

# **MPIL CORPORATION LIMITED**

## **ANNUAL REPORT 2012 - 13**



# **MPIL CORPORATION LIMITED**

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### **Board of Directors**

Komal C. Wazir  
Sanjeev Jain  
Ravindra K. Raje  
G. S. Nayak  
Drushti Desai

### **Company Secretary**

Rugwed Khatu

### **Auditors**

M/s Lodha & Co.  
Chartered Accountants

### **Registered Office**

Udyog Bhavan, 2<sup>nd</sup> Floor,  
29 Walchand Hirachand Marg,  
Ballard Estate,  
Mumbai - 400 001.

### **Registrar & Share Transfer Agents**

M/s Sharepro Services (India) Pvt. Ltd.  
13 AB, Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Andheri-Kurla Road,  
Sakinaka, Mumbai - 400 072.

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**NOTICE**

**NOTICE** is hereby given that the fiftyfourth Annual General Meeting of the Members of MPIL Corporation Limited will be held on Wednesday, 4<sup>th</sup> September, 2013 at Sveda Banquets, Sagar Tech Plaza Complex, Third floor, Andheri Kurla Road, Saki Naka Junction, Mumbai- 400 072 at 10.00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Drushti R Desai, who retires by rotation and being eligible, seeks re-appointment.
3. To appoint M/s Lodha & Co., Chartered Accountants as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

By Order of the Board of Directors  
For **MPIL Corporation Limited**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013

**Rugwed Khatu**  
Company Secretary

**Registered Office:**

Udyog Bhavan, 2<sup>nd</sup> floor,  
29 Walchand Hirachand Marg,  
Ballard Estate, Mumbai – 400 001

**NOTES:**

1. **A MEMBER/BENEFICIAL OWNER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
2. The Register of Members/Beneficial Owners and the Share Transfer Registers relating to the Equity Shares of the Company will remain closed from 28<sup>th</sup> August, 2013 to 4<sup>th</sup> September, 2013 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed thereto. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of person seeking re-appointment as Director under Item No.2 of Notice, is also annexed.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members/Beneficial Owners are requested to notify change of address, if any to their respective Depository Participant in case of shares held in electronic form or to the Registrar & Share Transfer Agents, M/s Sharepro Services (India) Pvt. Ltd., Unit: MPIL Corporation Limited, at 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Andheri-Kurla Road, Sakinaka, Mumbai – 400 072, in case of shares held in physical form.
6. Any Member/Beneficial Owner desirous of obtaining any information pertaining to the Accounts may forward such queries in writing to the Finance & Accounts Department at the Registered Office at least 7 days prior to the Meeting in order to enable the Company to keep the information ready to the extent possible.
7. Members/Beneficial Owners or their Authorised Representatives/Proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate to the Company's Registrar & Share Transfer Agents, the ledger folios of such accounts, for consolidation of all such shareholdings into one account.
10. Non-Resident Indian Members are requested to inform M/s Sharepro Services (India) Pvt. Ltd., immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
11. Members intending to dematerialise their shareholdings may approach any Depository Participant for opening a Beneficiary Demat Account. For any additional information/clarifications, members may contact National Securities Depositories Ltd. or Central Depository Services (India) Ltd.
12. In terms of the provisions of Section 109A read with 109B of the Companies Act, 1956, a Member may nominate, at any time, in the prescribed manner, a person to whom his/her shares in a Company shall vest in the event of his/her death. The prescribed Nomination Form No. is 2B (Vide Rules 4CCC and 5D of the Companies Central Government's General Rules and Forms, 1956). This form may be sent to the Company Secretary at the Registered Office of the Company, duly completed.

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13. Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents, M/s Sharepro Services (India) Pvt. Ltd.
14. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail addresses to the Company/Registrar and Share Transfer Agents, M/s Sharepro Services (India) Pvt. Ltd.

By Order of the Board of Directors  
For **MPIL Corporation Limited**

Place : Mumbai  
Date : 30<sup>th</sup> July, 2013

**Rugwed Khatu**  
Company Secretary

**Registered Office:**  
Udyog Bhavan, 2<sup>nd</sup> floor,  
29 Walchand Hirachand Marg,  
Ballard Estate, Mumbai – 400 001

**ANNEXURE****Details of Director seeking re-appointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)**

Name	Drushti R Desai
Date of Birth	March 6, 1973
Appointed on	January 1, 2010
Qualification	B.Com, FCA
Expertise in specific functional areas and past experience	Drushti Desai is a practicing Chartered Accountant and a partner in Bansil S. Mehta & Co. and has experience in the field of taxation and audit.
Directorship in other companies	MT Educare Ltd. Kruti Finance and Holdings Pvt. Ltd.
Memberships/Chairmanships or committees across public companies	<u>Audit Committee</u> MPIL Corporation Ltd. – Member MT Educare Ltd. – Chairperson
Shareholding	Nil

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## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 54<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2013.

### SUMMARISED FINANCIAL RESULTS

	(₹ Lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Income	95.44	123.67
Less: Expenditure	89.73	108.62
Profit/(Loss) before Tax	5.71	15.05
Provision for Taxation:		
Current Tax	1.09	2.84
Tax Adjustments for earlier years	0.04	1.13
Profit/(Loss) after Tax	4.58	12.21
Balance brought forward from last year	114.32	102.11
Profit/(Loss) carried to Balance Sheet	118.90	114.32

### REVIEW OF OPERATIONS

During the year under review, the Company earned a profit of ₹ 4.58 lacs as compared to a profit of ₹ 12.21 lacs for the previous year.

### DIVIDEND

The Directors do not recommend any dividend for the year under review.

### FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under review and does not have any fixed deposits as at the date of the Balance Sheet.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mrs. Drushti Desai, Director retires by rotation, and being eligible, offers herself for reappointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- That in the preparation of Annual Accounts for the financial year ended on 31<sup>st</sup> March, 2013, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2013 and of the profit of the Company for that year;
- That the Directors had, as far as possible, taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability; and
- That the Directors had prepared the Annual Accounts for the financial year ended on 31<sup>st</sup> March, 2013 on a going concern basis.

### AUDITORS

M/s Lodha & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting, and are eligible for reappointment.

The Company has received a letter from them signifying their willingness to be reappointed as Statutory Auditors and have also confirmed that their reappointment, if made at the ensuing Annual General Meeting, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

### MANAGEMENT DISCUSSION & ANALYSIS

#### FINANCIAL REVIEW

During the year under review, the Company earned an income of ₹ 95.44 lacs primarily on account of interest income. After providing for Depreciation and Income Tax, the profit for the year under review after tax was ₹ 4.58 lacs.

**OUTLOOK**

2012 has been a challenging year for the economy. The Indian Economy has experienced its worst slowdown in nearly a decade on the back of global contractionary headwinds, domestic macro-economic imbalances and policy reversals on the fiscal front. Indian economy has had an estimated growth of 5% in 2012-13 as compared to the 6.2% in 2011-12. It is to be noted that India's GDP grew by 9.3% in 2010-11. Thus, the growth rate has nearly halved in just three years. The government has forecasted a growth of 6.1%-6.7% for the year 2013-14, whilst the RBI expects the same to be at 5.7%. In late 2012, the Indian Government announced reforms and deficit reduction measures to reverse India's slowdown. The outlook India's medium-term growth is positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. As per the latest India Development Update of the World Bank, Indian economy would grow by 6.1% in 2013-14 on account of robust domestic demand, strong savings and investment rate.

The IMF, in its update of World Economic Outlook, lowered the world GDP growth projections by 0.1% each for 2013 and 2014 as compared to the October 2012 projections. This is on account of downside risks that continue in light of renewed setbacks in the Euro area and continued risks of excessive fiscal consolidation in the United States. In particular, the Euro-zone faced considerable fiscal strain in the face of an austerity driven recession during 2012. This makes the global environment in the coming years more uncertain and exporters might find it more challenging. The risk remains in rising oil prices as also inflation and thus monetary tightening. However, there are also possible positives with revival in industrial and rural sector growth and continuing reforms. The medium to long-term growth prospects of the Indian economy remain positive.

The Company continues to explore various avenues, specifically opportunities arising out of recent changes of FDI norms in retail and various sectors.

**INTERNAL CONTROL SYSTEM**

The Company has an appropriate system of internal control. The Company ensures adherence to internal control policies and procedures. Internal audit is conducted on a periodical basis to review internal controls. The Audit Committee of the Board of Directors also reviews the reports of the internal audits conducted and the adequacy of internal control system.

**HUMAN RESOURCE DEVELOPMENT**

The Company maintains a core team to maintain the existing assets.

**CAUTIONARY STATEMENT**

Statement in this Management Discussion & Analysis describing the Company's objectives, projections, estimates and expectations may be a forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**CORPORATE GOVERNANCE**

The Company has complied with the mandatory Corporate Governance Requirements stipulated under Clause 49 of the Listing Agreement. Report on the Corporate Governance is annexed hereto forming a part of this Report. Certificate from the Auditors of the Company, M/s Lodha & Co., confirming compliance of the conditions of the aforesaid Corporate Governance, is annexed to and forms part of the Directors' Report.

**CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION ETC.**

The provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption do not apply to the Company.

During the year under review, there were no Foreign Exchange Earnings or Outgoings.

**PARTICULARS OF EMPLOYEES**

None of the employees of the Company is in receipt of remuneration exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Therefore, the information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable to the Company.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the statutory authorities, banks, shareholders, employees and other stakeholders for their valued support.

For and on behalf of the Board of Directors

**R K Raje**  
Director

**Sanjeev Jain**  
Director

Place : Mumbai

Date : 30<sup>th</sup> May, 2013

## REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India, the compliances by the Company are as under:

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

The Company believes that corporate governance is a journey towards sustainable value creation. Corporate Governance is based on the principles of integrity, fairness, equity, maintaining high standards of transparency, timely disclosure and dissemination of price sensitive information, ensuring meticulous compliance with applicable laws and regulations and conducting business in the best ethical manner, accountability and commitment to values in all facets of its operations, and in all its interactions with its stakeholders including shareholders, employees, government and the lenders. Adequate disclosures and information are provided to the Board as well as its committees.

#### CODE OF CONDUCT

The Company follows the Code of Conduct approved by the Board of Directors, which are applicable to members of the Board and senior management cadre. The Code has been circulated to all the members of Board and the senior management and affirmation is received from all the members of Board and the senior management staff regarding compliance.

### 2. Board of Directors

#### A. Board Composition, attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships/ Memberships of Committees of each Director in various Companies:

- (i) The Board consists of five directors, all of whom are non-executive and two of them are independent directors. The composition of the Board and category of Directors are as follows:

Category	Name of the Director
Non-Executive Promoter Director	Komal Chhabria Wazir
Non-Executive Non-Independent Directors	Sanjeev Jain Ravindra K Raje
Non-Executive Independent Directors	G S Nayak Drushti Desai

- (ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he/she is a Director. Necessary disclosures regarding Directorship/Committee positions in other public Companies as on 31<sup>st</sup> March, 2013 have been made by the Directors.
- (iii) Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships/Memberships of Committees of each Director as on 31<sup>st</sup> March, 2013 in various companies is given below:

Name of Director	No. of Other Directorships*	No. of Committees of which he/she is a member	No. of Committees of which he/she is Chairperson	Attendance	
				Board Meetings	Last AGM (14.9.2012)
Komal Chhabria Wazir	-	1	1	Nil	No
Sanjeev Jain	2	3	-	3	Yes
Ravindra K Raje	3	5	1	4	Yes
G S Nayak	-	2	1	4	Yes
Drushti Desai	1	2	1	4	Yes

*\*Other directorships do not include alternate directorships, directorships of private limited companies, directorships in companies registered under Section 25 of the Companies Act, 1956 and in companies incorporated outside India.*

In accordance with Clause 49 of the Listing Agreement, Chairmanships/Memberships of only the Audit Committees and Shareholders'/Investors' Grievances Committees of Public Limited Companies have been considered.

#### Directors' Profile

Brief Resume of the Director being re-appointed, nature of his/her expertise in specific functional areas and the number of Directorships and Committee Chairmanships/Memberships held by him in other companies and shareholdings in the Company, if any, are furnished hereunder:

Mrs. Drushti Desai, aged 41 years, is a practicing Chartered Accountant and a partner in Banshi S. Mehta & Co. and has experience in the field of taxation and audit. Apart from being a director on the Board of MPIL Corporation Limited, she is the director on the Board of Kruti Finance and Holdings Private Limited and MT Educare Ltd. She does not hold any shares in the Company as on 31<sup>st</sup> March, 2013.



**B. Board Meetings held during the year**

Four meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2013, and the gap between two meetings did not exceed four months. The details of the Board meetings held are as under:

SL. No.	Date	Board Strength	No. of Directors Present
1	21 <sup>st</sup> May, 2012	5	4
2	11 <sup>th</sup> August, 2012	5	3
3	31 <sup>st</sup> October, 2012	5	4
4	5 <sup>th</sup> February, 2013	5	4

**3. Audit Committee**

The Audit Committee comprises of three Non-Executive Directors viz., Mr. G S Nayak, Mrs. Drushti Desai and Mr. R K Raje.

Mr. G S Nayak, an independent Non-Executive Director and a practicing Chartered Accountant is the Chairman of the Committee. Mrs. Drushti Desai, an independent Non-Executive Director, is a practicing Chartered Accountant and Partner in Bansi S Mehta & Co.

Mr. Ravindra K Raje possesses expert financial and accounting knowledge and is a Fellow Member of the Institute of Chartered Accountants of India and has also passed Company Secretary Final Examination and LLB.

Mr. Rugved Khatu, Company Secretary acts as the Secretary to the Audit Committee.

Attendance of each Member at the Audit Committee meetings held during the year is as under:

SL. No.	Name	No. of meetings attended
1	G S Nayak	4
2	Ravindra K Raje	4
3	Drushti Desai	4

Four Audit Committee meetings were held during the year. The details of the meetings are as under:

SL. No.	Date	Committee Strength	No. of members present
1	21 <sup>st</sup> May, 2012	3	3
2	11 <sup>th</sup> August, 2012	3	3
3	31 <sup>st</sup> October, 2012	3	3
4	5 <sup>th</sup> February, 2013	3	3

The objective of the Audit Committee is to assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

The terms of reference of the Audit Committee are broadly as under:

- Reviewing the financial reports and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed in the reports.
- Recommending the appointment and removal of external auditors, fixation of audit fee and other payments.
- Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- Reviewing with the management and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit charter, approval of the audit plan and its execution, coverage and frequency of internal audit and discussions with internal auditors of any significant findings and follow-up thereon.
- Reviewing with management the quarterly and annual financial statements before submission to the Board focusing primarily on:
  - any changes in accounting policies and practices;
  - major accounting entries based on exercise of judgment by management;
  - qualifications in draft audit report;
  - significant adjustments arising out of audit;
  - the going concern assumption;

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- compliance with accounting standards;
- compliance with stock exchange and legal requirements concerning financial statements;
- related party transactions as per Accounting Standard 18;
- reviewing the Company's financial and risk management policies;
- disclosure of contingent liabilities

#### 4. Details of Remuneration and other terms of appointment of Directors

No directors are paid any salary or perquisites. The non-executive directors are paid sitting fees at the rate of ₹ 2,500 for attending each meeting of the Board. The Audit Committee members are paid sitting fees at the rate of ₹ 1,500 for attending each meeting of the Audit Committee. No sitting fees are paid for attending Shareholders'/Investors' Grievances Committee meetings. The details of remuneration of the Directors during the year ended 31<sup>st</sup> March, 2013 are as follows:

Name of the Director	Sitting Fees (including for Audit Committee Meetings) ₹	Service contract/Notice period
Komal C Wazir	NIL	Non-retiring
Sanjeev Jain	7,500	Retirement by rotation
Ravindra K Raje	16,000	Retirement by rotation
G S Nayak	16,000	Retirement by rotation
Drushti Desai	16,000	Retirement by rotation
<b>Total</b>	<b>55,500</b>	

The Company has not given any stock options or performance linked incentive to its Directors.

#### 5. Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee of the Company consists of four Directors viz., Mrs. Komal C Wazir, Mr. Sanjeev Jain, Mr. R K Raje and Mr. G S Nayak.

Mrs. Komal C Wazir is the Chairperson of the Committee.

Mr. Rugved Khatau, Company Secretary is designated as Compliance Officer for complying with the requirements of SEBI regulations and the Listing Agreements with the Stock Exchanges in India and overseeing the investors' grievances. The Board has delegated the power of approving transfer of shares/issue of duplicate share certificates etc. to the Shareholders'/Investors' Grievances Committee.

During the year a total of 3 complaints were received. All the complaints were resolved to the satisfaction of the shareholders. As on 31<sup>st</sup> March, 2013 no request for share transfer or dematerialization was pending for approval.

#### 6. General Body Meetings

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Year	Venue	Date & Time	Special Resolutions
2009-10	The All India Plastics Manufacturers' Association, AIPMA House, A-52, Road No.1, M.I.D.C, Marol, Andheri (East), Mumbai-400 093	20 <sup>th</sup> September, 2010 at 9.30 a.m.	None
2010-11	Hotel Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai-400 059	22 <sup>nd</sup> September, 2011 at 10.00 a.m.	None
2011-12	Sveda Banquets, Sagar Tech Plaza Complex, Third floor, Andheri Kurla Road, Saki Naka Junction, Mumbai-400 072	14 <sup>th</sup> September, 2012 at 10.00 a.m.	Amendment of Articles of Association (AOA) of the Company for the purpose of incorporating the enabling provisions relating to "Green Initiative in the Corporate Governance" and deletion of irrelevant clauses in old AOA in the context of Company's current operations.

In addition to the Annual General Meeting, the Company holds Extraordinary General Meeting of the Shareholders as and when the need arises.

No Postal Ballot was conducted during the year. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through Postal Ballot.