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ANNUAL REPORT
2011-2012



MURLI

MURLI INDUSTRIES LTD.



*न कर्मणामनारम्भान्नैष्कर्म्यं पुरुषोऽश्नुते ।
न च संन्यसनादेव सिद्धिं समधिगच्छति ॥*

He who shirks action does not attain freedom; no one can gain perfection by abstaining from work. Indeed, there is no one who rests even for an instant; every creature is driven to action by his own nature.

a Forward looking statement...

We are feeling extremely delighted while presenting Twenty First Edition of our Annual Report 2011-12 to our beloved patrons who have all along been an integral part of the process of the evolution of the Company.

The chief objective of the presentation of this Annual Report to all our stakeholders, who invariably occupy the most prominent place in our scheme of things, is to acquaint them with the corporate activities being carried on by us at the moment and the ones we are going to launch in the times ahead as also to put a fairly accurate picture of the performance we are likely to put up in the current fiscal year while apprising them about the performance we delivered in the year gone-by. Evidently, this is intended to enable them to judge objectively as to how we are going to fare as a corporate entity in the times ahead and take conscious, well thought-out and informed decisions vis-a- vis the investment of their capital.

We would like to state at the outset that the projections made in this Annual Report and the Statements we issue from time to time concerning the corporate moves we are going to make are all intended to let our valued patrons visualize the extent to which we realistically hope to derive monetary gains from them. Having said that, we would however like to make it abundantly clear that there are a slew of factors on which depend the attainment of the corporate goals we have set for ourselves, or for that matter, the results we have anticipated. The market scenario prevailing at a given point of time is one of the most important such factors. However, given the dicey nature of the market, it is next to impossible for humans to foresee and predict market scenario with cent percent accuracy and as such there always exists the room for such predictions going haywire.

It is very much pertinent to mention here that our corporate performance is inextricably linked to those factors which do have a discernible impact on national economy, which in turn, is a part and parcel of global economy. If the events of the ilk of global economic slowdown were to recur, then Indian economy would also be affected by it, and in such a scenario we, like all other corporate houses, being a component of Indian economy, are bound to experience the effects of the same in some

form or the other. This may have an impact, perceptible or otherwise, on our performance. Our dear patrons are expected to bear this in mind while perusing our Annual Report.

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/expected 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 conscious of 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.



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Brief Descriptions of MIL Units

AGRO UNIT I : This Unit, known for the production of quality agro-based products like Soya, DOC, Refined Edible Oil, marked the launch of MIL corporate journey in 1991. Over the years it has been a propelling factor for the Company by performing well in terms of financial results thereby adding to MIL clout.

AGRO UNIT II : It gave fresh impetus to MIL growth momentum generated by its counterpart. It has given a major fillip to MIL by delivering sound financial performance. In the times ahead it is expected to contribute to the betterment of MIL performance as the Company has invested substantially on its technological upgradation.

DUPLEX BOARD UNIT : It occupies a place of prominence in MIL scheme of things. Started in 2000, it marked the arrival of the Company into paper market thereby widening its area of operations. A slew of measures, including substantially raising its production capacity are in the process of being implemented to strengthen its financial performance.

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 : Overwhelming success enjoyed by Duplex Unit spurred MIL Directors to go in for the expansion of paper business by commissioning this

Unit in 2001. The positive impact of the injection of massive funds in recent times into this project to improve its functional capacity is expected to be visible soon.

POWER UNIT : Power Plants, the drivers of MIL growth, have enabled the Company to be self-sufficient in terms of meeting its power requirement. The Company has been spending huge sums on their upgradation so that there is continued, uninterrupted supply of power to all its plants thereby facilitating round- the- clock production.

PULP MILL : It is among those units which could potentially do wonders for MIL by quickening the pace of its economic turnaround.

CEMENT UNIT : Dubbed as an epitome of the application of most sophisticated technology and an unmistakable symbol of widening corporate influence of MIL, it has dramatically boosted the image of the Company. This multi-crore project of MIL, catching the fancy of market analysts, holds the key to a robust MIL performance.

SBS BOARD UNIT : This Unit, the most vital link in the chain of MIL paper units, has given a definitive direction to MIL efforts to consolidate its grip on the paper market. Cynosure of all MIL watchers, this Unit is the employer of highest number of persons among all the MIL paper units.

CONTENTS

Directors' Profile

Biographies - Shobhagmal Maloo, Chairman	04
Nandlal Maloo - Managing Director	05
Other Directors	06

Corporate Information

Highlights of the Company	13
Board of Directors, Auditors, Bankers	18
Milestones	20
Managing Director's Statement	21

Statutory Reports 2011 - 2012

Notice of Annual General Meeting	24
Directors' Report	26
Management Discussion and Analysis	31
Report of Corporate Governance	38
Secretarial Audit Report	48
Auditor's Certificate on Corporate Governance	50
CEO & CFO Certificate	50

Financial Statement 2011 - 2012

Auditor's Report of Financial Statement	51
Balance Sheet	56
Statement of Profit & Loss	57
Cash Flow Statement	58
Significant of Accounting Policies	59
Notes on Financial Statement	61
Code of Conducts	71
Proxy Form & Attendance Slip	75



MURLI

BIOGRAPHIES

Shri Shobhagmal B. Maloo

Chairman,
Murli Industries Limited

The personality who unquestionably wields maximum influence on the entire MIL family and who has successfully guided the destiny of the Company is Shri Shobhagmal Maloo, 71, who is the Chairman of MIL Group.

Of the losses incurred by the Company this year, he admits without mincing words that the MIL think-tank was disappointed with the results since they were on unexpected lines. Nevertheless, he is in a bullish mood and while making clear that the Company has gone the extra mile to stem the rot, he exudes confidence that the raft of measures taken by the Company to reverse the trend would go a long way in reinforcing the message that the top brass of the Company is keen to grasp the nettle. "Thousands of businesses bite the dust every year when confronted with the harsh reality of suffering massive losses, but MIL has the wherewithal to demonstrate that situations like this do not and cannot dilute its resolve to soldier on and restore its growth trajectory," he asserts.

He exhorts MIL Board of Directors to leave no stone unturned to translate its corporate ambitions into reality and show to the industrial world that it is just a temporary phase and gives no room whatsoever to our rivals to come hard at us and upstage us. "When MIL emerged on the corporate scene, the corporate world watched it skeptically; later that skepticism was replaced with respect so much so that in a few years many nascent industries started studying what MIL had done to achieve such fabulous results in such a short span of time," he reminds all MIL stakeholders thereby underlining that MIL is all set to leave this problematic phase in its corporate history behind and set an example before other corporate units as to how it faced the Himalayan challenge of charting the route to growth again after being pushed to the background.

The man whose name carries a great weight in business circles, he is known for his high emphasis on business ethics and principles. The important quality that stands out as unique about him is that his composure is tremendous. The way he backs his team in crunch times is amazing.

The man who clicks with MIL employees, he has built a good team and changed its mindset with stepped up confidence in its own prowess. In this task he has succeeded beyond belief and beyond words. This goes to show that he is a ceaseless source of inspiration for MIL team.

The Company thanks him for the meritorious services rendered by him for its uplift.





Shri Nandlal B. Maloo

Managing Director,
Murli Industries Limited

There is absolutely no denying the fact that a Company passing through a most defining period of its evolution requires a Managing Director with a vision and commanding respect across the board. And our 58-year old Managing Director, who has won accolades from many quarters for having displayed remarkable stewardship while leading the Company during the course of its more than two decades long glorious history, is the man whom the Company has pinned all its hopes on for scripting a fabulous turnaround in its fortunes.

To rerail the financial showing of the Company in the wake of the reverses suffered by it is, no doubt, a tall order, yet the way he has been going about it in a cool and composed manner is truly noteworthy.

An intellectual and powerful leader with distinguished academic record, he refuses to buy the line that the below par performance by MIL would give a fillip to its rivals. "We are a strong unit and we back ourselves to outclass all our rivals and none of them is exception to it," he cautions MIL rivals adding that they would do well to come out of the cobwebs they have woven around themselves and stop thinking that MIL is a pushover.

Under his dynamic leadership the endeavour made by the Company for the building of trust has resulted in shaping up of robust relations with all its stakeholders. This has stood the Company in good stead as it makes a frantic bid to resume its march to occupy the centre stage in the industrial map of the country.

The man in charge of the Company's administrative, taxation and financial matters, he has been able to evolve such unique methods that are an infallible means to pep up MIL employees to keep performing at the best of their abilities.

Like all other members of MIL family, he too is buoyed by the fact that Murli Horsepower Cement, which has caught the fancy of market watchers for its uniquely superb quality is winning increasing acceptability in the market. "We would do what is needed to be done to strengthen our presence in this hugely promising cement market," he sets the record straight alluding to the calibrated steps the Company is going to take to leverage the goodwill it has been able to generate by supplying quality cement to its numerous customers dotting the length and breadth of India.

Ledably by the personality of his stature, the Company is optimistic about its march to prosperity resuming soon with fullest degree of resolve and enthusiasm.



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Shri Bajranglal B. Maloo, Director

A corporate boss striving untiringly to steer his Company out of an unprecedented situation caused by losses of a massive scale has to be a catalyst, an organiser, a mentor, a participant, and above all a role model, all at the same time. And our 56-year old Director Shri Bajranglal Maloo is unquestionably one such personality- all rolled into one.

Striking a positive note on MIL's prospects of breaking new grounds, he asserts that MIL team has immense faith and confidence in themselves and the most keenly watched Company in industrial world is headed for a new glory in not too distant future. "It has the strength and the resilience to overcome all obstacles," he avers.

A leading proponent of the application of most advanced technology, which he terms as the engine of corporate growth, he holds the view that the biggest challenge of tomorrow would be the imbibing of these cutting-edge technologies.

A humanist at heart, he is associated with many social and educational institutes. One feels highly privileged in the Company of such a towering personality, who holds a place of prominence in MIL scheme of things.

Taking a tough stand against those unscrupulous entrepreneurs who can not resist the temptation of diluting the quality of their products to make easy pickings, he observes that there is no short cut to becoming a million dollar Company other than doing things the right way, citing the example of MIL, a

byword for quality products, he dubs the dilution of quality for making easy money as 'a monumental crime'.

Cautioning MIL rivals not to read too much into its below par performance for second year running, he recalls the history of MIL to make a point that every calamity has seen MIL bounce back and reach new heights of glory thereby underlining that in the past MIL has turned the tide to usher in an era of unparalleled growth.

Stressing that a spike in production especially that of Murli Horsepower Cement and paper holds the key for MIL to stage a dramatic comeback, he says that it will have to be attached topmost priority so that MIL rivals are not able to break its stranglehold on the market.

Under his able supervision and guidance the Purchase Department officials have ensured that MIL has the highest standards of integrity, openness and transparency in all the procurements made by the Company.

It is indeed a matter of rare honour and privilege for MIL that a person of his caliber constitutes an integral part of its think-tank.



Shri Lalchand B. Maloo, Director

Our 52-year old Director Shri Lalchand B. Maloo, who commands tremendous respect across the

industrial spectrum of the country for his unrivalled business acumen and proficiency and who represents the Company's trump card, is among those key figures for the Company, who are all set to play an increasingly decisive role in the Company's quest for regaining a dominant position in the corporate world.

He has turned this once a small entity, which spent quite a while struggling on the margins, into a corporate giant and one of the largest employers in Central India.

He has not only brought to MIL a grand business strategy but also a grand vision in which the employees are the most important factors.

Sounding upbeat about the prospects of MIL coming out of the shell with renewed vigour, he makes it amply clear that the fundamentals of MIL are so strong that it would survive the onslaught rather well and very soon get ready to take on its rivals and floor them. To drive home his point, he reminds MIL stakeholders that when the industrial world was passing through economic recession, MIL remained untouched.

An agent of change and a catalyst in the MIL image make-over drive, he wants to look at the bigger picture rather than lamenting the losses and reminds one and all that achieving a turnover of 1000 crores for the first time since its inception is something phenomenal for the Company and a sure indicator of the fact that things would soon fall in place for the Company. In the same breath he stresses that there is need for a considered calibrated response to this unprecedented situation. "Some unforeseen factors have injected a new sense of urgency for us to go into overdrive. We are committed to devising a mechanism and roadmap for resolving the problems to reverse the situation," he reveals.

Making it clear that individual ambitions must not come before the larger interests of the Company, he sends a clear message to the entire MIL group that it will have to get its act together and work hard.

He has full faith in the resilience of MIL to overcome challenges and emerge stronger than ever before.

His credit is that he saw a dream to propel MIL to newer heights; he converted it into a vision and provided well-mediated support to it with concrete and purposeful actions.

He can truly be termed as an arch-performer, a torch bearer and the glory of MIL, whose association with the Company is a matter of unique honour for it.



Shri Sunil Kumar Maloo, Director

Our 43 year-old Director, Shri Sunil Kumar Maloo, who has done a lot for the Company in his unassuming manner, is a dynamic corporate leader and a visionary who is engaged in the vitally important task of turning MIL into a major internationally acclaimed entity.

The man with freshness of youth and a steely resolve, he can be termed as the icon of MIL growth.

Unencumbered by concerns about MIL having suffered big losses, he replies in the negative to a query on whether the reaction of MIL Board of Directors to the current challenge confronting the Company is that of panic. "There is no question of panic bells ringing in the MIL. We have shown time and again as to how adversities could be turned into opportunities; nobody should have any doubt on that score," he underlines.



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He has already proved himself as a corporate leader of great merit. A keen and serious operator and an intelligent implementer of his ideas, he is buoyed, not weighed down by enormous responsibilities and huge expectations placed on his young shoulders as a Director of MIL, which has given good report card for the past many years.

While insisting that MIL is currently passing through a transitional phase of its evolution, he maintains that it is important to take measured steps from now on. "We are taking drastic measures to rejuvenate the Company and forging a well thought-out strategy to overcome recent setbacks. Once the results of these measures begin to manifest themselves, MIL would definitely succeed in expanding its base while chipping away at that of its rivals," he cautions all MIL rivals, who are whistling in the dark that it would be easy for them to upstage it.

The man who instills discipline and extracts the best out of MIL employees, he takes the line that hard work has to be the buzzword for them if the Company has to realise its ambition of being there at the top pretty soon. It won't be out of place to state that he not only motivates his team but also sets an example for everyone to follow by putting in his 100 percent effort.

There is desire in his thinking and a commitment in his actions. MIL group has enormous respect for what he brings to it. His work ethic and his concentration are such that a young entrepreneur would do well to try and not just study but also emulate his achievements.

MIL is indeed fortunate to have in its fold such a leader of unchallenged merit.

Shri Yashpal Dhiman, Director

Our 57-year old Executive Director Shri Yashpal Dhiman is among those principal figures, who having served MIL with distinction for a number of years, now harbour a rightful wish to be instrumental in taking it

to dazzling heights.

The man who has contributed massively to the emergence of MIL as a corporate force to reckon with, he is working with a single-minded obsession to script a recovery for the Company. "We have totally redefined our priorities. There are a slew of proposals, all designed to empower MIL. We are in the middle of enforcing those proposals in both letter and spirit. Once their full impact shows up, the process of MIL transformation would start taking concrete shape," he explains.

He is very calm and patient even under the most pressure-filled situations. He likes challenges. He has full faith in his abilities and is full of self-belief. Market watchers opine that his roaring desire to stem the rot and turn things around for the Company would see it keep this turbulent period behind with aplomb.

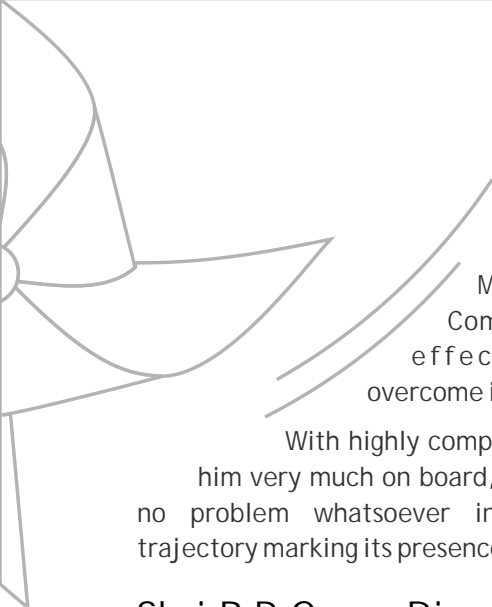
The man, who has endeared himself to scores of employees of the Company, he holds that it is their grind and persistent efforts to take the Company to the summit of glory which holds the key to turning MIL into one of the choicest investment destination for millions of prospective investors nationwide. Needless to say that he is himself pursuing his agenda to carve out a big presence for MIL in international market.

Expressing concern over the declining levels of FDI inflows in the country, he says a situation has arisen where even Indian corporates are looking for better avenues for investments. He laments that the Government has failed to inspire both external and internal players to invest in the Indian economy.

Having served a number of industries with distinction, he aims at garnering a position of eminence for himself in the world of industries. Factually, he deserves such a place, given his determination to steer the Company to success despite difficulties.

A man of unexceptionable character, a highly motivated leader and conscientious administrator, he combines within him academic brilliance with practical wisdom.

While conceding that the harsh reality of having suffered losses staring MIL in the face presents a slew



of unfamiliar challenges, he makes it abundantly clear that the Top Management of the Company is forging an effective strategy to overcome its recent setbacks.

With highly competent personalities like him very much on board, the Company foresees no problem whatsoever in an upward growth trajectory marking its presence again in the market.

Shri B.P. Ganu, Director

Shri B. P. Ganu, 70-year old, Independent Director of the Company, is among those figures who figure prominently in MIL scheme of things. This is due to the fact that during his long and fruitful association with the Company, he has time and again proved his indispensability for it.

A mascot for MIL, he has on umpteen times intervened and intervened with positive results to steer the Company out of labyrinth whenever it faced crunch situations.

Expressing satisfaction over the fact that over the years MIL has been showing tremendous keenness to adopt state-of-the-art technology so as to fast-track the process of its growth, he especially cites the examples of Cement Unit at Chandrapur District and SBS Unit, where the Company pumped in massive funds for the introduction of advanced technology. "It marks a new era in our technological prowess and brings out the fact that we have the wherewithal and intellectual wealth for such great achievements in high-tech areas," he exults.

He faces problems and challenges with statesmanship, never showing defeatism. The problematic situation arising out of the losses incurred by the Company does not bother him. "It is a reminder why we have to remain ever vigilant. You cannot plough a field by turning it over in your mind. We would do what it takes to rein in the situation and have already taken a raft of well-defined steps to

ensure that we are able to honourably translate our intent of scripting MIL resurgence into reality," he plays it cool.

A Nagpur University graduate in Architecture, he has been doing a fabulous job for the Company by assisting it with his project drawings made with pinpoint accuracy.

Calling upon MIL employees to fire on all cylinders to excel in their respective areas of operations, he tells them in plain language that if they ever faced any issue administrative, technical or otherwise, or needed a clearer perspective on things, they must not hesitate to go to their seniors. In his view adroit handling of the jobs entrusted to the employees is always a must on their part as it is they who facilitate the realisation of long-term goals set by the Management.

Hailing MIL for having created history by recording a turnover of Rs. 1000 crores this fiscal, he expects this landmark to mark the beginning of a new chapter in MIL history.

With men like him very much there to back up MIL Board of Directors' endeavour to resume ascent towards zenith of glory, there is hardly any doubt about that endeavour being a grand success.

Shri Rajinder Paul Gupta, Director

A man of formidable reputation and ceaseless source of inspiration for MIL is its 74 -year old Independent Director Shri Rajinder Paul Gupta, who has decidedly made a huge difference to MIL profile.

Sounding jubilant over the Company having achieved a turnover of Rs. 1000 crores this year, he calls it a barometer of the commitment on the part of MIL Board of Directors to change the picture and future of MIL and put it firmly on the way to renewed prosperity. "It's a definitive pointer to the fact that things are changing in MIL slowly though, but surely, like a moving glacier," he sounds optimistic about more and more signs of positives emerging as the remedial measures taken by MIL top brass begin to fructify.

Complimenting MIL Board of Directors for having achieved remarkable success in maintaining the



MURLI

quality of a wide range of products including soya, paper and cement, he categorically assures MIL customers that the Company would continue to attach topmost priority to ensuring that its products continue to be characterised by the unmatched premium quality, which has brought rock-solid reputation to the Company. "We would give the rivals a good run for their money. The heart-warming scenario wherein MIL products are gaining more and more popularity itself is worrying factor for MIL rivals, who are wary of MIL getting an upper hand. As a matter of fact we are very much on course to taking sting out of rivals. This is why there is a perceptible change in the way MIL rivals now look at it," he says in a forthright statement. At the same time he adds that the only competitor to be feared is one who never bothers about you at all, but goes on making his own business better all the time.

At the moment he is taking strenuous efforts to build a future for MIL when it would be a part and parcel of the Big League, a distinction which it deserves since last many years.

He holds considerable sway over MIL employees and knows how to obtain buy-in from them. His take is that it is the dedicated efforts of the employees that are bound to act as a sure-shot antidote against the effects of downturn the Company is experiencing right now due to the losses suffered by it.

The Company is mighty lucky that such a person of great determination who is central to the revival of its fortunes is working alongside all other Directors to lend momentum to MIL efforts to stage a spectacular recovery.

Dr. V.P. Thergaonkar, Director

If MIL appears destined to remain in the limelight, it is due to the presence of distinguished personalities like Dr. Vinayak P. Thergaonkar, 75-year old who is an environmental scientist of international repute.

While working on behalf of and as a representative of UN in countries like Afghanistan and S. Yeman on environmental projects, he has acquired, widened, enriched, shared and utilised his profound knowledge of environmental aspects of developmental projects. Needless to say it is this very knowledge of such a

towering personality that is standing MIL in good stead.

Known for his immense power of words, he rose to the fore when he authored and brought out several illuminating manuals and research papers on impact of human activities on environment. This seminal work, which exhibits his deep understanding of management of environmental affairs, has added to his prestige as an environmental expert. Besides, the meritorious services rendered by him both as a Chemistry lecturer and Scientist In-charge at Nagpur-based NEERI also came in for lavish praise from various quarters.

His induction into the MIL Board of Directors is designed to send out an unmistakable signal that environment is something that MIL never loses sight of. It is indeed reflective of its unflinching commitment to take care of environment while carrying on its industrial operations.

A man committed to noble ideas and an epitome of perfection in observing anti-pollution norms, he operates on principles.

Asked to look back at the not-up-to-the-mark performance given by the Company this year, he is analytical and aware as to exactly what needs to be done to overcome the bind the Company finds itself in today. "We would not allow a drift to set in; rather we would start our campaign with a fresh mind to build a promising future for MIL. We commit ourselves to work hard to consolidate the goodwill we have earned strenuously during the course of more than two decades of our existence as a corporate entity. We have taken some path-breaking decisions and are implementing them in right earnest. It won't be too long before MIL regains the number one spot after a roller-coaster transition phase," he speaks eloquently about the route MIL intends to chart for itself to bounce back with a bang. His utterances presage a change for the better in MIL fortune, a foregone eventuality verbalized in no uncertain terms.

It is a wonderful thing for MIL that a scientist, a leader, a planner and a strategist of his stature is very much a part of its think-tank.



Shri Subhash Rode, Director

Our 61-year old Independent Director Shri Subhash Rode, whose vision and energy are inspiring, is among those key figures for MIL who have the right temperament and ability to impart the much-needed fresh momentum to its two-decade long growth story.

A Gold Medalist from Nagpur University having done Diploma in Business Management, he is also a B.Sc. Tech. and M. Tech.

A symbol of MIL aspirations and expectations serving it with his sheer passion and dedication, he has, during his illustrious career spanning more than three decades, rendered exemplary services to a host of industrial units thereby adding to their prestige and glory.

His unimpeachable personal integrity and excellent track record makes him a priceless asset for MIL. He acknowledges that the huge losses incurred by the Company have, no doubt, created an unwelcome situation for it but in the same token, he adds that this peculiar problem has offered us a wider vision of how MIL, which is a corporate giant in the making, has to scramble its way to the top. Clarifying his remarks further, he states that this being a difficult spell for the Company, its top honchos will have to work unitedly with the avowed aim of restoring the high growth trajectory of the Company-something it has always been identified with. He goes on to add that even after achieving such a healthy situation, they will have to guard against complacency. "I feel that satisfaction is the beginning of stagnation. Satisfaction is like applying the handbrake and hoping that the car would move forward," he stresses with all emphasis at his command.

A stickler for doing the job with meticulous care, he has the right qualities, instincts and experience required to function at the topmost level of organisational hierarchy.

A great human being and an administrator par excellence holding the view that excellence is the product of

proper action and proper attitude, he backs MIL team to the hilt by saying that they do not lack firepower. This is why, he believes, it won't be walk in the park for MIL rivals to queer the pitch for it.

There are some striking plus sides to his leadership; he is bold and decisive. Besides, he is a workaholic who is using his entire pool of experience to herald a new dawn of unrestricted growth in MIL history.

The Company takes heart from the fact that such an esteemed member of society and an established corporate leader with unquestioned ability forms an integral part of its think-tank.

Shri Avinash Mardikar, Director

Shri Avinash Mardikar, 77-year old Independent Director, is doing the yeoman's service to the Company by working shoulder-to-shoulder alongside rest of its Directors to change the profile of the Company by transforming it into a Unit which is characterised by an impressive growth.

A legal expert widely respected for his jurisprudence, he has mastered the nuances of leadership to amazing perfection. His influence on the Company is substantial.

Terming the employees of the Company as the 'reservoirs of its strength', he calls upon them to perform their duty with complete devotion, fairness, honesty and truthfulness. "You hold the key to a quick resurrection of the glory days of MIL. You must have fervent intention to meet the targets set by the supreme bosses of the Company and your dedicated efforts are enough to find out ways and means to chart a new route for the Company-a route which leads to growth and prosperity," he enthuses the employees of the Company while observing that the skill, the tenacity and the competitive urge flows freely through their veins.

He is the person with extraordinary intelligence and a remarkable work ethic. Known for his calm and composed demeanour, he clearly has the ability to advance the interests of the Company and give a major boost to its bid to renew its standing in the industrial world as a major force.

Dubbed as an effective agent of transformation within



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MIL, he is a major talking point within MIL and outside for his colossal stature, humility and growth efforts. There is absolutely no denying the fact that he has brought a new ray of hope for the Company.

Refusing to paint a grim picture of the situation confronting MIL following the losses incurred by it, he voices confidence that the hectic efforts currently underway to build a revitalized MIL would yield tremendous fruits for the Company. "We need to rectify the impression that the below par performance put up by the Company for the second successive year has dampened the enthusiasm of its bosses to press ahead with new initiatives to give a fresh direction to its growth story, which continued unhindered right from its advent on the industrial map of the country. Let there be no skepticism in any quarter whatsoever about the efficacy of the measures taken by the MIL Board of Directors to overturn its topsy turvy performance," he sums up the mood of the MIL Group.

MIL is pleased that such a man, who is a credit to the Company, is serving it with an unquestionably strong sense of commitment and focus.

Shri Alok Srivastava, Director

Shri Alok Srivastava, the latest inductee to the MIL Board of Directors as an Independent Director, is a celebrated economist having done his M.A. in Economics from Delhi School of Economics. Besides, he is also an MBA and a CAIIB.

His illustrious career steeped in glorious successes has seen him achieve dazzling heights in his career in banking sector. Besides, taking a pivotal role in making MIL a vibrant corporate force, he is also rendering his distinguished services at present to Punjab National Bank as DGM, Circle Head, Nagpur Circle.

He is not just an efficient corporate leader but is also a visionary with a definite, well-defined global and national viewpoint in development terms.

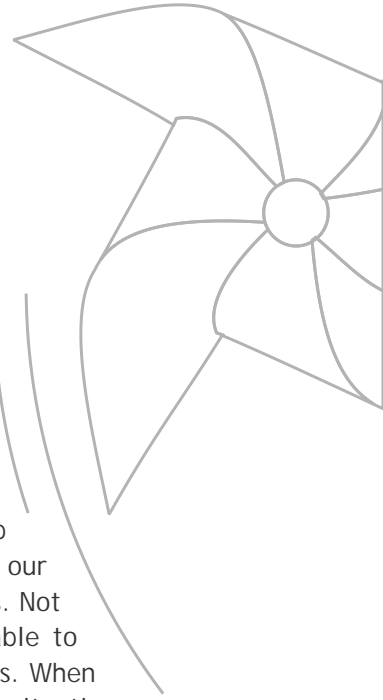
Hailing MIL for the milestone achieved by it for the first time ever in its history in terms of turnover worth Rs. 1000 crore, he reckons that it is a pointer to the things to come for the Company.

Playing down the losses posted by the Company, he remarks that notwithstanding the losses of the same magnitude last year too, the Company showed tremendous grit and discharged all its financial obligations even while carrying on all its industrial operations with the same degree of vigour. Thus the Company has demonstrated that it has the wherewithal to absorb such shocks. "It is a testimony to our self belief and unwavering focus. Not all the companies have been able to stay afloat in such adverse times. When faced with financially tough situation many of them either perished altogether or became extinct like tigers from the wild life. But MIL policy-makers have the shared wish and commitment to take it forward and as long as this intense desire is there, MIL would go from strength to strength," he prophesies.

Observing philosophically that enthusiasm is the leaping lightning that blasts obstacles from its path, he urges MIL employees to work with a spirit of enthusiasm so as to become a propelling factor for the Company.

Expressing happiness over the fact that MIL's relations with all its stakeholders have been growing in an exceptionally satisfactory manner, he underlines his pragmatic approach that MIL's continuous accent has to be on a strong and meaningful partnership with all the stakeholders so that the Company is ever able to deepen and broad-base its ties with them thereby ensuring that a win-win situation is created for the two.

It is indeed a welcome sign for MIL that such a dynamic, forward-looking and energetic leader is unleashing his full potential to bring about a positive change in the fortunes of the Company.



Highlights of the company

A COMPANY TREADING THE PATH OF IRREVERSIBLE GROWTH :

MIL, which has only last year marked the completion of two decades of its advent on the industrial scenario of the country, has been able to carve out a distinctive and prominent position for itself on the back of the growth it has witnessed during the course of these twenty years. What is particularly remarkable about it is that barring a few spells of turbulent times its growth process has been unstoppable.

Although yet to realise its full potential, its Cement Unit has slowly but surely begun to offer glimpses of its bright future as the acceptability and popularity of Murli Horsepower Cement is set to soar in the times ahead - a fact admitted even by market watchers. This is due, mainly to the fact that the Research & Development wing of the Company manned by highly experienced personnel has been doing its utmost to ensure that the quality of the cement offered by MIL to its numerous customers is such that more and more new customers are automatically gravitated towards it. Their untiring efforts in this direction are bound to pay off handsomely as MIL seeks to 'cement' its position in the market through its Cement Unit.

MIL think-tank is confident that the experience drawn from its Chandrapur Cement Unit would help it run its other two upcoming cement units- one each at Rajasthan and Karnataka, in a most effective manner.

FORTIFYING TRUST OF TWO DECADES

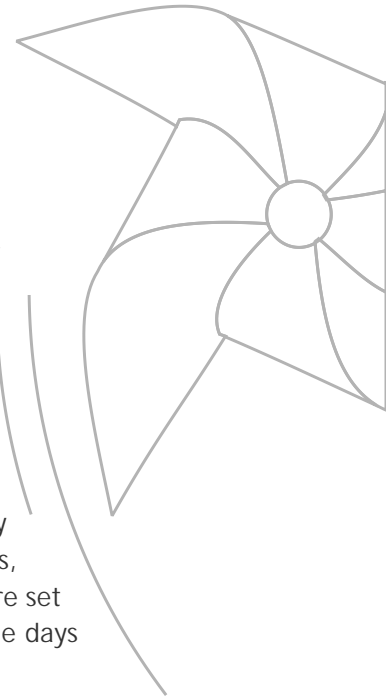
MIL is the Company which attaches utmost importance to business ethics and values. Although, it is true that profit is the only engine of survival for any business unit, MIL has never resorted to cutting corners in a frantic bid to earn quick money. It believes in the notion that business without ethics is a crime towards

society at large. This is why our firm belief is that, earning more and more money is, by itself, not an illegitimate goal, but becomes one when other values are subverted in its pursuit. Strictly adhering to the norms of fair and decent business practices, MIL has been able to push up its volume of sales over the years by consistently supplying quality goods to its numerous customers, whose numbers, MIL believes, are set to witness a quantum leap in the days ahead.

Similarly, inspired by a belief in the primacy of all its stakeholders in its scheme of things, MIL has always accorded highest value to its ties with all of them. MIL is conscious of the fact that it is its commercial links with all its stakeholders, which holds the key to its unimpeded success story. Through this policy document MIL conveys its sincere gratitude to all its stakeholders, who have all along been its most dependable companions during the entire course of its corporate journey.

UNIMPEDED MANUFACTURING OPERATIONS AT MIL PLANTS

Easy and timely availability of raw materials is one of the principal factors having a noticeable bearing on the pace and quantum of production. It is also the key to ensuring that the production process is not hampered at all and goes on absolutely smoothly. It is worthwhile to mention in this context that MIL is never plagued by non-availability of raw materials and the consequent stoppage of its manufacturing activities as the Company depends on recycled waste paper as well as cereals residue (wheat and rice) for the





MURLI

manufacturing of paper the supply of which is perennial and abundant.

What deserves to be prominently highlighted in this connection is the fact that quality of paper produced with the help of these raw materials is unquestionably superior as against that produced with the help of their substitutes. We have experienced over the years that supply of the raw materials other than the ones we have been making use of is usually inadequate forcing the paper manufacturers to depend on their imports from overseas markets. This places an unwanted burden on nation's precious foreign exchange reserves. What puts us in the box seat is the fact that the quality of the papers produced by us being a cut above that of our rivals, their demand has been constantly rising. This puts us on our toes as we have to keep ramping up production all the time so as to ensure that our customers do not complain that we are unable to cope with the burgeoning demands of our products.

POWER PLANTS: SUSTAINERS OF MIL OPERATIONS

Power Plants have all along been the major source of Company's clout in the industrial scenario of the country as also the main prop of its corporate prowess as it is these Power Plants which enable the Company to carry on its production activities on a sustainable basis.

MIL, which was a fringe player during its infancy, managed with the power sourced from external sources to carry on its operations. But down the line as the demand for its products started skyrocketing, the Company's think tank, actuated by the desire to cash in on this healthy situation, invested massively in Power Plants, which are now playing catalytic role in the process of Company's evolution into a major market player.

The power generated at the Power Plants at the paper plant with combined capacity of 18 MW is currently sufficient enough to meet the operational requirements of all the constituent units at the Paper Complex. However, with the Management having

drawn up plans for the expansion of some of its units, the Company anticipates that the requirement for power would go up substantially and as such the Management has already done the preparatory work designed to augment power generation at the Power Plant.

Likewise, the three Power Plants with capacity of 16.5 MW each at the Chandrapur Cement Unit are meant for facilitating its manufacturing operations.

TAKING CONCENTRATED EFFORTS TO ENLARGE MARKET BASE

Right since its inception as a corporate unit way back in 1991, MIL has been fastidiously following the principle of consistently supplying quality goods to its customers. The policy makers of the Company including senior executives keep issuing stern instructions to those supervising the process of production that the Top Management would not show any leniency towards those responsible for any dip in the quality of Company's products. This keeps them on their toes all the time. Similarly, if there are any factors which are responsible for poor quality of our products, they are taken care of and addressed forthwith. This ensures that the products which reach the consumers are of the desired quality. This applies in respect of all MIL products including cement and paper as also its agro-based products such as Soya Oil, Deoiled Cake and Acid Oil, Cream Wove, Map Litho, Copier and Chromo Board.

We hereby reiterate that we are committed to serve our customers with Quality Products. Our business endeavour is to have adequate systems to ensure timely deliveries, most competitive prices and prompt after- sale service. Our goal is to satisfy customer needs in time, as a satisfied customer would bring more and more new customers.

CONTINUED EMPHASIS ON RESEARCH AND ANALYSIS

MIL, which steadfastly rejects the idea of resorting to unethical means to further its commercial interests, has always been unwaveringly committed to supplying quality products to its customers by investing substantially on research and analysis of materials, intermediate products and inputs.

All the plants of the Company have fully equipped laboratories where extensive scientific checks and tests are carried out which are essentially designed to ensure that the finished products are of desired quality. Corrective steps are taken forthwith if these checks and tests reveal any flaw in the quality of the material. It is worthwhile to add that those manning these laboratories are well-versed in various branches of science. Significantly, the Top Management keeps interacting with them with a view to ascertaining their views on how best the Company could achieve its dual objective of introducing cost-effective measures even while ensuring that the quality of the products is not given a short shrift.

The Management keeps issuing an unequivocal instruction to the Quality Control Department that it would take an uncompromising attitude towards quality of the finished products and that it would view very seriously any lethargy shown by them in so far as the maintenance of the quality is concerned. Needless to say that it is this very approach of the Management that brings into sharp focus the need on the part of the Research & Analysis wing of the Company to be fully circumspect vis-a- vis the quality of MIL products.

DEALERS OCCUPYING CENTRE STAGE IN MIL SCHEME OF THINGS

MIL has been able to enlarge the volume of its sales courtesy its an extensive network of dealers based across the country and abroad. These dealers have been discharging a monumental role in taking MIL products to various parts of the world apart from indigenous markets. They have been acting as a bridge between the Company and its customers and thus they have been pulling the Company up the ladder.

MIL dealers are vital to taking forward the business transacted by the Company. It is now aiming to widen its network of dealers by having in its ranks the most competent and efficient dealers who have the much-needed adeptness in dealing in the products marketed by the Company.

We are glad to reveal that prompted by the popularity and the projected large volume of sales registered by MIL goods, several prospective dealers have offered to become a part of MIL dealers' network and contribute to taking MIL products in the areas where the Company is yet to register its presence in a big way.

The Company has intensified its interaction with all its dealers so as to keep eliciting information from them as to how best it could capture new especially hitherto untapped markets.

SAFEGUARDING THE INTERESTS OF STAKEHOLDERS

Being appreciative of their role in its affairs, the Company is of the view that all its stakeholders hold a place of primacy in its emergence as a potent market force and as such it is incumbent upon it to fully protect and serve their interests so that they feel enthused to partner it with redoubled zeal.

The MIL website (www.murliindustries.com) is designed not only to enable all its stakeholders to acquaint themselves with the growth momentum generated by it but also to judge for themselves as to how the Company is likely to fare as a corporate group in the days and months ahead.

Likewise, the Company has created the facility for its customers to book their orders online with a view to saving their valuable time and energy.

A comprehensive and transparent internal as well as external audit system coupled with other checks and balances within the Company are all essentially designed to reinforce

the confidence of all its stakeholders.



MURLI

A COMPETENT WORKFORCE GLORIFYING MIL IMAGE

MIL has always taken meticulous care to see to it that the employees who are inducted into its fold are capable enough to discharge their duties and responsibilities in a manner that serves the purpose with which they are made a part of the Company.

As a matter of fact MIL employees, who can truly be dubbed as reservoirs of MIL strength, are a self-motivated lot who are working with a mission for it.

With the Management putting a premium on the performance of the employees, obviously they understand the importance of hard work and the joys of rewards that follow afterwards.

With a view to bringing the best out of its employees, the Management has been investing substantially on the training imparted to the employees who have the potential to hone their talent further and contribute more meaningfully to the uplift of the Company. With the training programme many MIL employees have enhanced their managerial as well as technical knowledge and their confidence level is also sky-high.

MIL Management is pleased to note that its employees are always up to the mark in picking up the right nuances of changes coming over in running production activities and are able to match up to set MIL standards easily.

MIL employees have shown great sagacity in raising the standard of their work without letting any consideration whatsoever affect their attitude towards work. This is obviously a professional approach coupled with a sense of pride for being a part of MIL.

TAKING CONCERTED EFFORTS TO RAISE PRODUCTIVITY

MIL attaches very high importance to optimum level of productivity as the profitability of a business organisation depends on the

degree of productivity.

As a policy matter the Management ensures that its workmen contribute to maintaining a high degree of productivity by retaining their efficiency levels. With this view in mind, the Management makes substantial investment in providing training to the workers so that they acquire the know-how required for operating on the most advanced machines used in the process of production.

Slump in the level of production, if any, at any particular point of time is taken immediate and very serious note of by the Management and the persons charged with running the production activities are asked to account for the same. They are, then made to address the causes for the dip in the level of production on an urgent basis and told in crystal clear terms to see to it that those very factors should not be allowed to hinder production activities anymore.

Similarly, the Management periodically arranges for a thorough examination of all the production machines by technical experts and gets refurbishments done, if required, so as to maintain their operational fitness.

CONSERVING ENVIRONMENT WITH PASSION AND ZEAL

MIL think-tank has always been obsessed with the protection of environment which lies at the heart of its corporate agenda. A string of measures designed especially to protect and conserve environment bear testimony to the fact that the Company is really very very serious about carrying out its obligation towards environment even as it pursues its business operations.

The Company has been trying its level best to ensure that it is not faulted at any point of time. The Company is satisfied to take note of the fact that the concerned authorities of the State are appreciative of the fact that it is striving with utmost sincerity to build its credentials as a corporate house where environment is of overriding concern and taking its care is very much a major item figuring in its agenda.

The Company has a separate Environmental Cell to

deal exclusively with all environment-related affairs. It comprises senior functionaries of the Company who have the required degree of adroitness in handling all the issues that have a bearing on environment. The level of understanding and coordination among the executives constituting this Cell is truly remarkable. This has got reflected in the fact that as soon as a directive is received from the MPCB to take a particular action to address an environmental issue, the Company swings into action and ensures that its stainless record in terms of cooperating with the MPCB authorities remains intact.

Thanks to the stern warning issued by the Top Management to the Heads of the Units constituting MIL, that any lackadaisical attitude shown by them towards meeting green norms would be viewed with zero tolerance, the Company's record as a unit attaching top priority to environment has come in for lavish praise from environmentalists.

Since in a majority of companies, the power plants act as the major wrecker for the environment, MIL is in the process of installing all the eco-friendly techniques at its Power Plants to make it sure that they act as a tool of curbing pollution.

The observance of Environmental Week with the theme 'Environment First' in the first week of June every year during which the senior officials of the Company underline the importance of protecting environment, as the Company launches plantation drive, goes a long way in bringing about the much-needed consciousness towards environment.

HUMAN RESOURCE DEPARTMENT AT MIL: ACTING AS TRAIL-BLAZER

The HR Department in the Company has been doing the all-important job of forging excellent understanding between the workers and the Management by acting as a link between the two. It is the HR Department at the Company which has promoted the idea that the workers are an integral part of its corporate affairs. It has planted the idea in their minds that the Management values their contribution to the growth of the Company and that

sincere efforts taken by them for its well-being are bound to be noticed, appreciated and adequately rewarded by it.

As a matter of fact the HR Department at the MIL has been able to create and foster relations between the workers and the Management which are based on a spirit of mutual give and take. While on one hand the Management has never been tight-fisted in rewarding the toil of its workers, they too, in turn, have found in the Company a platform for meeting their genuine needs and aspirations.

The Company also follows all the statutes and legal provisions in letter and spirit governing the relations between the workers and the Management.

Similarly, the promptness shown by the Company in paying compensation to its worker in case of his meeting with accident has also been praiseworthy.



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Board of Directors



Shri Shobhagmal Maloo Shri Nandlal Maloo Shri Bajranglal Maloo Shri Lalchand Maloo Shri Sunil Kumar Maloo Shri Yashpal Dhiman



Shri B. P. Ganu Shri Rajendra P. Gupta Shri V. Thergaonkar Shri Subhash Rode Shri Avinash Mardikar Shri Alok Srivastava

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

Shri Alok Srivastava

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 Subhash A. Rode | Chairman

Shri Nandlal Maloo | Member

Shri Avinash P. Mardikar | Member

PROJECT MONITORING COMMITTEE

Shri Rajinder P. Gupta | Chairman

Shri Lalchand Maloo | Member

Dr. Vinayak P. Thergaonkar | Member

BANKERS & FINANCIAL INSTITUTION

Allahabad Bank	Andhra Bank
Axis Bank Ltd.	Bank of Baroda
Bank of Maharashtra	IFCI Limited
IDBI Bank Ltd.	Punjab National Bank
Punjab and Sind Bank	SICOM Ltd.
State Bank of Hyderabad	State Bank of India
State Bank of Mysore	State Bank of Patiala
State Bank of Travancore	

AUDITORS

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

Company Secretary & Compliance officer

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

REGISTERED OFFICE

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EMAIL : info@murliindustries.com
WEB SITE: www. murliindustries.com

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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	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
NEWSPRINT PAPER UNIT	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
WRITING & PRINTING PAPER UNIT	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
PAPER POWER UNIT (18 MW)	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
CEMENT POWER UNIT (50 MW)	:	VIII. Naranda, Tah. Korpana, Dist. Chandrapur
PULP MILL	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
SBS BOARD UNIT	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
CEMENT UNIT	:	VIII. Naranda, Tah. Korpana, Dist. Chandrapur



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M i l e s t o n e s

2005
Commissioned Writing Printing Power Unit, capacity of 300 TPD

2005
Commissioned another captive Power Unit of 15 MW to cater the increased power requirement

2006
First time the Turnover of the Company crosses ` 5000 Million

2006
The Name of the Company changed from Murli Agro Products Limited to Murli Industries Limited

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

2008
Expansion of capacities of News Print Unit from 70 TPD to 140 TPD

2009
Newly established SBS Board Unit, commenced its production, established with a capacity of 250 TPD

2010
Cement Unit established with a capacity of 3 MnT

2010
Setting Up of Power Plant at Chandrapur with a capacity of 50 MW to cater the power requirement of Cement Unit

2005

2006

2007

2008

2009

2010

2012

Murli Industries Limited
Turnover crossed
the mark of Rs.1000 Crore

managing director's Statement

Dear Shareholders,

Talking to you through this letter and sharing with you my thoughts about what I feel has been our corporate journey like during the course of these twenty -odd years and the events marking the evolution of your Company, has always been a unique source of immense pleasure for me. There is no gainsaying the fact that it is through this letter that I have always been able to shed light on how we plan to successfully tread the long and tortuous path ahead with our ever-reliable partners in you accompanying us thereby adding to the joy and thrill of this wonderful journey.

Friends, I, for one, hold that the unique feature of time is that it could be both- your biggest benefactor as well as adversary. If the time is favourable for you, all your endeavours would yield tremendous fruit for you. In the same breath, I would like to observe that if the time is not propitious for you, no matter how strenuously you strive, success would elude you. In such trying times, you may be on a sticky wicket, odds may seem stacked against you, but what matters is how tenaciously you battle those unfavourable times by summoning all your courage. No matter what condition and situation you are in, never give up, feel the heat, feel the pressure; that's when your true character shows up. This holds particularly true in respect of a corporate entity.

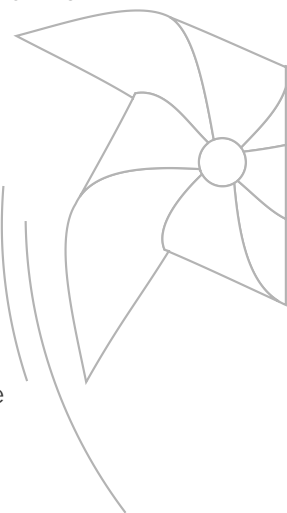
In the light of my observations I would like to remind you that this year has not been that encouraging financially for our country. A worrisome decline in the GDP as well as downgrading of Indian economy by Credit Rating Agencies like Standard & Poor's have not augured well for Indian entrepreneurs. Dwindling interest of the foreign investors in our economy and consequent drop in the inflow of foreign investments in India are sure pointer to the fact that the state of affairs of Indian economy is gloomy and calls for urgent remedial measures. Needless to say that this has had a negative impact on Indian industries with your company being no exception to this.

To add to the woes of Indian entrepreneurs devaluation of Indian currency vis-a- vis US dollar has been a cause of



nagging concern for us. The huge amounts we are required to pay to our overseas suppliers for the imports of raw materials has been taking a heavy toll on the financial prospects of Indian companies and eating into their profits. I regret to say that we have been at the receiving end due to the nosedive Indian currency has witnessed in its value over the last few months. I hope the situation would change for the better sooner rather than later. Besides volatility in equity market that has been characterising Indian industrial scenario for quite a while now has only further added to our problems. Let me add that the adversities being encountered by Indian industries do not end here itself. Steep rise in crude oil has badly hit our prospects. Surging prices of crude oil in international market have a cascading effect on the prices of fuel which are a lifeblood for us. Resultant rise in transportaion cost has contributed to the shrinkage in the profits of many an Indian companies. Having said that I would like to add that I feel obligated to disclose that we have also suffered on account of this spiralling cost of crude oil. Apart from this various factors like political scenario in Asia, Euro zone problem, natural disaster in Japan have also cast a shadow on our financial prospects in the year gone by.

In the context of these remarks, I would like to remind you that last year we had to cope with the unprecedented challenge thrown up by the enormous losses your beloved Company had to suffer. I concede unequivocally that that scenario was distressingly disturbing for us, but I derive





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tremendous satisfaction from the fact that in the face of that extraordinary situation our spirit was high and undaunted. And it is the happy outcome of that collective will to fight off unfavourable times that for the first time in its history since its emergence on the corporate landscape of the country in 1991, your Company has achieved a turnover of Rs. 1090.44 crores. By any yardstick, it is no mean achievement. Although, your Company registered losses to the tune of Rs. 295.01 crores this year too, we take heart from the fact that we have been able to manage the daunting situation created by last year's massive losses pretty well. The very fact that we have not allowed the situation to slip further even while carrying on all our corporate activities with the same gusto speaks volumes about the constancy of our purpose that is to script a turnaround in the fortunes of your Company.

Before I delve deep into varied aspects of the situation we faced last year and the one which is going to unfold this year, I would like to acquaint you with the fact the factors which accounted for losses previous year were not a far cry from the ones playing spoilsport this year too with the first and the foremost factor being the cement plant, which is the biggest flagship project of your Company, not running to its full capacity. Pragmatic as you are, you can imagine with perfect clarity that if a cement project commissioned with Rs. 900 crores of rupees, raised through a variety of sources, having been funneled into it, runs at 40% of its actual installed capacity; it is bound to have a telling impact on the financial health of an industrial unit. Coupled with this is the fact that the cement unit is still running below the break-even point. This explains partly for the below par financial performance put up by your Company this year. Besides, what we have noted this year with a sense of discomfiture is that although there has been a steep rise in the costs of raw materials (waste paper, chemicals, etc.) required for the production of papers of various brands, there has been no proportionate rise in their selling price, which has resulted in the shrinkage of our earnings. These major factors, in turn, caused the problem of cash liquidity for us thereby adding to the gravity of the situation for us.

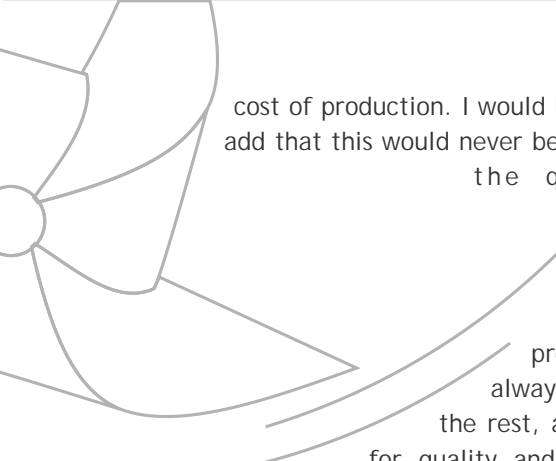
Friends, no. doubt, it is a tricky path to redemption. The coming times may give us a bumpy ride, given the fact that we have an enormous task of making good the losses

at hand. But please mark my words carefully when I say that it is not that we are sitting with equanimity. There is light at the end of the tunnel and that light would definitely begin to show up as the strenuous efforts we have taken to set things right begin to fructify in the days ahead. I hope you would concur with me that our overriding objective at the moment has to be to win back that position of eminence in the corporate world. And that should not prove to be too difficult a challenge for us given the fact that the fundamentals of your Company are strong enough to absorb shocks of this nature. Not many companies could have survived the ordeal of this type or shown the grit to step back from the brink as we did to deal with the aftermath of the losses we had suffered last year. What I find particularly striking about our corporate group is that we never underestimate our problems; nor our capacity to deal with them. When faced with a challenge, we look for a way, not a way out. Now let me shed light on what exactly we intend to do to adopt course correction and retrieve the situation so that our growth story does not peter away.

Friends, your Company having achieved a turnover of over Rs. 1000 crores has indeed come as a shot in the arm for us. We would make even more vigorous bid to push this figure up further so that we could accomplish our goal of becoming a profit-making unit again. The very fact that during the past two years the quantum of losses suffered by us has remained by and large the same, although this year the volume of turnover was significantly higher (by about 40%) as compared to that achieved by us during previous year, should convince you that we are raring to pull things back. Individually we are a tiny drop; together we are an ocean. It is the time to think and act collectively and I am sure the combined effort of MIL as a group, the Board of Directors included, would see us emerge triumphantly from this critical period.

Secondly and equally significantly, we have introduced several cost-cutting measures wherever required and possible. This is designed to blunt the effect of escalating





cost of production. I would however, hasten to add that this would never be at the expense of the quality of our products. We are very much conscious of the fact that our products, which have always been a cut above the rest, are the touchstone for quality and introducing cost-cutting measures would not at all mean compromising with quality. I would like all our dear patrons to note that dilution of quality has always been and would always remain alien to our corporate culture.

The process of recovery, which we have already set in motion, being an ever-evolving process, may take some time to fructify, but it is an incontrovertible fact that it would produce the intended results sooner rather than later. To endeavour to ramp up sales of our products would be another integral component of this vitally important process. Needless to say, the higher the volume of sales, the brighter would be our prospects of staging an early recovery.

Friends, what I would like to underline is that the most important area which requires our immediate attention is to augment our revenues. All other issues are its derivatives. One such issue is the optimum utilisation of power. In view of the burgeoning cost of coal, the elixir for Power Plant, the necessity for ensuring optimum utilisation of power has emerged as the one of paramount importance. We would take meticulous care to see that maximum production possible is achieved while ensuring least possible consumption of power. The productivity -linked bonus scheme introduced by your Company is aimed at facilitating the attainment of this goal.

You take my words at their face value when I vouch that I am determined to see that your anguish is mitigated and your concerns are addressed. I'm a firm believer that past is past. You don't look back at things because that is history. I always believe in looking forward. And I have absolutely no doubt that the string of measures taken by us would soon have a palpable impact and MIL would soon find itself on the path to glory. Let me remind you that in

the past too there have been times when MIL has been beset by a dip in performance; when its rivals questioned its ability to bounce back. Despite that lull in performance the corporate world had never doubted the prowess of your Company to script a golden chapter of its corporate history. That enthused and made MIL to rise above the lull and start performing well again, much to the bemusement of its rivals.

Let me reveal that unfazed by these setbacks, we would continue to make hectic bid to turn MIL into an investment magnet of India. Let me make a valid point that barring these back-to-back two years, the growth graph of your Company was always on ascendancy all these years. Although our growth momentum has decelerated in the past two years, there is no reason to believe that we cannot reclaim high growth path again. You study the corporate history of many an established entity and you would invariably find that they too had to endure such agonising periods before coming out with flying colours. Let us hope that in our case too ice is finally going to break and the far-reaching initiatives we have launched to counter this situation culminate in heart-warming results with everything going according to the script. Let me assure you categorically that the recent steps taken by the MIL think-tank to turn the tide would be sustained. Footprints on the sands of time are not made by sitting. My conviction is that if you have the courage to begin, you have the courage to succeed.

Before signing off, I would like to express my sincere gratitude to you for having been the pillar of MIL strength and having propped it up all these years. I hope and trust that your relation with MIL grows and deepens in the days to come. It has really been an honour and privilege for me to be at the helm of affairs of this great Organisation, which, I am sure, would bounce back with a bang with the good wishes and active support of all its stakeholders in general and yourselves in particular.

Thanking you,

Yours truly,
Nandlal Maloo,
Managing Director



MURLI

NOTICE

NOTICE is hereby given that Twenty First Annual General Meeting of the Members of MURLI INDUSTRIES LIMITED will be held on Saturday, 29th September, 2012 at the Corporate Office of the Company at 'Radha House' 239, East Wardhman Nagar, Nagpur- 440 008, at 11.00 a.m. to transact

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2012 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 Bajranglal Maloo, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Yashpal Dhiman, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Rajinder Paul Gupta, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri B. P. Ganu, who retires by rotation and being eligible, offers himself for reappointment.
6. 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:

7. To consider and if fit to pass with or without modification the following Resolution as an Ordinary Resolution.

“RESOLVED that Mr. Alok Srivastava, who was appointed as an Additional Director by the Board of Directors on 14.11.2011 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 440 008, 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 22nd September, 2012 to 29th September, 2012 (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. 7

The Director Shri Alok Srivastava was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956. The appointment of this director was good up to the conclusion of this Annual General Meeting. Shri Alok Srivastava is being appointed by the bankers as a nominee director. Hence Shri Alok Srivastava is proposed to be appointed as director of the Company.

None of the directors of the Company is interested except Shri Alok Srivastava.

By Order of the Board of Directors
For Murli Industries Limited

Sd/-

Regd Off:
101, Jai Bhavani Society,
Central Avenue
Wardhman Nagar,
Nagpur 440008

Nandlal Maloo
Managing Director

Directors' Report

To The Members,

Your company's Directors are pleased to present the 21st Annual Report of the Company along with the audited accounts for the financial year ended 31st March, 2012.

1.1 Financial Results

The financial performance of the company for the year ended March 31, 2012 is summarised below :

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	109,044	73,634
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(10,123)	831
	Less: Finance Cost	12,705	13,812
	Depreciation And Amortisation Expenses	6,673	6,399
	Profit Before tax	(29,501)	(19,380)
	Less : Current Tax (Earlier Years)	377	320
	Add: Deferred Tax (Assets)	13,820	-
	Profit for the Year	(16,058)	(19,700)
	Less: Prior Period Item	-	973
	Add: Balance in Profit & Loss Account	167	21,092
	TOTAL	(15,891)	418
	Less: Appropriation :		
	Proposed Dividend on Equity Shares	0.00	236
	Tax on Dividend	0.00	15
	Closing Balance	(15,891)	167

1.2 Segmentwise Turnover

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011-12 (Sales)	Financial Year 2010-11 (Sales)
1	Solvent Extraction	29,194	27,413
2	Paper	33,271	28,082
3	Power	12,531	7,350
4	Cement	34,048	10,789
	Total	1,09,044	73,634

Results of Operations

The financial year 2011-12 was a rollercoaster year for the business houses. The global economy is still in the way of recovery after the recession. The GDP of India also slowdown due to uncertainty in the global market and also it was fuelled by the turmoil in the financial crunch of the Europe Countries and downgraded in the credit rating of the USA. Also there were political instability in different countries of Asia and natural disaster in Japan affected the export of products and supply of the raw materials required for the production of the company. The corporate sector of India badly affected during the period in concern. Your company was also not untouched by all this events though the company performed as per the expectation and achieved new height.

Company achieved a turnover of Rs 109,044 Lacs during the period under review, first time in the history of the company, as compared to Rs 73,634 Lacs during the previous year. This is a growth of Rs 35,410 Lacs over the last year's turnover i.e. 48.09%. The Net loss is Rs 29,501 Lacs during the tenure 2011-12 as compared to the Net loss of Rs 19,700 Lacs in the previous year 2010-11. The total Profit of the company is negative in this year which is mainly due to higher depreciation and the loss suffered by mainly Cement Unit of the company.

Dividend

The Board of Directors at their meeting held on 31st August, 2012 after discussion it was held that the company suffered through losses during the period in discussion and is suffering through 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 any dividend for the year ended March 31, 2012.

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, 2012.

Corporate Debt Restructuring

Secured debt is restructured under CDR Mechanism. The debt is primarily restructured for a period of 8 years with cooling period of 2 years from the cut-off date.

Corporate Governance Report and Management Discussion and 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 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (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 as at March 31, 2012 and the profit and loss of the Company for the year ended on that date;
- (3) The directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- (4) The directors have prepared the Annual Accounts of the company on a 'going concern' basis; and
- (5) AS 22 of ICAI adopted this year for the preparation of deferred tax assets and deferred tax liability of the company.

Directors

Shri Bajranglal Maloo, Shri Yashpal Dhiman, Shri Rajinder Paul Gupta and Shri Bhargavaram P. Ganu 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. Shri Alok Srivastava was appointed as an additional director during the year in operation. The office of this director will vacate in the ensuing general meeting. The board recommended re-appointing of Shri Alok Srivastava as independent director of the company. Shri Alok Srivastava has been appointed by the company as per the provision of Clause 49 of the listing agreement of the Stock Exchanges and will not be responsible for the day to day work of the company.

Auditors and Auditors' Report

M/s. Demble Ramani & Co., Chartered Accountants, 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 and not disqualified for reappointment within the meaning of Section 226 of the said Act.

The Notes on Financial Statement referred to in the Auditor's Report are self explanatory and do not call for any further comments.

Cost Auditors

The Central Government has approved the appointment of M/s Khanuja Patra & Associates, Cost Auditors for conducting the Cost Audit for the Paper Business and Cement Business for the financial year 2011-12.

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 of FCCB 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.

Secretarial Audit Report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed M/s R.A. Daga & Co., Company Secretary, to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2012 is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, SEBI Act, Listing Agreement with the Stock Exchanges and other rules & regulations applicable for the time being in force.

Appreciation & Acknowledgment

Directors wish to place on record their deep appreciation to employees at all levels for their hard work,

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

Thanking you,

Yours truly,

Nandlal Maloo,
Managing Director

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 Plants situated at Paper Unit, Umred, Nagpur and Cement Plant, Chandrapur are 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. Further to conserve the energy at best possible way necessary steps has been taken wherever it was required.

All manufacturing units of the Company continued the endeavor to improve specific energy consumption, a measure of 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

	2011-2012	2010-2011
Products	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
1. ELECTRICITY		
(I) Purchased		
Units (KWH)Lacs	277.49	238.24
Total Amount (Rs. Lacs)	1,854.57	1,327.10
Rate/Unit (Rs.)	6.68	5.57
(II) Own Generation (MW)	1,832.65	1,195.68
2. COAL		
Steam Coal (MT)	4,70,098.27	2,42,989.13
Total Cost (Rs. Lacs)	9,353.12	4,131.21
Avg. Rate (Rs. /MT)	1,989.61	1,700.16
3. OTHER / INTERNAL GENERATIONS	NIL	NIL

(b) Consumption per unit of Production

	2011-2012	2010-2011
Products	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)	186.12	245.45
Steam Coal (Mts)	0.41	0.31
Others	NIL	NIL

(II) Technology Absorption

Research and Development (R & D)

The Company is having research and development centre for the cement products at Chandrapur. This centre 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. The company also distributed the soya seeds to farmers of this region which is a part of R&D activities to maximize the production with less cost.

Technology Absorption, Adaptation and Innovation :

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 News Print, 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, News Print, Writing Printing Units and SBS Board Unit for the current as well as previous year.

Sr.No.	Particulars	2011 - 2012	2010 - 2011
1	FOB Value of Exports (In Lacs)	INR 202.46	INR 591.08
2	FOB Value of Exports (In Lacs)	USD 4.17	USD 13.17
3	Foreign Exchange Outgoings		
4	CIF Value of Imports (In Lacs)	INR 4,763.32	INR 6,321.46
5	CIF Value of Imports (In Lacs)	USD 101.55	USD 136.66

Management Discussion & Analysis

The turnover first time in the history of the company crossed the mark of thousand crores. The marketing and branding strategies of the company for its products are showing very good results and hoping better in the coming year too. During the year under review the company has achieved favorable performance in its continuous development of new customer for its all products. The company achieved better result during the year in comparison to the previous year in relation to turnover. During the year the turnover was Rs.1,09,044 Lacs as compared to the turnover of Rs.73,634 Lacs in the corresponding period of the previous year. The turnover increased by 35,410 Lacs over the last year's turnover. The growth was 48%. The Company suffered through loss during the period in question. The Profit After Tax was negative during the current year and the amount of loss was Rs. 16,058 Lacs as compared to Previous Year's loss of Rs. 19,700 Lacs. The negative result of the company was mainly due to higher depreciation, lower capacity utilization of the Cement Unit and unfavorable market



MURLI

conditions. The Company was facing the cash liquidity problem during the year which also affected the result. The performance of the company was much more satisfactory than the planned in all the existing units of the company in relation to turnover. The Cement Unit of the Company is performing at 40% capacity and the management has been taking all necessary steps to improve the capacity utilization of the said unit. We are sure that the problem will short out shortly and it will achieve its true capacity. It is also a great pleasure for us to inform you that the cement product of your company established a niche market in the central and western India and now giving run for money to established player.

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 of soya oil and de-oiled cake by delivering superior value to consumer through best products and services.

Agro Unit I :

During the period under review the Agro Unit I achieved a turnover of Rs. 7,785.60 Lacs as compared to Rs. 9,337.14 Lacs for the same period of the previous year ended 31.03.2011. This was a negative growth of 16.61% in comparison to the turnover of previous year. The profit after tax of the Unit I was also negative this year and the loss was Rs.2,315.86 Lacs for the period ended 31.03.2012 as compared to the profit of Rs. 16.76 Lacs for the same period ended 31.03.2011. 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 the cost of raw material was higher and the same affected the margin of the company. The short of the fund also affected the business of the company.

The Summarized Financial Result is as under.

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	7,785.60	9,337.14
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(1,855.49)	512.04
	Less: Finance Cost	438.36	469.62
	Depreciation And Amortisation Expenses	22.02	25.66
	Profit Before Tax	(2,315.87)	16.76
	Less : Current Tax (Earlier Years)	-	-
	Add: Deferred Tax (Assets)	1,165.38	-
	Profit for the Year	(1,150.48)	16.76
	Less: Prior Period Item	-	302.01
	Add: Balance in Profit & Loss Account	5,278.81	5,564.08
	Closing Balance	4,128.33	5,278.81

Agro Unit II

During the period under review the turnover of the Agro Unit II was Rs. 21,408.84 Lacs as compared to Rs. 18,076.01 Lacs for the same period of the previous year ended 31.03.2011. The Unit of the company achieved a positive growth even after adverse condition. The turnover increased by Rs. 3,332.83 which was a growth of 18.43% over and above the turnover for the same period of previous year ended 31.03.2011. The profit of the company was having negative effect and during the year ended 31.03.2012 this unit suffered through loss of Rs.2,939.99 Lacs as compared to the profit earned of Rs.1,068.16 Lacs for the same period in the previous year ended 31.03.2011.

The Summarized Financial Result is as under.

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	21,408.84	18,076.01
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(2,416.49)	1,785.93
	Less: Finance Cost	460.26	647.82
	Depreciation And Amortisation Expenses	63.24	69.96
	Profit Before Tax	(2,939.99)	1,068.16
	Less : Current Tax (Earlier Years)	9.46	275.15
	Add : Deferred Tax (Assets)	1,479.45	0.00
	Profit for the Year	(1,469.99)	793.01
	Less : Prior Period Item	-	24.59
	Add: Balance in Profit & Loss Account	8,735.18	8,218.12
	Total	7,265.19	8,986.54
	Less : Proposed Dividend	-	214.84
	Less : Tax on Dividend	-	36.51
	Closing Balance	7265.19	8735.18

Paper Segment

There is a common or widely held perception that the Indian paper industry generally grows at the same rate as the GDP growth rate. If one goes by this perception, then the paper industry should be experiencing a slowdown in the current financial year, that is 2011-12. Further the devaluation of Rupee also added the input cost of the paper product.

The Paper units of the company performed better during the period in question, that is 31.03.2012 as compared to the same period of previous year ended on 31.03.2011. The performance of all units were relatively better during the period as compared to same period of previous year. All Paper Units could manage to achieve turnover slightly better than last year and these units could manage to reduce the loss to a great extent as compared to same period of Previous Year ended 31.03.2011.

Duplex Unit

The demand of the Duplex board is more or less similar and there is negligible growth in past few years in domestic market. The company has been utilizing the full capacity of the plants. This Unit of the company achieved turnover of Rs.5,000.88 Lacs for the period ended 31.03.2012 as compared to turnover of Rs. 4,971.40 for the previous year ended on 31.03.2011. This is a positive growth of Rs.29.47 Lacs. This unit of the company suffered through loss and the loss during the period in question was Rs. 1,190.90 lacs as compared to the loss of Rs.52.63 lacs for the same period in the previous year ended on 31.03.2011.



MURLI

The Summarized Financial Result is as under.

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	5,000.88	4,971.40
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(1,054.75)	61.41
	Less: Finance Cost	62.30	38.66
	Depreciation And Amortisation Expenses	73.86	75.39
	Profit Before Tax	(1,190.90)	(52.63)
	Less : Current Tax (Earlier Years)	0.00	0.00
	Add: Deferred Tax (Assets)	599.28	0.00
	Profit for the Year	(591.62)	(52.63)
	Less: Prior Period Item	-	77.79
	Add: Balance in Profit & Loss Account	1,264.26	1,394.69
	Closing Balance	672.64	1,264.26

News Print Unit

The Govt. of India always encourages to the Indian manufacturers to produce more and more News Print paper and to reduce the dependence on imported news print paper with a view to save the valuable forex. This year your Company saw very good demand for news print and that also depicted in the performance of the company. This unit of the company has seen sharp growth in the turnover. During the period in question the turnover of the Unit was Rs 7,396.34 Lacs as compared to Rs.4,245.77 Lacs for the same period in the previous year ended 31.03.2011. The growth was of Rs. 3,150.56 Lacs, that is 74.20% over and above the turnover of previous year ended 31.03.2011. This Unit of the company also suffered through loss but the performance improved and the loss reduced to a great extent. The loss during the period was Rs. 1,656.14 Lacs in comparison to the loss of Rs. 1,943.79 Lacs in Previous Year ended 31.03.2011. During the period in question the loss of the unit reduced by Rs.287.64 Lacs as compared to the previous year, that is 31.03.2011.

The Summarized Financial Result is as under :

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	7,396.34	4,245.77
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(777.96)	(925.23)
	Less: Finance Cost	318.44	370.09
	Depreciation And Amortisation Expenses	559.74	648.47
	Profit Before Tax	(1,656.14)	(1,943.79)
	Less : Current Tax (Earlier Years)	0.00	0.00
	Add: Deferred Tax (Assets)	833.40	0.00
	Profit for the Year	(822.74)	(1,943.79)
	Less: Prior Period Item	-	228.83
	Add: Balance in Profit & Loss Account	523.95	2696.57
	Closing Balance	(298.79)	523.95

Writing and Printing Paper Unit

The Writing & Printing paper industry has been facing low demand for last few years. The paper manufacturer has been suffering a lot for the low demand and 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 months, your company was also not untouched from this problem. The performance of the unit is showing the result of the lack of demand in the market in its result. The turnover of the Unit was at Rs 12,162.67 Lacs while in Previous Year it was Rs. 12,327.86 Lacs. The turnover during the current year has slightly gone down in comparison to same period of last year 31.03.2011. The profit before tax of the Unit for current period ended 31.03.2012 was negative at Rs. 2,420.16 Lacs as compared to loss of Rs. 2,108.20 Lacs for the same period in previous year ended 31.03.2011. The loss slightly increased as compared to the last year.

The Summarized Financial Result is as under :

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	12,162.68	12,327.87
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(1,589.63)	(954.99)
	Less: Finance Cost	174.01	402.83
	Depreciation And Amortisation Expenses	656.53	750.38
	Profit Before Tax	(2,420.16)	(2,108.20)
	Less : Current Tax (Earlier Years)	27.99	27.77
	Add : Deferred Tax (Assets)	1,217.87	0.00
	Profit for the Year	(1,230.29)	(2,135.97)
	Less : Prior Period Item	-	322.55
	Add : Balance in Profit & Loss Account	(1,853.38)	605.14
	Closing Balance	(3,083.67)	(1,853.38)

Paper Power Unit

The company established two co-generation plants one of 3 MW and another of 15 MW. The power generations at these Units totally used for the captive purpose of all the paper plants of the Company. During the period in question, that is 31.03.2012, the turnover of the Unit was at Rs. 7,021.51 Lacs as compared to Rs. 4,519.14 Lacs for the same period of Previous Year ended on 31.03.2011. There was a sharp increase in the turnover of the unit. The turnover increased by Rs. 2,502.37 Lacs, that is a growth of 55.37% over and above the turnover of previous year's turnover for the same period. The profit before tax was slightly gone down from the profit earned in the previous year's profit. During the previous year ended 31.03.2011, this unit earned a profit of Rs. 242.58 lacs and in the current year ended 31.03.2012 the unit suffered through loss of Rs.1,324.24 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 the same extent. The Company has definitely taken a bold step towards Energy Conservation and cost cutting on overheads.



MURLI

The Summarized Financial Result is as under :

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	7,021.51	4,519.14
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(1,042.61)	633.93
	Less: Finance Cost	45.59	136.69
	Depreciation And Amortisation Expenses	236.04	254.67
	Profit Before tax	(1,324.24)	242.58
	Less : Current Tax (Earlier Years)	1.17	-
	Add: Deferred Tax (Assets)	-	-
	Profit for the Year	(1,325.41)	242.58
	Less: Prior Period Item	-	-
	Add: Balance in Profit & Loss Account	4,953.36	4,710.78
	Closing Balance	3,627.95	4,953.36

Cement Captive Power Unit

The company established Captive Power Plant at Chandrapur for uninterrupted supply power to Cement Plant at Chandrapur, Maharashtra. There are three Units of 16.5 MHz. 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. The power generation in these two units is sufficient for the time being. The Cement Unit performed better in this year than the previous years. The same also depicted in the performance of the Power Units too. The turnover of the CPP Unit increased sharply during the period in question. The turnover increased from Rs. 2,830.71 Lacs in the previous year ended 31.03.2011 to Rs.5,509.24 Lacs during the current period ended on 31.03.2012. The increase in turnover is of Rs. 2,678.52 Lacs, that is 94.62%. The better performances in the turnover helped to reduce the loss of this unit. During the period in question the unit suffered through loss of Rs.714.25 Lacs as compared to the loss of Rs. 861.18 Lacs for the same period in the previous year ended 31.03.2011.

The summarized financial result is as under :

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	5,509.24	2,830.71
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	1,794.95	1,478.09
	Less: Finance Cost	1,503.13	1,155.45
	Depreciation And Amortisation Expenses	1,006.08	1,183.82
	Profit Before Tax	(714.25)	(861.18)
	Less : Current Tax (Earlier Years)	-	-
	Add : Deferred Tax (Assets)	-	-
	Profit for the Year	(714.25)	(861.18)
	Less : Prior Period Item	-	-
	Add: Balance in Profit & Loss Account	(395.68)	465.49
	Closing Balance	(1,109.93)	(395.68)

SBS Unit

We informed you through the last Annual Report that the product of this Unit was in a great demand and it was a new product in the market and hence it took some time to establish in the market. The demand of the product is gradually growing by the consumer. The result has been showing in the performance of the unit. The turnover for the financial year ended 31.03.2012 was Rs. 8,711.30 Lacs as compared to the turnover of Rs. 6,537.18 Lacs in previous year ended 31.03.2011. The turnover of the company increased by Rs.2,174.11 Lacs, that is 33.25% over and above the turnover of the previous year. The Unit also achieved to reduce the loss of the unit to a great extent. The Unit suffered through loss of Rs. 1,979.53 Lacs as compared to loss of Rs.3,838.59 Lacs for the same period in the previous year ended 31.03.2011. The loss reduced by Rs.1,859.05 Lacs in the current period.

The summarized financial result is as under :

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	8,711.31	6,537.19
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(201.63)	(2,490.26)
	Less: Finance Cost	1,185.33	1,046.62
	Depreciation And Amortisation Expenses	592.58	301.71
	Profit Before Tax	(1,979.54)	(3,838.59)
	Less : Current Tax (Earlier Years)	0.04	-
	Add: Deferred Tax (Assets)	996.14	-
	Profit for the Year	(983.44)	(3,838.59)
	Less: Prior Period Item	-	-
	Add: Balance in Profit & Loss Account	(4,732.90)	(894.31)
	Closing Balance	(5,716.34)	(4,732.90)

Pulp Mill Unit

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

Cement Unit

The Cement unit of the Company is continuing to operate at its 40% capacity during the period in question. 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 is also facing problem of short of fund and hence there are several works are pending. The Cement Unit achieved better turnover in the current financial year ended on 31.03.2012 as compared to turnover in the previous year ended on 31.03.2011. The Cement Unit registered a turnover of Rs.34,047.52 Lacs during the current year ended on 31.03.2012 as compared to Rs.10,788.50 Lacs for the same period in the previous year ended on 31.03.2011. The Turnover of the Cement Unit is increased by Rs.23,259.02 Lacs. This can be termed as a material growth, that is 215.59% over and above the turnover of the previous year. During the period the Unit suffered through loss of Rs. 14,959.98 Lacs as compared to the loss of Rs. 11,903.72 Lacs for the same period in the previous year.



The summarized financial result is as under :

(Rs. in Lacs)

Sr.No.	Particulars	Financial Year 2011 - 2012	Financial Year 2010 - 2011
1	Sales	34,047.52	10,788.50
2	Profit Before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses	(2,979.30)	730.27
	Less: Finance Cost	8,517.56	9,544.61
	Depreciation And Amortisation Expenses	3,463.12	3,089.39
	Profit Before Tax	(14,959.98)	(11,903.73)
	Less : Current Tax (Earlier Years)	337.89	16.65
	Add: Deferred Tax (Assets)	7,528.12	-
	Profit for the Year	(7,769.75)	(11,920.38)
	Less: Prior Period Item	-	-
	Add: Balance in Profit & Loss Account	(12,792.74)	(872.37)
	Closing Balance	(20,562.49)	(12,792.74)

CORPORATE GOVERNANCE REPORT

The Company's Governance Philosophy :

MIL's corporate governance encompasses not only regulatory and legal requirements of various rules and regulations, but also voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

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 principles of corporate governance are 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 the 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 shareholders and stakeholders. We have optimum combination in the 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 Twelve directors out of which Seven 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, 2012 Seven board meetings were held on May 14, 2011; July 16, 2011, August 12, 2011; August 26, 2011; September 12, 2011; November 14, 2011 and February 12, 2012. The maximum interval between any two meetings was well within the maximum allowed gap of four months.

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

@ 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.

* Appointed as an additional director in the board meeting held on 14.11.2011.



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 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.

● 14th May, 2011	● 12th August, 2011	● 14th November, 2011	● 14th February, 2012
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All the members of the Committee were present in all the meetings.

II. Investor Grievance Committee :

Composition

The Composition of the Investor Grievances Committee has been changed in the meeting held on 31st August, 2012 and the present committee consists of Mr. Subhash Rode, Mr. Avinash Mardikar and Mr. Nandlal Maloo. The chairman of the committee is Mr. Subhash Rode, Non executive Independent Director.

Responsibilities

The primary responsibilities of the Investor Grievance Committee, among other things, oversees redresses of shareholder and investor grievance 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.

● 14th May, 2011	● 12th August, 2011	● 14th November, 2011	● 14th February, 2012
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Details of Shareholders' requests or complaints received and redressed :

Sr. No.	Nature of Complaints	Complaints/ requests received	Complaints/ requests redressed
1.	Issue of Duplicate Certificate	10	10
2.	Non receipt of Dividend	7	7
3.	Issue of Duplicate Dividend Warrant	16	16
4.	Others	165	165
	Total	198	198

III. Project Monitoring Committee :

Composition

The composition of the Project Monitoring Committee is also changed in the meeting held on 31st August, 2012. The current members of the Project Monitoring Committee are Mr. Vinayak Thergaonkar, Mr. Rajinder Paul 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. Also the committee plays important role to monitor the progress and performance of the newly established plants like Cement Plant. On periodically basis they obtain the current status and compare the planned and actual works done and take the necessary decision to solve, if any, difficulties faced 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 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.

● 14th May, 2011	● 12th August, 2011	● 14th November, 2011	● 14th February, 2012
------------------	---------------------	-----------------------	-----------------------

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

Sr. No.	Remuneration	2011 - 2012 (Rs.)	2010 - 2011 (Rs.)
1.	Managing Director	720,000	720,000
2.	Whole Time Directors	1,620,000	1,620,000
	Total	2,340,000	2,340,000

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

Shri Shobhagmal Maloo	Chairman
Shri Nandlal Maloo	Managing Director
Shri Bajranglal Maloo	Director
Shri Lalchand Maloo	Director
Shri Sunil Kumar Maloo	Director

(B) Enterprises Owned / Managed by Key Managerial Personnel

Nandlal Enterprises Limited	Raghav Finvest Private Limited
Murli Tyres Limited	Nihal Gilts Private Limited
Murli Infrastructure Limited	Vishnu Gilts Private Limited
Murli Electrode Private Limited	Mohan Venture Capital Pvt. Ltd.
Radha Software Limited	Murli Agro Products Limited

(C) Subsidiaries

Murli Cement (Karnataka) Limited	Murli Cement (Maharashtra) Limited
Murli Cement (Rajasthan) Limited	Murli Cement Limited

Particulars of transactions during the year ended 31st March, 2012 with Related Parties

(Figure in Rs. Crores)

Nature of Transactions	Key Management Personnel	Relative of Key Management Personnel	Enterprises Owned/ Managed by Key Management Personnel	Total
Interest on Loans	0.19	0.49	0.06	0.74
Rent	0.37	-	0.1	0.47
Directors and their Relatives' Remuneration	0.23	0.66	-	0.89
Purchase of Goods & Raw material/ Services	-	-	11.76	11.76
Loans Taken /(Repaid)	0.11	0.69	-0.09	0.71
Outstanding as at the year end	2.02	4.79	0.42	7.24

Shareholder Information : Details of Last Three Annual General Meetings

Financial Year ended	Date and Time	Venue
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)
March 31, 2011	September 30, 2011 at 11.00 a.m.	Corporate Office, 'Radha House', 239, East Wardhaman Nagar, Central Avenue, Nagpur - 440008 (Maharashtra)

Annual General Meeting 2012

Date	September 29, 2012
Venue	Corporate Office, 'Radha House' 239, East Wardhaman Nagar, Central Avenue Road, Nagpur - 440 008
Time	11.00 a.m.
Book Closures Dates	24th September, 2012 to 29th September, 2012 (both days inclusive)
Last Date of receipt of Proxy forms	27th September, 2012 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, 2012 were held on the following dates :

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

The tentative dates of Board Meeting for consideration of financial results for the year ending March 31, 2013 are as follows :

First Quarter Results	Second Quarter & Half yearly Results	Third Quarter & Nine Nine Months ended Results	Fourth Quarter & Year Ended Results
August 14, 2012	November 14, 2012	February 14, 2013	May 31, 2013

Dividend :

The Board of director at their meeting held on 31st August, 2012 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.



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Due dates for transfer of Unclaimed dividend to IEPF

Year	Dividend	Dividend Rate per share (₹)	Date of Declaration	Number of Warrants			Dividend Amount (Rs. in Lac)			Due date
				Issued	Unclaimed as on 31.03.2012	%	Dividend	Unclaimed as on 31.03.2012	%	
2004-05	Final	2.00	30.09.05	3236	732	22.62	141.57	3.52	2.49	04.10.2012
2005-06	Final	2.50	18.09.06	2696	619	22.96	176.97	4.82	2.72	22.09.2013
2006-07	Interim	2.00	20.11.06	3200	665	20.78	191.57	5.20	2.71	22.11.2013
2007-08	Final	2.00	25.09.08	3880	927	23.89	204.84	3.36	1.64	30.09.2015
2008-09	Final	2.00	30.09.09	4141	991	23.93	204.84	3.74	1.83	29.09.2016
2009-10	Final	0.40*	27.09.10	5619	815	14.50	214.84	2.90	1.35	26.09.2017

Note : *20% on the face value Rs. 2 per share

Distribution of Shareholding as on 31st March, 2012

Share Holding of Nominal Value of Rs.	Number of Shareholders	Percentage of Total	Share Amount in Rs.	Percentage of Total
1 - 1000	5,246	73.96	2,105,342.00	1.46
1001 - 2000	872	12.29	1,542,302.00	1.07
2001 - 4000	386	5.44	1,227,290.00	0.85
4001 - 6000	190	2.68	967,600.00	0.67
6001 - 8000	76	1.07	553,258.00	0.38
8001 - 10000	77	1.09	722,796.00	0.50
10001 - 20000	102	1.44	1,514,262.00	1.05
20001 and above	144	2.03	135,582,700.00	94.01
Total	7,093	100.00	144,215,550.000	100.00

Categories of Shareholding as on 31.03.2012

Category	Demated		Physical		Total		
	Shares	Holders	Shares	Holders	Shares	Value	%
Other Bodies Corporate	4,749,504	228	15,679,775	10	20,429,279	40,858,558	28.33
Corporate Bodies (Promoter Company)	0	0	5,300,000	4	5,300,000	10,600,000	7.35
Clearing Member	125,811	62	0	0	125,811	251,622	0.17
Financial Institutions	22,874,194	3	0	0	22,874,194	45,748,388	31.72
Directors	4,560,785	5	0	0	4,560,785	9,121,570	6.33
Non Resident Indians	18,504	30	0	0	18,504	37,008	0.02
Non Resident (non Repatriable)	10,580	6	0	0	10,580	21,160	0.02
Public	5,417,262	5,724	1,120,545	1,000	6,537,807	13,075,614	9.07
Promotors	12,250,815	21	0	0	12,250,815	24,501,630	16.99
Total	50,007,455	6,079	22,100,320	1,014	72,107,775	144,215,550	100.00

Top 10 Shareholders other than promoters

Sr. No.	Name of the shareholder	Number of shares	Percentage of Holding
1	IFCI LIMITED	1,99,44,800	27.66
2	CHAMBAL TRANSPORT SERVICES PVT LTD	31,19,355	4.33
3	GOMTI VINTRADE PVT LIMITED	31,19,355	4.33
4	GANGA DEALTRADE PVT LIMITED	31,19,355	4.33
5	DWARKA TRADING PVT LIMITED	31,19,355	4.33
6	ASOKA SOLAR POWER SOLUTION PVT LTD.	31,19,355	4.33
7	SICOM LIMITED	16,29,395	2.26
8	GENERAL INSURANCE CORPORATION OF INDIA	12,99,999	1.80
9	SIMPLE MINING & POWER PVT LTD.	9,93,925	1.38
10	LAKHI PACKAGING PVT LTD.	9,72,350	1.35
	TOTAL	4,04,37,244	56.10

Bifurcation of Shares held in Demat and Physical form as on March 31, 2012

Sr. No.	Particulars	Number of Shares	Percentage
1.	Physical	2,21,00,320	30.65
2.	NSDL	4,13,50,077	57.35
3.	CDSL	86,57,378	12.00
	TOTAL	7,21,07,775	100.00

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

Year & Month	NSE			BSE		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
2011 April	28.20	19.45	84,451	38.70	31.75	132,799
May	20.65	17.10	27,398	34.45	25.50	79,835
June	20.50	15.15	36,921	27.50	23.85	100,337
July	21.75	15.00	32,997	33.30	23.15	251,968
August	23.90	14.20	71,214	33.25	22.40	78,832
September	24.70	20.00	39,597	27.95	21.55	59,466
October	28.95	22.00	95,700	24.45	20.25	33,143
November	33.30	22.70	74,958	23.85	15.05	81,021
December	33.85	22.00	151,017	22.50	14.40	48,558
2012 January	27.95	23.60	56,650	20.45	14.85	66,687
February	34.85	25.00	43,816	20.35	17.30	67,599
March	40.00	31.50	93,361	27.80	19.65	99,175

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

Source : NSE & BSE site



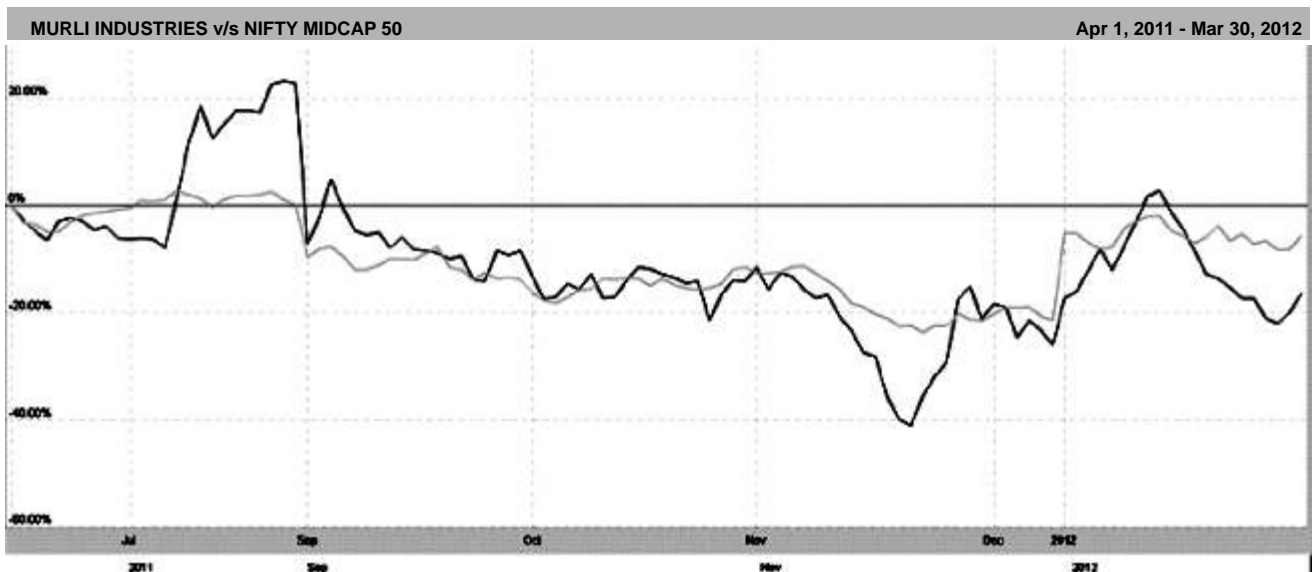
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Listing of shares on Stock Exchanges

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 2012-13 has been paid to the Stock Exchanges.

Index Comparison



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
Pulp Mill : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur
SBS Board Unit : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur

Cement Manufacturing Units

Cement Unit : Vill : Naranda, Tah. Korpana, Dist. Chandrapur

Power Generation Units

Power Unit (18 MW) : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur
Power Unit (50 MW) : Vill : Naranda, Tah. Korpana, 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 : 31st August, 2012
Place : Nagpur

Nandlal Maloo Bajranglal Maloo
Managing Director Director



Secretarial Audit Report :

To the Board of Directors Murli Industries Limited

101, Jai Bhawani Society,
Wardhaman Nagar,
Central Avenue Road,
Nagpur - 440008

I have examined the registers, records and documents of Murli Industries Limited ("the Company") for the financial year ended on March 31st, 2012 according to the provisions of -

- The Companies Act, 1956 and the Rules made under the Act;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA'), the Rules made under the Act ;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under the Act;
- The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under the Act to the extent applicable to Overseas Direct Investment (ODI). Foreign Direct Investment (FDI), External Commercial Borrowing (ECB);
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- The Equity Listing Agreement with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.

1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complies with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to;

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of the Register of Members;
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- (e) notice of Board Meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 20th Annual General Meeting held on September 30, 2011 ;
- (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the Government authorities, where required;
- (j) constitution of the Board of Directors / Committees of Directors, appointment, retirement and re-appointment of Directors including Whole-time Directors;
- (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors;
- (l) appointment and remuneration of Auditors and Cost Auditors;
- (m) transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;

- (n) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
 - (o) borrowings and registration, modification and satisfaction of charges wherever applicable;
 - (p) investment of the Company's funds including inter corporate loans and investments and loans to others;
 - (q) giving guarantees in connection with the loans taken by subsidiaries and associate companies;
 - (r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - (s) Directors' report;
 - (t) contracts, common seal, registered office and publication of name of the Company; and
 - (u) generally, all other applicable provisions of the Act and the Rules made under the Act.
2. I further report that:
- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
 - (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;
 - (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
 - (d) there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
3. I further report that the Company has complied with the provisions of Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
4. I further report that :
- (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited, the National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.
 - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 / 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records under the Regulations.

Place: Nagpur
Date: 12th July, 2012

For R.A. Daga & Co.,
Company Secretaries
Sd/-
Rachana Daga
Proprietor
Membership No: 5522
C.P. No: 5073



Managing Director and CEO 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, 2012 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, 2012 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 system 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 deficiencies.
- d)
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - (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,

Dated : 31st August, 2012

Sd/-

M.D. & CEO

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, 2012, 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.

Place : NAGPUR
Date : 31.08.2012

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

Anand Deshpande, Partner
Membership No. 033618

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 2012, the Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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. In our opinion, the Balance Sheet, Statement of Profit & Loss & the Cash Flow dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of The Companies Act, 1956, except for *Accounting Standard -2 (Valuation of Inventories)*, *Accounting Standards-5 (Net Profit or Loss for the period, Prior Period Items And Change in Accounting Policies)*, *Accounting Standards-11 (Effects of changes in foreign exchange rates)*, *Accounting Standards-12 (Accounting for Government Grants)*, *Accounting Standards-15 (Employee Benefits)* which have not been followed.
 - e. We draw attention to :
 - i. To note 31 & 32, the company has not complied with Accounting Standards-15 (Employee Benefits) & Accounting Standards-11 (Effects of changes in Foreign Exchange Rates).
 - ii. To note 44, the Company has Capitalized expenses to the tune of Rs. 2.46 Crores incurred in 'Pulp Mill Unit', instead of charging these expenses to Profit & Loss A/c. As a result of above the loss of the Company for the year ended 31st March, 2012 is understated by Rs. 2.46 Crores.
 - iii. The Company had issued FCCB (Foreign Currency Convertible Bonds) of \$ 23 Million in the month of February 2007, of which bonds amounting to \$ 8.5 Million were converted into equity shares in the year 2007 itself and \$ 9 Million were bought back on 31st of December 2009; the due date for the balance \$ 5.5 Million was 6th of Feb, 2012. The company has not created any reserve for its redemption.
 - iv. The company has not shown an amount of Rs. 317.13 Crores under the sub-head "Current Maturities of Long Term Loans" under "Other Current Liabilities", Similarly the company has not disclosed the details of loans and their terms and conditions including repayment etc including defaults amounting to Rs. 229.04 Crores, this is not in compliance with the requirements of the new Schedule VI of the Companies Act, 1956.
 - v. Accounting Standard - 5, Net Profit or loss for the period, Prior Period Items & change in accounting policies requires the company to disclose the nature & amount of Prior period items to be disclosed separately in a manner that their impact on current profit or loss can be perceived. The Company has not complied with the provisions there by inflating the current year losses by Rs. 3.75 Crores.



MURLI

- vi. During the year, the company has invested Rs. 0.05 Crores in each of four, wholly owned subsidiaries namely Murlil Cement Limited, Murlil Cement (Karnataka) Limited, Murlil Cement (Maharashtra) Limited, Murlil Cement (Rajasthan) Limited. The company has not complied with Accounting Standard 21 by presenting the Consolidated Financial Statements. As explained these companies have not started operations as such Consolidated Financial Statements have not been prepared.
 - vii. The non-current assets of the company include a sum of Rs. 31.07 Crores spent on Rajasthan, Karnataka. The Company has to give negative lien on the lands of Rajasthan & Karnataka. These should have been part of Fixed Assets.
 - viii. As per the requirements of Accounting Standard - 26 "Intangible Assets", any deferred revenue expenditure is to be expensed off in the Profit & loss Statement, since they do not meet the definition of an "asset" under AS-26. The Company has not expensed off its expenses amounting to Rs. 17.21 Crores.
- f. Subject to sub point (d) & (e), 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, 2012;
 - ii. In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - iii. In the case of 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 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 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

M. No.033618

NAGPUR

Dated-31-08-2012

ANNEXURE TO THE AUDITOR'S 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) As certified by management 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 per the documents produced by the management and the explanations given by them, the process carried out for the physical verification of the stock is commensurate with the size & nature of the company; but as far as the valuation of the same is considered, the management was unable to explain the exact basis for the valuation hence we are unable to express our opinion on the same as to compliance of Accounting Standard 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. 2.47 Crores and the number of parties 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 terms have 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 over dues shown.
- 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 are Rs. 7.24 Crores & no. of parties involved is 32.
- f) 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 not 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 of 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 Section 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder.
- (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.



MURLI

- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956 and our of the opinion that prima-facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanation given to us in respect of statutory dues :
- The company has generally been regular in depositing the undisputed statutory dues e.g. Provident Fund, Custom Duty, Excise Duty, Cess, TDS except VAT amounting to Rs. 27.49 Crores.
 - Details of dues of Income-Tax, Sales Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Sr. No.	Particulars	Amount (Rs. in crores)	Pending Since	Forum
1	Central Excise & Customs Dept	0.12	2002	High Court, Nagpur
2	Commission on FCCB	0.43	2008	CESTAT, Mumbai
3	Excise	0.39	2008	CESTAT, Mumbai
4	Capital Goods Import	2.37	2007	High Court, Nagpur
5	Offcut Sales	3.43	2009	CESTAT, Mumbai
6	Offcut Sales	0.28	2010	CESTAT, Mumbai
7	SEBI	Not Ascertainable	2011-2012	SEBI
8	Income Tax (A.Y -07-08)	0.67	2011-2012	ITAT
9	Income Tax (A.Y -08-09)	20.02	2011-2012	ITAT
10	Income Tax (A.Y -10-11)	7.39	2011-2012	ITAT

- (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; details of which have been shown below:

Name of the Financial Institute/Bank	Default Amount		Default since
	Principal (Rs. Crores)	Interest (Rs. Crores)	
IFCI (Suit File)	96.50	15.69	Jan-11

The interest due to consortium lenders amounting to Rs. 14.84 crores for the period January 2012 to March 2012 have been paid in the financial Year 2012-13

- (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 Rs. 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, "No new Term Loans" have been raised during the year except for funding of interest as per CDR Scheme.
- (xvii) As in the past the company has continued to use short term loans for long term purposes.

- (xviii) During the year the 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 interest 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 Deshpande
Partner
M. No. 033618

NAGPUR
Dated -31-08-2012



BALANCE SHEET AS ON 31st MARCH, 2012

(Figures in Rs.)

Particulars	Note No	As on 31st March, 2012	As on 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	2	144,215,550	118,022,000
(b) Reserves and Surplus	3	301,814,312	1,171,324,779
(c) Money received against share warrants	4	-	275,720,000
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	12,640,186,283	11,132,535,137
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	6	-	-
(d) Long term provisions	7	-	-
(4) Current Liabilities			
(a) Short-term borrowings	8	1,177,185,265	1,786,305,984
(b) Trade payables	9	1,197,038,795	824,716,967
(c) Other current liabilities	10	397,196,420	360,171,515
(d) Short-term provisions	11	-	-
Total		<u>15,857,636,625</u>	<u>15,668,796,382</u>
II. Assets			
Non-current Assets			
(1)(a) Fixed assets			
(i) Tangible assets	12	9,237,368,050	9,837,873,888
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		785,638,407	768,496,438
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	2,861,500	861,500
(c) Deferred tax assets (net)		1,381,964,484	-
(d) Long term loans and advances	14	11,090,383	29,663,618
(e) Other non-current assets	15	576,606,426	587,981,019
(2) Current Assets			
(a) Current investments	16	-	-
(b) Inventories	17	2,474,516,046	3,225,300,770
(c) Trade receivables	18	552,251,930	353,601,758
(d) Cash and cash equivalents	19	35,913,742	125,230,024
(e) Short-term loans and advances	20	799,425,655	739,787,367
(f) Other current assets	21	-	-
Total		<u>15,857,636,625</u>	<u>15,668,796,382</u>

The Notes referred to above are an integral part of Financial Statement.

Significant Accounting Policies

1

Notes on Financial Statement

(29-46)

As per our report of even date,

For DEMBLE RAMANI & CO

FOR AND ON BEHALF OF THE BOARD

Chartered Accountants
Firm Reg. No.:-102259W

ANAND DESHPANDE
Partner

NANDLAL B MALOO
MANAGING DIRECTOR

BAJRANGLAL B MALOO
DIRECTOR

Membership No. 033618

Place : NAGPUR

Tarun K Singh

Date : 31.08.2012

Company Secretary

Profit & Loss Account
FOR THE YEAR ENDED 31st MARCH, 2012

(Figures in Rs.)

Particulars	Note No	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
I. Revenue from operations	22	10,904,392,570	7,363,373,050
II. Other Income	23	7,621,077	9,369,520
III. Total Revenue (I +II)		<u>10,912,013,647</u>	<u>7,372,742,570</u>
IV. Expenses :			
Cost of materials consumed	24	8,026,595,921	5,225,002,124
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	85,113,629	95,378,602
Employee benefit expense	26	292,534,316	275,088,210
Financial costs	27	1,270,497,141	1,381,237,389
Depreciation and amortization expense	12	667,320,576	639,944,023
Other expenses	28	3,520,059,869	1,694,154,980
Total Expenses		<u>13,862,121,452</u>	<u>9,310,805,328</u>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	<u>(2,950,107,806)</u>	<u>(1,938,062,763)</u>
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	(2,950,107,806)	(1,938,062,763)
VIII. Extraordinary Items		-	-
IX. Profit before tax	(VII - VIII)	<u>(2,950,107,806)</u>	<u>(1,938,062,763)</u>
X. Tax expense:			
(1) Current tax (Earlier Years)		37,654,095	31,956,379
(2) Deferred tax		1,381,964,484	-
XI. Profit / (Loss) from the period from continuing operations	(IX-X)	(1,605,797,417)	(1,970,019,142)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	-
XV. Profit/(Loss) for the period	(XI + XIV)	<u>(1,605,797,417)</u>	<u>(1,970,019,142)</u>
XVI. Earning per equity share:			
(1) Basic		(24.03)	(33.38)
(2) Diluted		(24.03)	(33.38)

The Notes referred to above are an integral part of Financial Statement.

Significant Accounting Policies
Notes on Financial Statement

1
(29-46)

As per our report of even date,
For DEMBLE RAMANI & CO

Chartered Accountants
Firm Reg. No. :-102259W

ANAND DESHPANDE
Partner

Membership No. 033618

Place : NAGPUR

Date : 31.08.2012

FOR AND ON BEHALF OF THE BOARD

NANDLAL B MALOO
MANAGING DIRECTOR

BAJRANGLAL B MALOO
DIRECTOR

Tarun K Singh
Company Secretary

**MURLI****Cash Flow Statement for the Year ended 31st March, 2012**

(Figure in Rs.)

A. Cash Flow from Operating Activities :	2011 - 2012	2010 - 2011
A. Cash Flow From Operating Activities:		
Net profit before Tax and extraordinary items	(2,950,107,806)	(1,938,062,763)
Adjustment for :		
Depreciation	667,320,576	639,944,023
Interest (Net)	1,109,075,821	1,311,591,744
Preliminary Expenses W/o	3,544,498	3,544,498
Increase/(Decrease) in Provision for Expenses	-	(4,531,774)
Deferred Expenses W/o	43,017,030	-
Operating Profit before working capital changes	(1,127,149,880)	12,485,728
Adjustment for :-		
(Increase)/Decrease in Inventories	750,784,724	324,555,286
(Increase)/Decrease in Trade and Other Receivables	(198,650,172)	(33,192,983)
Increase/(Decrease) in Trade and Other Payables	372,321,828	(13,721,479)
(Increase)/Decrease in Loans & Advances	(41,065,054)	148,583,080
(Increase)/Decrease in Other Current Liability	37,024,906	-
(Increase)/Decrease in Other Current Assets	(16,015,000)	-
(Increase)/Decrease in Other Non Current Assets	(19,171,935)	
Cash Generated from Operations	(241,920,584)	438,709,633
Interest Paid Gross	(1,115,013,375)	(1,318,369,978)
Direct Taxes Paid	(37,654,095)	(31,956,379)
Net Cash From Operating Activities (A)	(1,394,588,054)	(911,616,725)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(66,814,739)	(236,875,298)
Interest Received	5,937,554	6,778,235
(Increase)/Decrease in Investment	(2,000,000)	(50,000)
(Increase)/Decrease in Capital Work in Progress	(17,141,969)	(218,368,107)
Deferred revenue Expenditure	-	(215,085,147)
Net Cash From Investing Activities (B)	(80,019,155)	(663,600,317)
C. Cash Flow From Financing Activities		
Proceeds From Issue of share capital	486,760,500	(1,400,000)
Proceeds From Long term and other borrowings	898,530,428	1,630,939,790
Prior Period Items	-	(97,374,632)
Dividend Paid	-	(25,135,674)
Net Cash Used in Financing Activities (C)	1,385,290,928	1,507,029,483
Net increase in Cash and Cash equivalents (A+B+C)	(89,316,282)	(68,187,559)
Cash and cash equivalents as at Commencement of the year	125,230,024	193,417,582
Cash and cash equivalents as at End of the year	35,913,742	125,230,024
Note : Figures in brackets represent Cash Outflows.		

For and on behalf of Board of Directors,

Nandlal Maloo, Managing Director

Bajranglal Maloo, Director

Tarun K. Singh, Company Secretary

Auditor's Certificate

We have examined the Cash Flow Statement of MURLI INDUSTRIES LIMITED for the year ended 31st March, 2012. 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 Account of the Company covered by our Report of 31/08/2012 to the members of the Company.

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

Anand Deshpande
Partner. Membership No. 033618

Place : Nagpur
Date : 31th Aug., 2012

NOTE " 1 "

Significant Accounting Policies

A. Presentation & Disclosure of Financial Statements:

During the year ended 31st March, 2012, the Revised Schedule VI notified under The Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Assets & Liabilities have been classified as Current & Non-Current as per the companies normal operating cycle and other criteria set out in Schedule VI of The Companies Act, 1956. Based on the nature of the activity carried out and the period between the procurement and realization of cash & cash equivalents, the company has ascertained its operating cycle as 12 Months for the purpose of Current - non Current classification of assets & liabilities.

The Company has also reclassified/regrouped the previous year figures in accordance with the requirements applicable in the current year.

B. Accounting Convention:

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.

C. Use of Estimates:

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balance of assets & liabilities as of the date of the financial statements and reported amounts of income and expenditure during the period. Management believes that the estimates used in the preparation of financial statements are prudent & reasonable.

D. Fixed Assets:

Fixed Assets have been stated at Cost less Accumulated Depreciation. 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. The assets are not tested for impairment.

Depreciation on Fixed Assets is provided, on pro rata basis, on Written Down Value Basis except in case of assets of SBS Board & Cement Unit at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

E. Investments:

Investments are classified into Non Current & Current Investments.

Non-Current investments are carried at cost. Provision for diminution, if any in the value of each Non-Current investment is made to recognize a decline, other than of temporary nature.

Current Investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

F. Inventories:

Inventories comprise all cost of purchase, conversion and other costs incurred in bringing the inventory to their present location & condition.

Raw Materials and bought out components are valued at lower of cost or Net realizable Value. Cost is determined on the basis of the Average Method.

Finished goods produced and purchased for sale, manufactured are carried at cost or Net realizable value whichever is lower.

G. 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 Employees benefits.



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H. Provisions & Contingent Liabilities:

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

I. Earning Per Share:

Basic earnings per share is calculated by dividing net profit or loss after tax for the year attributable to equity shareholders by weighted average number of equity share outstanding during the year.

For the purpose of calculating diluted EPS, net profit or loss after tax for the year attributable to equity shareholder are divided by the weighted average number of equity shares outstanding during the year and are adjusted for the effects of all dilutive potential equity shares.

J. Revenue Recognition:

- i. Sales are recognized on an accrual basis when all significant risks & rewards of ownership are transferred to the buyer and the company retains no effective control of goods transferred.
- ii. Gross sales (net of returns) do not include excise duty, but the same is, wherever applicable, added back for complying with the disclosure requirements of Schedule VI.
- iii. Other income is recognized on an accrual basis.
- iv. Dividend income is recognized when the right to receive the dividend is established.
- v. Interest income is recognized when no significant uncertainty as to its realization exists & is accounted on time proportion basis at contracted rates.
- vi. Insurance and other miscellaneous claims are recognized on receipt/ acceptance of claims. Contractual pass though incentives, benefits, etc. are recognized on receipt basis.

K. Provision for Taxation:

Tax expense comprises both current & deferred tax.

Current Tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates & tax laws.

Deferred tax assets & liabilities are recognized for future tax consequences attributable to the timing difference between taxable income & accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the balance sheet date. Deferred tax assets are not recognized unless, in the management judgment, there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset may be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

MAT paid in accordance with the tax laws which give future economic benefit in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax against which the MAT paid will be adjusted.

L. 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.

As per our report of even date,

For DEMBLE RAMANI & CO
Chartered Accountants
Firm Reg. No. :-102259W

ANAND DESHPANDE
Partner
Membership No. 033618

Place : NAGPUR
Date : 31.08.2012

FOR AND ON BEHALF OF THE BOARD

NANDLAL B MALOO
MANAGING DIRECTOR

BAJRANGLAL B MALOO
DIRECTOR

Tarun K Singh
Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Figures in Rs.)

Notes Forming Part of Balance Sheet	Note No	As on 31st March, 2012	As on 31st March, 2011
Note : 2 Share Capital			
AUTHORISED SHARE CAPITAL :			
12,07,00,000 Equity Shares of Rs. 2/- each (Previous Year 12,07,00,000 Equity Shares of Rs. 2/- each)		241,400,000	241,400,000
86,000 (P.Y. 86,000) 15% Cumulative Redeemable Preference Shares of Rs. 100/- each		8,600,000	8,600,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL :			
7,21,07,775 Equity Shares of Rs. 2/- each fully paid (Previous Year 5,90,11,000 Equity Shares of Rs. 2/- each fully paid)			
As at Commencement of the Year		118,022,000	118,022,000
Add : Transferred from Share Warrant Application Money		26,193,550	-
		<u>144,215,550</u>	<u>118,022,000</u>
Shareholders holding more than 5% shares in the Company			
Name of Shareholder	2012	2011	
Shri Lalchand Maloo	39,77,000(5.51%)	39,77,000(6.74%)	
IFCI Ltd	1,99,44,800(27.65%)	1,60,13,500(27.14%)	
Note : 3 Reserve & Surplus			
Share Premium Account			
As at Commencement of the Year		984,578,000	732,298,000
Add : Transferred from Share Warrant Application Money		623,406,490	63,070,000
Add : Received during the Year		-	189,210,000
		<u>1,607,984,490</u>	<u>984,578,000</u>
General Reserve			
As at Commencement of the Year		169,724,006	169,724,006
Add : Transferred from Profit & Loss Account		-	-
Capital Reserve			
As at Commencement of the Year		307,000	307,000
Add : Forfeiture of Share Warrant Money		112,880,460	-
		<u>113,187,460</u>	<u>307,000</u>
Balance as per Profit & Loss Account			
As at Commencement of the Year		16,715,773	1,986,734,918
Add : Transferred from Profit & Loss Account	(1,605,797,417)		(1,970,019,145)
		<u>(1,589,081,644)</u>	<u>16,715,773</u>
		<u>301,814,312</u>	<u>1,171,324,779</u>



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Note : 4 Share Warrant Money

As at Commencement of the Year	275,720,000	341,000,000
Add : Received during the Year	486,760,500	440,000
Less: Transferred to Share Capital	26,193,550	2,650,000
Less: Transferred to Share Premium	623,406,490	63,070,000
Less: Transferred to Capital Reserve on Forfeiture of Share	112,880,460	-
	0	275,720,000

Note : 5 Long-Term Borrowing

A) Secured Loans

Long Term Loans - From Banks

Rupee Term Loan	11,406,894,583	9,918,007,683
Foreign currency Loans	338,776,000	338,776,000
(Both are Secured by first charge on entire fixed assets and personal Guarantee of Directors of the company)		
Vehicle Finance Loans from Banks	13,384,055	3,488,988
(Secured by hypothecation of vehicles financed out of proceeds of loans)		

Long Term Loans - Others

B) Unsecured Loans

Long Term Loans - Others

From Directors & Relatives	72,419,037	65,327,777
Sales Tax Payable (Deferred Payment)	256,817,306	256,817,306
CST Payable (Deferred Payment)	288,707,385	288,707,385
FCCB (USD 5.5 Millions) (P.Y.USD 5.5 Millions)	241,670,000	241,670,000
(Conversion Price Face Value Rs. 2/-and a Premium of Rs. 73.80 Share)		
(Reset Price)		
KIP Loan	19,740,000	19,740,000
From Subsidiary Companies -	1,777,917	-
	12,640,186,283	11,132,535,138

Note : 6 Other Long Term Liabilities

Other	-	-
	-	-

Note : 7 Long Term Provisions

Other	-	-
	-	-

Note : 8 Short Term Borrowing

A) Secured Loans

Working Capital	1,176,550,182	1,780,310,179
(Secured by Hypothecation of Stock and Debtors and Personal guarantee given by Directors)		

B) Unsecured Loans

Short Term Loans : - Others

Credit Balance in Bank current Accounts	635,083	4,995,805
Others	-	1,000,000
	1,177,185,265	1,786,305,984

Note : 9 Trade Payable

Sundry Creditors	1,092,832,924	789,845,690
Advance Recd from Customers	104,205,872	34,871,278
	1,197,038,796	824,716,968

Note : 10 Other Current Liabilities

Outstanding Liabilities	95,940,008	262,990,312
VAT Payable	274,918,507	76,193,082
Electricity Payable	530,695	1,681,390
Salary Payable	14,255,732	12,690,109
Interest Payable	11,551,480	6,616,624
	<u>397,196,422</u>	<u>360,171,516</u>

Note :11 Short-Term Provisions

Other	-	-
	<u>-</u>	<u>-</u>

NOTE 12
FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				Net Block	
	As at 01/04/2011	Additions	Deletions	As at 31/03/12	Upto 31/03/2011	For the year	Depreciation Written Back	Upto 31/03/2012	As at 31/03/2012	As at 31/03/2011
Land	272,471,474	8,575,030	0	281,046,504	0	0	0	0	281,046,504	432,999,664
Factory Building	1,239,158,407	1,777,179	0	1,240,935,586	225,653,125	45,465,191	0	271,118,316	969,817,269	1,029,271,947
Plant & Machinery	10,167,084,339	19,036,474	0	10,186,120,813	1,979,709,458	581,524,709	0	2,561,234,167	7,624,886,646	8,144,321,742
Electrification	372,758,102	1,276,049	0	374,034,151	102,243,645	22,627,343	0	124,870,988	249,163,163	277,811,383
Furniture	12,917,469	326,562	0	13,244,031	6,773,239	785,116	0	7,558,354	5,685,677	6,069,717
Office Equipment	37,615,463	828,375	0	38,443,838	19,070,919	2,491,182	0	21,562,102	16,881,736	17,284,877
Vehicles	90,958,240	31,605,648	73,125	122,490,763	51,571,017	8,398,142	0	59,969,159	62,521,604	38,746,170
Computer	37,223,774	3,462,548	0	40,686,322	7,291,976	6,028,893	0	13,320,869	27,365,453	29,678,937
TOTAL :	12,230,187,267	66,887,864	73,125	12,297,002,006	2,392,313,380	667,320,576	0	3,059,633,956	9,237,368,050	9,976,184,437
Previous Year	11,993,311,971	236,891,296	16,000	12,230,187,267	1,752,369,357	695,679,425	55,735,402	2,392,313,380	9,837,873,888	

Note : 13 Non-Current Investments

Long Term Investment

Shikshak Sahakari Bank Ltd	(25000 shares @ Rs 10 face value)	250,000	250,000
Ganga Care Hospital	(55000 shares @ Rs 10 face value)	550,000	550,000
Vimla Infrastructure	(5000 shares @ Rs 10 face value)	50,000	50,000
National Savings Certificate		11,500	11,500
Murli Cement Ltd.	(50000 shares @ Rs 10 face value)	500,000	-
Murli Cement Karnataka Ltd.	(50000 shares @ Rs 10 face value)	500,000	-
Murli Cement Maharashtra Ltd.	(50000 shares @ Rs 10 face value)	500,000	-
Murli Cement Rajasthan Ltd.	(50000 shares @ Rs 10 face value)	500,000	-
		<u>2,861,500</u>	<u>861,500</u>



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Note : 14 Long-Term Loans & Advances

A) Secured Advances		
MSEB Deposit	3,122,954	3,122,954
MSC Security Deposit	320,000	320,000
Telephone Deposit	179,800	180,360
Water Deposit	71,519	71,519
Security Deposits	4,150,880	22,728,554
B) Unsecured Advances		
Rent Deposit	3,245,230	3,240,230
	11,090,383	29,663,617

Note : 15 Other Non Current Assets

A-1) Secured Advances	-	-
A-2) Unsecured Advances		
Advances to Sponge Iron Unit	282,323	282,323
Advance to Murli Tyres	11,403,573	11,403,573
Advances to Murli Infrastructure Ltd	13,269,650	5,089,600
Others	24,811,490	28,355,988
Deferred Revenue Expenses	172,068,117	215,085,147
B) FDR having maturity more than one year	7,834,950	-
C) Long Term Receivables	346,936,323	327,764,388
	576,606,426	587,981,019

Note : 16 Current Investment

-	-
-	-

Note : 17 Inventories

Raw Material	1,289,980,754	2,116,547,511
Stores & Spares	215,754,382	296,444,338
Consumables Stores	460,466,867	463,360,665
Packing Material	21,664,495	42,978,089
Finished Goods	486,649,546	305,970,167
	2,474,516,046	3,225,300,770

Note : 18 Trade Receivables

Debtors outstanding for a period within six months	463,096,715	314,883,177
Debtors outstanding for a period exceeding six months	89,155,215	38,718,581
	552,251,930	353,601,758

Note : 19 Cash & Cash Equivalents

Cash in Hand	3,590,571	4,100,551
Balance with Scheduled Banks :		
In Current Accounts	1,402,243	31,567,906
FDR with Bank	30,920,928	89,561,567
	35,913,741	125,230,024

Note : 20 Short-term Loans & Advances

A) Secured Advances		
T.D.S. Deposit	1,657,419	1,146,771
TDS Deposit with Govt. Auth. 26Q	416,533	213,250
CENVAT Cr Receivable on Input	15,871,133	99,484,377
CENVAT Cr CG Deferred Account	17,009,085	30,364,045
		(contd...)

(...contd.)

Duty Draw Back Receivable	1,382,007	1,221,260
Service Tax On Hold	972,591	8,107,132
Excise Rebate Receivable	412,579	1,175,691
TDS Deposit with Govt. Auth. 24Q	55,179	5,685,932
VAT Receivable	26,649,984	-
PLA	97,452	-
Royalty on Coal	19,980,639	-
MEGA VAT Receivables	393,461,440	-
CENVAT Cr Receivables on CG 50%	10,109,291	239,699,731
TCS Paid	877,816	-
CENVAT Cr Receivables Service Tax	68,200,293	77,884,474
CENVAT Cr Receivables Old	161,961,424	139,594,600
B) Unsecured Advances		
Interest Receivables	92,423	153,522
Prepaid Expenses	2,012,297	2,543,893
Advance to Staff & Contractors	9,061,475	16,438,191
Advance to Suppliers & Others	69,144,595	116,074,498
	<u>799,425,655</u>	<u>739,787,367</u>
Note : 21 Other Current Assets	-	-
	-	-

NOTES FORMING PART OF PROFIT & LOSS STATEMENT

For the Year Ended 31st March, 2012 For the Year Ended 31st March, 2011

Note : 22 Sales

Revenue from Operations	11,581,591,420	7,802,736,242
Less : Freight & Insurance recd. On Sales	48,692,082	21,393,500
Excise Duty	211,264,664	159,768,531
Sales-tax	417,242,104	258,201,161
	<u>10,904,392,570</u>	<u>7,363,373,050</u>

Note :23 Other Incomes

Interest Income	5,937,554	6,882,130
Rate Difference	-	285,290
Other Income	1,683,523	2,021,620
Agriculture Income	-	180,480
	<u>7,621,077</u>	<u>9,369,520</u>

Note : 24 Cost of Materials Consumed

A) Raw Material Consumed	6,894,730,486	4,669,530,807
B) Stores, Spares, Chemicals & Consumables Consumed	933,981,938	463,047,778
C) Packing Material Consumed	197,883,497	92,423,540
Total (A+B+C)	<u>8,026,595,921</u>	<u>5,225,002,124</u>



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Note : 25 Increase/(Decrease) in Stocks
Finished Goods

85,113,629	95,378,602
<u>85,113,629</u>	<u>95,378,602</u>

Note : 26 Employees Remuneration & benefits

Salary, Wages, Allowances & other Benefits	267,553,280	248,866,587
Education Allowance	229,803	260,524
Conveyance Allowance	506,286	501,230
Canteen Allowance	24,526	25,293
Contribution to PF, ESIC, LWF, etc	10,191,186	10,703,829
House Rent Allowance	2,328,084	2,158,201
Staff Welfare Expenses	3,767,296	4,482,006
Security Charges	7,933,855	8,090,540
	<u>292,534,316</u>	<u>275,088,210</u>

Note : 27 Financial Cost

Interest on :		
Term Loan	1,007,604,730	1,139,829,454
Interest to Bank & Others	107,408,645	178,540,525
Bank Commission & Financial Charges	155,483,766	62,867,411
	<u>1,270,497,141</u>	<u>1,381,237,389</u>

Note : 28 Other Expenses

A) Manufacturing Expenses

Electricity Charges	1,439,846,059	870,718,184
Freight Inward	136,364,734	97,746,748
Clearing & Forwarding	447,039,870	324,350,856
Repairs & Maintenance	14,344,640	13,435,370
Water Charges	5,407,785	5,152,587
Coal Handling Charges	1,114,533	664,376
Factory Expenses	36,798,937	44,200,438
Mandi Cess	20,460,859	16,555,120
CST Paid	12,631,275	9,582,139
Service Tax on Input	564,350	886,588
Brokerage & Commission	5,636,700	9,987,300
Royalty on Lime Stone	24,267,234	18,885,498

B) Administrative & Other Expenses

Payment to Auditors:	850,000	512,500
1. For Taxation Matters	100,000	
2. For Audit Fees	700,000	
3. For Certification Charges	50,000	
Books & Periodicals	7,426	13,108
Charity & Donations	98,500	369,214
Conveyance Exp.	4,717,034	8,798,460
Listing Fees	472,489	130,556
Gardening Expenses	455,694	610,582
Insurance Charges	6,506,299	2,276,294
Retainership Charges	3,666,073	5,458,747
License & Filing Fees	659,327	602,881

(contd...)

(...contd.)

Legal, Professional Fee & Consultancy Charges	13,534,368	15,580,653
Computer Maintenance	605,742	1,346,893
Membership Fee & Subscription	103,536	156,206
Office & General Exp.	1,087,246	1,646,699
Postage, telegram	654,270	528,940
Printing & Stationary	2,301,727	1,897,630
Rent, Rates & Taxes	13,094,221	11,281,270
Repairs & Maintenance	14,562,691	10,172,480
Telephone & Telex Charges	6,080,648	4,693,596
Refreshment Expenses	1,604,562	1,822,698
Tour & Travelling Exp.	7,701,565	1,639,237
Vehicle Running & Maintenance	4,555,796	3,686,768
Miscellaneous Expenses	3,988,758	2,301,799
Directors Sitting Fees	365,000	317,500
Professional Tax	-	5,000
Agricultural Expenses	-	242,236
Keyman Insurance Policy	4,708,047	2,872,667
Software Expenses	299,440	360,500
Guest House Expenses	761,425	780,928
Preliminary expenses written off	3,544,498	3,544,498
Equipment Hire Charges	57,862,188	950,512
Deferred Revenue Exp written off	43,017,030	-
Entry Tax	3,239,553	-

C) Selling & Distribution Expenses

Advertisement & Publicity	7,281,084	960,189
Brokerage & Commission	29,887,100	21,763,122
Business Promotion Expenses	88,590,824	90,298
Freight Outward	500,752,212	123,264,791
Octroi	101,702	124,581
Analysis Charges	562,252	739,753
Demurrage Rake	4,919,232	-
Shortage, Quality Rebate and Discount	148,927,575	50,440,738
Weighment Charges	33,340	5,250
Loading & Unloading (Despatch)	382,313,889	-
Godown/Depo Rent	11,108,533	-
Total	<u>3,520,059,869</u>	<u>1,694,154,980</u>

29. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

Claims not acknowledged as debts	Current Year (Rs. Crores)	Previous Year (Rs. Crores)
Customs & Excise & Other Disputed Liabilities	35.10	7.02



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30. **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 31.03.2012 could not be determined.
31. **ACCRUAL SYSTEM OF ACCOUNTING :** The company is generally following the accrual system in its accounting, except Royalty on Limestone, Employee Benefits, which are accounted for cash basis, under PSI 2007, the royalty due & receivable is netted off. The clause (b) of sub section (3) of Section 209 of the Companies Act, 1956 mandates a company to maintain its books of accounts as per accrual system of accounting but the company has not complied the same regarding employee benefits the amount pertaining to the employee benefits could not be quantified because the data was not available with the company.
32. **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 Accounting Standard -11.
33. **EXCISE / CUSTOMS :** The Company has maintained excise records in manual as well as computerized formats. Generally, the manual records of units 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.
34. **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, Pulp Mill & Cement Unit. The segment wise disclosure is as under:

PARTICULARS	UNITS (Rs. Crores)								
	Solvent Unit	Duplex Paper	News-Print	Writing & printing	Power	Pulp	SBS	Cement	Total
Segment Revenue									
External Sales	291.94	50.01	73.96	121.63	-	-	87.11	340.48	965.13
Inter-segment sales	-	-	-	-	125.31	-	-	-	125.31
Total Revenue	291.94	50.01	73.96	121.63	125.31	-	87.11	340.48	1090.44
Segment Results	(43.61)	(11.35)	(13.39)	(22.63)	(4.90)	-	(8.11)	(64.74)	(168.72)
Unallocated Expenses	--	--	--	--	-	-	-	-	-
Operating Profit/ Loss	(28.79)	(5.65)	(2.03)	(7.62)	11.23	-	3.25	94.44	64.82
Interest Expenses	8.99	0.62	3.18	1.74	15.49	-	11.85	85.18	127.05
Other Income	0.04	0.07	0.01	0.17	-	-	0.17	0.31	0.76
Extra Ordinary Loss	-	-	-	-	-	-	-	-	-
Other Information									
Segment Assets	284.77	84.92	101.60	258.32	196.39	74.26	152.01	999.05	2151.31
Segment Liabilities	109.65	33.36	60.57	71.79	94.83	24.62	132.95	1013.38	1541.16
Depreciation	0.85	0.74	5.60	6.57	12.42	-	5.93	34.63	66.73

SECONDARY SEGMENT	GEOGRAPHICAL SEGMENTS			
ITEM	EXPORT	DOMESTIC	INTER SEGMENT ELIMINATIONS	TOTAL
Revenues :				
Sales to External Customers	60.20	1030.24	-	1090.44
Less :Inter Unit Sales	-	-	-	-
Total Revenue	60.20	1030.24	-	1090.44

35. PAYMENTS TO AUDITORS:

For Audit Fees	: Rs. 7,00,000
For Certification Charges	: Rs. 50,000
For Taxation matters	: Rs. 1,00,000

36. 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

Shri Shobhagmal Maloo	Chairman
Shri Nandlal Maloo	Managing Director
Shri Bajranglal Maloo	Director
Shri Lalchand Maloo	Director
Shri Sunil Kumar Maloo	Director

(B) Enterprises Owned / Managed by Key Managerial Personnel

Nandlal Enterprises Limited	Raghav Finvest Private Limited
Murli Tyres Limited	Nihal Gilts Private Limited
Murli Infrastructure Limited	Vishnu Gilts Private Limited
Murli Electrode Private Limited	Mohan Venture Capital Pvt. Ltd.
Radha Software Limited	Murli Agro Products Limited

(C) Subsidiaries

Murli Cement (Karnataka) Limited	Murli Cement (Maharashtra) Limited
Murli Cement (Rajasthan) Limited	Murli Cement Limited

Particulars of Transactions during the year ended 31st march, 2012 with Related parties

(Rs. in Crores)

Nature of Transactions	Key Management Personnel	Relative of Key Management Personnel	Enterprises Owned/ Managed by Key Management Personnel	Total
Interest on Loans	0.19	0.49	0.06	0.74
Rent	0.37	-	0.1	0.47
Directors and their Relatives' Remuneration	0.23	0.66	-	0.89
Purchase of Goods & Raw material/ Services	-	-	11.76	11.76
Loans Taken /(Repaid)	0.11	0.69	-0.09	0.71
Outstanding as at the year end	2.02	4.79	0.42	7.24

37. NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGE IN ACCOUNTING POLICIES : The Company is not complying with the disclosure requirements of AS-5, there are prior period expenses accounted for during the current year amounting to Rs. 3.75 Crores.



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38. EARNING PER SHARE: As per Accounting Standard 20 of I.C.A.I., the Basic Earnings per Share of the company is as follows :

Net Profit	(Rs. 160.58 Crores)	
-----	-----	= Rs. (24.03) Per share
Weighted average No. of Shares	6,68,33,183	

39. CONFIRMATIONS: The balance shown in Sundry Debtors, Sundry Creditors, Advances, stock with depots and bank balances are subject to confirmation from respective parties. There is a variation between the Bank Statement and Books of Accounts of Bank of Baroda, as per the information received from the management the amount relates to the temporary difference because of the excessive interest charged by the bank which would be reversed in due course the amount of difference is Rs. 5.00 Crores.

40. ACCOUNTING FOR GOVERNMENT GRANTS:

- The Company is entitled for incentives in respect of Cement & Paper plants wherein the recognition provision have not been completely complied with.
- As per PSI 2007, the company should have recognized the amount receivable to it only after depositing its statutory dues to the government and should recognize the income as "Other Income" as per accounting Standard 12, but the same is included in turnover. Though the Company is yet to deposit its statutory dues with the State Government it has recognized the VAT receivable.

41. Value of Imports on C.I.F. Basis (Duplex, SBS & Writing Printing) Raw Material : Rs.47.63 Crores (\$1.02 Crores) [P.Y.Rs.63.21 Crores] (\$1.36 Crores) Imported Capital Goods : Rs.0.11Crores (\$ 0.0024 Crores) [P.Y. Rs. 0.88 Crores (\$0.2 Crores)].

42. Earnings in Foreign Exchange: Export Value of Goods on F.O.B. Basis is Rs. 2.02 Crores (\$ 0.04 Crores), P.Y. Rs. 5.91 Crores (\$0.13 Crores).

43. EXPORT TURNOVER: Total Turnover includes Export Turnover of Rs.60.2 Crores (P.Y.46.42 Crores).

44. CAPITALISATION OF EXPENSES: The Company has capitalized expenses of Rs. 2.46 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.

45. 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.

46. WEALTH TAX: The Company has not made any provision for payment of wealth tax.

For DEMBLE RAMANI & CO

Chartered Accountants
Firm Reg. No. :-102259W

ANAND DESHPANDE

Partner
Membership No. 033618

Place : NAGPUR

Date : 31.08.2012

FOR AND ON BEHALF OF THE BOARD

NANDLAL B MALOO

MANAGING DIRECTOR

BAJRANGLAL B MALOO

DIRECTOR

Tarun K Singh

Company Secretary

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.



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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

21st Annual General Meeting on 29th September, 2012

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



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MURLI INDUSTRIES LTD.

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 Saturday, 29th Day of September, 2012 at 11.00 am.

Signed this _____ day of _____ 2012

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

21st Annual General Meeting on 29th September, 2012

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 21st Annual General Meeting of the Company at the Corporate Office :
"Radha House" 239, East Wardhaman Nagar, Nagpur - 440 008 on Saturday, the 29th Day of September, 2012
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.



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Corporate Social Responsibility and Achievements 2011-12



Eak Prayas -
Food Donation Camp at Melghat



Mr. Murli Maloo, E.D. Murli Industries Ltd.
applauded with Emerging Entrepreneur Award
by Power Brands India at London



MIL Team
on Awareness Campaign for
Murli Cement and
its best usage



Mr. Dinesh Maloo, E.D. Murli Industries Ltd.
presenting award to volunteers for
remarkable services in Social causes



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MURLI INDUSTRIES LTD.

REGISTERED OFFICE

101, Jai Bhavani Society, Central Avenue,
Wardhaman Ngar, Nagpur 440 008
Ph : +91 712 2768912 Fax : +91 712 2761145
Email : info@murliindustries.com

CORPORATE OFFICE

'Radha House', 239, East Wardhaman Nagar,
Nagpur 440 008 India.
Ph : +91 712 3050200 Fax : +91 712 2684422
Email : info@murliindustries.com