

23rd Annual Report 2013 - 14



MURLI

MURLI INDUSTRIES LTD.



**अनाश्रितः कर्मफलं, कार्यं कर्म करोति यः।
स संन्यासी च योगी च, न निरग्रिर्न चाक्रियः॥**

He who preforms action that ought to be done,
without depending on the fruit of action,
He is a Sanyasi and he is a yogi.
Not he who does not light the sacred fire and perform no rites.

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Board of Directors

Chairman & Managing Director

Shri Nandlal B Maloo

Executive Directors

Shri Bajranglal Maloo

Shri Lalchand Maloo

Shri Sunil Kumar Maloo

Shri Yashpal Dhiman

Non - Executive & Independent Directors

Shri Bhargavaram P. Ganu

Shri Rajinder P. Gupta

Dr. Vinayak P. Thergaonkar

Shri Avinash P. Mardikar

Shri Subhash A. Rode

Nominee Director

Shri Alok Shrivastava

AUDIT COMMITTEE

Shri Bhargavaram P. Ganu | Chairman

Shri Nandlal Maloo | Member

Shri Rajinder P Gupta | Member

REMUNERATION COMMITTEE

Shri Bajranglal Maloo | Chairman

Shri Yashpal Dhiman | Member

Shri Bhargavaram P. Ganu | Member

SHAREHOLDER & INVESTOR GRIEVANCE COMMITTEE

Shri Subhash Rode | Chairman

Shri Nandlal Maloo | Member

Shri Avinash Mardikar | Member

PROJECT MONITORING COMMITTEE

Shri Rajinder P. Gupta | Chairman

Shri Lalchand Maloo | Member

Shri Vinayak Thergaonkar | Member

BANKERS & FINANCIAL INSTITUTION(S)

Allahabad Bank

Axis Bank Ltd.

Bank of Maharashtra

Corporation Bank

IDBI Bank Ltd.

Punjab and Sind Bank

State Bank of Hyderabad

State Bank of Mysore

State Bank of Travancore

Andhra Bank

Bank of Baroda

IFCI Limited

Punjab National Bank

SICOM Ltd.

State Bank of India

State Bank of Patiala

CORPORATE IDENTIFICATION NO.

L01110MH1991PLC064271

AUDITORS

Demble Ramani & Co., Chartered Accountants, 201, M.G. House, R. T. Road, Civil Lines, Nagpur-01

REGISTRARS & TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (west) Mumbai - 400078

Phone : 022-25960320, 25963838 FAX : 022-25962691 Email : helpline@linkintime.co.in

Company Secretary & Compliance officer

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

Chief Financial Officer

Shri Kalayan Nakalak, 101, Jai Bhawani Society, Central Avenue, Wardhman Nagar, Nagpur - 440008

REGISTERED OFFICE

101, Jai Bhawani Society, Central Avenue,

Wardhman Nagar, Nagpur 440008.

PH : 0712 -2768912 FAX : 0712- 2761145

EMAIL : info@murliindustries.com

WEB SITE: www. murliindustries.com

CORPORATE OFFICE

'Radha House' 239, East Wardhman

Nagar, Central Avenue, Nagpur 440008

PH : 0712 -3050000 FAX : 0712- 2684422

EMAIL:info@murliindustries.com

WEB SITE: www. murliindustries.com

MANUFACTURING FACILITIES:

AGRO UNIT I	:	M.I.D.C. Industrial Area, Hingna Road, Nagpur
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AGRO UNIT II	:	Durkheda Road, Umred, Dist: Nagpur
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DUPLEX BOARD UNIT	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
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NEWSPRINT PAPER UNIT	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
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WRITING & PRINTING PAPER UNIT	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
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PAPER POWER UNIT (18 MW)	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
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PULP MILL	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
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SBS BOARD UNIT	:	VIII. Vadoda, Tah. Kamptee, Dist. Nagpur
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CEMENT UNIT	:	VIII. Naranda, Tah. Korpana, Dist. Chandrapur
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CEMENT POWER UNIT (50 MW)	:	VIII. Naranda, Tah. Korpana, Dist. Chandrapur
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Chairman & Managing Director's Statement:
Dear Shareholders,

The FY 2013-14 was better than the FY 2012-13 for the global market. The sign of recovery is clearly visible. The IMF projected for the better development in the FY 2014 & 2015 for USA, Europe and China. The sign of turnaround from the slow down faced by the last few years visible with the growth in the FY 2013-14. As per the projection by IMF the economic growth in FY 2014 and 2015 will be better than the preceding years. They projected that the economic growth in 3% in FY 13, 3.6% in FY 14 and 3.9% in FY 15. The instability in the financial market particularly in southern part of the Europe has been stabilized to the some extent. The slowdown in the economy of developed countries has also shown the recovery. We can expect better financial performance in the coming years though we should also prepare for the unseen event which may bring back the instability like preceding years.

Indian economy seems to be very positive in the following years and the slow down period, has been facing for last few years, has over. The economic growth of the company hit by several factors in the preceding years firstly slow down in the global market, financial instability in the southern European countries, and lately devaluation of the Indian currency in the last year. The last few months has shown the great recovery in the domestic economy. The fiscal deficit managed to keep at 2.5% of GDP far less than predicted. The action taken by the RBI and finance minister has shown great results. They also managed to keep inflation within the manageable limit. The budget passed by the new Govt. increase the hope for better growth in the upcoming years. The GDP for the FY 2014-15 predicted at 5.5%.

These developments in the domestic market had negative effect on your company. The company has been suffering through the cash crunch and the bank policies stringent in providing financial assistance added further difficulties for operating the business of the company.

The company faced difficulty to operate for full season of the solvent extraction plants and paper plants. The management started the operation of solvent extraction plants due to shortage of fund and the unavailability of the quality soya bean in the domestic has to close down the solvent plant

in middle of the season. The paper plants were operating at the best possible capacity in absence of sufficient funds but these plants also could not perform at its 100 per cent capacity and hence could achieve the production which below the predicted by the management at the beginning of the year.

The Cement plant of the company also affected due to certain factors like prolonged monsoon season, non-availability of quality coal in the open market at reasonable cost, higher freight charges, delay in the bigger infrastructure project, addition of new production capacity. The introduction of new financial and marketing policy helped the company to survive in the tough time. The management is hoping better performance in the following years with the improvement of the economic growth in the domestic market. The company continued to attract the finest talent of the industry. We have always believed that our biggest assets are our people.

In the previous letter to the shareholders, I informed that the company is facing financial stress and the company has been referred to BIFR for revival of the company. The company achieved the turnover of ` 24,680 lacs (financial year consist of nine months) even in this adverse financial situation. The company earned negative profit of ` 22,831 lacs.

The prediction of the experts is that the economic growth in the financial year 2014-15 will be higher and the GDP will be around 5.5%. The management of your company still confident and its top priority is to speedy restoration of company's business health and laying down the strong foundation for future growth. The management assures that they will not hesitate to take any harsh decision to reorganize and to attain the prior glory of the company.

Before I conclude my remarks, I would like to once again thank you with the bottom of my heart for having been associated with us and partnering us in our corporate journey. I concede unreservedly that you have all along been the main architects of our fabulous successes and do sincerely hope that the coming days would witness further deepening of our symbiotic relations.

Yours truly

Nandlal Maloo
Chairman & Managing Director

Statutory Reports:

Notice of Annual General Meeting

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of Murli Industries Limited will be held on Tuesday, September 30, 2014 at 11.00 a.m. at the Corporate Office of the Company at 'Radha House' 239, East Wardhaman Nagar, Nagpur - 440008, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements as at 31st March, 2014 together with the Directors' Report and Auditors' Report thereon
2. To appoint a Director in place of Mr. Yashpal Dhiman, (DIN: 02303941) who retires by rotation and being eligible offers himself for re-appointment.
3. To Re-appoint M/s. Demble Ramani & Co. (Firm Registration Number 102259W), Chartered Accountants,

To consider and, if thought fit, to pass with or without modification, the following resolution :

"Resolved that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the of the Board of Directors, M/s Demble Ramani & Co. (Firm Registration Number 102259W), Chartered Accountants, 201, M.G. House, K.T. Road, Civil Lines, Nagpur - 440001, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this 23rd Annual General Meeting until the conclusion of 26th Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting) at such remuneration fixed as shall be fixed by the Board of Directors.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Subhash Rode (DIN 01240153), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,"

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Avinash Mardikar (DIN 03565563), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office



of Director,"

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vinayak P. Thergaonkar (DIN 03445895), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,"

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Khanuja Patra & Associates., Cost Accountants, Nagpur, the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid a remuneration of ₹ 1,00,000/- (Rupees One lac only) plus service tax and out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution."

8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier ordinary resolution passed by the members through voting by postal ballot conducted under pursuant to the section 192A of the Companies Act, 1956 and declared on 6th April, 2013 and pursuant to the provisions of Section 180(1)© of the Companies Act, 2013 and other applicable provisions, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), of the Companies Act, 2013 and relevant Article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, for and on behalf of the Company, any sum or sums of monies, from time to time, upon such terms and conditions and with or without security as the Board of Directors may think fit for the purposes of the Company's business, so that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and remaining outstanding shall not exceed the limit of ₹ 5,000 Crores (Rupees Five Thousand Crores only) in excess of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, as per the latest annual audited financial statements;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby severally authorized to take all such steps as may be required and to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to borrowing(s) as aforesaid or any other matter in this regard."

9. To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution

RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and any other applicable provisions of

the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors vide resolution passed in their respective meetings held on May 29, 2014 the consent of the Company be and is hereby accorded for entering into contract or arrangement with the related parties as defined under the Act and the Rules made thereunder:

Sr. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/KMP who is related and nature of their relationship	Name of the Related Party	Amounts (₹ in Crores)	
				Receipts	Payments
1.	Support Services	Mr. Nandlal Maloo, CMD Mr. Bajranglal Maloo, Director, Mr. Lalchand Maloo, Director and Mr. Sunil Kumar Maloo, Director are common director and promoters carry shareholding interest and also the owners' of the properties.	Murli Infrastructure Limited	-	8.00
2.	Goods Supply		Nandlal Enterprises Limited	-	1.00
			Murli Electrode Private Limited	-	0.25
3.	Leasing/sublease/rent for office sharing of property		Regd. Office : 101, Jai Bhawani Society, Wardhaman Nagar, C. A. Road, Nagpur- 08	-	0.01
			Corporate Office : 239, East Wardhaman Nagar, C. A. Road, Nagpur - 08	-	0.20
			Mumbai Branch Office : Tulsi Villa Building, Poddar Road, Santacruz (West), Mumbai - 400054	-	0.30



"RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

10. To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Place: Nagpur

Tarun K. Singh

Dated: August 30, 2014

Company Secretary