time when our business acumen, our collective will power to bounce back, our capability to fight adversities and emerge triumphant, our knack for turning odds into opportunities, etc. all would be put to a real test. And being an optimist I can affirm that we would come out with flying colours in the test we have been subjected to by this unsavoury year 2010-11, when things did not go the way we had desired and expected. I admit without mincing words that it has been a big let-down for us. Anyway, as I have already stated, we have the wherewithal to stay afloat and set an example for others as to how they should refuse to submit to challenges and continue to forge ahead with renewed determination. The stronger your will power, the lesser the difficulties. I hold that determination and firmness should be your watchword especially when you are up against unfavourable conditions. This would bring out the best in you and your tenacity would help you see that period off.

Although it is true that we are going through a lean patch with odds being stacked against us, there is no need for us to press the panic button. We have, after hectic deliberations, taken a number of far-reaching measures, which, we hope, would go a long way in putting your Company back on the way to hefty profits. One aberration is not going to divert us from our avowed aim of reaching the pinnacle of glory. This is not just an airy-fairy target. It is our expressed goal and we are serious about achieving it in toto. This jolt notwithstanding, I can foresee a rosy future of your Company when we would bask in its glory. Building such a promising future of the Company is something of a challenge and we are ready to confront this challenge head-on. My optimism stems from the fact that we have been spot-on in identifying the areas where we need to pay particular attention so as to exclude the possibility of losses ever threatening to thwart our ambition of carving a place of prominence



**MURLI**

in the industrial firmament of the country.

Let me take the opportunity to reveal that the company has applied to the Corporate Debt Restructuring Cell (CDR EG) for the restructuring of its existing debt and also to provide the additional fund so as to enable it to meet its current requirement of funds. The CDR EG has accepted the proposal and declared the final package for the restructuring of the existing loan. It has also sanctioned the additional credit facilities for the smooth running of our business. I expect that these measures would go a long way in turning around our fortunes. Apart from this we have embarked on a number of steps to boost the performance of Cement Unit, which we regard as the biggest beacon of our hope.

As you know that the SEBI has passed an order against the market operator on 2nd December, 2010 in which your company's name also mentioned and resulted the down fall of price of the shares of the company and also defamed the company in the market where it was enjoying the great trust of the investors. The said case is pending before the SEBI. But it is necessary to inform you that the hon'ble whole time member of the SEBI passed its second order on 23rd March, 2011 which was partly in our favor. We appealed to SAT against this order and SAT passed an order and directed to SEBI to conduct the investigation at the earliest and passed the final order within this financial year. We have also assured SEBI for our co-operation for completion of the investigation. We are sure that your company and the promoters will be found clean from the allegation framed against them.

All the measures I have shed light on are, no doubt, central to the resurgence of MIL. Nonetheless, I believe that your sustained faith in the standing of your Company is also of paramount importance. Your confidence in the future of this Company has always come as a shot in the arm for us and given us what I would call a decisive mandate to pursue our agenda of growth, which would, as in the past, bring tremendous benefits to all our dear patrons and as such you can also expect to have a slice of the cake. Frankly speaking, your confidence in our ability to weather any storms makes it incumbent upon us to continue to strive untiringly for its glory and prosperity so that

substantial gains accrue to you.

Before signing off, I would like to thank you for having partnered us in our pursuit of ambitious goals. I am glad to announce that this year marks the completion of two decades since we arrived on the industrial scenario of the country. Barring a few spells of upheavals and turmoil, it has by and large been a fascinating journey. I would be failing in my duty if I do not credit you with a profound sense of gratitude and indebtedness for making this corporate journey of ours a pleasurable experience by being our trusted and most valued companions. I am deeply privileged to extend my warm greetings to you. The role played by you in the evolution of this Company is a matter of great pride for us. I am sure with your sustained faith; we would be able to set in motion the process of transformation of MIL. And may be by the time this Report reaches you, the fruits of the measures initiated by us in that direction would have become visible. Needless to say, for this process to materialize, MIL needs your support more than ever before.

Thanking you,

Yours truly,

**Nandlal Maloo**

## Directors' Report

To the Members,

Your Company's Directors are pleased to present the 20th Annual Report of the Company along with the audited accounts for the twelfth month period ended 31st March, 2011.

### 1.1 Financial Highlights

( ₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	73,634	57,168
2	Profit Before Interest and Depreciation	831	13,236
3	Interest	13,812	4,126
4	Profit Before Depreciation	(12,981)	9,110
5	Depreciation	6,399	4,668
6	Profit Before Tax	(19,381)	4,442
7	Provision for Tax	320	680
8	Profit After Tax	(19,700)	3,761
9	Profit Brought forward from Previous Years	21,092	17,947
10	#Surplus available for Appropriation	418	21,708
11	*Dividend and tax thereon	251	205
12	Transfer to General Reserve	0	376
13	Surplus carried forward to Balance Sheet	185	21,092

\*The figure is related to previous year. # Net off by prior period item of Rs. 973 Lacs.

### 1.2 Segment wise Turnover

( ₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011 (Sales)	Financial Year 2009 - 2010 (Sales)
1	Solvent Extraction	27,413	27,692
2	Paper	28,082	20,146
3	Power	7,350	7,919
4	Cement	10,789	1,411
	<b>Total</b>	<b>73,634</b>	<b>57,168</b>



**MURLI**

### 1.3 Summarised Profit & Loss Account

( ₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	73,634	57,168
2	Other Operational Income	93	699
3	Total	73,727	57,867
4	Operating costs and Expenses	72,896	44,631
5	PBDIT	831	13,236
6	Depreciation	6,399	4,668
7	PBIT	(5,568)	8,568
8	Interest	13,812	4,126
9	PBT	(19,380)	4,442
10	Taxation	320	680
11	PAT (before exceptional items)	(19,700)	3,761
12	Exceptional Items (net of tax)	0.00	0.00
13	Net Profit	(19,700)	3,761
14	*Basic EPS (₹)	(33.38)	7.00

\* EPS calculated on the basis of ₹ 2/- per share

### Operations

The Company achieved a turnover of ₹ 73,634 Lacs during the period under review, as compared to ₹ 57,168 Lacs during the previous year. Which is a growth of ₹ 16,466 lacs over the last year's turnover i.e. 28.80%. The loss after tax is ₹ 197.00 Lacs during the tenure in comparison to the profit after tax of ₹ 3,761 Lacs in the previous year. The total Profit of the company is negative in this year which is mainly due to higher depreciation and the loss suffered by the Cement Unit of the company.

### Dividend

The Board of director at their meeting held on 12/09/2011 after discussion it was held that the company is suffering the cash liquidity crisis due to instability of the Cement Unit and the burden of high rate of interest hence it is recommended not to distribute dividend for the year ended March 31, 2011.

### Transfer to Reserves

The company decided not to transfer any amount to general reserve this year due to insufficient profit for the period ended 31st March, 2011.



## **Corporate Governance Report, Management Discussion & Analysis Statement**

The Auditor, M/S Demble Ramani & Co., has certified the Company's compliance of the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement. The said Certificate together with the management discussion and analysis statement is attached with and forms part of this Report.

### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 217(2AA) of The Companies Act 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (1) In the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed.
- (2) The directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss of the Company for the year under review.
- (3) The directors have taken proper and sufficient care of the maintenance of adequate accounting records with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) The directors have prepared the Annual Accounts on a going concern basis.

### **Directors**

Shri Shobhagmal Maloo, Shri Lalchand Maloo and Shri Sunil Kumar Maloo retire at the ensuing Annual General Meeting, and being eligible offer themselves for reappointment. The Board recommends their reappointment as Directors subject to their retirement by rotation. Dr. Vinayak P Thergaonkar, Shri Avinahs P. Mardikar, and Shri Subhash A Rode, were appointed as an additional directors during the year in operation. The office of these directors will vacate in the ensuing general meeting. The board recommended re-appointing these directors as independent directors of the company. These directors have been appointing by the company as per the provision of Clause 49 of the listing agreement of the company and will not be responsible for the day to day work of the company.

### **Auditors**

M/s. Demble Ramani & Co., Chartered Accountants, who is the statutory Auditor of the Company, will retire at the conclusion of the ensuing Annual General Meeting, and is eligible for reappointment. It has shown its willingness to accept reappointment and has further confirmed its eligibility under section 224(1B) of the Companies Act 1956.

### **Stock Exchange Information**

The Equity shares of the Company continue to remain listed on the Bombay Stock Exchange and National Stock Exchange and the annual listing fees have been paid to all the Exchanges. The application for the delisting of the company from the Calcutta Stock Exchange is still pending. The Foreign Currency Convertible Bond (FCCB) of USD 5.5 Million is listed on the Singapore Stock Exchange.

### **Other Information**

Inter-personnel relations in the Company remained harmonious during the period under review. Particulars as required under Section 217 (1)(e) of the Companies Act, 1956 relating to Conservation of Energy and Technology Absorption are provided in the annexure to this report together with particulars of Employees as required under section 217 (2A)(a) of the Companies Act 1956.

### **Appreciation & Acknowledgement**

Directors wish to place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.

The Board place on record their deep appreciation for the support and co-operation which your company has



**MURLI**

been receiving from its suppliers, distributors, business partners, and other associated with the company as its trading partner.

Directors also take this opportunity to thank all investors, clients, Vendors, Financial Institutions, Banks, Government & Semi-Government authorities and stock exchanges for their continued support.

## Annexure to the Report of the Directors

Information under section 217 (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report:

### (I) CONSERVATION OF ENERGY

The power generated by Captive Power Plant situated at Paper Unit Vadoda, Nagpur and Cement Plant, Chandrapur is used for captive consumption thus saving the overheads on power & conserving energy as well. The company established the power unit with advance technique and latest machinery for maximum utilization and saving the power pilferage. Also the company replaced old bulb with the CFL in all the factories and office premises for saving the power. It shows the great result by saving the power to a great extent.

All manufacturing units of the Company continued the endeavor to improve specific energy consumption, a measure to save energy used per unit of consumption.

### (II) Impact of measures above for reduction of energy consumption and consequent impact on the cost of production of goods

Energy's conservation measures initiated across the Company's businesses have resulted in significant savings and helped partially offset the inflationary trend in the fuel/electricity costs. Business-wise specific energy consumption figures indicate very competitive performance. The energy saving also helped the Company to reduce total Carbon Dioxide emissions.

Information under section 217 (2A)(a) of the Companies Act 1956 read with companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report :

## (I) FORM A :

### (a) Power and Fuel Consumption

	2010-2011	2009-2010
<b>Products</b>	De-oiled cake, Refined Oil, Duplex Board, Newsprint, Writing Printing Paper, Power, SBS & Cement	De-oiled cake, Refined Oil, Duplex Board, Newsprint, Writing Printing Paper, Power, SBS & Cement
<b>1. ELECTRICITY</b>		
(I) Purchased		
Units (KWH )Lacs	238.24	170.05
Total Amount ( ₹ Lacs)	1,327.10	928.67
Rate/Unit ( ₹ )	5.57	5.46
(II) Own Generation (MW)	1,19,568	1,47,200
<b>2. COAL</b>		
Steam Coal (MT)	2,42,989.13	1,51,796.55
Total Cost ( ₹ Lacs)	4,131.21	3,497.46
Avg. Rate ( ₹ /MT)	1,700.16	2,304.04
<b>3. OTHER / INTERNAL GENERATIONS</b>	NIL	NIL

## (b) Consumption per unit of Production

	2010-2011	2009-2010
<b>Products</b>	De-oiled cake, Refined Oil, Duplex Board, Newsprint, Writing Printing Paper, Power, SBS & Cement	De-oiled cake, Refined Oil, Duplex Board, Newsprint, Writing Printing Paper, Power, SBS & Cement
Electricity KWH	245.45	660.50
Steam Coal MTs	0.31	0.61
Others	NIL	NIL

## (II) Technology Absorption

### Research and Development (R & D)

The Company is having research and development center for the cement products at Chandrapur. This center has been concentrating on the research and development of cement products. The Company has also indirectly carried out R&D activities with the association of SOPA in Soya Segment.

### Technology Absorption, Adaptation and Innovation :

The Company has already established the latest technology available in the technical field; however it seeks to introduce new innovations for increasing the production capacity and for better quality of its products.

## (III) Foreign Exchange Earnings and Outgoings

The Company exported Newsprint, Writing Printing Papers and Duplex Board to Bangladesh, Srilanka, Malaysia, Dubai and Bangkok. However foreign exchange outgoings were on account of import of waste paper for Company's Duplex Board, Newsprint, Writing Printing Units and SBS Board Units for the current as well as previous year.

Sr.No.	Particulars	2010 - 2011	2009 - 2010
2	FOB Value of Exports (In Lacs)	INR 591.08	INR 32.08
3	FOB Value of Exports (In Lacs)	USD 13.17	USD 0.71
4	Foreign Exchange Outgoings		
5	CIF Value of Imports (In Lacs)	INR 6,321.46	INR 7,243.08
6	CIF Value of Imports (In Lacs)	USD 136.66	USD 151.26

## Management Discussion & Analysis

During the year under review the company has achieved favorable performance in its continuous development of new customer for the existing products as well as for the new products i.e. Cement. The company achieved better result during the year than the previous year in relation to turnover. During the year of operation the turnover was ₹ 73,634 Lacs in comparison to the turnover of ₹ 57,168 lacs in the corresponding period of the previous year. The turnover increased by 16,466 lacs over the last year's turnover i.e. 28.80%. The cash profit of the company for the period in question is negative i.e. ₹ 13,301 Lacs in comparison to cash profit of the previous year was ₹ 8,430 Lacs for the same period. The PAT is also negative during the current year and the amount of loss is ₹ 19,700 Lacs in comparison to Previous Year's profit of ₹ 3,761 Lacs. The negative result is mainly due to higher depreciation, the lower capacity utilization of the Cement Unit and unfavorable market conditions.



**MURLI**

The performance was much more satisfactory than the planned in all the existing units of the company except the Cement Unit, Chandrapur. The Cement Unit of the Company commenced its operation in last year only and due to technical reason it could not be stabilizes yet and hence the capacity utilization is around 40% only which is less than expected. We are sure that the problem will short out shortly and it will start production to its true capacity. The cement has welcome by the market with great hope and the Company fulfilled the expectation to the full extent of the market.

Turnover of the Company for the year 2011 was ₹ 73,634 Lacs. Pre tax profit is negative i.e. ₹ 19,381 Lacs, while post tax profit (before exceptional items) is negative at ₹ 19,700 Lacs. The turnover achieved growth of 28.80% in comparison to last year. The amount of the Pre Tax Profit and Post Tax Profit were ₹ 4,441 Lacs and ₹ 3,761 lacs respectively for the corresponding period in the previous year.

The Profit of the Company was negative during the period hence there is no transfer of any fund in the General Reserve during the year.

## Business Segments: Solvent Extraction Plant

The company continues to maintain its valuable position in the market by delivering superior value to consumer through best products and services.

### Agro Unit I:

During the period under review the Unit produced 33,175.53 MT of Soya DOC and 6,543.92 MT of Refined Oil respectively as compared to 32,221.72 MT of DOC & 6,480.43 MT of Refined oil during the previous year. The Unit recorded a turnover of ₹ 9,337.14 Lacs during the year under review which was at ₹ 9,746.51 Lacs in the previous year. This was a negligible negative growth of 4.20% in comparison to the turnover of previous year. The profit before tax of the Unit I also declined to ₹16.76 Lacs from ₹ 922.17 Lacs for the last year's Profit before tax. The Profit after tax (PAT) also declined to ₹ 16.76 Lacs from ₹ 722.16 Lacs of the last year's profit after tax. The performance of the Unit was mainly affected due to non-availability of the Soya seeds and volatility in the market. There were uncertainty in the market hence the cost was volatile and hence the cost of raw material was more and the same affected the profit of the Company to a great extent. The short of the fund also affected the business of the company.

The Summarized Financial Result is as under.

( ₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	9,337.14	9,746.50
2	Profit Before Interest, Depreciation	512.04	1,440.46
3	Interest	469.62	488.85
4	Profit Before Depreciation and Tax	42.42	951.61
5	Depreciation	25.66	29.44
6	Profit Before Tax	16.76	922.17
7	Provision for Tax	0	200.00
8	Profit After Tax	16.76	722.17

### Agro Unit II

During the period under review the Soya DOC and Refined Oil Production were 60,865.93 MT and 12,608.51 MT as compared to 62,674.19 MT and 12,532.65 MT respectively in the previous year. The turnover of the Unit was

₹ 18,076.01 Lacs during the year under review which was at ₹ 17,945.40 Lacs in the previous year. It was a marginal growth of 0.73% over and above the turnover of the last year for the same period. The profit of the company was having negative growth in comparison to the Profit earned during the previous year for the same period. The profit after tax of this unit decreased to ₹ 1,068.16 Lacs from ₹ 2,216.18 Lacs.

The Summarized Financial Result is as under.

( ₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	18,076.01	17,945.40
2	Profit Before Interest, Depreciation	1,785.93	3,204.79
3	Interest	647.82	506.89
4	Profit Before Depreciation	1,138.12	2,697.90
5	Depreciation	69.96	81.72
6	Profit Before Tax	1,068.16	2,616.18
7	Provision for Tax	0.00	400.00
8	Tax Paid (Earlier Year)	275.14	0.00
9	Profit After Tax	793.01	2,216.18

## Paper Segments

The paper segment of the Company has overcome the problem faced during the previous year but could not utilize the momentum of growth due to short of fund. The performances of the all paper units during first two quarter were very good and as per the projected but in the second half of during the period in question, due to the short of fund, could not utilize the momentum of first half and suffered losses. All the Units performed well and achieve its target even though there was a lot of volatility in the foreign market of waste paper. Further your company awarded by several Tender from the several State Govt. for writing & Printing Paper. This year too Bangladesh Government awarded tender for the supply of writing printing paper and it was completed successfully.

## Duplex Unit

Production during the year touched 20,321.70 MT as compared to 20,654.93 MT in 2009-10 and contributed an amount of ₹ 4,971.40 Lacs (PY ₹ 3,960.27 Lacs) to the Company's turnover. The company achieved a growth of ₹ 1,011.13 lacs in turn over which was around 25.53% over the turnover of last year. The company achieved a loss in this unit and the profit has gone down from ₹ 415.97 lacs to ₹ (52.63) lacs. The unit has achieved a remarkable growth in the turnover against the industry's growth rate it belongs to.

The Summarized Financial Result is as under:

( ₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	4,971.40	3,960.27
2	Profit Before Interest, Depreciation	61.41	514.74
3	Interest	38.66	27.22
4	Profit Before Depreciation	22.75	487.52
5	Depreciation	75.39	71.55
6	Profit Before Tax	(52.63)	415.97
7	Provision for Tax	0.00	0.00
8	Profit After Tax	(52.63)	415.97



**MURLI**

## Newsprint Unit

This year your Company saw very good demand for news print. But due to the shortage of raw materials in the market production was less than previous year and hence the profit also decreased to the same extent. During the year under review Company has manufactured 17,481.58 MT in comparison to Previous Year 24,659.09 MT of Newsprint Paper for the same period. The Turnover of the Unit was at ₹ 4,245.77 Lacs While in Previous Year it was ₹ 5,096.53 Lacs, the turnover during the current year has gone down in comparison to last year. The profit before depreciation of the Unit for F.Y. 2010-11 is negative at ₹ 1,295.32 Lacs in comparison to profit of ₹ 58.48 Lacs in P.Y. 2009-10. The Unit suffered through a loss of ₹1,943.79 lacs against the P.Y. loss of ₹ 691.70 lacs.

The Summarized Financial Result is as under :

( ₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	4,245.77	5,096.53
2	Profit Before Interest, Depreciation	(925.23)	499.54
3	Interest	370.09	441.06
4	Profit Before Depreciation	(1,295.32)	58.48
5	Depreciation	648.47	750.18
6	Profit Before Tax	(1,943.79)	(691.70)
7	Provision for Tax	0.00	0.00
8	Profit After Tax	(1,943.79)	(691.70)

## Writing and Printing Paper Unit

This Unit of the Company faced huge setback last year due to several unprecedented events occurred. The Unit overcame with the events and performed excellent this year. While during the Financial Year under review the paper industry witnessed low demand in the writing & printing paper, several big companies were forced to sale the finished products at lower cost than their production and many of the production houses were forced to keep the finished products as stock for several month, your company performed excellent and achieved growth in the turnover. The Unit has manufactured 35,464.62 MT as compared to Previous Year 33,043.13 MT for the same period. The Turnover of the Unit was at ₹ 3,122.58 Lacs While in Previous Year it was ₹ 9,205.28 Lacs, the turnover during the current year has gone down in comparison to last year. The profit before depreciation of the Unit for F.Y. 2010-11 is negative at ₹ 1,357.82 Lacs in comparison to profit of ₹ 2,216.34 Lacs in P.Y. 2009-10 for the same period. The Unit suffered through a loss of ₹ 2,135.97 lacs against the P.Y. profit of ₹ 1,302.64 lacs for the same corresponding period.

The Summarized Financial Result is as under :

( ₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	12,327.87	9,205.28
2	Profit Before Interest, Depreciation	(954.99)	2,969.48
3	Interest	402.83	753.14
4	Profit Before Depreciation	(1,357.82)	2,216.34
5	Depreciation	750.38	833.58
6	Profit Before Tax	(2,108.20)	1,382.77
7	Provision for Tax	0.00	80.12
8	Tax Paid (Earlier Year)	27.77	0.00
9	Profit After Tax	(2,135.97)	1,302.64

## Paper Power Unit

The power generation at this Unit totally used for the captive purpose for the paper plant of the Company. During the year under review Total Power Generation is 65,831.18 MW (Previous Year it was 63,781.50 MW). The Turnover of the Unit is at ₹ 4,519.14 Lacs in comparison to Previous Year ₹ 3,479.63 Lacs. The profit after tax is ₹ 242.58 lacs in comparison to profit for the P.Y.2009-10 was ₹ 1037.68 lacs. The turnover of the company achieved a great jump on the other hand due to increase in the cost of the coal the profitability affected to same extent. The Company has definitely taken a bold step towards Energy Conservation and cost cutting on overheads.

The summarized financial result is as under :

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	4,519.14	3,479.63
2	Profit Before Interest, Depreciation	633.93	1,490.82
3	Interest	136.69	190.74
4	Profit Before Depreciation	497.24	1,300.08
5	Depreciation	254.67	262.40
6	Profit Before Tax	242.58	1,037.68
7	Provision for Tax	0.00	0.00
8	Profit After Tax	242.58	1,037.68

## Cement Captive Power Unit

The company established three Units of 16.5 MHz for the captive consumption of Cement Unit. Two Units out of three have started production. All the power requirement of Cement plants are fulfilled by these two units only. Both the units are performing at its 100% capacity. Third Unit has completed and started operation successfully. The power generates in the existing two power unit are sufficient for the requirement of the cement unit and hence the new plant kept as standby for any emergency requirement. The utilization of the power is lower due to lower capacity utilization and frequent stoppage of the cement unit. The turnover reduced from ₹ 4,439.09 lacs to ₹ 2,830.71 lacs and the unit is also registered loss due to increase in cost of raw materials i.e. coal. The loss for the period in question is ₹ 861.18 lacs in comparison to the profit of ₹ 516.16 lacs in the previous year for the same corresponding period.

The summarized financial result is as under :

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	2,830.71	4,439.09
2	Profit Before Interest, Depreciation and Tax	1,478.09	2,557.97
3	Interest	1,155.45	648.57
4	Profit Before Depreciation and Tax	322.64	1,909.40
5	Depreciation	1,183.82	1,393.25
6	Profit Before Tax	(861.18)	516.16
7	Provision for Tax	0.00	0.00
8	Profit After Tax	(861.18)	516.16



# MURLI

## SBS Unit

The product of this Unit is in a great demand. Due to high quality in its segment, well advertisement and excellent marketing strategy the SBS Board accepted very well in the market. This is new product in the Indian market; hence it will take some time to develop its own product market among the consumer. The turnover for the financial year 2010-11 is ₹ 6,537.19 lacs against the turnover of ₹ 1,883.86 lacs in previous year 2009-10. The turnover of the company increased in comparison to previous year for the same period. The Unit achieved negative profit for the same period. The Net loss is ₹ 3,838.59 lacs while this unit suffered with a loss of ₹ 885.39 lacs in the P.Y. 2009 - 2010 for the same corresponding period.

The summarized financial result is as under :

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010
1	Sales	6,537.19	1,883.86
2	Profit Before Interest, Depreciation	(2,490.26)	403.10
3	Interest	1,046.62	448.95
4	Profit Before Depreciation	(3,536.88)	(45.85)
5	Depreciation	301.71	839.54
6	Profit Before Tax	(3,838.59)	(885.39)
7	Provision for Tax	0.00	0.00
8	Profit After Tax	(3,838.59)	(885.39)

## Pulp Mill Unit

Due to technical and other unavoidable reasons the Pulp Unit remained shut throughout the year.

## Cement Unit

The Cement Unit has completed a full year of its commercial production. The cement unit has been operating at its 35% to 40% capacity. The operations of the unit yet to be stabilize. The management and the experts in its view that the operations of the unit will be stabilize shortly. The company also facing problem of short of fund and hence there are several work are pending. The management has entered with fresh agreement with the existing bankers and hope the problem will be short out very shortly. During the current year unit achieved a turnover of ₹ 10,788.50 lacs and suffered loss of ₹ 11,920.38 lacs. The amount of loss is high due to higher interest outgo and the depreciation of the unit.

The Summarized Financial Result is as under:

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2010 - 2011	Financial Year 2009 - 2010 (One Month)
1	Sales	10,788.50	1,411.32
2	Profit Before Interest, Depreciation	730.26	155.47
3	Interest	9,544.61	621.24
4	Profit Before Depreciation	(8,814.34)	(465.77)
5	Depreciation	3,089.39	406.60
6	Profit Before Tax	(11,903.73)	(872.36)
7	Provision for Tax	0.00	0.00
8	Tax Paid (Earlier Year)	16.65	0.00
8	Profit After Tax	(11,920.38)	(872.36)

The management is sure that it will be a ladder of success for the company in the coming year.



## **CORPORATE GOVERNANCE REPORT**

### **The Company's Governance Philosophy :**

At MIL we believe that self governance is always better than to follow the rule. We believe that the corporate governance is the primary need for the growth of any corporate and its stakeholders. Two main principle of corporate governance is transparency and accountability. We at MIL maintain the same as integral principle of the Company.

We at MIL maintain high value and principle in our conduct at all level of work. We can proudly say that we committed to do all the things in the ethical and legal way. We know that long term success cannot be achieved in short cut. Hence we conduct all in right way, ethical and complied with all the provisions of the Act of the land.

We believe that a good corporate governance system means a system which gives freedom to the management to work in proper manner to grow the company without any undue restriction but with proper accountability. We at MIL believe that we require the highest standard of corporate behaviour towards to everyone we work with and society at large.

It has been the endeavour of your company to give fair and equitable treatment to all its stakeholders, including employees, customer and shareholders.

## **Board of Directors**

### **Responsibilities :**

The Board of Directors is responsible for and committed to sound principles of corporate governance in the Company. The Board plays a critical role in overseeing the routine management and to serve the short and long term responsibility and interest of shareholder and stakeholders. We have optimum combination of Board which reflects our belief for good corporate governance proactive under which we strive to maintain an active, informed and independent Board. The management committee of the company is headed by the Managing Director and has business/ functional head as its members, which looks after day to day function of the company.

### **Appointment of Directors :**

The Directors of the company are appointed by the shareholders in the Annual General Meeting. All the directors except Managing Director retire on rotational basis as per section 255 of the Companies Act, 1956 and, if eligible, offer themselves for re-election, in accordance with the Articles of Association of the Company.

### **Composition of Board, Meetings and Committees :**

The Board of directors was consist of Eight directors out of which Three directors were non executive and five directors were executive. The board is also headed by the Non-executive directors. The board has optimum combination of professional, knowledge and experience. None of the director is member of more than 15 companies.

The board meets to discuss and decides on company/ business policy, strategy and normal business on regular basis. The meetings usually schedule in advance and informed to the directors accordingly as directors can plan their schedule and can participate in the meeting comfortably. In case of urgent business/ need the decision obtained on resolution by circulation and same ratified in the next meeting.

During the year ended on 31st March, 2011 Eighteen board meetings were held on April 8, 2010; May 12, 2010, June 24, 2010; July 06, 2010; July 16, 2010; August 3, 2010, August 14, 2010, August 30, 2010, September 2, 2010; October 19, 2010; November 15, 2010; December 2, 2010; December 9, 2010; December 17, 2010; January 20, 2011; February 15, 2011; March 29, 2011; and March 31, 2011 The maximum interval between any two meetings was well within the maximum allowed gap of four months.



**MURLI**

Sr. No.	Name of Directors	Attendance Particulars		
		Board Meeting	Last AGM	Other Committee Chairmanship
1	Shri Shobhagmal Maloo	12	Yes	None
2	Shri Nandlal Maloo	18	Yes	None
3	Shri Bajranglal Maloo	18	Yes	None
4	Shri Lalchand Maloo	18	Yes	None
5	Shri Sunil Kumar Maloo	18	Yes	None
6	Shri Yashpal Dhiman	18	Yes	None
7	Shri B. P. Ganu	17	Yes	2
8	Shri R. P. Gupta	18	Yes	1
9	*Shri Vinayak P. Thergaonkar	1	-	None
10	#Shri Avinash P. Mardikar	-	-	-
11	@Shri Subhash A. Rode	-	-	-

\* Appointed as an additional director in the board meeting held on 31.03.2011.

# Appointed as an additional director in the board meeting held on 12.08.2011.

@ Appointed as an additional director in the board meeting held on 26.08.2011.

## I. Audit Committee :

### Composition

The present member of the Audit Committee comprises of Shri B. P. Ganu, Shri Nandlal Maloo and Shri R. P. Gupta. The Chairman of the Committee is a Non-Executive Independent Director. The CFO and head of the Internal Audit, are invitee members to the Audit Committee and the Company Secretary is the Secretary to the Committee.

### Responsibilities

The Audit Committee of the Board is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter alia performs the following functions :

- The reporting process of the Accounts Department and Internal Control of the same,
- Suggestion of name of the external auditor and fixation of fee of the said auditor,
- Reviewing of the unaudited financial report quarterly as well as annually with the management before submission of the same to the Board for consideration,
- Reviewing of internal audit control system together with the management and also examination of effective control of the same. Further, it also played important role in discussion and solution of significant finding.

### Number of Audit Committee Meetings held and the dates on which they were held

Four Meetings of Audit Committee were held during the year in question. The dates on which the meetings were held are as follows.

● 12th May, 2010	● 14th August, 2010	● 15th November, 2011	● 15th February, 2011
------------------	---------------------	-----------------------	-----------------------

All the members of the Committee were present in all the meetings.

## II. Investor Grievance Committee :

### Composition

The current members of the Investor Grievance Committee are Mr. B. P. Ganu, Mr. R. P. Gupta and Mr. Nandlal Maloo. The Chairman of the Committee is Mr. B. P. Ganu, Non-Executive Independent Director.

### Responsibilities

The primary responsibilities of the Investor Grievance Committee, among other things, oversees Redressal of shareholder and investor grievances and approves sub-division/ transmission of shares, issue of duplicate share certificates etc.

### Number of Investor Grievance Committee Meetings held and the dates on which they were held

The Investor Grievance Committee met four times during the year in question and reviewed and approved the issue of duplicate certificate, transfer of shares and ratified the resolution passed by circulation by the Committee. The dates on which the meetings were held are as follows.

● 12th May, 2010	● 14th August, 2010	● 15th November, 2011	● 15th February, 2011
------------------	---------------------	-----------------------	-----------------------

### Details of Shareholders' requests or complaints received and redressed :

Sr. No.	Nature of Complaints	Complaints/ requests received	Complaints/ requests redressed
1.	Non receipt of Certificate	15	15
2.	Non receipt of Dividend	14	14
3.	Others	203	202
	<b>*Total</b>	<b>232</b>	<b>231</b>

\* The total number mentioned above includes 192 requests of the shareholders.

## III. Project Monitoring Committee :

### Composition

The current members of the Project Monitoring Committee are Mr. B. P. Ganu, Mr. R. P. Gupta and Mr. Lalchand Maloo. The Chairman of the Committee is Mr. R. P. Gupta, Non-Executive Independent Director.

### Responsibilities

The primary responsibilities of the Project Monitoring Committee, among other things, oversee the progress of the ongoing projects and other upcoming projects. Also the committee plays important role to monitor the progress and performance of the newly established plants like Cement Plant. On periodically basis they visit the site obtain the current status and compare the planned and actual works have done and take the necessary decision to solve, if any, difficulties faces by the Project team.

### Number of Project Monitoring Committee Meetings held and the dates on which they were held

The Project Monitor Committee met four times during the year in question and reviewed and approved the commencement of production on SBS Board Unit, starting of trial run of the cement unit and preparation of report after comparing the planned and actual status of the projects to the board. Also prepared and submitted reports on the performances of existing plants of the company. The dates on which the meetings were held are as follows.

● 12th May, 2010	● 14th August, 2010	● 15th November, 2011	● 15th February, 2011
------------------	---------------------	-----------------------	-----------------------



**MURLI**

**Details of remuneration of the Executive Directors for the period ended 31.03.2011**

Sr. No.	Remuneration	2010 - 2011 (₹)	2009 - 2010 (₹)
1.	Managing Director	7,20,000	60,00,000
2.	Whole Time Directors	25,20,000	1,69,62,500
	<b>*Total</b>	<b>32,40,000</b>	<b>2,29,62,500</b>

**Related Party Disclosure :**

Following disclosure have been made as per the requirement of accounting standards 18 issued by I.C.A.I.

(A) Key Management Personnel	(B) Enterprises Owned / Managed by Key Managerial Personnel
Shri Shobhagmal Maloo Chairman	Nandlal Enterprises Limited
Shri Nandlal Maloo Managing Director	Murli Tyres Limited
Shri Bajranglal Maloo Director	Radha Software Limited
Shri Lalchand Maloo Director	Murli Infrastructure Limited
Shri Sunil Kumar Maloo Director	

**Particulars of transactions during the year ended 31st March, 2011 with Related Parties** (Figure in ₹)

Nature of Transactions	Key Management Personnel	Relative of Key Management Personnel	Enterprises Owned/ Managed by Key Management Personnel	Total
Interest on Loans	13,69,478	5,57,069	37,71,039	<b>56,97,586</b>
Rent	36,72,000	-	9,60,000	<b>46,32,000</b>
Directors and their Relatives' Remuneration	23,40,000	66,00,000	-	<b>89,40,000</b>
Purchase of Goods & Raw material/ Services.	-	-	4,26,46,845	<b>4,26,46,845</b>
Loans Taken / (Repaid)	74,83,625	1,09,54,079	5,01,360	<b>1,89,39,064</b>
Outstanding as at the year end	1,91,13,255	4,10,70,919	51,43,603	<b>6,53,27,777</b>

**Shareholder Information : Details of Last Three Annual General Meetings :**

Financial Year ended	Date and Time	Venue
March 31, 2008	September 25, 2008 at 11.00 a.m.	Corporate Office, 'Radha House', 239, East Wardhaman Nagar, Central Avenue, Nagpur - 440008 (Maharashtra)
March 31, 2009	September 30, 2009 at 11.00 a.m.	Corporate Office, 'Radha House', 239, East Wardhaman Nagar, Central Avenue, Nagpur - 440008 (Maharashtra)
March 31, 2010	September 29, 2010 at 11.00 a.m.	Corporate Office, 'Radha House', 239, East Wardhaman Nagar, Central Avenue, Nagpur - 440008 (Maharashtra)

## Annual General Meeting 2011

<b>Date</b>	<b>September 30, 2011</b>
<b>Venue</b>	Corporate Office, 'Radha House' 239, East Wardhaman Nagar, Central Avenue Road, Nagpur - 440 008
<b>Time</b>	11.00 a.m.
<b>Book Closures Dates</b>	29th September, 2011 to 30th September, 2011 (both days inclusive)
<b>Last Date of receipt of Proxy forms</b>	28th September, 2011 before 11.00 a.m. at the Registered Office of the Company.

The Board Meetings for approval of the Un-audited quarterly financial results during the twelve months period ended March 31, 2011 were held on the following dates :

First Quarter Results	Second Quarter & Half yearly Results	Third Quarter Results	Fourth Quarter & Year Ended Results
August 14, 2010	November 15, 2011	February 15, 2011	May 14, 2011

The tentative dates of Board Meeting for consideration of financial results for the year ending March 31, 2011 are as follows :

First Quarter Results	Second Quarter & Half yearly Results	Third Quarter Results	Fourth Quarter & Year Ended Results
August 12, 2011	November 14, 2011	February 14, 2012	May 14, 2012

### Dividend :

The Board of director at their meeting held on 12th September, 2011 recommended that the company has suffered through loss hence the dividend should not be declared and also there will not be transfer of any amount in the General Reserve this year.

### Unclaimed Dividend :

Under the Companies Act, 1956 dividends that are unclaimed for a period of seven years statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government, and thereafter cannot be claimed by the investor. To ensure maximum disbursement of unclaimed dividend, the company sends reminders to the concerned investor, before transfer of dividend to IEPF.

#### Due dates for transfer of Unclaimed dividend to IEPF

Year	Dividend	Dividend Rate per share (₹)	Date of Declaration	Number of Warrants			Dividend Amount ( ₹ in Lac)			Due date
				Issued	Unclaimed as on 31.03.2011	%	Dividend	Unclaimed as on 31.03.2011	%	
2005-06	Final	2.00	18.09.06	2696	622	23.07	176.97	4.83	2.73	20.09 .2013
2006-07	Interim	2.50	20.11.06	3200	668	20.88	191.57	5.20	2.71	22.11 .2013
2007-08	Final	2.00	25.09.08	3880	930	23.97	204.84	3.49	1.70	30.09 .2015
2008-09	Final	2.00	30.09.09	4141	1011	24.41	204.84	3.97	1.94	29.09 .2016
2009-10	Final	0.40*	27.09.10	5619	966	17.19	214.84	4.16	1.94	26.09 .2017

\*The Share of Rs. 10/- F.V. Splitted in to 5 Equity Share of ₹ 2 F.V. on 19.03.2010



**MURLI**

## Distribution of Shareholding as on 31st March, 2011

No. of Shares Slab	Number of Shareholders	Percentage of Total	Share Amount in ₹	Percentage of Total
1 - 5000	7149	93.84	56,81,338	4.81
5001 - 10000	218	2.86	16,80,696	1.42
10001 - 20000	102	1.33	15,38,722	1.30
20001 - 30000	43	0.56	10,50,360	0.89
30001 - 40000	19	0.25	6,85,406	0.58
40001 - 50000	6	0.08	2,71,072	0.24
50001 - 100000	26	0.34	18,10,502	1.54
100001 and above	55	0.72	10,53,03,904	89.22
<b>Total</b>	<b>7618</b>	<b>100.00</b>	<b>11,80,22,000</b>	<b>100.00</b>

## Categories of Shareholding as on 31.03.2011

Category	Demated		Physical		Total		
	Shares	Holders	Shares	Holders	Shares	Value	%
Other Bodies Corporate	8868695	305	5383000	10	14251695	28503390	24.15
Corporate Bodies (Promoter Company)	0	0	2500000	4	2500000	5000000	4.23
Clearing Member	288106	89	0	0	288106	576212	0.49
Financial Institutions	18942894	3	0	0	18942894	37885788	32.10
Directors	4560785	5	0	0	4560785	9121570	7.73
Non Resident Indians	13007	31	0	0	13007	26014	0.02
Non Resident (non Repatriable)	11855	8	0	0	11855	23710	0.02
Public	5058298	6129	1133545	1013	6191843	12383686	10.50
Promotors	12250815	21	0	0	12250815	24501630	20.76
<b>Total</b>	<b>49994455</b>	<b>6591</b>	<b>9016545</b>	<b>1027</b>	<b>59011000</b>	<b>118022000</b>	<b>100</b>

## Top 10 Shareholders other than promoters

Sr. No.	Name of the shareholder	Number of shares	Percentage of Holding
1	IFCI Limited	16013500	27.14
2	Runicha Alloys & Steel Pvt. Ltd.	2500000	4.24
3	Sicom Limited	1629395	2.76
4	Ambaji Papers Private Limited	1431300	2.43
5	Asoka Solar Power Solution Pvt. Ltd.	1300000	2.20
6	General Insurance Corporation of India	1299999	2.20
7	Chambal Transport Services Pvt. Ltd.	1060000	1.80
8	Ganga Dealtrade Pvt. Ltd.	1020000	1.73
9	Simple Mining & Power Pvt. Ltd.	993925	1.68
10	Lakhi Packaging Pvt. Ltd.	972350	1.65
	<b>Total</b>	<b>28220469</b>	<b>47.82</b>

**Bifurcation of Shares held in Demat and Physical form as on March 31, 2011**

Sr. No.	Particulars	Number of Shares	Percentage
1	Physical	9016545	15.28
2	NSDL	38704510	65.59
3	CDSL	11289945	19.13
	<b>Total</b>	<b>59011000</b>	<b>100.00</b>

**Listing of shares on Stock Exchanges**

Stock Exchanges	Stock Code	Stock Exchanges	Stock Code
National Stock Exchange of India Limited, 'Exchange Plaza', Bandra Kurla Complex, Bandra (E) Mumbai - 400 051 Website : www.nseindia.com	MURLIIND	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Website : www.bseindia.com	519323
The Calcutta Stock Exchange Association Limited, 7 Lyons Range, Kolkata - 700 001 Website : www.cse-india.com		ISIN : INE806B01028	

The listing fee for the financial year 2010-11 has been paid to the Stock Exchanges.

**Monthly High & Low quotes and volume of shares traded on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)**

Year & Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
<b>2010</b> April	102.50	75.00	69,76,971	102.85	75.45	1,03,24,928
May	107.40	84.05	50,75,670	106.95	84.10	71,32,817
June	104.70	77.80	24,11,423	104.75	82.00	40,52,049
July	93.60	85.00	19,42,419	93.50	85.20	25,17,034
August	117.10	91.50	95,63,893	117.50	91.10	1,39,25,403
September	104.90	80.30	45,91,659	110.00	81.00	47,53,035
October	98.40	77.50	23,94,027	98.90	77.85	27,59,113
November	117.90	76.75	1,52,28,414	118.90	76.00	1,57,10,995
December	94.90	50.10	58,95,137	94.95	50.00	39,99,899
<b>2011</b> January	64.30	33.55	6,27,165	64.40	33.55	5,31,623
February	36.90	25.20	4,26,243	34.95	25.45	4,19,286
March	41.20	24.40	5,60,974	40.80	25.85	3,46,828

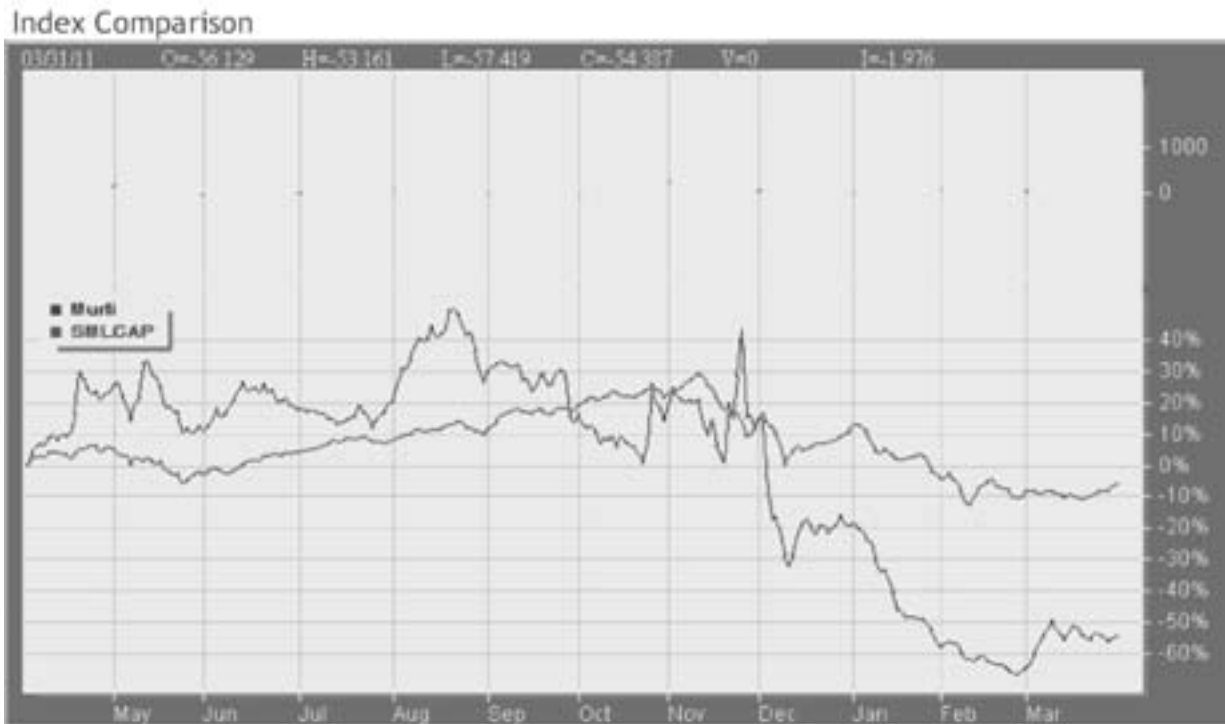
**Note :** The high and low prices given above are on the basis of Face Value of ₹ 2/- per share.

Source : NSE & BSE site



**MURLI**

## Stock Exchange (NSE) Graph



## Stock Exchange (BSE) Graph





## Address for Correspondence :

All shareholders' correspondence should be forwarded to Link Intime India Private Limited, Mumbai the Registrar and Transfer Agents of the Company or to the Investor Service Department at the Corporate Office of the Company at the address mentioned below:

### **LINK INTIME INDIA PRIVATE LIMITED**

C-13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup (West),  
Mumbai - 400 078  
Phone : 022-25960320, 25963838  
Fax : 022-25962691  
E-mail : helpline@linkintime.co.in

Compliance Officer

### **Murli Industries Ltd.,**

'Radha House' 239, East Wardhman Nagar,  
Central Avenue Road, Nagpur - 440 008  
Phone : 0712 - 3050200  
Fax : 0712 - 2684422  
E-mail : complianceofficer@murliindustries.com

## Plant Locations :

### Solvent Extraction & Refinery Units

- UNIT I : M.I.D.C. Industrial Area, Hingna Road, Nagpur 440016  
UNIT II : Durkheda Road, Umred, Dist. Nagpur

### Paper Manufacturing Units

- Duplex Board : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur  
Newsprint Unit : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur  
Writing & Printing : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur  
Power Unit (18 MW) : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur  
Power Unit (50 MW) : Vill : Naranda, Tah. Korapana, Dist. Chandrapur  
Pulp Mill : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur  
SBS Board Unit : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur  
Cement Unit : Vill : Naranda, Tah. Korapana, Dist. Chandrapur

## Any query on Annual Report :

Compliance Officer,

**Murli Industries Limited,**

'Radha House' 239, East Wardhman Nagar,

Central Avenue Road, Nagpur - 440 008

Phone : 0712 - 3050200

Fax : 0712 - 2684422

E-mail : complianceofficer@murliindustries.com

For and on behalf of Board of Directors  
of Murli Industries Limited

Date : 12th September, 2011

Place : Nagpur

**Nandlal Maloo**  
Managing Director

**Bajranglal Maloo**  
Director



**MURLI**

## CEO and CFO Certification

We, Managing Director and Chief Financial Officer, responsible for the finance function certify that :

- a) We have reviewed the Financial Statement and Cash Flow Statement for the year ended 31st March, 2011 and 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) To the best of our knowledge and belief, no transactions entered in to by the Company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal control for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiency.
- d) (i) The number of promoters' share holding decreased by 1,08,00,000 Shares i.e. 18.30% of total holding due to depledged of Shares by IFCI unilaterally. The matter is pending before hon'ble Delhi High Court, and IFCI's holding increased Significantly.
- (ii) There has not been any significant change in accounting policies during the year requiring the disclosure in the notes to the Financial statements; and
  - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Nagpur,

Sd/-

Sd/-

Dated : 12th September, 2011

CFO

Managing Director

## Certificate from Auditor regarding compliance of Corporate Governance

### Auditors' Certificate

We have examined the compliance of the conditions of Corporate Governance by Murli Industries Limited for the period ended March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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 such compliance is neither an assurance as to the future viability of the Company or effectiveness with which the management has conducted the affairs of the Company.

**FOR DEMBLE RAMANI & CO.,**  
Chartered Accountants  
Registration No. 102259W

**Anand Deshpande, Partner**  
Membership No. 033618

Place : NAGPUR

Date : 12.09.2011

## **Auditor's Report**

### **To the Members of Murli Industries Limited**

1. We have audited the attached Balance Sheet of MURLI INDUSTRIES LIMITED Nagpur as on 31st March 2011, the Profit and Loss Account and also the cash flow statement for the year ended on that date annexed there to. 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.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the statement on the COMPANIES (AUDITOR'S REPORT) ORDER, 2003 as amended by amendment order 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in the paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) 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 purpose of our audit,
  - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of such books,
  - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account,
  - (d) We draw attention to note 9 of part A of Schedule 'S', the Company has not provided for retirement of employees as per AS-15.
  - (e) We draw attention to note (vi) of part B of Schedule 'S', the company has not complied with AS-11 regarding 'Foreign Exchange Transactions' & also we draw attention to Note (xii) of part B Schedule 'S', the Company has not made any Provision for Deferred Tax Liability.
  - (f) We also draw attention to note (vii) of part B of Schedule 'S'. The Company has maintained excise and service tax records in manual as well as computerized formats. The manual records relating to some of the units have been audited and accepted by the Excise department. However, the amounts reflected in the records maintained on computer, which are incorporated in the balance sheet, are pending reconciliation with the manual records. The impact of the same on the profitability of the company remains unquantifiable.
  - (g) We draw attention to note (xx) of part B of schedule 'S', The Company has Capitalized expenses to the tune of Rs. 3.49 Crores incurred in 'Pulp Mill Unit'. Instead of charging these expenses to Profit & Loss A/c., the Company has capitalized the same and will be depreciated over the period of time. As a result of above the loss of the Company for the year ended 31st March, 2011 is understated by Rs. 3.49 Crores.
- (h) In our opinion and subject to point no. (d), (e), (f) & (g) above and in point no. (ii)(c) mentioned in the annexure to this report, the Profit & Loss Account, Balance Sheet & Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of The Companies Act, 1956;
- (i) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with the significant accounting policies and notes to accounts, 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 principles generally accepted in India;
  - (I) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2011;
  - (II) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (III) In the case of cash flow statement, of the cash flows for the year ended on that date.
5. On the basis of the written representation received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;

**FOR DEMBLE RAMANI & CO.,**  
Chartered Accountants  
Registration No. 102259W  
**Anand Deshpande, Partner**  
Membership No. 033618

Place : NAGPUR  
Date : 12.09.2011



**MURLI**

## **Annexure to the Auditors Report**

**(As Referred to in paragraph 3 of our Report of even Date)**

- (i) a) The company is in process of streamlining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) Therefore, physical verification of the same has not been carried out;
  - c) During the year, the Company has not disposed off any of its assets. As such going concern status of the Company is not affected.
- (ii) a) As explained to us, Physical verification of inventory has been conducted by the management at reasonable intervals.
  - b) In our opinion and on the basis of certificate of member of ICWA and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) As informed to us, the company is maintaining proper records of inventory. The company's inventories, as stated in the management's certificate, have been valued at average price which constitutes the departure from the AS-2.
- (iii) a) The company has granted interest free unsecured loan to companies, firms or other parties covered in the register maintained u/s.301 of the Act. The amount involved is Rs.1,64,93,173 and the number of party involved are two.
  - b) The rate of interest and other terms and conditions of the unsecured loans given by the Company mentioned in (a) above are prima facie prejudicial to the interest of the Company, since these loans are interest free and no specific date has been specified for their repayment.
  - c) As per the information and explanations given by the management, there are no specific terms and conditions for repayment of principal and Interest due thereon.
  - d) As there is no specific repayment due dates, there are no overdue.
  - e) The company has taken unsecured loan from companies, firms and other parties concerned in the register maintained u/s 301 of the Act. The amount involved in the transactions is Rs.653.28 Lacs & no. of parties involved are 32.
  - g) As per the information and explanations given by the management, there are no specific terms and conditions for repayment of principal and Interest due thereon; hence, prima facie it seems that the terms of accepting the loan are prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us, the internal control systems needs to be strengthened considering the size of the company and the nature of its business.
- (v) a) The company has entered into the Register the Contracts & arrangements referred to in section 301 of the Companies Act, 1956.
  - b) The transactions in pursuance of such contracts have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits during the year from Public within the meaning of Sections 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made there under.
- (vii) The internal audit system of the Company needs to be strengthened, in order to be commensurate with the size & nature of the business of the Company. Further it is suggested that the management should take prompt corrective actions in respect of important suggestions pointed in Internal Audit Report.
- (viii) As informed to us, the company has maintained cost records in pursuance to section 209 (1) (d) of the Companies Act, 1956 for the respective products of the company.
- (ix) a) According to the information and explanations given to us and as per our observations of the records, except Professional Tax, Income Tax, TDS , VAT and Wealth Tax there is no major delay in depositing undisputed statutory dues.

- b) As informed to us, there is a dispute with Central Excise & Customs Department involving an amount of Rs. 7.02 Crores.

Particulars	Figure in ₹	Pending Since	Forum
Central Excise & Customs Payment	1206834	2002	High Court, Nagpur
Commission on FCCB	4338466	2008	CESTAT Mumbai
Excise	3866335	2008	CESTAT Mumbai
Capital Goods Import	23692405	2007	High Court, Nagpur
Offcut sales	34348897	2009	CESTAT Mumbai
Offcut sales	2804176	2010	CESTAT Mumbai

- (x) The Company does not have accumulated losses at the end of the financial year.
- (xi) The company has defaulted in repayment of dues to financial institutions and banks; hence the bankers have agreed for restructuring of debt under CDR mechanism. The company does not have borrowing by way of debentures.
- (xii) The Company has not granted any loans and/or advances on the basis of securities by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund and nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) The Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) The Company has given Guarantee to SICOM Ltd. on behalf of Nandlal Enterprises Ltd. for an Inter Corporate Deposit of ₹ 20 crores. The company has assigned rights on the limestone mining lease awarded to the company, admeasuring 42.16 hectares of land.
- (xvi) In our opinion and as per the information and explanations given, The Term Loan raised during the year has been applied for the purpose for which it has been raised.
- (xvii) On the basis of overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term purposes.
- (xviii) During the year Company has made preferential allotment of shares to parties or companies covered in the register maintained u/s 301 of the Act. The price at which shares have been issued is not prejudicial to the interests of the Company.
- (xix) The Company does not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the financial year under Audit.

**For Demble Ramani & Co.**  
Chartered Accountants  
Registration No. 102259W

**Anand Despande**  
Partner  
Membership No. 033618

Place : Nagpur  
Date : 12-09-2011



## BALANCE SHEET AS ON 31ST MARCH, 2011

(Figures in ₹)

Particulars	SCHEDULES	As on 31st March, 2011	As on 31st March, 2010
<b>I) SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	(A)	11,80,22,000	10,74,22,000
b) Share Warrant Money		27,67,20,000	54,10,00,000
c) Reserves & Surplus	(B)	1,17,13,24,781	3,01,15,74,225
		<u>1,56,60,66,781</u>	<u>3,65,99,96,225</u>
d) Funds from Internal accruals of the Company			
<b>2. Loan Funds</b>			
a) Secured Loans	(C)	12,04,52,05,801	8,44,71,25,032
b) Unsecured Loans	(D)	87,23,23,272	2,83,94,64,252
		<u>12,91,75,29,073</u>	<u>11,28,65,89,283</u>
<b>TOTAL</b>		<u><b>14,48,35,95,854</b></u>	<u><b>14,94,65,85,509</b></u>
<b>II) APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	(E)	12,23,01,87,268	11,99,33,11,970
Less : Depreciation		2,39,23,13,380	1,75,23,69,357
Net Block		<u>9,83,78,73,888</u>	<u>10,24,09,42,614</u>
b) Capital Work in Progress		76,84,96,438	55,01,28,331
<b>2. Investments</b>	(F)	9,04,23,067	10,91,60,887
<b>3. Current Assets, Loans &amp; Advances</b>			
a) Inventories	(G)	3,22,53,00,771	3,54,98,56,057
b) Sundry Debtors	(H)	35,36,01,759	32,04,08,775
c) Cash & Bank Balances	(I)	3,56,68,458	8,50,68,195
d) Loans & Advances	(J)	1,11,39,90,869	1,26,25,73,949
		<u>4,72,85,61,857</u>	<u>5,21,79,06,976</u>
Less : Current Liabilities & Provisions	(K)	1,18,52,00,531	1,20,34,53,785
<b>NET CURRENT ASSETS</b>		<u>3,54,33,61,326</u>	<u>4,01,44,53,192</u>
<b>4. Miscellaneous Expenditure</b> (to the extent not written off or adjusted)	(L)	24,34,41,135	3,19,00,486
<b>TOTAL</b>		<u><b>14,48,35,95,854</b></u>	<u><b>14,94,65,85,509</b></u>

Notes to Accounts & Significant Accounting Policies (S)

AS PER OUR ATTACHED REPORT ON EVEN DATE

For **DEMBLE RAMANI & CO.**

Chartered Accountants  
Registration No. 102259W

**Anand Deshpande**

Partner

Membership No. 033618

Place : Nagpur

Dated : 12th Sept. 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Nandlal Maloo**  
Managing Director

**Bajranglal Maloo**  
Director

**Profit & Loss Account**  
**FOR THE YEAR ENDED 31ST MARCH, 2011**

(Figures in ₹)

Particulars	SCHEDULES	For the year ended 31.3.2011	For the year ended 31.3.2010
<b>INCOME</b>			
Sales		7, 36,33,73,050	5,71,67,89,504
Other Income	(M)	93,69,520	6,98,79,211
		<u>7,37,27,42,570</u>	<u>5,78,66,68,715</u>
<b>EXPENDITURE</b>			
Material Cost & Manufacturing Expenses	(N)	6,73,25,45,933	4,12,09,74,146
Employees Remuneration & Benefits	(O)	27,50,88,210	17,16,02,771
Administrative Expenses	(P)	8,46,01,056	6,60,91,612
Selling Expenses	(Q)	19,73,88,722	10,43,61,353
Finance Charges	(R)	1,38,12,37,389	41,26,66,970
		<u>8,67,08,61,310</u>	<u>4,87,56,96,852</u>
<b>PROFIT BEFORE DEPRECIATION &amp; TAX</b>		<b>-1,29,81,18,740</b>	<b>91,09,71,863</b>
Less : Depreciation		63,99,44,023	46,68,25,341
<b>PROFIT BEFORE TAX</b>		<b>-1,93,80,62,763</b>	<b>44,41,46,522</b>
Wealth Tax Paid		0	12,469
Provision for Taxation		0	6,00,00,000
Tax Paid (Earlier Year)		3,19,56,379	80,00,000
<b>PROFIT AFTER TAX</b>		<b>-1,97,00,19,142</b>	<b>37,61,34,053</b>
Add : Balance of Profit from Previous Year		2,10,92,45,219	1,79,46,90,295
Less : Prior Period Items		9,73,74,632	0
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>4,18,51,445</b>	<b>2,17,08,24,348</b>
Dividend		2,14,84,400	2,04,84,400
Tax on Dividend		36,51,274	34,81,324
Transfer to General Reserve		0	3,76,13,405
Balance Carried to Balance Sheet		<u>1,67,15,771</u>	<u>2,10,92,45,219</u>
Earning Per Share (Basic)*		<u>-33.38</u>	<u>7.00</u>

\* P.Y. EPS calculated on the basis of ₹ 2/- per share paid up

AS PER OUR ATTACHED REPORT ON EVEN DATE

For **DEMBLE RAMANI & CO.**

Chartered Accountants  
Registration No. 102259W

**Anand Deshpande**

Partner  
Membership No. 033618  
Place : Nagpur  
Dated : 12th Sept. 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Nandlal Maloo**  
Managing Director

**Bajranglal Maloo**  
Director



**MURLI**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH, 2011**

(Figure in ₹)

Particulars	As on 31st March, 2011	As on 31st March, 2010
<b>SCHEDULE (A) SHARE CAPITAL</b>		
<b>Authorised</b>		
12,07,00,000 Equity Shares of ₹ 2/- each. (P.Y. 12,07,00,000 Equity Shares of ₹ 2/- each.	24,14,00,000	24,14,00,000
86,000 (P.Y. 86,000) 15% Cumulative Redeemable Preference Shares of ₹ 100/- each.	86,00,000	86,00,000
<b>Issued, Subscribed &amp; Paid Up</b>		
5,90,11,000 Equity Shares of ₹ 2/- each fully paid. (P.Y. 5,37,11,000 Equity Shares of ₹ 2/- each fully paid)	11,80,22,000	10,74,22,000
<b>TOTAL</b>	<b>11,80,22,000</b>	<b>10,74,22,000</b>
<b>SCHEDULE (B) RESERVES &amp; SURPLUS</b>		
<b>I) Reserves</b>		
General Reserve		
As Per Last Balance Sheet	16,97,24,006	13,21,10,601
Add : Transferred from Profit & Loss Account	0	3,76,13,405
	16,97,24,006	16,97,24,006
<b>II) Surplus</b>		
Profit & Loss Account	1,67,15,775	2,10,92,45,219
<b>III) Share Premium</b>	98,45,78,000	73,22,98,000
<b>IV) Capital Reserve</b>	3,07,000	3,07,000
(Transfer of forfeited Capital 61,400 Equity Shares partly paid for ₹ 5 each of ₹ 10 face value )		
<b>TOTAL</b>	<b>1,17,13,24,781</b>	<b>3,01,15,74,225</b>
<b>SCHEDULE (C) SECURED LOANS</b>		
<b>TERM LOAN :</b>		
INDIAN RUPEE LOAN	9,91,80,07,683	5,67,02,35,098
FOREIGN CURRENCY LOAN	34,33,98,952	39,87,53,452
(Secured by Legal mortgage of land & building, plant & machinery and personal guarantee given by the Directors)		
CAR LOANS	34,88,988	54,72,614
(Hypothecation against Car)		
WORKING CAPITAL	1,78,03,10,179	2,37,26,63,868
(Secured by Hypothecation of Stock & Debtors & Personal Guarantee given by Directors.)		
<b>TOTAL</b>	<b>12,04,52,05,802</b>	<b>8,44,71,25,032</b>
<b>SCHEDULE (D) UNSECURED LOANS</b>		
FCCB (USD 5.5 Millions) (P.Y. USD 5.5 Millions)	24,16,70,000	24,16,70,000
(Conversion price Face Value ₹ 2/- and a Premium of ₹ 73.80/- per share) (Reset Price)		
KIP Loan	1,48,05,000	0
Short Term Loans	0	1,14,00,00,000
S.T. Payable (Def. Payment)	25,68,17,306	19,52,97,183
C.S.T. Payable (Def. Payment)	28,87,07,385	20,97,30,703
Others	6,53,27,777	1,05,27,66,366
Bank Overdraft (Due to Reconciliation)	49,95,805	0
<b>TOTAL</b>	<b>87,23,23,272</b>	<b>2,83,94,64,252</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEETS AS ON 31st MARCH, 2011**

**SCHEDULE E**  
**FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				Net Block	
	As at 01/04/2010	Additions	Deletions	As at 31/03/11	Upto 31/03/2010	For the year	Depreciation Written Back	Upto 31/03/2011	As at 31/03/2011	As at 31/03/2010
Land	27,15,92,490	8,78,984	0	27,24,71,474	0	0	0	0	27,24,71,474	43,29,99,664
Factory Building	1,23,71,69,059	19,89,347	0	1,23,91,58,407	18,15,62,925	4,73,98,563	33,08,362	22,56,53,125	1,01,35,05,281	1,02,92,71,947
Plant & Machinery	9,94,13,12,409	22,57,71,930	0	10,16,70,84,339	1,42,38,49,371	60,68,04,147	5,09,44,060	1,97,97,09,458	8,18,73,74,881	8,14,43,21,742
Electrification	37,25,90,923	1,67,179	0	37,27,58,102	7,89,19,154	2,42,28,687	9,04,196	10,22,43,645	27,05,14,457	27,78,11,383
Furniture	1,28,50,922	66,548	0	1,29,17,469	58,85,622	9,07,917	20,300	67,73,239	61,44,231	60,69,717
Office Equipment	362,67,332	13,48,131	0	3,76,15,463	1,62,68,605	28,43,605	41,291	1,90,70,919	1,85,44,543	1,72,84,877
Vehicles	8,91,34,281	18,39,959	16,000	9,09,58,240	4,39,22,079	78,25,719	1,76,781	5,15,71,017	3,93,87,223	3,87,46,170
Computer	3,23,94,555	48,29,219	0	3,72,23,774	19,61,601	56,70,787	3,40,412	72,91,976	2,99,31,798	2,96,78,937
<b>TOTAL :</b>	<b>11,99,33,11,971</b>	<b>23,68,91,296</b>	<b>16,000</b>	<b>12,23,01,87,267</b>	<b>1,75,23,69,357</b>	<b>69,56,79,425</b>	<b>5,57,35,402</b>	<b>2,39,23,13,380</b>	<b>9,83,78,73,888</b>	<b>9,97,61,84,437</b>

(Figure in ₹)

Particulars	As on 31st March, 2011	As on 31st March, 2010
-------------	---------------------------	---------------------------

**SCHEDULE F**

**INVESTMENTS (At Cost)**

1) National Saving Certificate	11,500	11,500
2) Fixed Deposit With Bank	8,95,61,567	10,83,49,387
3) Investments in Shares	8,50,000	8,00,000
<b>TOTAL</b>	<b>9,04,23,067</b>	<b>10,91,60,887</b>

**SCHEDULE G**

**INVENTORIES**

(As certified by the management & valued at cost)

1) Raw Materials	2,11,65,47,511	2,49,02,32,478
2) Stores & Spares	29,64,44,338	24,19,86,355
3) Consumable Stores	46,33,60,665	46,25,93,158
4) Packing Materials	4,29,78,089	3,91,32,130
5) Finished Goods	30,59,70,167	31,59,11,935
<b>TOTAL</b>	<b>3,22,53,00,770</b>	<b>3,54,98,56,056</b>

**SCHEDULE H**

**SUNDRY DEBTORS**

(Unsecured, considered good, unless otherwise stated)

Outstanding for less than six months	27,74,97,512	25,98,74,603
Outstanding for more than six months	7,61,04,246	6,05,34,171
<b>TOTAL</b>	<b>35,36,01,758</b>	<b>32,04,08,774</b>



**MURLI**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH, 2011**

(Figure in ₹)

Particulars	As on 31st March, 2011	As on 31st March, 2010
<b>SCHEDULE I</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	41,00,550	25,24,345
<b>Balances with Banks :</b>		
In Current Accounts with Scheduled Banks	3,15,67,907	8,25,43,849
<b>TOTAL</b>	<b><u>3,56,68,457</u></b>	<b><u>8,50,68,194</u></b>

**SCHEDULE J**

**LOANS & ADVANCES**

(Unsecured, considered good unless otherwise stated)

1) Advances to Raw Material Suppliers	11,60,74,498	12,48,28,315
2) Advances to Other Suppliers	0	0
3) Advances to Staff & Contractors	1,64,38,191	1,31,09,831
4) Deposits	96,47,02,683	1,11,29,49,906
5) Advances to Sponge Iron Unit	2,82,323	2,82,323
6) Advances to Murli Tyres Ltd.	1,14,03,573	1,14,03,573
7) Advances to Murli Infrastructures Ltd.	50,89,600	0

**TOTAL** **1,11,39,90,868** **1,26,25,73,949**

**SCHEDULE K**

**CURRENT LIABILITIES & PROVISIONS**

**A) Current Liabilities**

1) Sundry Creditors for Raw Materials	78,01,99,447	78,93,19,682
2) Sundry Creditors for Capital Goods	97,23,504	17,74,40,965
3) Advance from Customers	3,48,71,278	4,34,74,442
4) Other Liabilities	33,84,16,733	16,66,97,353

**B) Provision for Expenses**

2,19,89,570 2,65,21,344

**TOTAL** **1,18,52,00,532** **1,20,34,53,785**

**SCHEDULE L**

**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Preliminary Expenses	3,19,00,486	3,54,44,984
Less : Written off during the year	35,44,498	35,44,498
Deffered revenue Expenditure	21,50,85,147	0

**TOTAL** **24,34,41,135** **3,19,00,486**

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011**

(Figure in ₹)

Particulars	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
<b>SCHEDULE M</b>		
<b>OTHER INCOME</b>		
Interest Received	67,78,235	95,29,866
Agriculture Income	1,80,480	31,80,692
Duty drawback	0	5,48,653
Rate Difference	2,85,290	0
Other Income	21,25,515	5,66,20,000
<b>TOTAL</b>	<b>93,69,520</b>	<b>6,98,79,211</b>

**SCHEDULE N**

**MATERIAL COST & MANUFACTURING EXPENSES**

**I) MATERIAL CONSUMED**

**1. Raw Material**

Stock At Commencement	2,49,02,32,478	1,62,74,07,220
Opening WIP	0	1,57,14,726
Purchases	4,35,90,42,940	4,00,94,07,785
Less : Transfer to CWIP	6,31,97,100	0
Less : Stock At Close	2,11,65,47,511	2,49,02,32,478
Consumed	<b>4,66,95,30,807</b>	<b>3,16,22,97,253</b>

**2. Stores & Spares and Consumable Stores**

Stock At Commencement	70,45,79,512	53,73,29,047
Opening WIP	0	4,24,48,752
Purchases	62,12,70,159	41,02,94,502
Less : Transfer to CWIP	10,29,96,889	0
Less : Stock At Close	75,98,05,004	70,45,79,513
Consumed	<b>46,30,47,778</b>	<b>28,54,92,789</b>

**3. Packing Materials**

Stock At Commencement	3,91,32,130	1,62,76,298
Opening WIP	0	88,98,902
Purchases	9,62,69,499	3,61,72,093
Less : Stock At Close	4,29,78,089	3,91,32,130
Consumed	<b>9,24,23,540</b>	<b>2,22,15,163</b>

<b>Total (I)</b>	<b>5,22,50,02,125</b>	<b>3,47,00,05,204</b>
------------------	-----------------------	-----------------------

**MURLI****SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011**

(Figure in ₹)

Particulars	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
<b>II) MANUFACTURING EXPENSES</b>		
Electricity Charges	87,07,18,183	44,64,53,737
Freight Inward	9,77,46,750	10,69,00,247
Clearing & Forwarding Charges	26,33,17,975	18,38,10,936
Repairs & Maintenance	1,34,35,370	2,05,89,463
Water Charges	51,52,587	27,66,535
Coal Handling Charges	6,16,97,257	48,59,607
Factory Expenses	4,42,00,438	39,75,742
Mandi Cess	1,65,55,120	1,13,28,840
CST Paid	95,82,139	47,07,383
VAT Paid	0	7,331
Excise Duty	0	28,699
Service Tax on Input	8,86,588	0
Brokerage & Commission	99,87,300	1,14,71,221
Royalty on Lime Stone	1,88,85,498	0
<b>Total (II)</b>	<b>1,41,21,65,206</b>	<b>79,68,99,743</b>
<b>III) FINISHED GOODS</b>		
Less : Increase / Decrease in Finished Goods Stock at Close	9,85,36,402	-14,96,35,574
Less : Transfer to CWIP	31,57,800	0
b) Stock in Process		
Opening WIP	0	37,04,773
<b>TOTAL (III)</b>	<b>9,53,78,602</b>	<b>-14,59,30,802</b>
<b>TOTAL (I + II + III)</b>	<b>6,73,25,45,933</b>	<b>4,12,09,74,146</b>

**SCHEDULE O****EMPLOYEES REMUNERATION & BENEFITS**

Salary, Wages & other Allowances	24,65,26,587	15,47,73,623
Directors' Remuneration	23,40,000	18,50,000
Security Charges	80,90,540	20,13,209
Employees' Welfare Expenses	44,82,006	29,20,247
Contribution to Provident Funds, ESIC, L.W.F. etc.	1,07,03,829	79,44,187
Education Allowances	2,60,524	1,67,707
Conveyance Allowances	5,01,230	3,54,269
Canteen Allowances	25,293	0
House Rent Allowances	21,58,201	15,79,529
<b>TOTAL</b>	<b>27,50,88,210</b>	<b>17,16,02,771</b>

**SCHEDULE P****ADMINISTRATIVE EXPENSES**

Insurance Charges & other charges	22,76,294	44,86,686
Communication Charges	46,93,796	54,83,521
Travelling & Conveyance Expenses	1,04,37,697	84,38,292
Vehicle Maintenance	36,86,768	37,84,960
Printing & Stationery	18,97,633	10,40,839
Legal & Professional Charges	1,55,80,653	1,21,79,078

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011**

(Figure in ₹)

Particulars	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
<b>SCHEDULE P (Contd.)</b>		
Audit Fees	5,12,500	6,71,000
Office Expenses	16,46,701	16,90,420
Rent, Rates & Taxes	1,12,81,270	82,14,137
Listing Fees	1,30,556	2,33,819
Repairs & Maintenance	1,01,72,480	68,03,251
Miscellaneous Expenses	23,01,799	8,05,533
Retainership Charges	54,58,747	8,58,204
Licence & Filing Fees	6,02,881	14,51,804
Membership Subscription	1,56,206	1,45,371
Books & Periodicals	13,108	1,72,079
Gardening Expenses	6,10,582	8,54,476
Refreshment Expenses	18,22,698	18,42,073
Postage & Telegram	5,28,739	4,15,488
Donation	3,69,214	2,29,422
Keyman Insurance Policy	28,72,667	9,17,990
Computer Maintenance	13,46,893	6,15,044
Directors Sitting Fees	3,17,500	3,27,500
Agricultural Expenses	2,42,236	0
Professional Tax	5,000	2,500
Preliminary Expenses Written Off	35,44,498	35,44,498
Guest House Expenses	7,80,928	2,27,234
Software Expenses	3,60,500	0
Equipment Hire Charges	9,50,512	6,56,393
<b>TOTAL</b>	<b>8,46,01,056</b>	<b>6,60,91,612</b>
<b>SCHEDULE Q</b>		
<b>SELLING EXPENSES</b>		
Freight Outward	12,32,64,791	4,45,13,008
Shortage, Quality Rebate & Discount	5,04,40,738	4,10,13,297
Brokerage & Commission	2,17,63,122	1,77,78,156
Advertisement	9,60,189	6,59,108
Octroi	1,24,581	30,014
Analysis Charges	7,39,753	2,72,737
Weighment Charges	5,250	0
Business Promotion	90,298	95,033
<b>TOTAL</b>	<b>19,73,88,722</b>	<b>10,43,61,353</b>
<b>SCHEDULE R</b>		
<b>FINANCE CHARGES</b>		
Interest on :		
Term Loans	1,02,12,87,793	26,42,78,898
Interest to Banks & Others	29,70,82,186	13,45,22,358
Bank Commission & Financial Charges	6,28,67,411	1,38,65,714
<b>TOTAL</b>	<b>1,38,12,37,389</b>	<b>41,26,66,970</b>



**MURLI**

## Schedule “S”

### Significant Accounting Policies and Notes to Accounts

#### A. Significant Accounting Policies

The accounts are prepared in accordance with the accounting principles generally accepted in India and are in line with the relevant laws as well as the guidelines prescribed by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs and the Institute of Chartered Accountants of India.

- 1. SYSTEM OF ACCOUNTING :** The financial statements of the Company are prepared under the historical cost convention using accrual system of accounting with generally accepted accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the Provisions of The Companies Act 1956.
- 2. FIXED ASSETS :** Fixed Assets have been stated at Cost. The actual cost is inclusive of all the incidental cost of acquisition & installation expenses incurred till the asset is put to use. Assets are shown net of “CENVAT” claimed.
- 3. DEPRECIATION :** Depreciation on the Fixed Assets has been provided on Written down Value Method in case of all units except SBS Board & Cement Unit where the depreciation has been provided on Straight Line Method. The rates as provided under Schedule XIV to the Companies Act, 1956 are applied. Depreciation on additions to the Fixed Assets made during the year is provided on a pro-rata basis from the date when asset is put to use. During the year, the method of charging depreciation has been changed from Written down Value method to Straight Line Method in SBS Board & Cement Unit. The accounting of the same has been done as per the provisions of Accounting Standard 6 issued by The Institute of Chartered Accountants of India. As informed to us, the same has been done so as to give a better presentation of financial statements as per the requirement of Accounting Standard - 1. The same has resulted in increase in profit by ₹ 5.57 crores.
- 4. BORROWING COST :** Borrowing cost directly attributable to the Acquisition, Construction or Production of qualifying assets is capitalized till the assets are ready to use. Other borrowing costs are recognized as an expense in the period in which these are incurred.
- 5. INVESTMENTS :** Long term Investments are stated at cost. Short term investment are stated at lower of cost or market value.
- 6. INVENTORY :** Inventories are valued at lower of cost or net realizable value. Finished Goods are valued on Net Realizable Value. By-Products are valued at net realizable value. The quantity and value of the same has been certified by the management.
- 7. REVENUE RECOGNITION :** Revenue is recognized on passing of reasonable risks and rewards of goods to the buyer.
- 8. MODVAT/CENVAT :** MODVAT/CENVAT benefit is accounted for by reducing the actual cost of the respective raw materials / fixed assets/ stores.
- 9. RETIREMENT BENEFITS :** No provision has been made for Gratuity. However Gratuity is accounted for in the books as & when it is actually paid. The Company has not taken any kind of policy to provide for Retirement of Employees. The Company does not follow AS-15 regarding ‘Provision for Retirement of Employees’.
- 10. INCOME TAX :** The Company does not have taxable income as per income tax act and hence company has not made any provision for payment of income tax.
- 11. WEALTH TAX :** The Company has not made any provision for payment of wealth tax.

#### B. Notes to Accounts

- i) Contingent Liability for pending litigation(s) are not accounted for in the books of account.

Claims not acknowledged as debts	Current Year (₹)	Previous Year (₹)
a) Customs & Excise	7,02,57,113	24,32,697

- ii) Estimated amounts of contracts remaining to be executed on capital accounts and not provided for ₹ Nil (Previous Year ₹ Nil).
- iii) **PAYMENTS DUE TO MSME UNITS :** In the absence of comprehensive details of MICRO, SMALL & MEDIUM ENTERPRISES industrial undertaking, and non-intimation by the suppliers of their being MSME industrial undertaking, the amount due to such suppliers as on 31.03.2011 could not be determined.
- iv) The dividend of the previous year amounting to Rs.2.51 crores has been accounted for in the current financial year.
- v) The company is generally following the accrual system in its accounting, except while accounting for interest accrued on FDRs, Dividend, Employee Retirement Benefits.
- vi) **FOREIGN EXCHANGE TRANSACTION :** The Company has provided Foreign Exchange fluctuation on actual payment basis to the respective account instead of showing separately in Exchange Fluctuation Account as specified in AS-11.

vii) **EXCISE / CUSTOMS** : The Company has maintained excise records in manual as well as computerized formats. Generally, the manual records have been audited and accepted by the Excise department. However, the amounts reflected in the records maintained on ERP, which are incorporated in the balance sheet, are pending reconciliation with manual records. The impact of the same on the profitability of the company remains unquantifiable.

viii) **SEGMENT INFORMATION** : : The Company is operating in Eight Business Segments viz. Solvent Extraction, Duplex Paper Board, News Print, Captive Power Generation, Writing & Printing, SBS Board, Cement and Pulp Mill. The segment-wise disclosure is as under:

**A) Primary Segment : Business Segment**

( ₹ In Lacs)

Particulars	U N I T S								
	Solvent Unit	Duplex Paper	News Print	Writing & Printing	Power	Pulp	SBS Board	Cement	Total
<b>Segment Revenue</b>									
External Sales	27,413	4,971	4,246	12,328	—	—	6,537	10,789	<b>66,284</b>
Inter-segment sales	—	—	—	—	7,350	—	—	—	<b>7,350</b>
<b>Total Revenue</b>	<b>27,413</b>	<b>4,971</b>	<b>4,246</b>	<b>12,328</b>	<b>7,350</b>	<b>—</b>	<b>6,537</b>	<b>10,789</b>	<b>73,634</b>
<b>Segment Results</b>	<b>2,192</b>	<b>(39)</b>	<b>(1,577)</b>	<b>(1,717)</b>	<b>672</b>	<b>—</b>	<b>(2,826)</b>	<b>(2,366)</b>	<b>(5,662)</b>
Unallocated Expenses	—	—	—	—	—	—	—	—	—
<b>Gross Profit/Loss (Before Employee Cost)</b>	<b>3,520</b>	<b>481</b>	<b>(452)</b>	<b>(305)</b>	<b>2,456</b>	<b>—</b>	<b>(2,083)</b>	<b>2,691</b>	<b>6,308</b>
Interest Expenses	1,117	39	370	403	1,292	—	1,047	9,545	<b>13,812</b>
Other Income	11	25	4	12	1	—	34	7	<b>94</b>
Extra Ordinary loss	—	—	—	—	—	—	—	—	—
<b>Other Information</b>									
Segment Assets	28,064	5,237	7,734	24,432	20,495	7,311	14,091	94,459	<b>2,01,823</b>
Segment Liabilities	9,508	3,083	5,595	6,324	9,142	2,352	11,142	93,881	<b>1,41,027</b>
Depreciation	96	75	648	750	1,438	—	302	3,089	<b>6,399</b>

**B) Secondary Segment : Geographical Segment**

( ₹ In Lacs)

Item	Export	Domestic	Inter Segment Eliminations	Total
<b>Revenues :</b>				
Sales to External Customers	4,642	68,992	0	<b>73,634</b>
Less :Inter Unit Sales	0	0	0	<b>0</b>
<b>Total Revenue</b>	<b>4,642</b>	<b>68,992</b>	<b>0</b>	<b>73,634</b>

**vi) Payments to Auditors :**

As Audit Fees : ₹ 4, 50,000

As Certification Charges : ₹ 50,000

**vii) Directors Remuneration :** Managerial Remuneration paid during the year is as follows:

Remuneration	2010 - 2011 (₹)	2009 - 2010 (₹)
Managing Director	7,20,000	60,00,000
Whole Time Directors	25,20,000	1,69,62,500
<b>Total</b>	<b>32,40,000</b>	<b>2,29,62,500</b>



**MURLI**

**viii) Related Party Disclosure :**

Following disclosure has been made as per the requirement of Accounting Standards 18 issued by I.C.A.I.

(A) Key Management Personnel	(B)	Enterprises owned / Managed by Key Managerial Personnel
Shri Shobhagmal Maloo	Chairman	Nandlal Enterprises Limited
Shri Nandlal Maloo	Managing Director	Murli Tyres Limited
Shri Bajranglal Maloo	Director	Radha Software Limited
Shri Lalchand Maloo	Director	Murli Infrastructure Limited
Shri Sunil Kumar Maloo	Director	Murli Electrode Private Limited

**Particulars of transactions during the year ended 31st March, 2011 with Related Parties.**

(Figure in ₹)

Nature of Transactions	Key Management Personnel	Relative of Key Management Personnel	Enterprises Owned/Managed by Key Management Personnel	Total
Interest on Loans	13,69,478	5,57,069	37,71,039	56,97,586
Rent	36,72,000	0	9,60,000	46,32,000
Directors and their Relatives' Remuneration	23,40,000	66,00,000	0	89,40,000
Purchase of Goods & Raw material/ Services.	0	0	4,26,46,845	4,26,46,845
Loans Taken / (Repaid)	74,83,625	1,09,54,079	5,01,360	1,89,39,064
Outstanding as at the year end	1,91,13,255	4,10,70,919	51,43,603	6,53,27,777

**ix) Deferred Taxation :** The Company does not make provision for Deferred Tax as required by AS-22 Resulting from "Timing Differences" between Book & Taxable profit for the year.

(Figure in ₹)

Sr.No.	Particulars	2010 - 2011	2009 - 2010
<b>A</b>	<b>Deferred Tax Assets / (Liabilities)</b>		
	Depreciation as per Companies Act	63,99,44,023	46,68,25,340
	Depreciation as per Income Tax Act	1,18,83,45,016	1,86,48,05,176
	Difference	(54,84,00,993)	(1,39,79,79,835)
	Deferred Tax Assets / (Liability) on difference between Book and Tax depreciation (tax rate 33.99%)	(18,64,01,498)	(47,51,73,346)

The Company has not made the provision for deferred tax liability. To this extent Reserves and Surplus of the Company remain inflated by ₹ 18,64,01,498/-

**x) Earning per Share :** As per Accounting Standard 20 of I.C.A.I., the Basic Earning per share of the Company is as follows:

$$\frac{\text{Net Profit}}{\text{No of Shares}} = \frac{-1,97,00,19,142}{5,90,11,000} = ₹ (-) 33.38 \text{ per share}$$



- xi)** The balance shown in Sundry Debtors, Sundry Creditors, Advances are subject to confirmation from respective parties.
- xii)** Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to the classification adopted in the Current Year.
- xiii)** Additional information pursuant to paragraphs 4 (C) and 4 (D) of part II of Schedule VI of the Companies Act, 1956 and Quantitative Details

Products	Installed Capacity	Production (M.T.)	
		2010-11	2009-10
De-oiled Cake & Oil (Unit I)	300 TPD	33150.936	32221.724
De-oiled Cake & Oil (Unit II)	800 TPD	60865.926	62674.189
Refined Oil (Unit I)	70 TPD	6543.917	6480.431
Refined Oil (Unit II)	100 TPD	12608.507	12532.653
Duplex Paper Board	80 TPD	20321.687	20654.945
Newsprint	140 TPD	17481.579	24659.087
Writing and Printing Paper	150 TPD	35464.621	33031.136
SBS Board	225 TPD	22669.500	11905.532
Cement	3 Million T.P.A.	375144.000	44449.000
Cement Captive Power Plant (MW)	30 MWPH	57921.700	82269.15
Paper Power (MW)	18 MWPH	61646.220	64931.50

- xiv) Value of Raw Materials Consumed :**  
\*Quantitative Details continued at the end of Schedule "S".
- xv) Value of Imports on C.I.F. Basis (Agro, Duplex, Newsprint ,SBS, & Writing Printing)**  
Raw Material: ₹ 6321.46 Lacs (\$13666310.06)[P.Y. ₹ 7243.08 Lacs](\$ 15126281.91)  
Imported Capital Goods: ₹ 88.22 Lacs (\$191404.59) [P.Y. ₹ 1775.38 Lacs (\$3619848.7)]
- xvi) Earnings in Foreign Exchange:** Export Value of Goods on F.O.B. Basis is ₹ 591.08 Lacs. (\$1317007.48), P.Y. ₹ 3208073 (\$70610.11).
- xvii) Export Turnover :** Total Turnover includes Export Turnover of ₹ 46,41,78,273/- (P.Y. 46,21,95,366/-).
- xviii)** The Company has capitalized expenses of ₹ 3.49 crores incurred in PULP Mill Unit as the Unit was not in operation in the whole year. The PULP Mill Unit was not run as manufacturing pulp from Waste paper was not cost effective.



**MURLI**

**Quantitative Details**

(₹ in Lacs)

Particulars	Qty.(MT) 2010-11	Value (₹) 2010-11	Qty.(MT) 2009-10	Value (₹) 2009-10
<b>A) Stock in Trade</b>				
Stock at Commencement				
a) Finished Goods				
De-Oiled Cake / Poultry Feed (Unit-I)	1520.03	304.01	1675.00	376.88
De-Oiled Cake / Poultry Feed (Unit-II)	3127.05	625.41	3322.85	747.64
Refined Oil (Unit-I)	90.98	40.03	204.62	90.03
Refined Oil (Unit-II)	268.97	118.35	285.38	125.57
Duplex Paper Board	323.50	74.41	84.98	16.14
By-Products (Unit-I)	37.00	4.92	37.00	9.25
By-Products (Unit-II)	37.86	9.46	61.50	15.37
Newsprint	137.47	31.62	254.96	50.99
Writing & Printing Paper	1754.77	596.62	656.80	197.04
Pulp Mill (Soda Ash)	332.40	31.58	332.40	31.58
SBS Unit	733.02	219.91	14.17	2.27
Cement Unit (Clinker & Semi Finished)	74951.00	784.00	0.00	0.00
Cement Unit (Cement)	11409.96	318.81	0.00	0.00
<b>Total (a)</b>		<b>3159.12</b>		<b>1662.76</b>
<b>B) Stock at Close</b>				
Finished Goods				
De-Oiled Cake/Poultry Feed (Unit-I)	620.54	108.59	1520.03	304.01
De-Oiled Cake/Poultry Feed (Unit-II)	1830.54	320.34	3127.05	625.41
Refined Oil (Unit-I)	7.64	4.35	90.98	40.03
Refined Oil (Unit-II)	8.15	4.65	268.97	118.35
Duplex Paper Board	254.16	65.45	323.50	74.41
By-Products (Unit-I)	41.33	10.16	37.00	4.92
By-Products (Unit-II)	91.90	2.94	37.86	9.46
Newsprint	103.80	26.10	137.47	31.62
Writing & Printing Paper	940.72	338.66	1754.77	596.62
Pulp Mill (Soda Ash)	0.00	0.00	332.40	31.58
SBS Unit	541.99	189.70	733.02	219.91
Cement Unit (Clinker & Semi Finished)	129421.97	1159.27	74951.00	784.00
Cement Unit (Cement)	26613.46	824.49	11409.96	318.81
<b>Total</b>		<b>3059.70</b>		<b>3159.12</b>
<b>C) Turnover</b>				
De-Oiled Cake/Poultry Feed (Unit-I)	34075.02	5926.29	32376.70	6691.69
De-Oiled Cake/Poultry Feed (Unit-II)	62162.45	11195.48	62869.99	15013.60
Refined Oil (Unit-I)	6627.26	3336.79	6594.07	3009.51

# MURLI INDUSTRIES LIMITED

20<sup>th</sup> Annual Report 2010 - 2011

(₹ in Lacs)

Particulars	Qty.(MT) 2010-11	Value (₹) 2010-11	Qty.(MT) 2009-10	Value (₹) 2009-10
Refined Oil (Unit-II)	12869.33	6658.14	12549.07	2874.20
Imported Degum/Crude (Unit-I)	8.29	1.53	0.00	0.00
Imported Degum/Crude (Unit-II)	98.29	55.03	0.00	0.00
Duplex Paper Board	20391.05	4971.40	20416.41	3960.27
By-Products (Unit-I)	326.93	72.51	229.39	45.30
By-Products (Unit-II)	592.17	167.40	286.00	57.61
Newsprint	17515.25	4245.77	24776.58	5096.53
Writing & Printing Paper (Raw Materials)	3515.00	606.29	0.00	0.00
Writing & Printing Paper	36278.67	11721.57	31945.16	9205.28
Power (Qty. in MW)	65831.18	4519.14	63781.50	3479.63
SBS Unit (Raw Materials)	575.76	195.70	0.00	0.00
SBS Unit	22860.54	6341.48	11186.68	1883.86
Cement Unit (Cement)	369619.15	10788.50	45970.65	1411.32
CEM CPP (Qty. in MW)	47178.57	2830.71	73984.78	4439.09
<b>Total</b>		<b>73633.73</b>		<b>57167.89</b>
<b>D) Raw Material Consumed :</b>				
<b>Stock at Commencement</b>				
Oil Seed (Unit-I)	31349.29	8150.83	19553.38	4888.34
Oil Seed (Unit-II)	28628.61	7443.44	23669.93	5917.48
Soya Crude (Unit-I)	301.23	120.49	61.92	24.77
Soya Crude (Unit-II)	1214.92	485.97	807.10	322.84
Waste Paper - Duplex	1560.77	234.12	1703.70	205.11
Waste Paper - Newsprint	3320.90	597.76	6076.00	729.12
Waste Paper - Writing Printing Unit	8073.90	2583.65	5111.05	1635.52
Coal - Power (Paper)	108833.00	3265.00	60500.00	1770.00
Baggase - Pulp Mill	25794	631.95	25794.00	631.95
SBS Unit	2740.83	904.48	2848.22	146.30
Cement Unit	18005.36	266.90	0.00	0.00
Coal - CPP (Cement)	14009.85	217.74	145.60	2.62
<b>Total</b>		<b>24902.32</b>		<b>16274.05</b>
<b>Add : Purchases</b>				
Oil Seed (Unit-I)	27820.01	5872.39	43896.47	10814.78
Oil Seed (Unit-II)	65513.96	13990.75	66351.85	15461.02
Imported Degum/Crude (Unit-I)	0.00	0.00	99.74	24.57
Waste Paper - Duplex	21238.37	2623.99	22389.05	2077.48
Waste Paper - Newsprint	24585.03	2788.41	28320.92	2158.62
Waste Paper - Writing Printing	43716.44	6469.48	46519.90	4489.68
Coal - Power	125538.00	1931.75	110469.90	1731.03
SBS Unit	30171.63	5026.83	12774.33	1435.24



**MURLI**

(₹ in Lacs)

Particulars	Qty.(MT) 2010-11	Value (₹) 2010-11	Qty.(MT) 2009-10	Value (₹) 2009-10
Cement Unit	200584.52	3137.59	17132.53	400.47
Coal - CPP	104588.13	1749.23	95761.84	1501.18
<b>Total</b>		<b>43590.42</b>		<b>40094.08</b>
<b>Stock at Close</b>				
Oil Seed (Unit-I)	24787.82	6444.83	31349.29	8150.83
Oil Seed (Unit-II)	30315.84	7882.12	28628.61	7443.44
Soya Crude (Unit-I)	174.64	94.31	301.23	120.49
Soya Crude (Unit-II)	528.74	285.52	1214.92	485.97
Waste Paper - Duplex	236.35	43.46	1560.77	234.12
Waste Paper - Newsprint	2095.06	377.11	3320.90	597.76
Waste Paper - Writing Printing	2335.08	774.07	8073.90	2583.65
Coal - Power	100689.00	3524.11	108833.00	3265.00
Baggase - Pulp Mill	0.00	0.00	25794.00	631.95
SBS Unit	790.30	203.02	2740.83	904.48
Cement Unit	36975.00	482.18	18005.36	266.90
Coal - CPP	58357.98	1054.74	14009.85	217.74
<b>Total</b>		<b>21165.47</b>		<b>24902.32</b>
<b>Raw Material Consumed :</b>				
Oil Seed (Unit-I)	34381.48	7578.39	32100.56	6372.52
Oil Seed (Unit-II)	63826.73	13552.07	61393.18	11723.57
Soya Crude (Unit-I)	6949.16	26.18	6802.40	1108.64
Soya Crude (Unit-II)	13548.70	200.45	13260.20	2048.36
Waste Paper - Duplex	22562.78	2814.65	22532.24	2048.47
Waste Paper - Newsprint	25810.87	3009.06	31076.10	2289.98
Waste Paper - Writing Printing	45940.25	8279.06	43384.91	3541.56
Coal - Power	133682.00	1672.64	62136.90	236.03
Baggase - Pulp Mill	25794.00	631.95	0.00	0.00
SBS Unit	31546.41	5728.29	12881.71	677.06
Coal - CPP	60240.00	912.23	81897.59	1286.07
Cement Unit	181614.88	2922.31	13778.06	290.72
<b>Total</b>		<b>47327.27</b>		<b>31622.98</b>

For Demble Ramani & Co.  
Chartered Accountants  
Registration No. 102259W

Anand Despande  
Partner  
Membership No. 033618

Place : Nagpur  
Date : 12-09-2011

**Cash Flow Statement for the Year ended 31st March, 2011**

(Figure in ₹)

<b>A. Cash Flow from Operating Activities :</b>	<b>2010 - 2011</b>	<b>2009 - 2010</b>
Net profit before Tax and extraordinary items	(1,93,80,62,763)	44,41,46,522
Adjustment for :		
Depreciation	63,99,44,023	46,68,25,341
Interest (Net)	1,31,15,91,744	38,92,71,390
Preliminary Expenses W/o	35,44,498	35,44,499
Increase/ (Decrease) in Provision for Expenses	(45,31,774)	1,43,52,713
<b>Operating Profit before working capital changes</b>	<b>1,24,85,728</b>	<b>1,31,81,40,465</b>
Adjustment for :		
(Increase)/Decrease in Inventories	32,45,55,286	(1,20,25,67,129)
(Increase)/Decrease in Trade and Other Receivables	(3,31,92,983)	(12,29,93,428)
Increase/ (Decrease) in Trade and Other Payables	(1,37,21,479)	39,85,14,879
Increase/ (Decrease) in Loans & Advances	14,85,83,080	(12,03,69,420)
<b>Cash generated from operations</b>	<b>43,87,09,633</b>	<b>27,07,25,367</b>
Interest Paid Gross	(1,31,83,69,978)	(39,88,01,256)
Direct Taxes Paid	(3,19,56,379)	(6,80,12,469)
<b>Net Cash from Operating Activities (A)</b>	<b>(91,16,16,724)</b>	<b>(19,60,88,359)</b>
<b>B. Cash Flow From Investing Activities.</b>		
Purchase of Fixed Assets	(23,68,75,298)	(6,91,84,87,666)
Interest Received	67,78,235	95,29,866
(Increase)/Decrease in Investment	1,87,37,820	(1,15,95,175)
(Increase)/Decrease in Capital Work in Progress	(21,83,68,107)	4,83,32,23,054
Deferred Revenue Expenditure	(21,50,85,147)	—
<b>Net Cash From Investing Activities (B)</b>	<b>(64,48,12,497)</b>	<b>(2,08,73,29,921)</b>
<b>C. Cash Flow From Financing Activities.</b>		
Proceeds From Issue of share capital	(14,00,000)	66,50,00,000
Proceeds From Long term and other borrowings	1,63,09,39,790	1,56,35,39,420
Prior Period Items	(9,73,74,632)	—
Dividend Paid	(2,51,35,674)	(2,39,65,724)
<b>Net Cash Used in Financing Activities (C)</b>	<b>1,50,70,29,484</b>	<b>2,20,45,73,696</b>
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>(4,93,99,737)</b>	<b>(7,88,44,584)</b>
Cash and cash equivalents as at Commencement of the year	8,50,68,195	16,39,12,777
Cash and cash equivalents as at End of the year	3,56,68,458	8,50,68,195

Note : Figures in brackets represent Cash Outflows.

For and on behalf of Board of Directors,  
**Nandlal Maloo**, Managing Director      **Bajranglal Maloo**, Director

**Auditor's Certificate**

We have examined the Cash Flow Statement of MURLI INDUSTRIES LIMITED for the year ended 31st March, 2011. The Statement has been prepared in accordance with the requirements of the listing agreements with the Stock Exchange and is based on and in agreement with the corresponding Balance Sheet and Profit and Loss Accounts of the Company covered by our Report 12/09/2011 to the members of the Company.

**For Demble Ramani & Co.**  
 Chartered Accountants. Reg. No. 102259W

**Anand Despande**  
 Partner. Membership No. 033618

Place : Nagpur  
 Date : 12th Sept., 2011



**MURLI**

**Balance Sheet Abstract & Company's General Business Profile.  
Murli Industries Limited**

**I. Registration Details :**

Registration No. : 64271 State Code : 11  
Balance Sheet Date : 31.03.2011

**II. Capital Raised during the year (₹ in Thousands)**

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil
Preferential Allotment	
10600	

**III. Position of Mobilization and Deployment of Funds (₹ in Thousands)**

Total Liabilities	Total Assets
14483595	14483595

**SOURCES OF FUNDS**

Paid up Capital	Reserves & Surplus
118022	1448044
Secured Loans	Unsecured Loans
12045206	872323

**APPLICATION OF FUNDS**

Net Fixed Assets	Investments
10606370	90423
Net Current Assets	Misc. Expenditure
3543361	243441
Accumulated Losses	
NIL	

**IV. Performance of Company (₹ in Thousands)**

Turnover	Total Expenditure
7363373	9310805
Profit before Tax	Profit after Tax
(1938063)	(1970019)
Earning per share	Dividend (%)
₹ (33.38)	00.00

**V. Generic Names of Principal Products of the Company (as per Monetary terms)**

Item Code No. (ITC Code)	15079000
Product Description	Soyabean Oil
Item Code No. (ITC Code)	23040003
Product Description	Soya DOC
Item Code No. (ITC Code)	48101200
Product Description	Duplex Board
Item Code No. (ITC Code)	48010090
Product Description	News Print Paper
Item Code No. (ITC Code)	48109000
Product Description	Writing Printing Paper

**For Demble Ramani & Co.**  
Chartered Accountants  
Registration No. 102259W

**Anand Despande**  
Partner  
Membership No. 033618  
Date : 12-09-2011

**For and on Behalf of the Board of  
Directors of Murli Industries Ltd.**

**Nandlal Maloo,**                      **Bajranglal Maloo,**  
Managing Director                      Director

## **Code of Conducts**

### **Code of Conduct for Director and Senior Management**

#### **Introduction :**

**This Code of Conduct applies to :**

The directors of **Murli Industries Limited**

Personnel of Murli Industries Limited (hereinafter “the Company”) who are members of its core management team excluding the Board of Directors. It will also apply to all members of management one level below the executive directors including all functional heads (hereinafter collectively referred to as “Senior Executive”) and any other employee or officer of the Company who has opportunity to materially influence the integrity, start and operation of the business and financial performance of the Company.

#### **Purpose :**

**The Purpose of this Code of Conduct is to :**

1. Set the high principles of honesty, integrity, ethical and law abiding behavior expected of Directors and Senior Executive;
2. Guide Directors and Senior Executive as to the practice necessary to maintain confidence in the Company's lawful behavior;
3. Ensure that the business practice of the Company creates highest level of confidence amongst its standard;

#### **Honesty and Integrity :**

- 1.1. The Directors and Senior Management will not discriminate with integrity in all their dealings done for the Company.
- 1.2. The Directors and Senior Management will not discriminate on the grounds of a person's race, religion, gender, marital status or disability.
- 1.3. Directors and Senior Management will not make promises, commitment that the Company does not intend, or would be unable to honour.
- 1.4. Directors and Senior Management shall adhere to the truth and they should not mislead directly or indirectly nor make false statements, nor mislead by omission.

#### **Personal Transaction :**

- 1.5. Directors' and Senior Management's personal or other business dealings will be kept separate from their dealings as a director or employee of the Company.
- 1.6. Directors and Senior Management shall not use the name of the Company to further any personal or other business transactions unrelated to the Company.
- 1.7. Directors and Senior Management shall use goods, services and facilities provided to them by the Company, strictly in accordance with the terms on which they are provided.

#### **Confidentiality of Information :**

- 1.8. Directors and Senior Management will ensure that the confidential information relating to customers, employees and Company's operations is not given either inadvertently or deliberately to third parties, except to the extent necessary for the Company's business without the consent of the Company.
- 1.9. Directors and Senior Management will not use Company's information obtained by them for personal gain financial or otherwise, nor will that information be used to derive financial or other benefits for any other person or business.
- 1.10. Directors and Senior Management shall respect the privacy of others.



**MURLI**

### **Disclosure of Interests :**

- 1.11. Directors and Senior Management shall fully disclose active private or other business interests promptly and any other matters which may lead to potential or actual conflicts of interest with the Company in accordance with such policies that the Directors may adopt from time to time.
- 1.12. Directors' and Senior Management's dealings with the Company must always be at arms length to avoid the possibility of actual or potential conflict of interest.

### **Protection and proper use of assets :**

- 1.13. The Company expects every Director and Senior Executive to use all reasonable endeavours to protect any Company assets and to ensure its efficient use.
- 1.14. A Director or Senior Executive may only use a Company asset for example, a product, vehicle, computer or money for legitimate business purposes.
- 1.15. Each Director and Senior Executive must immediately report any suspected fraud or theft of a Company asset for investigation.

### **Compliance with laws, regulations, policies and procedures :**

#### **Each Director and Senior Executive must :**

Comply with the letter and spirit of any applicable law, rule or regulation;

Comply with the protocols, policies and procedures of the Company, including its corporate Code of Conduct and Code of Conduct for insider trading; and

Encourage other officers and employees to do the same.

#### **Reporting of any illegal or unethical behavior :**

Director and Senior Management are encouraged to promptly contact the Chairman of the Board or the Managing Director if any Director believes that he or she has observed illegal or unethical behavior by any employee, officer or director or by anyone supposed to be acting on Company's behalf. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law.

### **Payments, Gifts, Entertainment and Travel :**

- 1.16. Directors and Senior Management shall not use their status to seek personal gain from those doing business or seeking to do business with the Company.
- 1.17. Directors and Senior Management shall not accept any personal gain of any material significance, if offered.

**Disciplinary Action:** Directors and Senior Management are subject to disciplinary action for violations of this Code of Conduct. Subject to and in accordance with the Company's bylaws, the Board of Directors shall determine the appropriate disciplinary action for violation of this Code of Conduct.

**Waivers and Modifications:** Waivers of this Code of Conduct will be granted only when determined to be appropriate under the circumstances and in accordance with applicable law and only upon approval by the Board of Directors or an authorised committee thereof. All such waivers will be disclosed to shareholders and the public as and when required by applicable law or regulation. Subject to the foregoing, this Code of Conduct is subject to modification by the Board of Directors at any time in order to ensure continued compliance with applicable laws, rules and regulations.

### **General :**

Every Director shall perform his duties as a Director, including his duties as a member of any committee of the Board of Directors upon which he may serve, in good faith, in a manner he reasonably believes to be in Company's best interests, and with such care as an ordinary prudent person in similar position would use under similar circumstances.



## Proxy Form

### 20th Annual General Meeting on 30th September, 2011

Corporate Office : 'Radha House' 239, East Wardhaman Nagar, Nagpur - 440 008.  
Phones : 0712 - 3050000 Fax : 0712 - 2684422



Registered Folio Number : \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the above named company, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Friday, 30th Day of September, 2011 at 11.00 am.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Affix  
Revenue  
Stamp  
Re. 1/-

**Note :** This form of Proxy duly completed, stamped and signed should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.

### Murli Industries Limited

Corporate Office : 'Radha House' 239, East Wardhaman Nagar, Nagpur - 440 008.

#### ATTENDANCE SLIP

### 20th Annual General Meeting on 30th September, 2011

Name of the Member \_\_\_\_\_  
(In Block Letters)

Folio Number \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Name of the Proxy \_\_\_\_\_  
(In Block Letters. To be filled in the Proxy attends instead of the Member)

I hereby record my presence at the 20th Annual General Meeting of the Company at the Corporate Office : "Radha House" 239, East Wardhaman Nagar, Nagpur - 440 008 on Friday, the 30th Day of September, 2011 at 11.00 a.m.

Member/Proxy's Signature

**Note :** To be signed at the time of handing over this slip at the entrance of the meeting hall.







**MURLI**

MURLI INDUSTRIES LTD.

**REGISTERED OFFICE**

101, Jai Bhavani Society, Central Avenue,  
Wardhaman Nagar, Nagpur 440 008

Ph : +91 712 2768912 Fax : +91 712 2761145

Email : maloo@murliindustries.com

**CORPORATE OFFICE**

'Radha House', 239, East Wardhaman Nagar,  
Nagpur - 440 008 India.

Ph : +91 712 3050426 Fax : +91 712 2684422

Email : maloo@murliindustries.com