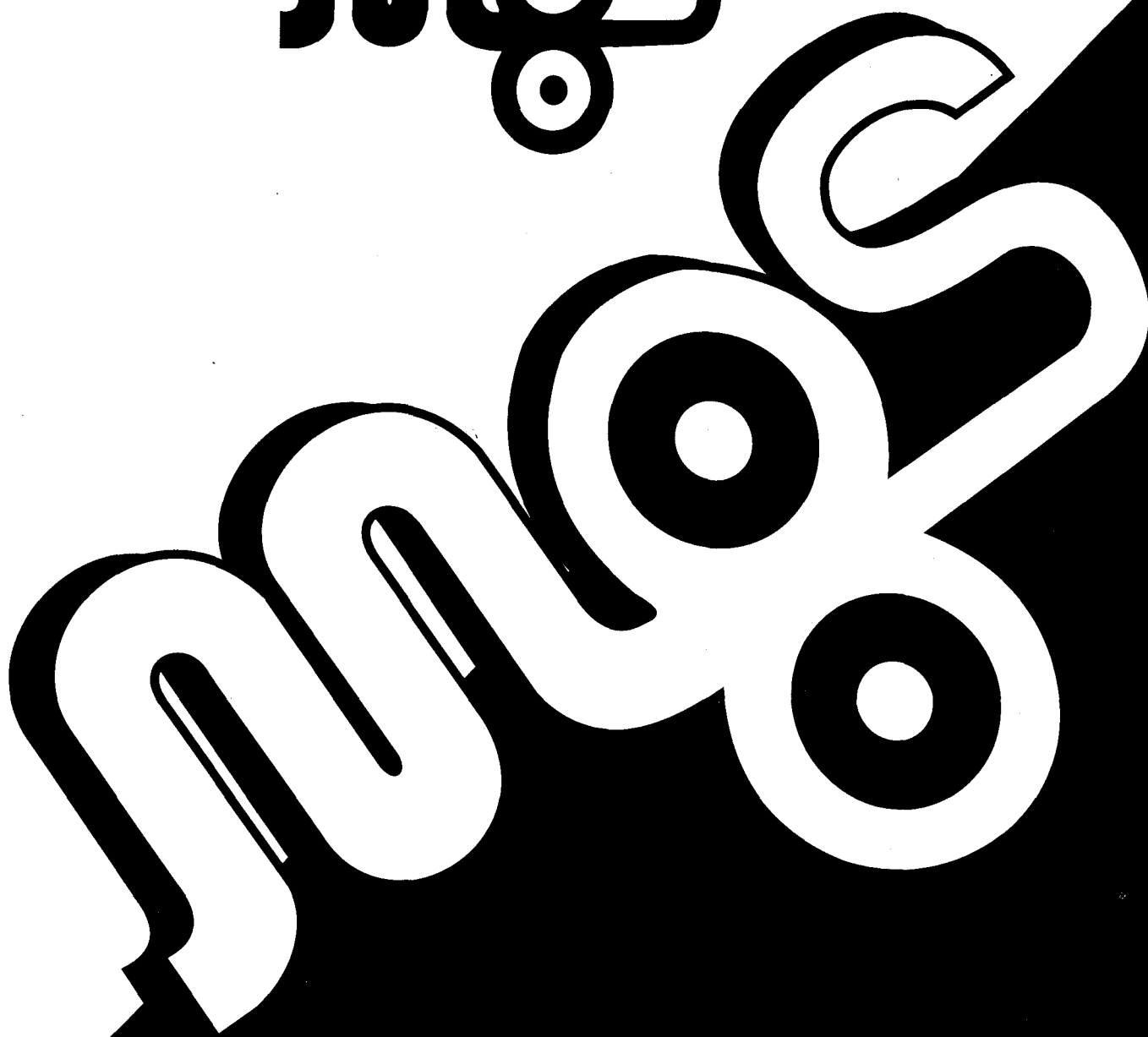


39th Annual Report 2010-2011

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**MSL INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

**S. K. Modi**

*Managing Director*

**A. K. Chatterjee**

*(Non Executive & Independent Director  
& Chairman of the Audits Committee)*

**V.K.Singhania**

*(Executive Director)*

**K. C. Mukherjee**

*(Non Executive & Independent Director) - since deceased*

**A. K. Kundu**

*(Non Executive & Independent Director)*

**COMPANY SECRETARY**

**R.N. Dutta**

**AUDITORS**

**M/s. Taparia & Co.**

*Chartered Accountants*  
28.Black Burn Lane,  
Kolkata - 700 012

**BRANCH AUDITORS**

**M/s. K.N.Gutgutia & Co.**

*Chartered Accountants*  
11 K. Gopala Towers,  
Rajendra Place,  
New Delhi - 110 008

**BANKERS**

State Bank of India  
Indian Overseas Bank  
Citi Bank N.A.,

**REGD. OFFICE**

Flat No. - 2, Sham Kunj Apartment,  
Basant Vihar Colony, Boring Road,  
Patna - 800 001

**Polymer Unit**

**Hind Polymers**

1306 Hemkund Chember  
89, Neheru Place  
New Delhi - 100 019

**Head Office & Share Department**

P-22. Swallow Lane. Kolkata - 700 001

**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Adjourned 39th Annual General Meeting of the Members of MSL Industries Limited will be held on Monday, 12th March 2012 at 10.30 a.m. at the Registered Office of the company at Flat No. - 2, Sham Kunj Apartment, Basant Vihar Colony, Boring Road, Patna - 800 001 to transact the following business which were included under item Nos. 1 in the notice dated 10th June, 2011 convening 39th Annual General Meeting of the Members of the company, which was adjourned without dealing with the below mentioned business :

**AS AN ORDINARY BUSINESS**

1. To receive and to adopt the Profit & Loss account of the Company for the year ended 31st March 2010 and its Balance Sheet as at that date along with Schedules annexed thereto and the Report of the Directors and the Auditors thereon.

By Order of the Board

Head Office :

P-22 Swallow Lane

Kolkata - 700 001.

Dated : 2nd day of February, 2012

**S. K. Modi**

Managing Director

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy, Form in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Shareholders, who hold share in dematerialised form, are requested to bring their Client ID and DPID Nos. for easier identification of attendance at the Meeting.
2. Shareholders desiring any information on the Accounts are requested to write to the company at P-22, Swallow Lane, Kolkata - 700001 at least 48 hours in advance before the date of Meeting to enable the Company to keep the information ready.
3. Shareholders are requested to bring their copy of the Annual Report at the Meeting.

## DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the 39th Annual Report on the operation of the Company together with the Audited Accounts for year ending 31st March 2011.

### 1. THE FINANCIAL RESULTS.

( ₹ IN LACS)

	Year ending 31st March 2011	Year ending 31st March 2010
Turnover(Net of returns and relisation of Excise Duty)	1.81	5.22
Gross Profit/(Loss) before Depreciation		
Interest & Tax and other exceptional items	(72.18)	(54.74)
Depreciation	1.08	0.19
Interest (Net)[See para 3(1)]	(8.55)	(9.06)
	(64.71)	(45.87)
Exceptional Items:		
a) Add: Outstanding receivable from Parties having balance below Rs. 1Lac written off	(0)	(8.66)
b) Less: unclaimed creditors having Balance below Rs. 1Lac written off	0	4.68
c) Add: Provision for Doubtful Debts	(0)	(27.66)
d) Less: Sundry Creditors & other liabilities lying un-claimed for more than Eight years & considered not payable and as such written back	0	150.21
e) Add: Sundry Debtors considered Bad written off	(0)	(346.78)
f) Add: Loans & Advances not recoverable for the Unit Patna written off	(0)	(11.19)
g) Add: Sundry Small Balances with Banks at the Units at Patna not recoverable written off	(0)	(4.23)
h) Add: Interest charged on Debtors and on advances by the Units for delayed payment and credited to Interest A/c in Previous years not being recoverable Written Off	0	(824.39)
i) Add: Net Book value of Immoveable & Movable Assets of the Unit Hind Polymers Written Off in 2010-11 :-		
i) Representing net book value of Fixed Assets i.e. Land, Building, Plant & Machinery, Electric Instalation etc. taken over & sold by ARCIL on behalf of Secured Creditors under SARFAESI Act, 2002	88.54	0.00
ii) Representing net book value of Stock-in-Trade i.e. Raw Materials, & Finished Goods as on 31.03.2010 taken over & sold by ARCIL on behalf of Secured Creditors under SARFAESI act, 2002	(16.20)	0.00
j) Less: Amount received by ARCIL on behalf of Secured Creditors on sale of Assets of the Unit Hind Polymers	375.00	0.00
<b>Total of Exceptional Items (Net)</b>	270.26	(1168.02)

<b>Profit(+)/Loss(-) before Tax</b>	205.55	(1117.51)
Add/Less other un-allocable expenditure/income :-	0	0.00
Provision for Tax	0	0
<b>Profit(+)/Loss(-) after tax</b>	205.55	(1117.51)
Profit on sale of Investments	13.97	121.47
Remission of Secured Liabilities	0	5423.15
Interest Accrued on Loans written back	0	1155.01
Net Credit in Profit & Loss A/c for the year	219.52	5582.07

#### Note:-

i. Figures of the previous year have been regrouped wherever necessary.

### 2. PERFORMANCE.

Since all units of the Company are closed and the assets of the units at Patna and Hind Polymers Unit, charged in favour of the Secured Creditors, were taken over and sold by ARCIL under SARFAESI Act, there is no production and performance of the Company during the year.

### 3. MATERIAL EVENTS ON THE STATE OF AFFAIRS OF THE COMPANY AS ON DATE OF SIGNING THIS REPORT :-

1. Further to our report dated 12th September 2011 stating that ARCIL took over Movable & Immoveable Assets of the Units at Patna under SARFAESI Act 2002 and sold the said Assets at a value of ₹ 1039.89 lac, the said ARCIL vide their letter dated 14th July 2011 has confirmed that there is no due towards the Financial Assistance granted by ICICI Bank and SBI to MSL Industries Ltd. It is now reported that ARCIL, under their letter dated 17th August 2011, stated that they have also sold the Fixed Assets of Hind Polymers unit including Land, Building, Plant & Machinery etc. as also Stock-in-Trade at ₹ 3.75 Crores under the said Act. In view of the above position the balance of Liability of the Company on account of Principal amount dues to ICICI Bank Ltd and SBI aggregating to ₹ 5423.15 lacs, after deducting payment made by ARCIL to said Secured Creditors as also the Interest accrued and due thereon but not paid on the said loan aggregating to ₹ 1155.01 lacs where adjusted in Profit & Loss Appropriation A/c for the year ending 31st March 2010.

2) Following Secured Creditors filed suites against the Company before the respective DRT, Kolkata and Patna and Hon'ble High Court, Patna and Kolkata claiming the amount of their dues from the Company which are contested by the Company.

#### Name of the Claimants

1. Industrial Development Bank of India
2. State Bank of India
3. Bihar State Credit & Investment Corpn.
4. ICICI Bank Ltd.

However in view of the settlement of dues with State Bank of India (SBI) and ICICI Bank Ltd by Assets Reconstructions Company (India) Ltd. (ARCIL) and on receipts of "No Due Certificate" from ARCIL on behalf of SBI and ICICI and in view of sale of those assets, which were charged in its favour, by Bihar State Credit & Investment Corporation (BSCICO), the pending suits are likely to be infructuous in course of time. Other Secured Creditors namely BSFC also sold the Assets of the Units at Patna which were charged in their favour and have taken the proceeds of sales to liquidated their dues. ARCIL by their letter

dated 8th September 2011 informed that they paid ₹ 4,77,55,818/- to IDBI Ltd./ Stressed Assets Stabilisation Fund. The adjustment of such payment with IDBI is pending due to non-receipts of "No Due Certificate" on behalf of IDBI from ARCIL.

3) a) Debit Balance with the Debtors like Haryana Telecom Ltd., Hindustan Cabies Ltd., Optel Telecommunications Ltd., Modi Plastics Ltd., Pulak Enterprises and Credit Balance with Bhusan Industries Ltd. TISCO Ltd., which are sub-judice or under dispute shall be allowed to remain in the Accounts of the Units till their disposal and to be considered for adjustment in the A/c on receipt of Report from the Units.

b) Miscellaneous Debit Balance with Banks at the units at Patna will be remaining to be carried forward to subsequent years for reasons reported earlier.

#### 4. FUTURE PROSPECTS.

The Companies operations at the Units at Patna were closed since 1st April 2001 and operations of the Hind Polymers Unit was closed since 28th March 2009. Movable and Immovable Assets at the Units at Patna were sold by ARCIL and adjusted accordingly. Similarly movable & immovable assets of Hind Polymers unit at Ghaziabad was sold by ARCIL under SAFEESI Act 2002 and the net value of those assets were written off and debited to Profit & Loss Appropriation A/c during this year. Amount received by ARCIL on sale of Assets at Hind Polymers unit for ₹ 375lacs has been credited to Profit & Loss Appropriation A/c and deducted from the secured loan.

In view of above, the Directors are not in a position to think for any revival of the Company at the moment and are in the opinion that the Company is not growing concern.

#### 5. DIVIDEND.

In view of the aforesaid circumstance questions of payment of Dividend does not rise.

#### 6. EXPORT

There is no export of the Company during the year as also in previous year.

#### 7. AUDITORS.

7.1 M/s Taparia & Co., Chartered Accountants retire at the conclusion of the ensuing Adjourned Annual General Meeting and being eligible, offer themselves for re-appointment. The retiring auditors have furnished certificates of their eligibility for re-appointment as required under the Companies Act, 1956. Your Directors recommend for their re-appointment for 2011-2012.

#### 7.2 BRANCH AUDITORS.

a) M/s. K.N. Gutgutia & Company, Chartered Accountants, retires at the conclusion of the ensuing adjourned Annual General Meeting and is eligible for re-appointment as Branch Auditors. Your Directors recommend for their re-appointment for 2011-2012 only.

#### 8. DIRECTORS.

a) Shri K.C. Mukherjee a director has expired. The Directors placed on record their deep regret and their sincere appreciation for the devotion and valuable advice of Shri K.C. Mukherjee during his tenure of service.  
b) Shri V.K. Singhania, a Director shall retire and being eligible offer himself for re-election. Your directors recommend for his re-election in the next Annual General Meeting.

#### 9. DIRECTORS RESPONSIBILITY STATEMENT - PURSUANT TO SECTION 217(2AA)

Your Directors confirm that:

i) In the preparation of the Annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are

reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

iii. The Directors had taken proper and sufficient care, as far as practicable under the prevailing circumstances, for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. As reported hereinabove, all moveable & immovable assets of the Units at Patna and at Ghaziabad were taken over and sold by ARCIL on behalf of most of the Secured Creditors namely ICICI Ltd, State Bank of India and Industrial Development Bank of India. There is no operation at the units at Patna since 01st April 2001. Production of Hind Polymers unit was discontinued permanently with effect from 20.03.2009

#### 10. CORPORATE GOVERNANCE : -

Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges, report on Corporate Governance along with certificate from the Practicing Company Secretary are attached hereto and form part of this report.

#### 11. DEPOSITS.

The Company has not accepted any deposits from the public.

#### 12. LIST OF THE STOCK EXCHANGES:

The Company's shares were listed on Magadh Stock Exchange at Patna, Stock Exchanges at Mumbai and Calcutta. The Company has already paid the Annual Listing Fees to them for the year 2006-2007 to stock Exchange Mumbai and Calcutta Stock Exchange and up to 2005-06 to Magadh Stock Exchange.

#### 13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The operation of all units of the of the Company were stopped. As such there is no scope to comply with this provision of the Act in this regard.

#### 14. PARTICULARS OF EMPLOYEES.

Pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the Directors have to report to you that there was no such employees employed for the whole year and were in receipt of remuneration in aggregate of not less than ₹ 60,00,000/- per year throughout the financial year. There was also no employees employed for part of the year and were in receipt of remuneration of not less than ₹ 5,00,000/- per month thereafter.

#### 15. BALANCE SHEET ABSTRACT AND CASH FLOW STATEMENT.

The Balance Sheet Abstract as at 31st March 2011 as required under Schedule VI of the Companies Act 1956 is attached herewith. The Cash Flow statement as required under the Listing Agreement with the Stock Exchanges, for the period ending 31st March 2011 are not prepared since operations of all Units of the Company are closed and all movable & immovable assets of all units, charged in favour of secured creditors, were sold by ARCIL under SAFEESI Act 2002 as stated herein above.

#### 16. ACKNOWLEDGEMENT.

Your Directors place on record their gratitude and appreciation to the Investors, Financial Institutions, Banks, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, State and Central Governments and other Government Agencies for the recognition given and the trust reposed by them in your Company.

By order of the Board  
(S.K.Modi)  
Managing Director

Kolkata.  
Dated : the 28th day of December, 2011.

## ANNEXURE TO THE DIRECTOR'S REPORT Annexure - 1

Information under section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report.

### 1. CONSERVATION OF ENERGY

The company has been declared sick under SICA by BIFR. The assets of the units were taken over by ARCIL under SARF AESI Act 2002, on behalf of the secured creditors namely ICICI Bank Ltd. IDBI, SBI. The movable assets including Plant & Machinery Structures thereon. Stock-in-trade and all other Electrical Installation etc and immovable assets of at the units of Patna and Hind Polymers were sold by ARCIL and have been dismantled. The operation of the Hind Polymers was also discontinued w.e.f. 20.3.2009. The question of energy saving at the units situated at Patna namely Hi-tech Steels unit and Steel and Hind Polymers units at Gagiabad does not, Therefore, Arise.

#### FORM A

#### Form for disclosure of Particulars with respect to conservation of energy.

Not applicable as all producing units of the Company are closed and all assets charged in favour of secured creditors were sold as reported earlier.

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

#### FORM B

Form for disclosure of particulars with respect to Technology Absorption : 2010-2011.

A. Research and Development (R&D) Not Applicable as there is no production.

B. Benefits derived as a result of above R&D  
As stated above.

C. Future Plan of Action  
As stated above.

D. Expenditure on R&D  
As stated above.

E. Technology Absorption, Adaptation and Innovation  
As stated above.

F. Pollution Control  
As stated above.

G. Foreign Exchange Earnings and Outgo

## ANNEXURE TO THE DIRECTOR'S REPORT Annexure - 2

### CORPORATE GOVERNANCE.

#### A. MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

##### INDUSTRIES STRUCTURE & DEVELOPMENT.

The company's two units namely Steel Division at Patna and Polymers division at Gaziabad were catering to meet the demand of the Jelly filled telephone cable industries (JFTC). Due to complete change in Technology the company producing JFTC in India have become sick and mostly not-in-operation. Due to such reason this Company also became sick and all units at Patna and at Gaziabad were taken over and sold by ARCIL on behalf of the Company's Secured Creditors under SARFAESI Act, 2002.

#### B. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE.

The object of the "Corporate Governance as its compliance as required under clause 49 of the Listing Agreement is towards the achievement of high level of transparency & accountability to protect the interest of the shareholders. With this object the company has constituted Audit Committee, Remuneration Committee, Shareholders/Investors Grievance Committee etc to fulfil such objectives.

As required under SEBI rules, trading of the company's share have been made compulsory for dematerialisation from 26th February 2001 with an option to the shareholders to hold the same in physical form also. Further, in compliance with the directions of the SEBI for appointment of common Agent in respect of share transfer & other related matters, both in physical & demat form, the company has appointed M/s MCS Ltd, Kolkata as its transfer agent with all authorities to serve the Shareholders/Investors to their satisfaction and to comply with the other requirements under SEBI Rules, Listing Agreement and other related Acts and Rules thereunder.

#### C. Composition of Board of Directors as at 31-03-2011.

1. Shri S.K. Modi Managing Director
2. Shri A.K. Chatterjee, Independent and Non-executive Director
3. Shri V.K. Singhania, Executive Director.
4. Shri K.C. Mukherjee, Independent & Non-executive Director Since deceased
5. Shri A.K. Kundu, Independent & Non-executive Director

#### D. Attendance of the Directors in the Meeting held during the year 2010-11

Name of the Director *	No of Meeting held	No of Meeting Attended	Attendance in last AGM on 11-7-2011	No of Directors in other public Co.
Shri S.K.Modi	Four	Four	Not Attended	Nil
Shri A.K.Chatterjee	Four	Four	Attended	2
Shri V.K.Singhania	Four	Two	Attended	Nil
Shri K.C. Mukherjee	Four	Four	Not Attended	Nil
Shri A.K.Kundu	Four	Four	Not Attended	Nil

#### E. Dates of Board Meeting Held during the year 2010-11.

##### Date of Board Meeting

- On 18th June 2010
- On 3rd August 2010
- On 20th October 2010
- On 3rd March 2011

#### F. AUDIT COMMITTEE.

##### CONSTITUTION OF AUDIT COMMITTEE as at 31st March 2011.

1. Description of Term & Reference - The Board of Director at their meeting held on 28-09-01 has delegated the Audit Committee those powers and responsibilities as are provided under section 292(A) of the Companies Act 1956.

## ANNEXURE TO THE DIRECTOR'S REPORT Annexure - 2. (CONTD.)

### 2. Composition of Audit Committee as at 31st March 2011 :-

Shri A.K. Chatterjee	-	Chairman	-	Independent and Non-executive Director.
Shri S.K. Modi	-	Member	-	Executive Director.
Shri V.K. Singhania	-	Member	-	Executive Director.
Shri K.C. Mukherjee	-	Member	-	Independent and Non-executive Director Since deceased.
Shri A.K. Kundu	-	Member	-	Independent and Non-executive Director.

3. No of Meeting of Audit Committee held during the year 2010-11 --- 3 (Three)  
18th June 2010, 20th October 2010, 3rd March 2011.

### 4. Attendance in the Audit Committee during the year 201-11

Shri A.K. Chatterjee	-	Three
Shri S.K. Modi	-	Two
Shri V.K. Singhania	-	One
Shri K.C. Mukherjee	-	Three
Shri A.K. Kundu	-	Three

### G. CONSTITUTION OF REMUNERATION COMMITTEE.

In pursuance to the provision of the Company Act 1956, your Board of Directors at their meeting held on 10th November 2003 has constituted Remuneration Committee. Remuneration Committee consisting of Shri A.K. Chatterjee, Shri A.K. Kundu and Shri K.C. Mukherjee. All are non-executive and independent directors. After resignation of Shri Jaideb Neogi, Shri Ajay Kumar Kundu was inducted in the remuneration committee. Meeting of Remuneration committee was held on 10th December 2010 to note the approval of the Central Government for reappointment of Shri S.K. Modi as Managing Director of the Company for three years with effect from 1st December 2009 on the existing terms and to approve reimbursement of Entertainment Expenditure to be incurred by Shri S.K. Modi on behalf of the Company as approved by the Central Government.

### H. REMUNERATION PAID TO EXECUTIVE & NON-EXECUTIVE DIRECTOR DURING THE YEAR 2010-11

A) For Executive Director (Rs. in Lac)

Name	Salary	Perquisites & Others	Commission	Total
Shri S.K. Modi Managing Director	4.80	2.40	Nil	7.20
Sri V.K. Singhania Executive Director In-charge Unit Patna	2.02	0.06	Nil	2.08

B) For Non-Executive Directors/Independent Director's

The Non-Executive Directors are paid only sitting fees@Rs. 5,000/- for attending Board Meeting, Audit Committee Meeting and Remuneration Committee Meeting and Remuneration Committee Meeting. Shri V.K. Singhania Executive Director and in-charge of the Units at Patna was paid sitting fees@ Rs. 2,000/- for attending Board Meeting and Audit Committee Meeting. No sitting fees was paid to Shri S.K. Modi, the Managing Director of the Company.

Name	Board Meeting	Audit Committee Meeting	Remuneration Committee	Total
	Rs.	Rs.	Rs.	Rs.
Shri A.K. Chatterjee	20,000	15,000	10,000	45,000
Sri K.C. Mukherjee	20,000	15,000	10,000	45,000
Sri A.K. Kundu	20,000	15,000	10,000	45,000
Sri V.K. Singhania	4,000	2,000	0	6,000
	<u>64,000</u>	<u>47,000</u>	<u>30,000</u>	<u>141,000</u>

### I. CONSTITUTION OF SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE.

In compliance with provision of the listing Agreement the Board of Directors has constituted Share holders/Investors Grievances Committee at their meeting held on 30th October 2002, Shri A.K. Chatterjee being the Chairman of the said committee.

### J. Number of Shareholder's complaints received and solved to the satisfaction of the Shareholders.

- During the financial year ended 31st March 2010 request/complaint letters were received from the shareholders. NIL
- Number of pending share transfers as :- on 31-03-2010 there were no pending request/letters involving transfer of shares.

### K. GENERAL BODY MEETING :-

i) Last three annual general meetings were held as under :-

For Financial year ended	Date of the Annual General Meeting	Time	Location
31-03-11	11-07-2011 No of Special Resolution-Nil	10.30 a.m.	Flat No 2. Shamkunj Apartment, Basant Vihar Colony, Boaring Road, Patna - 800 001.
31.03.10	27-09-2010 No of Special Resolution-One	10.30 a.m.	Asiana Galaxy, Room No. 37, 3rd Floor, Exhibition Road, Patna - 800 013.