

agro paper power cement

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.



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.

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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.



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.



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