

*Creating a beautiful world
for your betterment*



MURLI

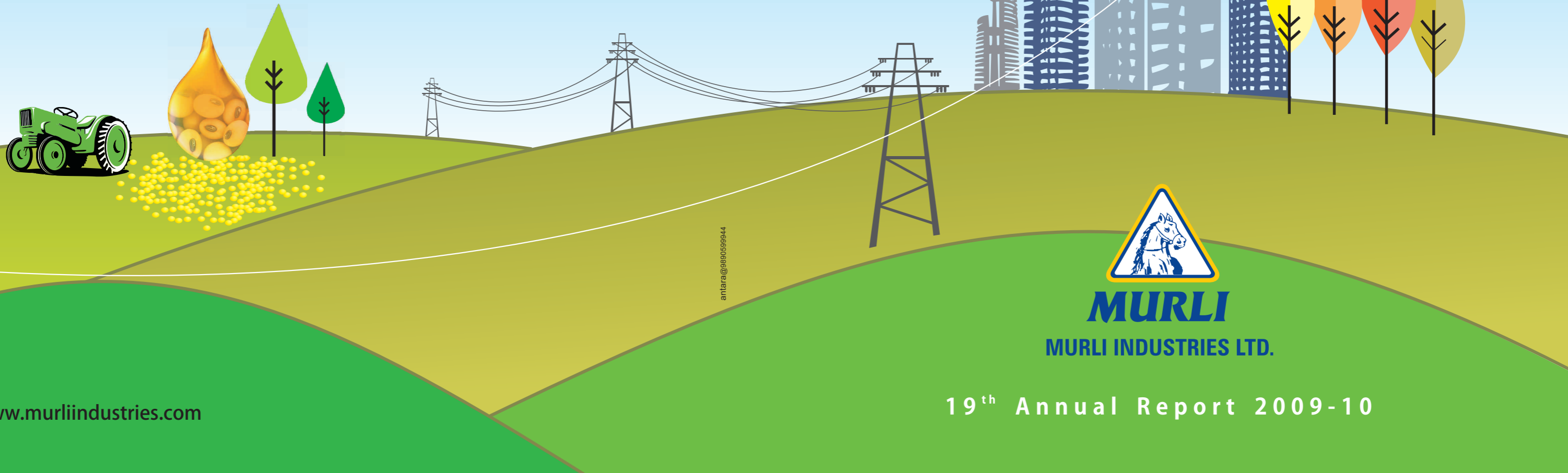
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Brief Descriptions of MIL Units

AGRO UNIT 1



Agro Unit 1:- The commissioning of this unit in 1991 marked our advent on the industrial landscape of the country. Quality products like Soya, De-oiled Cake and Refined Edible Oil produced here have earned us a unique position in their marketing. It is among the major sources of our corporate strength.

AGRO UNIT 2



Agro Unit 2:- Launched in 1999 this Unit turned out to be a back up to our Unit 1 enabling us to cash in on the fabulous success tasted by it. Our corporate growth has acquired fresh momentum with the production in this Unit accelerating with the aid of most advanced technology.

DUPLEX UNIT



Duplex Unit: - Set up in 2000 this Unit saw our maiden foray into paper industry. Thanks to a number of innovative practices embraced by us with massive injection of funds the popularity as well as sales of our duplex paper is expected to hit new highs in the days to come.

NEWS PRINT PAPER UNIT



News Print Paper Unit: - Prompted by the overwhelming success of Duplex Unit we moved decisively towards establishing our identity as a major corporate player with our News Print Unit commissioned in 2001. Fresh moves initiated for further upgradation of this unit will lead to a spurt in the revenue generated by this unit.

WRITING & PRINTING PAPER UNIT



Writing & Printing Paper Unit: - Our expansion drive peaked with our Writing & Printing Unit coming up in the year 2004. The optimum level of automation introduced in this Unit is yielding heartening results with this Unit being expected to follow the trend set by rest of our Units in yielding substantial profits.

POWER UNIT



Power Unit: - Dubbed as the lifeline of all MIL operations this Unit has lent new dimension to our march towards the apogee of glory. Through sustained and uninterrupted supply of power to all our Units this Unit has enlivened our frantic endeavour to take our revolutionary growth process to its logical conclusion.

PULP MILL



Pulp Mill: - The Pulp Mill set up recently is projected to occupy a critical place in our scheme of things as we seek to become self-sufficient in the supply of pulp needed for the production of paper. Steps are underway to convert it into a perennial source of our financial firepower.

CEMENT UNIT



Cement Unit: - The launch of this Unit in Chandrapur District of Maharashtra marks a watershed in our corporate history replete with breathtakingly spectacular successes. The annual estimated production of 3 million tonnes of cement at this unit is all set to earn us a coveted place in the elite group of leading corporate houses.

SBS BOARD UNIT



SBS Board Unit: - The setting up of this Unit is yet another testimony to the fact that we are fast emerging as an industrial force to be reckoned with. The most advanced foreign technology applied extensively in this plant will see us floor our rivals with relative ease in foreseeable future.

Achievements



CONCOR Excellence Award
for Best Performance in Imports
2009-10

ISO 9001-2008 Certification



Export House Status from DGFT





A forward looking statement...

We are feeling extremely delighted while presenting our beloved patrons with the Nineteenth Edition of our Annual Report 2009-10.

As in the past the overriding objective of the presentation of this Annual Report is to let our dear patrons know about the corporate activities being pursued alongside the initiatives being launched by us and to present an accurate picture of our corporate performance so that they could judge the prospects of our future growth and make considered investment decisions.

We would like to state emphatically that this Report as also other statements concerning corporate moves made by us are designed to help all our esteemed stakeholders visualise the performance we expect to put up and the results we expect to achieve therefrom. It is worth mentioning in this context that the achievement of the results as envisaged by the Management is invariably linked to a host of factors with the most notable among them being the market scenario prevailing at a given time. However, what we would like to put maximum stress on is the fact that it is always beyond human capacity to foresee and predict the market conditions which would characterise the market at a given point of time. Such predictions can hardly be spot-on thanks mainly to a slew of market variables.

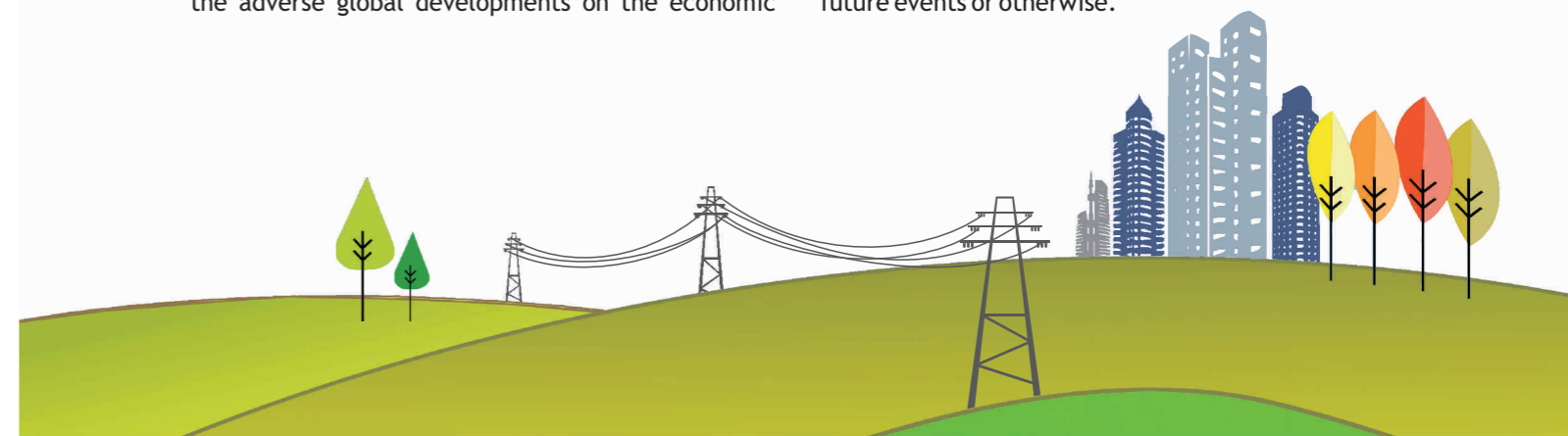
Yet another fact we would like to underline in this regard is that although the global community at large has left behind the most critical phase of the global economic crisis with the worst being over, but the process of economic recovery is still fragile and uneven rendering the job of gauging precisely the market trends likely to emerge in future fairly difficult. Given the fact that owing to India's strong economic fundamentals accounting for its resilience, it was by and large successful in escaping the most unpleasant financial effects of the credit crunch. But in view of the fact that some nations of the world are still battling the global economic meltdown and Indian economy being interwoven with the global economy, it can't be said with certainty that India would continue to remain completely unaffected by the adverse global developments on the economic

front. If such a thing were to happen Indian corporate sector may also have to face tough times. Similarly other factors having a palpable impact either on Indian economy or global one may upset our projections and calculations which, we are afraid, may be off the mark in such a case.

What we would, however, like to make crystal clear is that as always it has been our earnest endeavour to make as realistic and prudent assumptions as possible so that we could realistically hope to achieve the anticipated results to the fullest extent possible. Even while stating so we are very much alive to the fact that in addition to the factors highlighted above there may be situations, both artificial as well as natural, wherein the actual results achieved by us may not necessarily match the ones visualised and projected by us. 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. Our dear patrons are expected to bear this in mind while scanning this report and judging our future growth prospects.

We feel obliged to make it abundantly clear that notwithstanding the fact that we have taken every possible precaution to make as sound and realistic assumptions as humanely possible, we can not guarantee that that the statements made in this policy document of ours will be concretised in their entirety, the reason being that the factors determining the degree to which the projected corporate results would be consistent with the results actually achieved do keep varying with times. What is significant in equal measure is the fact that other risks and uncertainties may also potentially upset our calculations vis-à-vis our corporate performance. Our dear patrons are expected to take this into account while scrutinizing this Report.

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.





कविं पुराणमनुशासितकरमणोरणीयांसमनुरुमरेफ्रः ।
सर्वस्य धातारमचिन्त्यरूपमादित्यवर्णं तमसः परस्ताद् ॥

He who contemplates on the all wise ageless being,
the ruler of all, subtler than the subtle,
the universal sustainer, possessing a form beyond human conception,
refulgent like the sun and far beyond all darkness.

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Director's Profile

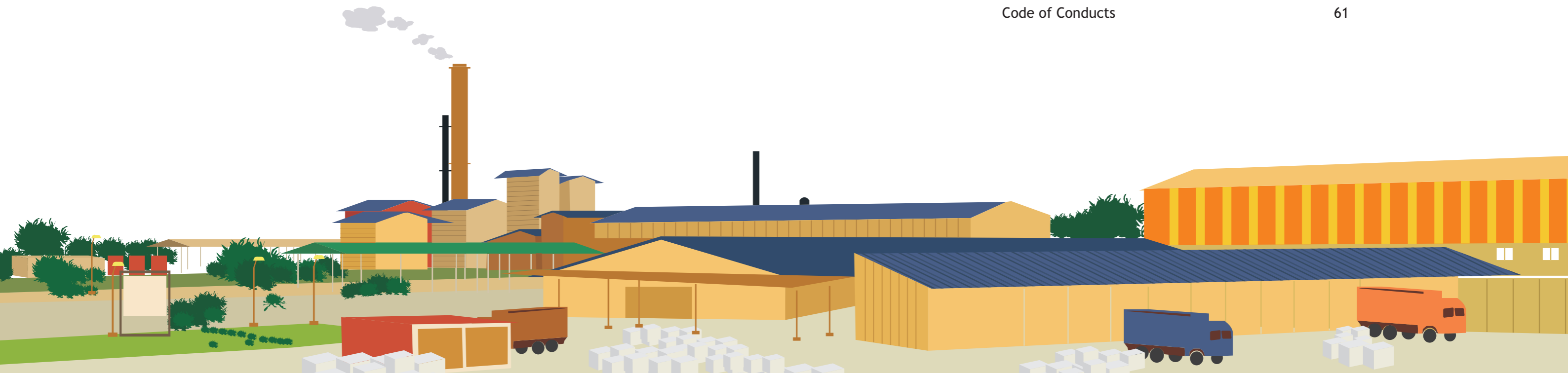
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Advancing Societal Cause

Even while pursuing its cherished objective of expanding the magnitude of its operations in order to scale new heights MIL has never been oblivious of its obligations towards the society. The fact of the matter is that it has always carried out its duty towards the society with a spirit of dedication and devotion.

MIL is the Organisation that believes in working for others without any expectations. Serving the society has always been on the MIL radar. MIL top brass is actuated by a strong passion to safeguard public interest and they strive incessantly for it. This gives MIL the satisfaction of providing services to the poor and the needy class of the society.

The Company's heart goes out to those who are living in abject poverty especially in its backyard. Spurred on by an intense desire to ameliorate their lot the Company has volunteered to absorb a sizeable chunk of such rural population into its workforce. After screening the job hopefuls for ascertaining their suitability for the jobs in the Company they have been inducted into the Company. It has invariably proved to be a win-win situation for the Company and the fresh recruits as the new entrants coming from a poor background are today making a worthwhile contribution to Company's roaring success while at the same time the Company has been instrumental in lifting them out of poverty.

Similarly the Company has taken note of the fact that the farmers living in its immediate neighbourhood are reeling under extreme poverty. The Company can not reconcile itself to the fact that the cultivators who are heavily indebted are themselves facing starvation. To extricate them out of this desperate situation the Company has offered gainful employment to those farmers who have been found to be fit enough to work in its plants. Thanks to the humanitarian view taken by the Company towards their woes now there has been a perceptible change in their living standards.

The socio-cultural bodies organizing events aimed at showcasing the great socio-cultural heritage of the nation as also giving a fillip to the talents of blooming youngsters who have the creative potential to star in the social evolution are given

unstinting financial help by the Company.

Periodic organisation of Health Camp for providing free medical services is one of the most prominent social endeavours made by the Company. The Company ropes in renowned surgeons who carry out detailed medical examination of the locals who throng this camp in large numbers. So far the physicians rendering their services in these camps have been able to successfully diagnose and treat a number of ailments of the locals majority of whom can not meet the cost of their treatment due to financial hardships.

The Company takes every possible effort to promote the cause of education. All such programmes organised by accredited social bodies which serve as a forum for fruitful interaction between intellectuals of note and rising professionals invariably receive financial support from the Company.

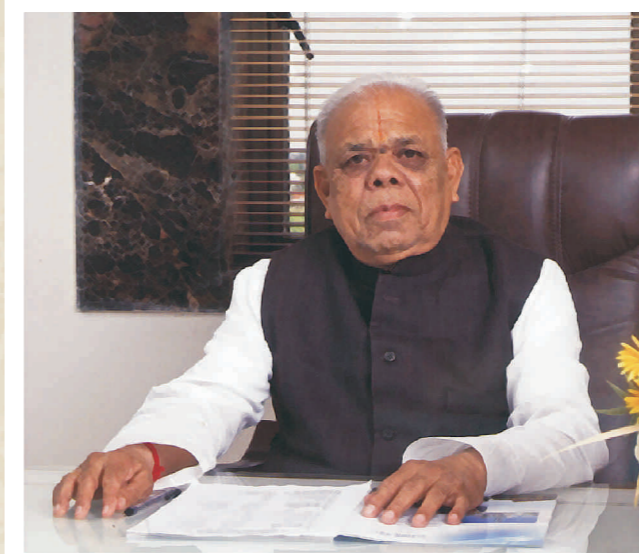
The Company regards Police Force as the custodian of law and order and believes that it is incumbent upon it do its bit to motivate them to serve the society and the nation as a whole with redoubled zeal. With this goal in view the Company makes generous contribution to Police Welfare Fund and sponsors in conjunction with other like-minded corporate entities all such events which showcase the vital role of the police in building a vibrant society.

The Company has adopted village Vadoda and has launched a major initiative aimed at the transformation of this tiny village once sans basic amenities into an ideal village which could serve as a model of progress for scores of such villages which dot this vast country of ours.

All the socio-cultural events which go a long way in promoting a sense of fraternity and social harmony are characterised by the participation of MIL in a big way.

The Company offers incentives in various forms to the academically bright children of the residents of the areas where its plants are located. It is a humble effort taken by the Company to secure a bright future for the country.

Mr. Shobhagmal B. Maloo



Chairman,
Murli Industries Limited

Complete description of all the facets of the personality of the stature of Mr. Shobhagmal B. Maloo, 69, who is the Chairman of MIL, is a stupendous task. He has been the fountainhead of inspiration for the MIL family having presided over the fabulous performance put up by the Company over a period of nearly two decades.

He is successfully leading the Company as a growing power with his experience, wisdom and sagacity to new heights.

Billing MIL as a Company with exciting prospects of the future, he asks the employees to be dedicated for the cause of the Company and leave aside their vested interests, if any, for a bigger cause.

His life is a model of simplicity which evokes spontaneous appreciation from all those who come in contact with him.

Voicing his complete satisfaction over the dream run of MIL so far, he opines that the excellent results achieved by MIL so far are a mirror of its golden future.

A development-oriented person he is thrilled by the fact that MIL think-tank has set out an ambitious growth agenda for the future and asserts confidently that we are ready for the challenge as our talent and zeal matches our ambition.

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 the country is headed for a new glory with its newly-launched Cement Unit giving a further push to its quest for occupying a glorious position in the industrial map of the nation.

He gives pep-talk to the employees of the Company asking them to go the extra mile to realise their dream of being a part of the superlative performance by the Company. Thanks to the inspirational pep-talk they get from our Hon'ble Chairman MIL employees work flat out to translate his desire of an absolutely scintillating performance by MIL into a reality.

Pointing out a host of intrinsic merits and strengths for which MIL commands respects across the corporate world, he exhorts all the members of MIL think-tank to see to it that the growth momentum generated following the commissioning of Chandrapur Cement Unit is not allowed to slip away.

A pillar of strength for the Company, he is the beacon of MIL hopes as his enormous wealth of experience is poised to stand the Company in good stead as the Company moves ahead on the way to renewed glory.

Taking meticulous care of environment

Our reputation is critical to our existence. Over the years we have built our reputé as an industrial unit which is unwaveringly committed to protecting the environment.

The Company has all along been making hectic efforts to maintain the sensitive ecological balance. The Company uses eco-friendly technologies in all its production units. This enables the Company to protect the environment while carrying on its operations on a large-scale.

The Company takes every possible care to see to it that all the directives issued by all the competent authorities including Maharashtra Pollution Control Board (MPCB) are complied with in letter and spirit. Express instructions are repeatedly issued by senior functionaries looking after environmental aspects of MIL operations to their subordinates that there should be absolutely no infractions of anti-pollution norms laid down by environmental bodies. Also, in compliance with the guidelines issued by the said bodies the Company has initiated a series of steps to improve the quality of the environment in the areas of its operations. The Company is glad to disclose that the measures taken by it for the conservation of environment have come in for lavish praise from different quarters for their effectiveness.

A highly advanced Electrostatic Precipitator (ESP) installed in the Power Plant of the Company operated by a team of technical staff specialising in pollution-related methodology has contributed significantly to curbing pollution.

The functioning of the Effluent Treatment Plant (ETP) run by the technical staff of the Company is kept constant watch on. It is at this plant that the water used in plant processes is recycled and made fit for reuse. The Company takes due care to try and ensure that the effluents generated during plant processes are kept to an absolute minimum. Before

they are disposed of these effluents are treated at the ETP under very effective supervision and monitoring of senior personnel of the Company who are tasked with taking measures to reduce pollution. The water treated biologically is put to reuse for watering the tiny saplings planted all over the Company premises. These verdant saplings have not only added to the beauty of the plant but also aided the Company's efforts to keep the level of pollution under check.

A significant portion of the recycled water is reused in plant operations which has resulted in cutting down on the consumption of fresh water by the Company.

The Reverse Osmosis (RO) Plant run by persons with profound knowledge of ways and means has been instrumental in a drastic fall in the quantum of fresh water used by the Company.

The Company has taken up a plantation drive in the areas which are in its immediate vicinity. The green look given by the Company to these areas has not only created a reinvigorating atmosphere there but also bears testimony to the fact that the Company is genuinely concerned about protecting the environment.

Through this policy document the Company reaffirms its commitment to what it takes to control pollution.

Mr. Nandlal B. Maloo



Managing Director,
Murli Industries Limited
Director, SOPA
Ex. Dy. Chairman, SOPA

Some key figures in the Company are instrumental in taking the Company to the summit of greatness scaled by it toady. Our 56-year old Managing Director who knows the ins and outs of complex industrial operations and whose genius is unrivalled in business circles is unquestionably an extremely important part of MIL think-tank having given a definitive direction to the MIL expansion campaign currently underway.

For nearly two decades he has been the heart and soul and the symbol of hope, pride and determination for MIL Group.

He often says that one should accept the challenges of life not with bitterness but with a smile. His own life marked by a hugely successful stint as the Managing Director of an industrial Group which is dazzling the corporate world by the sheer pace of its growth is a shining example of this.

Expressing revulsion at the tendency on the part of some unscrupulous businessmen to temper with the quality of their products in a desperate bid to make easy pickings, he observes that diluting the quality is a cancer that is destroying the core ethical values of industry. He derives satisfaction from the fact that MIL customers have consistently reposed faith in the quality of all its products and have traditionally been in the vanguard of its astonishingly spectacular performance.

Given his strong determination to win a place of prominence for MIL in the industrial world and the verve and vitality with which he has been leading the efforts of the entire MIL Group in that direction, it can be said that he is man-on-mission whose mere presence is a morale and confidence booster for the MIL team.

His positive approach vis-a vis the prospects of future growth of the Company has rubbed off brilliantly on the MIL team with all the members of MIL family being devoted to the cause of the Company.

He keeps close tab on the matters relating to the Company especially financial, administrative and taxation matters and strenuously ensures that there is absolutely no deviation on the part of MIL employees from the goals set by the Top Management of the Company.

Calling the much-hyped launch of Chandrapur Cement Unit 'an accomplishment for MIL', he insists that this has given much insight on how our campaign is going to unfold in the days ahead.

MIL is mighty fortunate to have such a man of vision and foresight at the helm whose dynamic leadership is a great blessing for the Company.

Mr. Bajranglal B. Maloo



Mr. Bajranglal B. Maloo, 54, who is one of the principal architects of the prosperity achieved by the Company, is one of the distinguished members of the MIL Board of Directors. Only a few names in industrial circles conjure up such widespread awe and respect as that of him. This is largely due to the fact that his is the most potent influence in MIL history which is replete with a number of milestones compelling market watchers to certify in unequivocal terms that MIL is the Company which has all the trappings of a potential corporate force.

A strong advocate of the use of modern technology to accelerate the growth of the Company he calls upon the MIL employees to walk abreast with times and be receptive to the use of modern technology to the hilt. To buttress his point, he reminds MIL employees that the Company was able to achieve brisk progress only after it opted for the application of the state-of-the-art technology on a large scale the results of which are there for everybody to see.

From his assessment from here on it should be a smooth sailing for MIL to stamp its authority as a market leader. With the thought of MIL soon occupying the top slot in the world of industries beckoning him he terms the launch of the multi-crore Cement Unit at Chandrapur 'as a decisive moment in the proud history of MIL'.

The man instrumental in the setting up of Duplex Paper Unit, News Print Unit, Writing & Printing Unit and Captive Power Plant of the Company which have together reinforced the status of the Company as a corporate giant he is a pillar of strength for the MIL group.

Common men who come in contact with him get awe-struck by the depth of his knowledge of industrial operations.

At the moment he is looking after Purchase Department. His insistence on the purchase of quality raw materials at the most competitive price has ensured that the Company is able to produce its products having incomparably excellent quality and which are made available to its scores of customers based at home and abroad at affordable prices.

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

The Company doffs its hat to him for the painstaking efforts he has taken in the transformation of the Company into a vibrant unit with promising future.

Mr. Lalchand B. Maloo



When a corporate group has in its fold a man of the eminence and efficiency of our 50-year old Director Mr. Lalchand Maloo then the overwhelming success of that corporate group can never be called into question. On the contrary its unstoppable growth would always be a foregone conclusion.

His employees respect him immensely as a leader with a great and inclusive vision for the Company.

To fast-track the growth of the Company he has set hugely ambitious targets and calls upon MIL employees to work flat out to meet those targets as according to him the prosperity achieved by the Company would impact positively on all those who are in some way or the other associated with the Company.

He relishes the fact in its turf war with its rivals to assert supremacy MIL has been able to outclass all its rivals and raise its profile in public eyes. "We are heading in the right direction and will soon be on top of the corporate world. There is no second thought about it," he says exuding confidence.

It would be worthwhile to mention that the

commissioning of the Chandrapur Cement Unit, a flagship project of the Company, which is being viewed as a feather in the Company's cap was expedited under his constant monitoring and supervision.

A scintillating performance consistently put up by the Company winning encomium from market commentators has enchanted him. But he stresses the need to strive incessantly to sustain that performance thereby consolidating the successes of the previous years.

An excellent orator airing his views from various platforms he is a true worshipper of humanity and human sufferings make him uneasy.

With his qualities of head and heart, it was inevitable that many responsibilities came his way. He has shouldered all those responsibilities with tremendous aptitude and through his personal example he has shown to the entire MIL Group as to how one can forge ahead if one's determination to succeed remains undiluted even in the face of difficulties.

He is pleased to note that MIL 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.

A man of formidable reputation in industrial arena, he is ceaseless source of inspiration for MIL Group.

The Company has profited immensely from his remarkable expertise and proficiency in running corporate affairs and would remain ever indebted to him for the same.

Mr. Sunil Kumar Maloo



Those prominent figures who are in the forefront of the determined efforts being taken by the Company to knock the daylights out of its rivals and firmly

establish itself atop the industrial world include our 41-year old Commerce Graduate Director Mr. Sunil Kumar Maloo.

"We are changing our gears into another phase of expansion," asserts our Hon'ble Director who is elated by the dents made at an amazingly brisk pace by the Company in a potentially hugely promising cement market and believes that it would enable the Company to edge out all its rivals in a jiffy.

On the million dollar question of maintaining the tempo of Company's growth he is on the same page as other Directors of the Company but insists that the Company can ill-afford to deviate from the timeframe for the completion of its projects as time overrun results in the estimated costs of the projects ballooning to unacceptable levels.

At present he is actively involved in the corporate affairs of both the Agro Units of the Company besides guiding MIL efforts of turning its cement units-the one that has already gone operational as well as the ones which are in the pipeline into an unmistakable sign of widening sphere of MIL influence.

"We have covered all the bases and drawn up a detailed blue print to meet the challenges posed by our competitors," he says, refusing to relax until MIL reaches the zenith of glory.

Welcoming the influx of foreign capital into Indian industrial sector if at all it acts as a vehicle of socio-economic transformation he opines that the financial sector and international capital flows should contribute to economic growth rather than encourage speculation.

Economic watchers tracking the corporate journey of MIL takes the view that youth is on his side and he has a long way to go.

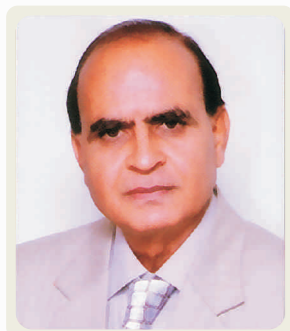
The main architect of some of the recent path-braking initiatives launched by the Company he is a terrific role model for youngsters to emulate.

Hard work is what he constantly believes in. The manner in which he handles his operations leaves an indelible impress of his personality.

A proponent of the theory that employees need every possible motivation to strive for the cause of the Company he observes that only a satisfied workforce can work its heart out and facilitate the achievement of the goals set by the top brass of the Company.

MIL is really blessed to have such a great and dynamic personality as a member of its Board of Directors.

Mr. Yashpal Dhiman



Mr. Yashpal Dhiman, 55, Executive Director of the Company is among those indispensable figures within MIL who are currently shouldering the onerous responsibility alongside other members of the Board of Directors of scripting a golden chapter of MIL history as it gears up to make greater splash in the days ahead.

An M.A. in Economics plus an LL.B. from Kanpur University he has Post Graduate Diploma in Personnel Management too which is reflective of his academic achievements.

A great motivator who possesses a remarkable ability to bring out the best in MIL employees, he exhorts them not to submit to the odds in life. "Every mountain has a peak and every valley has a low point. Similarly, life has its ups downs. No one is down all the time. Problems don't last forever. They get resolved in the long term. History teaches us that every problem has a limited life span", are his electrifying words which make MIL employees leave their personal miseries behind and be a part of the Management's assiduous bid to win MIL a centre stage in the industrial scenario of the country.

He deserves special accolades for the selection policies that have made for a mix of youthful and experienced persons who are constantly engrossed in the task of stepping up the expansion drive of the Company and bail it out in difficult times which could possibly stifle or delay the Company's march to prosperity.

He laments that in today's India the focus of the entire economic activity has shifted from the poor to the rich, from the have-nots to haves, from the last man in the society to the first man. Unfortunately our economic planning seems to cater to the needs of the top layers of the society rather than the ones at the

bottom where poverty eats up all the benefits of growth and when that happens growth may take place but not development. For, the last man remains embedded in that position without any hope of redemption.

He has left a trail of achievements in pursuit of excellence. The passion and the energy that he puts behind his performance makes him a really inspiring figure who occupies an important place in MIL scheme of things.

He is definitely a stand-out man in the MIL Board who is coping up well with the challenging task as the Executive Director of a Company.

Mr. B. P. Ganu



Our 68-year old Independent Director Mr. B. P. Ganu is an Independent Director working shoulder-to-shoulder with all other members of MIL Board of Directors in pursuit of a single-point agenda of the Company which is to turn it into a formidable corporate power.

A Nagpur University alumnus having done graduation in architecture he is applauded in academic circles for his remarkable intellect.

He has provided his most invaluable services to a host of industrial units for three and half decades at a stretch. The experience of complex industrial operations gained painstakingly by him during the course of this period is now standing the Company in good stead.

The role taken by him in the preparation of Company's project drawings is critically important for the Company as the Company is always in need of project drawings made strictly in line with its requirements.

"We have hit the big time. We are pressing aggressively on multiple fronts," he says on Murli

Horsepower Cement hitting the market and gaining wide acceptability with the construction engineers calling it a cut above the rest.

He is a great inspirer, a wonderful motivator and a man possessed with the idea of success.

He is the mainstay of MIL hopes and aspirations who is pumping in a lot of energy to carve out a place of prominence for MIL.

"The most critical phase of the global economic crisis is behind us, but the process of recovery is still fragile and uneven. The international community will have to ensure that the catastrophic mistakes of the past do not recur", he articulates his views on the recent spell of global financial meltdown, underlining that it is still early to say whether we are on the path of long term economic recovery.

A humanist at heart he is associated with a host of social and educational institutes.

He calls upon MIL Board of Directors to see to it that the position of pre-eminence being enjoyed by the Company today is made into an enduring feature. "Our perch at the top should not skate on thin ice", is his terse message to MIL think-tank implying that the entire MIL team has sweated a great deal to be where they are today and that it would take constant endeavour to retain that place.

With men like him to guide its affairs the Company is upbeat about treading the path to glory with confidence.

Mr. Rajinder Paul Gupta



MIL regards itself mighty fortunate for having availed the services of some distinguished personalities who have jointly and severally scripted a highly impressive history of the Company which is steeped in a number of landmark achievements earning unqualified

plaudits from economic watchers. And our 72-year old Independent Director Mr. Rajinder Paul Gupta is one such member of MIL Board of Directors to whom the Company would ever remain indebted for the central role he is taking at the moment in the brisk evolution of the Company as a corporate force which is widely expected to become a magnet for numerous prospective investors.

The vast experience acquired by him while serving a number of industries in the coal sector uninterruptedly for 42 years is now a priceless asset for the Company which rightfully expects him to leverage the same for its uplift.

Known for his tremendous negotiating adroitness he has ensured that MIL projects are given timely clearance by various government and statutory bodies so that they are not plagued by delays caused by bureaucratic red-tapism or bottlenecks.

Hailing the employment of most advanced technologies in all its latest ventures by MIL he observes that it marks a new era in our technological prowess and brings out the fact that we have the wherewithal and intellectual capability to live up to our reputation as the industrial house which has always been in the forefront of exploiting modern technology to the hilt.

An economist of repute, he sounds optimistic about India returning to its 9 percent growth path despite the recent global economic crisis and also about achieving an impressive annual growth in agriculture in the next five years. He says the time has come for India to unleash an industrial revolution to dramatically boost its per capita income.

Sharing the perception of the rest of the members of the Board of Directors he takes the line that while promoting industrial growth we will have to ensure with meticulous care that the ecological balance is not allowed to be upset. He is happy that the protection of environment is ensured by MIL in a picture-perfect manner. "We never give short shrift to environment. Safeguarding environment is always at the top of our agenda," he clarifies while outlining the measures taken by MIL to take care of the environmental aspects of its operations.

One feels highly privileged in the Company having such a towering personality in its ranks.

Board of Directors

Shri Shobhagmal B. Maloo	Non Executive Chairman
Shri Nandlal Maloo	Managing Director
Shri Bajranglal Maloo	Director
Shri Lalchand Maloo	Director
Shri Sunil Kumar Maloo	Director
Shri Yashpal Dhiman	Director
Shri B. P. Ganu	Independent Director
Shri R. P. Gupta	Independent Director

Auditors

Dembla Ramani & Co., Chartered Accountants, 201, M.G House, Civil Lines, Nagpur - 440 001

Bankers & Financial Institutions

Allahabad Bank	SICOM Limited
Andhra Bank	State Bank of Hyderabad
Bank of Baroda	State Bank of India
Bank of Maharashtra	State Bank of Mysore
IDBI Bank Limited	State Bank of Patiala
Punjab & Sind Bank	State Bank of Travancore
Punjab National Bank	

Company Secretary & Compliance Officer

Tarun K. Singh

101, Jai Bhawani Society, Central Avenue, Wardhman Nagar, Nagpur - 440 008

Highlights of the Company

Forging ahead with aplomb

With the detailed blue print of its growth having been precisely drawn up by the MIL think-tank, the Company has taken a step closer to becoming numero uno by rolling out Murli Horsepower Cement in the market.

After having left an indelible imprint as a most reliable supplier of paper, power, refined soya oil and deoiled cake and building its reputation for the distinctly superior quality of MIL products the Company is now raring to establish its identity as a leading manufacturer of cement.

What is particularly satisfying for the Company is the fact that the cement introduced by it has received an unexpectedly overwhelming response in the market with the amazingly high sales figures. By welcoming our newest product with open arms our patrons have indeed given us a sort of all-clear to press ahead with ramping up its production which the Company intends to do in a phased manner.

The Management of MIL would like all its well-wishers to note that the Company has already set in motion the process of the commissioning of two more cement plants with one each being located in Rajasthan and Karnataka.

The investments we are now making into our new projects which are being touted as the mirror of a beautiful future of MIL will transform the Company by expanding quantitatively and growing qualitatively.

Employing carefully planned strategy

The policy of using indigenous raw material for the production of various brands of paper has been hugely beneficial for us as it has helped us retain the superior quality of our papers and supply them at reasonable prices thereby winning us scores of new customers on the sheer strength of the quality of our products, thus enabling us to acquire a firm grip on the market.

What is worth being taken note of in this regard is the fact that the raw materials used by us being eco-friendly facilitate the realisation of our avowed aim of

safeguarding the environment. It is not for nothing that ours is the image of a corporate Group unwaveringly committed to the cause of the environment.

We reaffirm that environment would continue to be the focus of our attention even as we pursue our widely-publicised goal of dwarfing all our rivals through well-choreographed extension of our industrial operations.

Power Plant: Infusing life into our operations

We have at our disposal Power Plant with combined capacity of 18MW at the Paper Unit. The power generated at this Power Plant is sufficient enough to cater to our requirement. In terms of power we are a self-sufficient unit as we are not required to rely on external sources to meet our power needs. As the supply of power to various segments of Paper Unit is trouble-free, the production activities go on smoothly.

Similarly, the Company has set up as many as three Power Plants of 16.5 MW each at its Chandrapur Cement Plant. Out of these two Power Plants with combined capacity of 33 MW are functional. They are together meeting our requirement of power which stands at 28 MW. The third Power Plant is nearing completion and is expected to go operational soon. Thus as of now we have absolutely no problem in meeting our power needs at Cement Plant either. It is envisaged that these Power Plants would play a critically decisive role in Company's frantic bid to take on its rivals with renewed resolve in cement market.

The Company derives tremendous satisfaction from the fact that these Power Plants have been instrumental in its successful quest to stay ahead of its rivals in the market and make it virtually impossible for them to unseat MIL from its position.

MIL Employees: Its true soldiers

As MIL business operations witness an upswing, the Company is required to take into its ranks new employees on a continual basis. This has invariably resulted in a number of people particularly from Central

India which is bedeviled by poverty getting a source of subsistence.

Thanks to a well thought-out, carefully- crafted recruitment policy we have been able to enlist the services of a most competent work force.

The employees of the Company are wedded to the cause of the Organisation the moment they join it and remain loyal to it. Working with the shared goal of uplifting the Company they are acutely aware of the fact that in the well-being of the Company lies their well being.

The Company has never shied away from recognising and rewarding the talent of its promising employees. At the same time if the Management notices a slump in the performance of any of its employees, he is at once taken to task and asked in unambiguous terms to put his act together. If this has no desired impact on the erring employee, he is sacked by the Management after duly following the set procedure in this regard.

This policy of the Management vis-a vis its employees has been a huge success as it has created an urge in the minds of its employees to serve the Company with an unquestionably strong sense of devotion, commitment and focus.

Focus on quality: Our infallible mantra of success

Since it has been our constant endeavour to produce quality products, we have been successful in enlarging our customers' list. This has given us an invaluable opportunity to bolster our position as a market leader in the making.

It is largely due to the stress given by us on quality that we have been able to make our presence strongly felt in international markets too.

The constantly rising sales graph of our products is reflective of the fact that we have earned notable success in reaching our products to our existing customers as well as new ones whose numbers have been swelling by leaps and bounds which is indeed a very healthy augury for the Company.

The technical personnel running production activities in the plant possess the necessary know-how to apply cost-effective techniques while ensuring that the quality of MIL products is not compromised with.

The negative tendency of tinkering with the quality of products for making easy buck is an anathema to us. We reiterate that through the application of cost-effective technologies we shall continue to attach highest priority to the quality of our products and see to it that they are available to our customers at affordable prices.

Raising efficiency: Improving productivity

The Management of the Company comprising its top functionaries keeps taking stock of the efficiency and productivity levels on a regular basis.

The Company has noted to its satisfaction that its production staff has been able to utilise the production capacity optimally. In addition to this the other factors contributing to enhanced efficiency and productivity levels of MIL plants include a sound surveillance system of the production process, surprise scrutiny of the production department's records, an effective coordination among production department officials and their subordinates, regular stock-taking meetings between the Management and the production department, optimum use of production capacity, an extensive automation of entire production-related work, etc. Apart from the factors listed above the Management sees to it the machines used in the production processes are examined thoroughly from time to time and snags, if any, are rectified immediately with the help of technical experts. This guarantees full operational efficiency of all the machines used in production.

Last but not the least, the extensive training provided to its production staff by the Management alongside periodical assessment of the results it is yielding has also impacted favourably on the productivity level achieved by the Company.

Harnessing new technology to the hilt

MIL has built up its image as a go-ahead Company which has never shunned application of latest technology.

The introduction of an elaborate ERP (Enterprise Resource Planning) system in the Company linking Company's plants to its Corporate Office is aimed at

facilitating its operations by securing greater coordination among the personnel looking after its Information Technology Department. The introduction of ERP has led to an improvement in the overall performance of MIL units by toning up their operations.

Significantly for the Company those charged with running the ERP are themselves an expert hand in IT field and are the architects of IT revolution in the Company.

The MIL Management has opted for the introduction of SAP in its upcoming Chandrapur Cement Plant. The move is designed to perform the huge volume of operations at this plant with utmost efficiency and surgical perfection which would hold the key to MIL success in its latest venture.

The introduction of SAP at Chandrapur Unit is going to be followed by that in other plants reinforcing the Company's claim that it has been in the vanguard of embracing technological advances and make them an engine of its growth.

Overwhelming customer response to MIL products

What MIL think-tank draws heart from is the fact that lately there has been a record increase in the popularity as well as sales of its products. All the brands of its papers namely Duplex, News Print and Writing & Printing are received well by MIL customers who are now attuned to them and acknowledge that MIL products are simply irreplaceable mainly on the sheer strength of their unmatched quality.

Some of the proud users of these brands of papers are:

Enadu, Rajasthan Patrika, Thomson Press Ltd., Navneet Publications India Ltd., Sunduram Multipap Ltd., Western Press, Haldiram Foods, Dabur, Ranbaxy, Philips India, Paper Sales Agency, Indore, Rajlakshmi Paper Agencies, Chennai, Sudarshan Paper & Board Pvt. Ltd., Kolkata, Vinayak Papers, Thane, Mumbai, Aqua Papers, Mumbai, Paper Pack Agencies, Ahmadabad, Kavyatri Paper & Board Pvt. Ltd., Mumbai, Sai Baba Paper Mart, Hyderabad, Jani Sales Pvt. Ltd., Mumbai, Luxmi Paper Mart, Bangalore, Mitul Paper Pvt. Ltd., Mumbai, Monit Paper Associates, Indore, Badruka Exim P. Ltd., Hyderabad, Sammanlal Sher Singh Papers Ltd., Delhi, Himalaya Paper Co., Kolkata, Ecc Trading Pvt. Ltd.,

Secunderabad (Hyderabad), Indo Global Commercials Pvt. Ltd., Nagpur, Maharashtra Paper Co., Deva, Pune, T.K. Ruby & Co. (India) Mumbai, PS Universal Pvt. Ltd., New Delhi, JSK International, Delhi, KCL Ltd. Faridabad, Borkar Packaging Pvt. Ltd., Goa, Kraft Centre, Mumbai, etc.

We proudly assert that we have been an established name supplying quality paper to our numerous customers based across the length and breadth of India and abroad as well. We acknowledge with due humility that our dealers have taken a pivotal role in reaching our products to every nook and corner of the country apart from foreign countries. Given the fact that more and more new dealers are now keen to join our ranks, a dramatic rise in the sales of our products is a foregone conclusion.

Deepening ties with stakeholders

The Company is of the view that its stakeholders are the principal authors of the giant steps it has taken to assert its authority in the world of industries.

It is with a view to improving the connectivity with the outside world the Company has launched a new website. The Company is receptive to the views -cum-suggestions received from its patrons and well-wishers based in any part of the world. Through this he can acquaint himself with the goings-on in the Company and put forth his views about its performance. The Company attaches great value to the suggestions, views, and comments given by its patrons through the website. It may be clarified that the launch of MIL website is essentially designed to better the performance of the Company further in every respect in valued partnership with its dear stakeholders.

The Company is glad to add in this context that this mode of interaction has been hugely beneficial to it as some of the views and suggestions expressed by its patrons have been truly worthwhile making a meaningful contribution in our efforts to streamline our functioning.

Similarly the customers of the Company based in any part of the world can now place their orders online

Human Resource Department in MIL: Redefining Industrial Relations

MIL has been mighty successful in building its image as a corporate entity which attaches utmost value to preserving industrial relations with a humane touch. The personnel handling HR Department in MIL have, through their profound knowledge and experience gathered painstakingly over the years, lent new dimensions to this crucial and perhaps most sensitive department thereby winning the Company the entire confidence of its workers and employees whom the Company regards as its most trusted companions in its journey to prosperity. Those charged with handling this key department insist that if the Company has to quicken the pace of its growth, it will have to generate a feeling in the minds of its employees that their well-being is the overriding concern for the Company and that their interests are intertwined with that of the Company.

The prominent features of the HR Department in MIL which make it easily distinguishable from other companies are as below:

- There is proper manpower distribution as per the requirement of various departments of the Company as also the organisational chart. This helps the Company avoid overstaffing or understaffing any department. In addition to this it ensures that there is no lop-sided distribution of responsibilities to any department of the Company.
- Some of the operations of the Company are outsourced and awarded to the workers hired on a contractual basis. While assigning these jobs on contractual basis the Company adheres strictly to the laws governing the award of contracts and ensures with meticulous care that the interests of the workers are fully protected.
- The Company abides by all the statutory provisions in all the matters concerning its workers whose interests are uppermost in the mind of the Company.

Using sophisticated technology: Ushering in a new era

We have, in pursuit of our corporate goal of brisk growth

used latest technology on a massive scale as we have experienced that the benefits derived from modern technology far outweigh the investments made in them. The Company has noted that the introduction of modern technology quickens the interests of its employees in their work who are happy for being able to offload their workload onto machines. Also, they can handle their jobs with a relaxed frame of mind thereby giving better performance in terms of productivity.

In addition to the indigenous technology, we have employed most advanced technology imported from foreign countries. The newly-launched cement plant at Chandrapur and SBS plant are the two MIL epitomes of latest foreign technology. Through these latest ventures of ours we have signalled the dawn of a new MIL era which is going to be characterised by the application of state-of-the art technology in all MIL operations which have already acquired a new dimension.

Industrial safety: Cornerstone of our policy

We are among those few industrial entities where workers' safety takes precedence over other aspects of industrial operations.

The Company takes the line that the employees who are absolutely convinced that foolproof safety measures are there in place work at the shop floor with a relaxed frame of mind and are able to work their heart out which results in increased productivity. This is why the Company has always put the workers' safety at the top of its agenda. This is also driven by the fact that the Company appreciates that its workers are its precious jewels and that it is its basic responsibility to devise effective safety measures and enforce them with utmost seriousness.

A string of safety measures taken by the Company alongside a comprehensive review of their effectiveness on a routine basis by the senior executives of the Company who are expert in safety-related matters is indicative of the fact that the Company is keen that its operations at its plants must go on in an absolutely safe and trouble-free manner.

With a view to bringing about a qualitative improvement in the working environment in the Company wherein the workers are able to focus on their

operations with undistracted attention free from the fear of any potentially hazardous incident involving them taking place, the Company has constituted the Industrial Safety Committee which has been assigned the all-important job of identifying potential safety risk areas for the workers and suggesting corrective action if it detects any loopholes in the existing safety norms in vogue in the Company. Besides, it keeps a tab on the enforcement of the safety rules and regulations prevailing in the Company.

The Industrial Safety Committee has done a fabulous job as it has been able to inculcate a sense in the minds of the workers that the Company is genuinely concerned about their well-being and that it regards their safety as its overriding duty.

It is pertinent to add in this context that the afore-said committee has senior officials of the Company who have specialised in industrial safety-related matters as its members apart from the representatives of the workers. They hold periodic meetings at which among other things, all the aspects of the workers' safety, efficacy of the prevailing safety rules and the need, if any, to fine-tune them, etc. come up for detailed discussion. The Company is grateful to the workers' representatives who have taken a momentous role in achieving the objectives of the setting up of Industrial Safety Committee.

The Company provides safety helmets, jackets and other safety items to its workers which they have to use compulsorily during their duty hours. The Company has also undertaken training programme for its employees so as to impart full-scale training to them on safety aspects of their operations. With the Training programme MIL employees have enhanced their managerial knowledge and their confidence level. All the employees who have participated in the training programme, are now a more confident lot and display high level of enthusiasm for their business projects, and with the Organisational support, are proving to be highly successful in MIL corporate affairs.

The Company has hired the services of a number of personnel exclusively for the purpose of introducing foolproof fire prevention measures in the Company. The careful implementation of the recommendations made by this agency has gone a long way in warding off any possibility of outbreak of fire in the Company.

The Company welcomes any concrete suggestions made

by its employees which could help it further improve safety atmosphere in its premises.

Convenient locations of MIL Units

The paper plants of Nagpur-headquartered MIL are situated at 27 KM Milestone, Nagpur -Bhandara Road, Village: Vadoda, Dist.: Nagpur. Since its entire Paper Complex is located at a site which being just twenty-five minute drive from Nagpur it can be reached with ease by any means of transport. It is due to this easy accessibility of MIL paper units that the employees working there have to face no hurdle in reaching them from Nagpur or places adjacent to it.

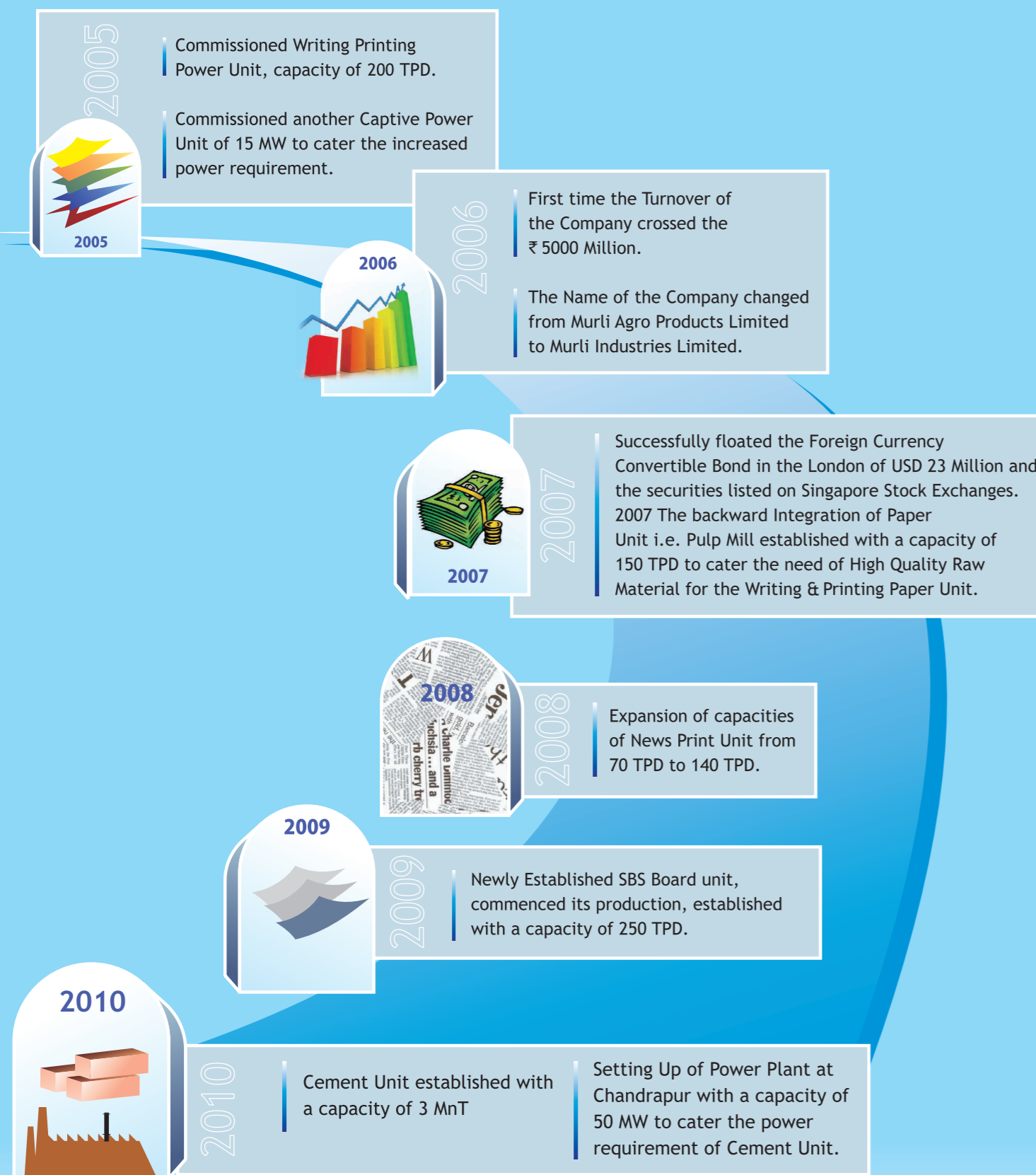
The Chandrapur Cement Unit has also been sited conveniently at the location where it would not be at all difficult for its employees to reach and immerse in its operations. Secondly, and equally significantly MIL hopes to reap rich benefits in terms of sustained production of cement as its soon-to-be-launched cement project is located in Chandrapur which is famous across the country for its rich deposits of high-grade limestone, a key requirement for the production of cement.

Similarly the soya plants of the Company are also strategically located in such a way as ensures regular and timely supply of raw materials to feed their operations. People manning its various departments also face no trouble in reaching the plant thanks to easy availability of various means of transport.

Coal is the perennial need for the generation of power at the MIL -owned Power Plant which has been primarily responsible for giving a decisive push to its operations. It is transported to the Company units from sites in the proximity of the Company.

The siting of MIL plants at ideal locations not only ensures timely supply of raw materials to the plants and facilitates production but also enables the Company to cater to its customers by reaching its finished goods to them on a continuous basis.

M i l e s t o n e s



Managing Director's Statement



Dear shareholders,

It gives me an immense joy to talk to you through this letter and share my innermost feelings with you in a most candid and forthright manner. It also provides me with an invaluable chance to shed light on the initiatives we have taken to earn your Company a position of eminence in the corporate world.

Let us throw a glance at the snapshot of the financial performance of your Company during the year gone bye while comparing it with that put up by it in the year 2008-09.

Snapshot

Gross turnover for the year 2009-10 achieved on the back of brisk business by your Company rose by ₹ 5,146 Lacs to stand at ₹ 57,167.89 Lacs. Our pre-tax profit marginally decreased by ₹ 791 Lacs to ₹ 4,441.46 Lacs. Earning Per Share (before exceptional items) for the year in question stood at ₹ 7.00. The creditable performance of your Company is ascribable to a number of factors with the support of all the stakeholders being the most critical one.

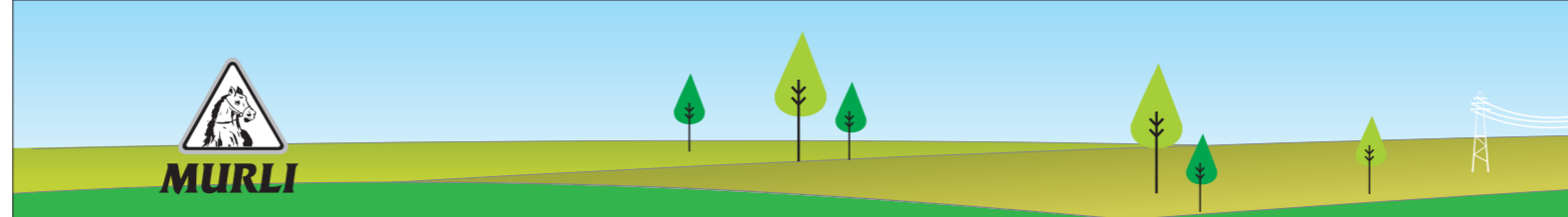
The reason why your Company has been able to leave an indelible imprint on the industrial map of the country and why it has engaged the attention of financial experts by putting its rivals on the backfoot is that that the promoters of your Company are well-versed in varied aspects of industrial operations as well as the manufacturing and marketing of various agro-based products like Soya, De-oiled Cake, Refined Edible Oil and Paper products like Duplex, Writing & Printing Unit, News Print, Cream Wove, Map Litho Paper, Copier, etc. History is created when vision becomes a reality. The Directors of your Company have the vision to catapult it further on the way to renewed glory and prosperity and if the present trends in terms of the burgeoning profits of the Company as well as the northwards march of its sales figures are any indication, I can assert with reasonable degree of confidence that that goal is at a handshaking distance from us.

The 18 MW Power Plants set up to cater to the ever rising demand of all brands of paper have acted as a catalyst in setting the tempo for MIL growth.

We derive tremendous satisfaction from the fact that due to their incomparable quality MIL products have been able to carve out a special niche in the market. The turnover of the Company in the present F.Y. increased by 10% in comparison to the P.Y. 2008-09. This impressive performance by the Company is particularly gratifying keeping in view the fact that a number of industries were buffeted by the adverse impact of the financial recession which had engulfed the world.

There is no denying the fact that the multi-crore Cement Plant located in Naranda Village in Chandrapur District of Maharashtra which has scripted a new chapter of MIL history besides our SBS plant which is the quintessence of the most advanced technology have together catapulted us to the position which was inconceivable not too long ago. This lightening-quick transformation in our corporate status is suggestive of the fact that we are impatient to outrace time in our quest to reach the pinnacle of glory.

It is an indisputable fact the only thing that fascinates an entrepreneur the most is profit. It is something that charms him much more than anything else. All the moves made by an entrepreneur are essentially designed to maximise his profits. I do appreciate that there is absolutely nothing detestable or deplorable about profit-earning being the overriding goal of the business entity. What I deprecate is the fact the some entrepreneurs in their frantic bid to make easy buck give a go-by to ethics of business. To quicken the pace of their growth they cut corners i.e. to say they temper with the quality of their products and in a way undermine the confidence of their customers. I would like to make it crystal clear that under no circumstances we would ever be tempted to take this short cut which is abhorrent to us. Let it be absolutely clear that the very idea of diluting the quality of our products so as to make easy pickings is repugnant to us. What is worth mentioning in this context is that as in the past we would continue to attach top priority to the quality of our products which has so far won us numerous customers at home as well as



abroad and quite significantly, their numbers have been galloping, much to the bemusement of our rivals. While emphasising that we would never give short shrift to the quality of our products, I am conscious of the fact that maintaining quality of MIL products while sustaining profitability may prove to be a tight rope walk for us. But we would achieve these twin goals by employing cost-effective techniques. I am optimistic that application of state-of-the-art technology which has now become a hallmark of all our units would continue to facilitate the simultaneous accomplishment of both these goals.

Your future depends on what you do at present. Since we wish to turn MIL into a force with unmatched corporate strength, we have taken a string of measures which are bound to usher in very exciting times for us. There is a saying which goes, 'A rising tide lifts all boats'. Needless to say that all our stakeholders are bound to have their share of financial spoils as we tread along the path to renewed glory and prosperity. The launch of our multi-crore Cement project at Naranda Village of Chandrapur District in Maharashtra, which has taken us a step closer to our cherished goal of flooring all our rivals who are fantasizing that they could throw a spanner in the works and upset our calculations, has indubitably proved to be momentous event for us as it is this project which has proved conclusively that we are firing on all cylinders to win an awe-inspiring position in the industrial scenario of the country.

I am proud to announce that construction industry has warmly welcomed the roll out of Murli Cement into the market. Construction Engineers have already confirmed and certified with unanimity that quality-wise Murli Cement enjoys a distinct edge over all other brands of cement and that it is only a matter of time when Murli Cement would deluge the markets across the length and breadth of this vast country, in addition to foreign countries. Their assertion is substantiated by the fact that the swift pace with which it has gained universal acceptance and its popularity has soared catapulted us into the elite group of industries carrying on multiple diversified operations. No doubt, it has given nail-biting nights to our rivals who are finding it hugely difficult to reconcile themselves to the fact that MIL which symbolises a corporate strength is now on take-off roll and that to eclipse it would not be a walk in the park for them. We keep reiterating time and again that fierce competition notwithstanding we would never be tempted to compromise with the quality of our products. We are acutely aware of the interface between quality and sales. Our commitment to quality is evident from the fact that it is the premium quality of our products that has helped MIL become what it is today. We know that we have to meet the exacting standards of quality to propel ourselves to newer heights and would like to underline that the excellent quality of our cement would continue to win us more and more new customers at such a pace as would take the wind out of our rivals' sails.

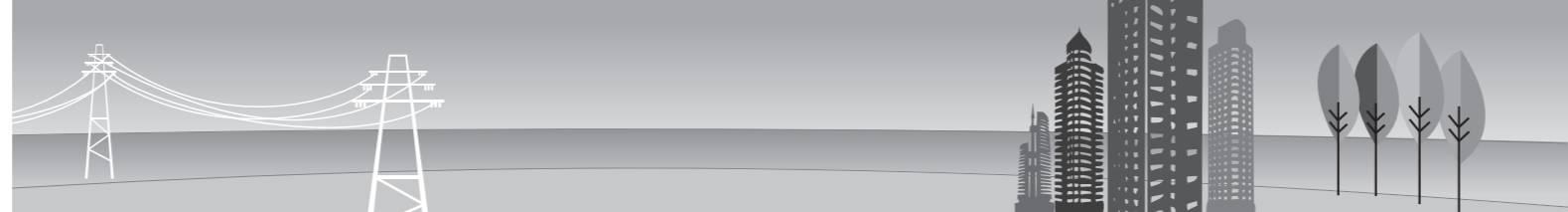
We have targeted to achieve an annual production of 3 million tonnes of cement from this Cement Unit of ours. This Cement Unit, which is an epitome of foreign technology-driven growth achieved by us, has come up with a colossal investment of ₹ 814 crores and has unquestionably given an added impetus to our expansion drive which is currently underway.

What should be particularly cheerful for all MIL stakeholders is the fact that its promoters who are overwhelmed with the lightening-quick successes of its first Cement Unit at Naranda do feel that the conditions are ripe for us to take forward this process of expansion with a view to capitalising on the mega successes of all our recent calculated moves. MIL promoters have already set in motion the commissioning of two more cement projects at Dist: Bilara in Rajasthan and Gulbarga in Karnataka. Plans are also on the anvil to set up yet another cement unit in Western Indian State of Gujarat. Economic watchers who are tracking the growth trajectory of MIL right since its inception take the line that the four cement units would together go a long way in scripting a new history of monumental achievements for MIL and would contribute to its emergence as a corporate unit with very strong presence in both domestic and international markets.

What is worth mentioning in this context is the fact that all our soon-to-be-launched cement units would be characterised by the application of most advanced foreign technology with the cumulative estimated annual production of 3 million tonnes of cement earning us the distinction of being the solitary industrial Group producing cement on such a massive scale. We have targeted to pump in a total of ₹ 2,500 Crores in coming years in our Rajasthan and Karnataka cement plants which would be manifestations of our unshakable resolve to firmly establish ourselves as an industrial entity with unquestionable supremacy.

Yours truly,

Nandlal Maloo



Directors' Report

To the Members,

Your Company's Directors are pleased to present the 19th Annual Report of the Company along with the audited accounts for the year ended 31st March, 2010.

Financial Highlights

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	57,168	52,022
2	Profit Before Interest, Depreciation and Tax	13,236	10,187
3	Interest	4,126	2,149
4	Profit Before Depreciation and Tax	9,110	8,038
5	Depreciation	4,668	2,805
6	Profit Before Tax	4,442	5,232
7	Provision for Tax	680	638
8	Profit After Tax	3,761	4,595
9	Profit Brought forward from Previous Years	17,947	14,051
10	Surplus available for Appropriation	21,708	18,646
11	Proposed dividend and tax thereon	240	240
12	Transfer to General Reserve	376	459
13	Surplus carried forward to Balance Sheet	21,092	17,947

Segmentwise Turnover

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010 (Sales)	Financial Year 2008 - 2009 (Sales)
1	Solvent Extraction	27,692	26,917
2	Paper	20,146	19,680
3	Power	7,919	5,425
4	Cement	1,411	-
	Total	57,168	52,022

Summarised Profit & Loss Account

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 -
1	Net Sales	57,168	52,022
2	Other Operational Income	699	82
3	Total	57,867	52,103
4	Operating costs and Expenses	44,631	41,916
5	PBDIT	13,236	10,187
6	Depreciation	4,668	2,805
7	PBIT	8,568	7,382
8	Interest	4,126	2,149
9	PBT	4,442	5,232
10	Taxation	680	638
11	PAT (before exceptional items)	3,761	4,595
12	Exceptional Items (net of tax)	0.00	0.00
13	Net Profit	3,761	4,595
14	*Basic EPS (₹)	*7.00	*8.97

* EPS calculated on the basis of ₹ 2/- per share

Operations

Your Company achieved a turnover of ₹ 57,168 Lacs during the period under review as compared to ₹ 52,022 Lacs during the Previous Year which is a growth of 10% over the last year's turnover i.e. ₹ 5,146 Lacs. The Profit After Tax (PAT) is ₹ 3,761 Lacs against ₹ 4,595 Lacs in the Previous Year. The profit was slightly less than the profit of Previous Year i.e. ₹ 862 Lacs which is mainly due to higher depreciation. The cash accrual i.e. ₹ 8,429 Lacs, which is an increment of ₹ 1,029 Lacs over Previous Year's ₹ 7,400 Lacs.

Dividend

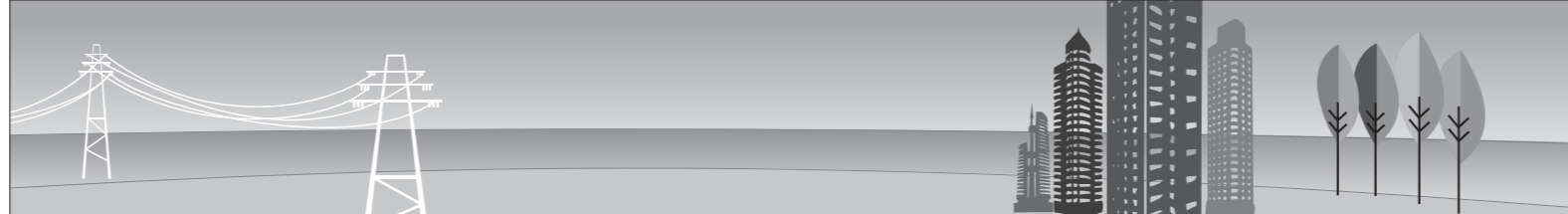
The Board of Directors at their meeting held on 02/09/ 2010 recommended a final dividend @ 20% i.e. ₹ 0.40/- per share on equity shares of face value of ₹ 2/- for the year ended March 31, 2010, subject to the approval of the shareholders at the Annual General Meeting. Final dividend, approved by the shareholders, will be paid on or after 4th October, 2010.

The final dividend, subject to the approval at the AGM on 29th September, 2010, will be paid to the shareholders whose name appear on the Register of Members with reference to book closure from 25th September, 2010 to 29th September 2010 (inclusive of both dates).

The dividend for the period will absorb ₹ 251 Lacs including Dividend Distribution Tax of ₹ 36.51 Lacs.

Transfer to Reserves

The Company has proposed to transfer ₹ 376.13 Lacs amount to the General Reserve out of the amount available for appropriations.



Corporate Governance Report, Management Discussion & Analysis Statement

The Auditors, M/S Demble Ramani & Co., have 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 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 2010, the applicable Accounting Standards have been followed.
- (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 at the end of the financial year and the profit and loss of the Company for the year under review.
- (3) The Directors have taken proper and sufficient care of the maintenance of adequate accounting records with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) The Directors have prepared the Annual Accounts on a going concern basis.

Directors

Shri Bajranglal Maloo, Shri R. P. Gupta and Shri B. 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.

Auditors

M/s. Demble Ramani & Co., Chartered Accountants, who are the Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. It has shown its willingness to accept reappointment and have further confirmed its eligibility under section 224(1B) of the Companies Act 1956.

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-personal 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.

Appreciation & Acknowledgment

The Directors of the Company wish to place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.

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 all others associated with the Company as its trading partner.

The Directors also take this opportunity to thank all Investors, Clients, Vendors, Financial Institutions, Banks, Registrars & Transfer Agents, Government & Semi-Government Authorities, Depositories and Stock Exchanges for their continued support.

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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 Plant at paper unit Vadoda, Nagpur and Cement Plant, Chandrapur is used for captive consumption thus saving the overheads on power & conserving energy as well.

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

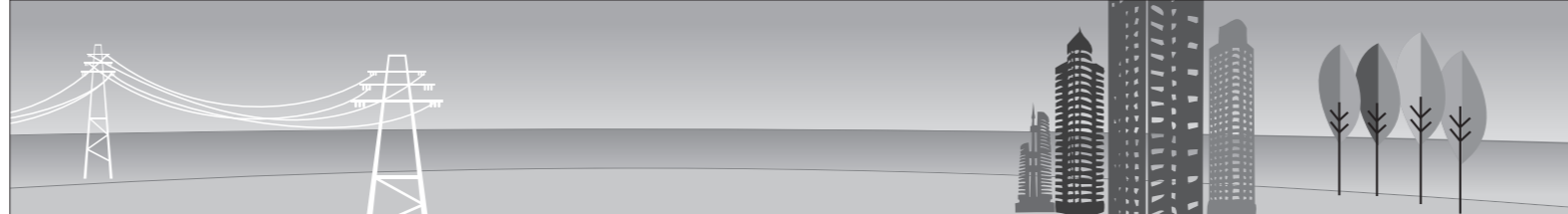
(I) FORM A :

(a) Power and Fuel Consumption

	2009-2010	2008-2009
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
1. ELECTRICITY		
(i) Purchased		
Units (KWH)Lacs	170.05	137.91
Total Amount (₹ Lacs)	928.67	630.70
Rate/Unit (₹)	5.46	4.57
(ii) Own Generation (MW)	1,47,200	64,174
2. COAL		
Steam Coal (MT)	1,51,796.55	1,33,743.17
Total Cost (₹ Lacs)	3,497.46	2,254.53
Avg. Rate (₹ /MT)	2,304.04	1,685.71
3. OTHER / INTERNAL GENERATIONS	NIL	NIL

(b) Consumption per unit of Production

	2009-2010	2008-2009
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
Electricity KWH	660.50	362.58
Steam Coal MTs	0.61	0.42
Others	NIL	NIL



(II) Technology Absorption

Research and Development (R & D)

The Company is having research and development center for the cement products at Chandrapur. This center 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.

Technology Absorption, Adaptation and Innovation :

The Company has been using the latest technology available in all the plants. It remain committed to introduce innovations for increasing the productivity and further improving the quality of its products.

(III) Foreign Exchange Earnings and Outgo

The Company exported Newsprint, 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, Newsprint, Writing Printing and SBS Board Units for the current as well as previous year.

Sr.No.	Particulars	2009 - 2010	2008 - 2009
1	Foreign Exchange Earnings		
2	FOB Value of Exports (In Lacs)	INR 32.08	INR 107.16
3	FOB Value of Exports (In Lacs)	USD 0.71	USD 2.33
4	Foreign Exchange Outgo		
5	CIF Value of Imports (In Lacs)	INR 7,243.08	INR 4,112.51
6	CIF Value of Imports (In Lacs)	USD 151.26	USD 123.30



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Management Discussion & Analysis

During the year under review the Company has achieved favorable performance in its continuous quest for new customers for the existing products as well as for the new product (i.e. Cement) the production of which commenced this year. The Company achieved better result than the previous year. The turnover increased by 10% over the last year's turnover and also the cash profit increased by 14% in comparison to previous year. The PAT is slightly lower than the previous year's PAT, but it is mainly due to higher depreciation. The most awaited project i.e Cement unit of the Company has started its operation during March 2010. The performance was much more satisfactory than anticipated. The product has been welcomed by the market with great hope and the Company has fulfilled the expectation of the market to the fullest extent. During the one month of operation the turnover was ₹ 14.11 Crores. The expert of the industry opined that this Unit will take the Company at new height.

Gross turnover of the Company for the year 2010 was ₹ 57,168 Lacs. Pre tax profit was ₹ 4,441 Lacs, while Post tax profit (before exceptional items) at ₹ 3,761 Lacs. The turnover achieved growth of 10% in comparison to last year, the Pre tax profit slightly lower by ₹ 791 Lacs i.e. 15% and the Post tax profit down by ₹ 833 Lacs i.e. 18% in comparison to last year, Cash flow from the operations was ₹ 9,109.72 Lacs during the year, which is 14% higher than previous year.

In order to sustain growth and to provide sufficient fund for the upcoming cement projects of the Company the Board of Directors recommend transferring the profit of ₹ 376.13 Lacs to the Reserves for utilizing the same for the future growth of the Company.

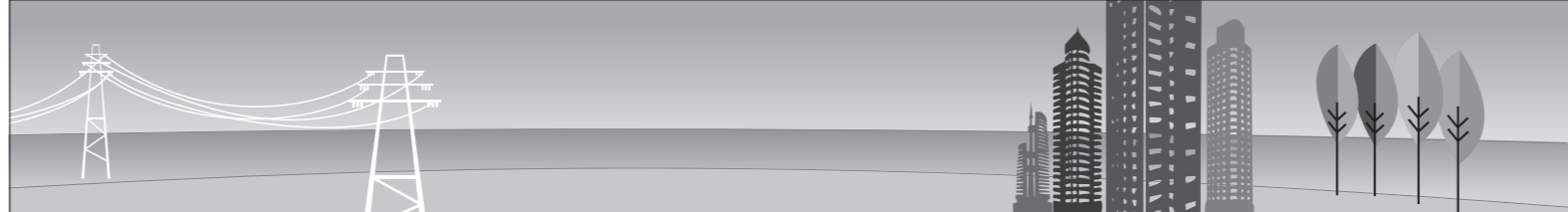
Business Segments :

Solvent Extraction Plant

The Company continues to maintain its valuable position in the market by delivering superior value to consumer through best products and services.

Agro Unit I

During the period under review the Unit produced 32,221.72 MT of Soya DOC and 6,480.43 MT of Refined Oil respectively as compared to 32,945.02 MT of DOC & 7,616.34 MT of Refined Oil during the previous year. The Unit recorded a turnover of ₹ 9,746.50 Lacs during the year under review which was at ₹ 9,841.17 Lacs in the previous year. This was a negligible negative growth of 0.95% against the turnover of last year. The Profit Before Tax of the Unit I also declined to ₹ 922.17 Lacs from ₹ 1,217.79 Lacs for the last year's Profit Before Tax. The Profit After Tax (PAT) also declined to ₹ 722.17 Lacs from ₹ 1,016.46 Lacs of the last year's Profit After Tax. The performance of the Unit was affected mainly due to non-availability of the Soya seeds and volatility in the market. There was scanty rain fall during the last season throughout India where Soya's mainly cultivated. Resulting in huge decline in the production of Soya seed. There was uncertainty in the market hence the cost was volatile and hence the cost of the raw material went up and the same affected the profit of the Company to a great extent. This year the monsoon is very good and as per Meteorological Department this time around it will positively affect the Soya cultivation. Hence we expect in the current year, your Company will achieve better turnover and profit as well.



The Summarized Financial Result is as under.

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	9,746.50	9,841.17
2	Profit Before Interest, Depreciation and Tax	1,440.46	1,570.89
3	Interest	488.85	322.28
4	Profit Before Depreciation and Tax	951.61	1,248.61
5	Depreciation	29.44	30.81
6	Profit Before Tax	922.17	1,217.79
7	Provision for Tax	200.00	201.33
8	Profit After Tax	722.17	1,016.46

Agro Unit II

During the period under review the Soya DOC and Refined Oil Production were 62,674.19 MT and 12,532.65 MT as compared to 63,203.91 MT and 12,851.66 MT respectively in the previous year. The turnover of the Unit was ₹ 17,945.40 Lacs during the year under review which was at ₹ 17,075.71 Lacs in the previous year. It constituted a growth of 5% over and above the turnover of the last year for the same period. The Company also achieved significant growth in the profit. The Profit After Tax of this Unit increased from ₹ 2,050.10 Lacs to ₹ 2,216.18 Lacs, registering a growth of 8% over the PAT of last year for the same period. The Company could achieve more turnover due to higher production capacity.

The Summarized Financial Result is as under.

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	17,945.40	17,075.71
2	Profit Before Interest, Depreciation and Tax	3,204.79	2,968.30
3	Interest	506.89	416.74
4	Profit Before Depreciation and Tax	2,697.90	2,551.56
5	Depreciation	81.72	80.53
6	Profit Before Tax	2,616.18	2,471.03
7	Provision for Tax	400.00	420.92
8	Profit After Tax	2,216.18	2,050.11

Paper Segments

The paper segments of the Company have overcome the problem faced during the previous year. All the Units performed well and achieve their target even though there was a lot of volatility in the international market of waste paper. The Government also modified the rule in respect of imported waste paper which also affected the availability of raw material for the Paper Units. Particularly Newsprint Unit suffered from problem of shortage of raw material. Other Units performed well and the SBS Unit completed its first full year of operation. Further your Company was awarded by several tender from various State Govt. for Writing & Printing Paper. Your Company also got a tender from the Bangladesh Govt. and which also successfully completed.

Duplex Unit

Production during the year touched 20,654.95 MT as compared to 19,147.51 MT in 2008-09 and contributed an amount of ₹ 3,960.27 Lacs in comparison to P.Y. ₹ 3,743.77 Lacs to the Company's turnover. In its turnover, the Unit achieved a growth of ₹ 216.49 lacs which is around 5.78% over the turnover of last year. The Profit After Tax of the Unit has gone up from ₹ 142.46 lacs to ₹ 415.97 lacs. The Unit has achieved a remarkable growth against the growth rate of the industry it belongs to. We also expect the same performance in the coming year too.

The Summarized Financial Result is as under:

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	3,960.27	3,743.77
2	Profit Before Interest, Depreciation and Tax	514.74	291.98
3	Interest	27.22	71.76
4	Profit Before Depreciation and Tax	487.52	220.22
5	Depreciation	71.55	74.15
6	Profit Before Tax	415.97	146.07
7	Provision for Tax	0.00	3.60
8	Profit After Tax	415.97	142.47

Newsprint Unit

This year your Company saw very good demand for Newsprint. The Company established good rapport with the customer. The Company could not capitalise on the demand of the product due to shortage of imported raw material. The production was less than previous year and hence the profit also decreased. During the year under review Company has manufactured 24,659.09 MT (P.Y. 35,751.79 MT) of Newsprint Paper. The Turnover of the Unit was at ₹ 5,096.53 Lacs. (P.Y. ₹ 9,078.22 Lacs) achieved a turnover similar to previous year. The profit before depreciation of the Unit for F.Y. 2009-10 is ₹ 58.78 Lacs in comparison to ₹ 1,740.86 Lacs P.Y. 2008-09. The Unit suffered loss of ₹ 691 lacs against the P.Y. profit of ₹ 1,140.15 Lacs.

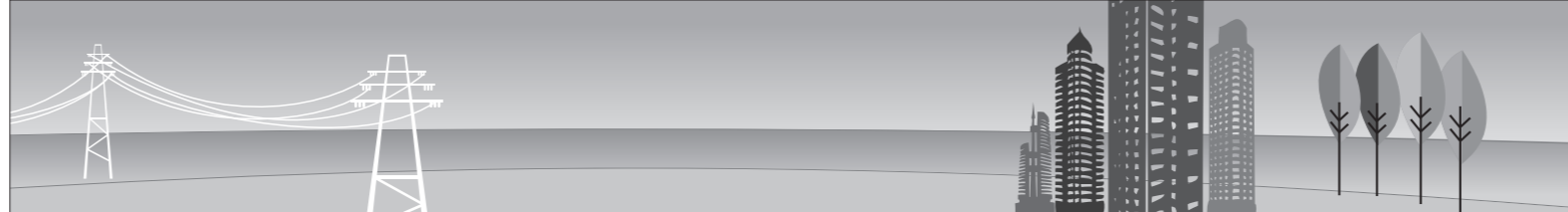
The Summarized Financial Result is as under :

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	5,096.53	9,078.22
2	Profit Before Interest, Depreciation and Tax	499.54	1,893.66
3	Interest	441.06	152.80
4	Profit Before Depreciation and Tax	58.48	1,740.86
5	Depreciation	750.18	598.64
6	Profit Before Tax	(691.70)	1,142.22
7	Provision for Tax	0.00	2.07
8	Profit After Tax	(691.70)	1,140.15

Writing and Printing Paper Unit

This Unit of the Company faced huge setback last year due to several unprecedented events. The Unit overcame those events and performed excellent this year. While during the Financial Year underreview the paper industry was witnessing low demand in the writing & printing paper, 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 performed excellently and achieved growth in the turnover as well as profits. The Unit has manufactured 33,031.14 MT (P.Y. 16,124.65 MT) of Writing & Printing Paper. The turnover of the Unit is at ₹ 9,205.28 Lacs as compared to P.Y. ₹ 5,138.00 Lacs which represents a growth of 79.16% and also achieved 622% growth in the Profit After Tax. PAT for the F.Y. 2009-10 is ₹ 1,302.64 Lacs in comparison to Loss of ₹ 249.31Lacs for P.Y. 2008-09.



The Summarized Financial Result is as under :

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	9,205.28	5,138.00
2	Profit Before Interest, Depreciation and Tax	2,969.48	1,043.14
3	Interest	753.14	364.63
4	Profit Before Depreciation and Tax	2,216.34	678.51
5	Depreciation	833.58	918.85
6	Profit Before Tax	1,382.76	(240.34)
7	Provision for Tax	80.12	8.97
8	Profit After Tax	1,302.64	(249.31)

Paper Power Unit

The power generation at this Unit is used totally for the captive purpose for the paper plants of the Company. During the year under review total Power Generation is 64,931.50 MW (P.Y. 59,060 MW). The turnover of the Unit is at ₹ 3,479.63 Lacs in comparison to P.Y. ₹ 5,281.74 Lacs. The Profit After Tax is ₹ 1,037.69 Lacs in comparison to P.Y. ₹ 1,081.19 Lacs. The Company has definitely taken a bold step towards Energy Conservation and cost cutting on overheads.

The summarized financial result is as under :

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	3,479.63	5,281.74
2	Profit Before Interest, Depreciation and Tax	1,490.82	1,645.71
3	Interest	190.74	290.93
4	Profit Before Depreciation and Tax	1,300.08	1,354.78
5	Depreciation	262.40	273.34
6	Profit Before Tax	1,037.68	1,081.44
7	Provision for Tax	0.00	0.25
8	Profit After Tax	1,037.68	1,081.19

Cement Captive Power Unit

The Company established three Units of 16.5 MW for the captive consumption of Cement Unit. 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 well. Third Unit is nearing its completion and it is expected that the same will be completed very soon.

The summarized financial result is as under :

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	4,439.09	143.04
2	Profit Before Interest, Depreciation and Tax	2,557.97	73.78
3	Interest	648.57	47.44
4	Profit Before Depreciation and Tax	1,909.40	26.34
5	Depreciation	1,393.25	76.98
6	Profit Before Tax	516.16	(50.63)
7	Provision for Tax	0.00	0.03
8	Profit After Tax	516.16	(50.66)



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SBS Unit

This Unit has completed its first full commercial year. The product of this Unit is in a great demand. Due to high quality in its segment, extensive advertisement and excellent marketing strategy, the new product is received well in the market. This is new product in the Indian market; hence it will take some time to develop its own product market among the consumers. The performance of the Unit was satisfactory and it is hoped that this Unit will play an important role for the growth of top line as well bottom line of the Company.

The summarized financial result is as under :

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010	Financial Year 2008 - 2009
1	Sales	1,883.86	2.32
2	Profit Before Interest, Depreciation and Tax	403.10	(2.86)
3	Interest	448.95	1.99
4	Profit Before Depreciation and Tax	(45.85)	(4.85)
5	Depreciation	839.54	4.07
6	Profit Before Tax	(885.39)	(8.92)
7	Provision for Tax	0.00	0.00
8	Profit After Tax	(885.39)	(8.92)

Pulp Mill Unit

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

Cement Unit

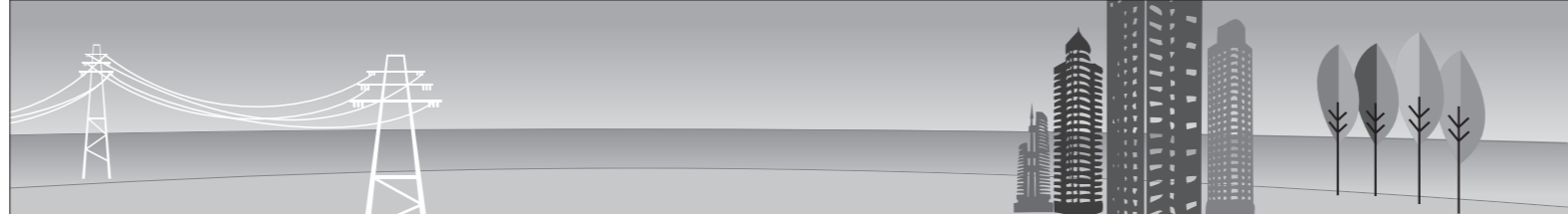
Most awaited and the dream project of your Company has come up with the bang. The Cement Unit has started its commercial production during the March 2010, little late but with big promise to deliver a sound performance. It started production and the same has been accepted in the market with great demand. During one month of its operation it produced only OPC cement which astonished the existing established player with its demand of the product. It is initial stage of the Unit and it is performing at 30-40% of its capacity and it is hoped that shortly it will be able to perform to its 80% capacity. The market demand of the product is very high because of excellent marketing strategy and high quality of the product. During this short period the Company has also awarded some government tenders which shows the quality and service of the Company promised to deliver in the future. Experts opined that this Unit will take your Company to a great height of success and in coming years half of the turnover of the total Company will come from the Cement Unit only.

The Summarized Financial Result is as under:

(₹ in Lacs)

Sr.No.	Particulars	Financial Year 2009 - 2010
1	Sales	1,411.32
2	Profit Before Interest, Depreciation and Tax	155.47
3	Interest	621.24
4	Profit Before Depreciation and Tax	(465.77)
5	Depreciation	406.60
6	Profit Before Tax	(872.37)
7	Provision for Tax	0.00
8	Profit After Tax	(872.37)

The management is sure that it will be a ladder of success for the company.



CORPORATE GOVERNANCE REPORT

The Company's Governance Philosophy :

At MIL we believe that self governance is always better than to follow the rule. Your Company has adopted such a system of self governance and follows it in such a way which ensures that all the provisions of clause 49 are automatically complied with. We believe that to enhance the corporate value of your Company, long term growth and better returns to stakeholders, the corporate governance is mandatory, unavoidable and of paramount importance. Two main principles of corporate governance are transparency and accountability and we at MIL maintain the same as integral principles of the Company.

We at MIL maintain high values and principles in our conduct at all levels of work. We can proudly say that we are committed to do all the things in a perfectly ethical and legal way. We know that long term success can not be achieved in short cut. Hence we perform all our proceedings in right and ethical way and comply with all the provisions of the Act of the land.

Corporate culture, corporate behavior and corporate governance are inseparable. A good corporate governance system cannot be expected without a good corporate culture in the system. We at MIL believe that we require the highest standard of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact, and it is only in this way that we can achieve sustainable, profitable growth and can create long term value for our shareholders.

Our corporate governance practice in 2010-11 includes :

Improved control system to help ensure the effectiveness of our internal control over financial reporting, and examined and responded to potential risk from the perspective of comprehensive risk management in order to build a long term pragmatic comprehensive risk management system.

Further improved our internal audit management mechanism and systems focusing on planning, norms, use of results, incentive and appraisal schemes of subsidiary Internal Audit Departments and Department Head, and increased independent processes across all business units.

Continued our overall legal risk evaluation on our operations focusing on four areas that are more susceptible to such risk, i.e. inputs, production, marketing, and employment practices. Based on this evaluation improvements have been made in related policies of the Company.

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 carry out the short and long term responsibility and interest of shareholders and stakeholders. We have optimum combination of Board which reflects our belief for good corporate governance practice 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 functions 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 consisting of Eight Directors out of which Three Directors were Non-Executive and Five Directors were Executive. The Board is also headed by 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 decide on Company/ business policy, strategy and normal business on regular basis. The meetings are usually scheduled in advance and informed to the Directors accordingly so that the Directors plan their schedule and participate in the meeting. In case of urgent business/ need the decision is obtained on resolution by circulation and the same is ratified in the next meeting.

During the year ended on 31st March, 2010 sixteen board meetings were held on April 28, 2009; June 24, 2009; July 07, 2009; July 30, 2009; September 11, 2009; October 12, 2009; October 30, 2009; November 05, 2009; December 17, 2009; December 24, 2009; December 31, 2009; January 18, 2010; January 30, 2010; February 25, 2010; March 11, 2010; March 31, 2010. 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	9	Yes	None
2	Shri Nandlal Maloo	15	Yes	None
3	Shri Bajranglal Maloo	15	Yes	1
4	Shri Lalchand Maloo	15	Yes	None
5	Shri Sunil Kumar Maloo	15	Yes	None
6	Shri Yashpal Dhiman	15	Yes	None
7	Shri B. P. Ganu	14	Yes	2
8	Shri R. P. Gupta	15	Yes	1

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 Shri B. P. Ganu, a Non-Executive Independent Director. The CFO and Internal Auditor 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 :

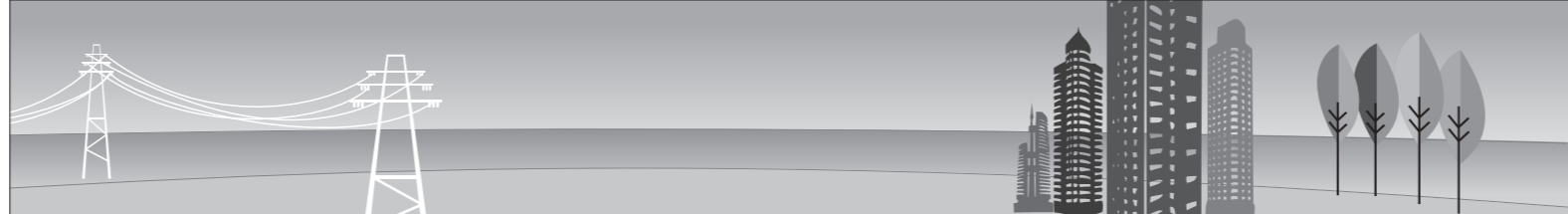
- The reporting process of the Accounts Department and Internal Control of the same,
- Suggestion of name of the external auditor and fixation of fee of the said auditor,
- Reviewing of the unaudited financial report quarterly as well as annually with the management before submission of the same to the Board for consideration,
- Reviewing of internal audit control system together with the management and also examination of effective control of the same. Further, it also plays an 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.

● 28th April, 2009	● 30th July, 2009	● 30th October 2009	● 30th January, 2010
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All the members of the Committee were present in all the meetings.



II. Investor Grievance Committee :

Composition

The current members of the Investor Grievance Committee are Mr. B. P. Ganu, Mr. R. P. Gupta and Mr. Nandlal Maloo. The Chairman of the Committee is Mr. B. P. Ganu, Non-Executive Independent Director.

Responsibilities

The primary responsibilities of the Investor Grievance Committee, include among other things, Redressal of shareholders' and investors' grievances 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.

● 28th April, 2009	● 30th July, 2009	● 30th October 2009	● 30th January, 2010
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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.	Non receipt of Certificate	24	24
2.	Non receipt of Dividend	26	26
3.	Others	84	84
	*Total	134	134

* The total number mentioned above includes 108 requests of the shareholders.

III. Project Monitoring Committee :

Composition

The current members of the Project Monitoring Committee are Mr. B. P. Ganu, Mr. R. P. 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 include, among other things, overseeing the progress of the ongoing projects i.e. part of work pending at Cement Unit at Chandrapur and other upcoming projects. Also the Committee plays an important role in monitoring the progress and performance of the newly established plants like SBS Board Unit and Cement Unit. They visit the site periodically and obtain the current status and compare the planned and actual work done and take the necessary decision to solve the difficulties, if any, faced by the Project team.

Number of Project Monitoring Committee Meetings held and the dates on which they were held

The Project Monitoring Committee met four times during the year in question and reviewed and approved the commencement of production of SBS Board Unit, starting of trial run of the Cement Unit and prepared and submitted the report after comparing the planned and actual status of the projects to the Board. It 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.

● 28th April, 2009	● 30th July, 2009	● 30th October 2009	● 30th January, 2010
--------------------	-------------------	---------------------	----------------------

**MURLI****Details of remuneration of the Executive Directors for the period ended 31.03.2010**

Sr. No.	Remuneration	2009 - 2010 (₹)	2008 - 2009 (₹)
1.	Managing Director	60,00,000	42,00,000
2.	Whole Time Directors	1,69,62,500	1,15,50,000
	*Total	2,29,62,500	1,57,50,000

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		(B) Enterprises Owned / Managed by Key Managerial Personnel
Shobhagmal Maloo	Chairman	Nandlal Enterprises Limited
Nandlal Maloo	Managing Director	Murli Tyres Limited
Bajranglal Maloo	Director	Radha Software Limited
Lalchand Maloo	Director	Murli Infrastructure Limited
Sunil Kumar Maloo	Director	Murli Electrode Private Limited

Particulars of transactions during the year ended 31st March, 2010 with Related Parties (Figure in ₹)

Nature of Transactions	Key Management Personnel	Relative of Key Management Personnel	Enterprises Owned/ Managed by Key Management Personnel	Total
Interest on Loans	17,73,876	79,68,681	3,93,030	1,01,35,587
Rent	36,72,000	0.00	9,60,000	46,32,000
Directors and their Relatives' Remuneration	2,22,00,000	66,00,000	0.00	2,88,00,000
Purchase of Goods & Raw material/ Services.	0.00	0.00	5,59,65,874	5,59,65,874
Loans Taken / (Repaid)	(61,20,923)	(3,13,92,783)	34,62,223	(3,40,52,482)
Outstanding as at the year end	1,06,20,909	3,26,07,208	36,77,152	4,69,05,269

Shareholder Information : Details of Last Three Annual General Meetings :

Financial Year ended	Date and Time	Venue
March 31, 2007	September 15, 2007 at 3.00 p.m.	Corporate Office, 'Radha House', 239, East Wardhaman Nagar, Central Avenue, Nagpur - 440008 (Maharashtra)
March 31, 2008	September 25, 2008 at 11.00 a.m.	Corporate Office, 'Radha House', 239, East Wardhaman Nagar, Central Avenue, Nagpur - 440008 (Maharashtra)
March 31, 2009	September 30, 2009 at 11.00 a.m.	Corporate Office, 'Radha House', 239, East Wardhaman Nagar, Central Avenue, Nagpur - 440008 (Maharashtra)

Annual General Meeting 2010

Date	September 29, 2010
Venue	Corporate Office, 'Radha House' 239, East Wardhaman Nagar, Central Avenue Road, Nagpur - 440 008
Time	11.00 a.m.
Book Closures Dates	25th September, 2010 to 29th September, 2010 (both days inclusive)
Last Date of receipt of Proxy forms	27th September, 2010 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, 2010 were held on the following dates :

First Quarter Results	Second Quarter & Half yearly Results	Third Quarter Results	Fourth Quarter & Year Ended Results
July 27, 2009	October 30, 2009	January 30, 2010	May 12, 2010

The tentative dates of Board Meeting for consideration of financial results for the year ending March 31, 2011 are as follows :

First Quarter Results	Second Quarter & Half yearly Results	Third Quarter Results	Fourth Quarter & Year Ended Results
August 14, 2010	November 14, 2010	February 14, 2011	May 14, 2011

Dividend :

The Board of Directors at their meeting held on 2nd September, 2010 recommended a final dividend @ 20% i.e. ₹ 0.40/- per share on equity shares of face value of ₹ 2/- for the year ended March 31, 2010, subject to approval of the shareholders at the Annual General Meeting. Final dividend, approved by the shareholders, will be paid on or after 4th October, 2010.

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.

Due dates for transfer of Unclaimed dividend to IEPF

Year	Dividend	Dividend Rate per share (₹)	Date of Declaration	Number of Warrants			Dividend Amount (₹ in Lac)			Due date
				Issued	Unclaimed as on 31.03.2010	%	Dividend	Unclaimed as on 31.03.2010	%	
2005-06	Final	2.00	18.09.06	2696	622	23.07	176.97	4.83	2.73	20.09.2013
2006-07	Interim	2.50	20.11.06	3200	668	21.88	191.57	5.20	2.71	22.11.2013
2007-08	Final	2.00	25.09.08	3880	930	23.97	204.84	3.49	1.70	30.09.2015
2008-09	Final	2.00	30.09.09	4141	1011	24.41	204.84	3.97	1.94	29.09.2016

**MURLI****Distribution of Shareholding as on 31st March, 2010**

No. of Shares Slab	Number of Shareholders	Percentage of Total	Share Amount in ₹	Percentage of Total
1 - 5000	4823	91.22	49,05,856	4.57
5001 - 10000	210	3.97	16,64,782	1.55
10001 - 20000	105	1.99	14,79,248	1.38
20001 - 30000	46	0.87	11,53,374	1.08
30001 - 40000	16	0.30	5,67,978	0.52
40001 - 50000	12	0.23	5,29,730	0.49
50001 - 100000	24	0.46	16,47,824	1.54
100001 and above	51	0.96	9,54,73,208	88.87
Total	5287	100.00	10,74,22,000	100.00

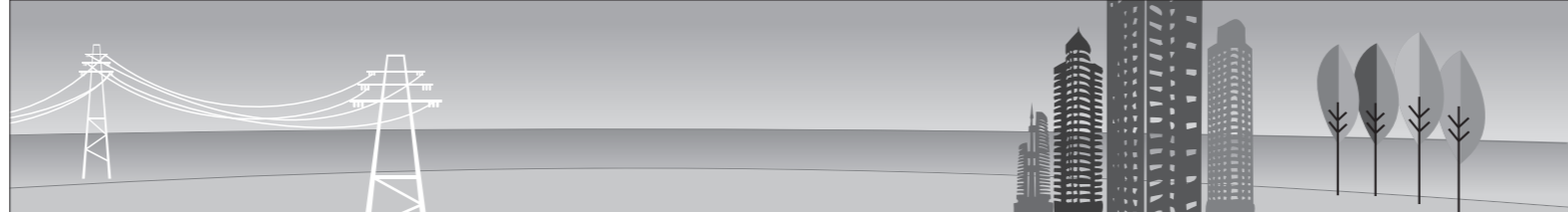
Bifurcation of Shares held in Demat and Physical form as on March 31, 2010

Sr. No.	Particulars	Number of Shares	Percentage
1	Physical	3773040	7.02
2	NSDL	46909270	87.34
3	CDSL	3028690	5.64
	Total	53711000	100.00

Note : During the year \$ 9.00 Million of FCCB was bought back by the Company. Remaining \$ 5.50 Million is outstanding for conversion @ ₹ 74.40 per share (Rate is adjusted due to sub division of share) and the due date of maturity is February 6th, 2012.

Categories of Shareholding as on 31.03.2010

Category	Demated		Physical		Total		
	Shares	Holders	Shares	Holders	Shares	Value	%
Other Bodies Corporate	17229063	247	89000	6	17318063	34636126	32.24
Corporate Bodies (Promoter Company)	0	0	2500000	4	2500000	5000000	4.65
Clearing Member	636890	197	0	0	636890	1273780	1.18
Directors	6113000	5	0	0	6113000	12226000	11.38
Non Resident Indians	12172	17	0	0	12172	24344	0.22
Non Resident (non Repatriable)	6565	6	0	0	6565	13130	0.01
Public	5230670	3744	1184040	1044	6414710	12829420	11.94
Promoters	12770400	7	0	0	12770400	25540800	23.78
Relatives of Directors	7939200	10	0	0	7939200	15878400	14.78
Total	49937960	4233	3773040	1054	53711000	107422000	100.00



Top 10 Shareholders other than promoters

Sr. No.	Name of the shareholder	Number of shares	Percentage of Holding
1	Inco Infrastructures Private Limited	2500000	4.65
2	Ambaji Papers Private Limited	2500000	4.65
3	Kanhaiya Mining & Minerals Private Limited	2500000	4.65
4	Runicha Alloys & Steel Pvt. Ltd.	2500000	4.65
5	Ramji Agri Business Private Limited	2500000	4.65
6	Krishnum Investments Pvt. Ltd.	996235	1.85
7	Simple Mining & Power Pvt. Ltd.	993925	1.85
8	Lakhi Packaging Pvt. Ltd.	972350	1.81
9	Taitan Management Services Pvt. Ltd.	437670	0.81
10	Chetan Mehta	375000	0.70
	Total	16275180	30.27

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 2010-11 has been paid to the Stock Exchanges.

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

Year & Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
2009 April	105.70	67.05	3,17,698	106.00	68.80	2,97,485
May	211.25	88.25	1,00,371	217.80	90.05	1,29,589
June	269.00	175.05	76,233	269.75	175.05	1,09,010
July	247.90	179.65	16,514	245.00	177.50	45,174
August	290.00	206.15	57,953	291.00	200.10	1,14,083
September	294.00	238.00	22,976	319.00	240.00	59,756
October	280.00	215.00	22,224	279.75	212.00	37,973
November	277.35	193.10	35,910	280.00	198.00	63,876
December	255.00	211.40	19,338	255.00	210.30	56,738
2010 January	404.00	232.00	37,28,456	403.00	2,234.60	32,08,077
February	345.80	283.55	59,019	347.00	290.00	3,23,899
March	374.00	320.25	30,22,152	400.00	327.75	34,98,219

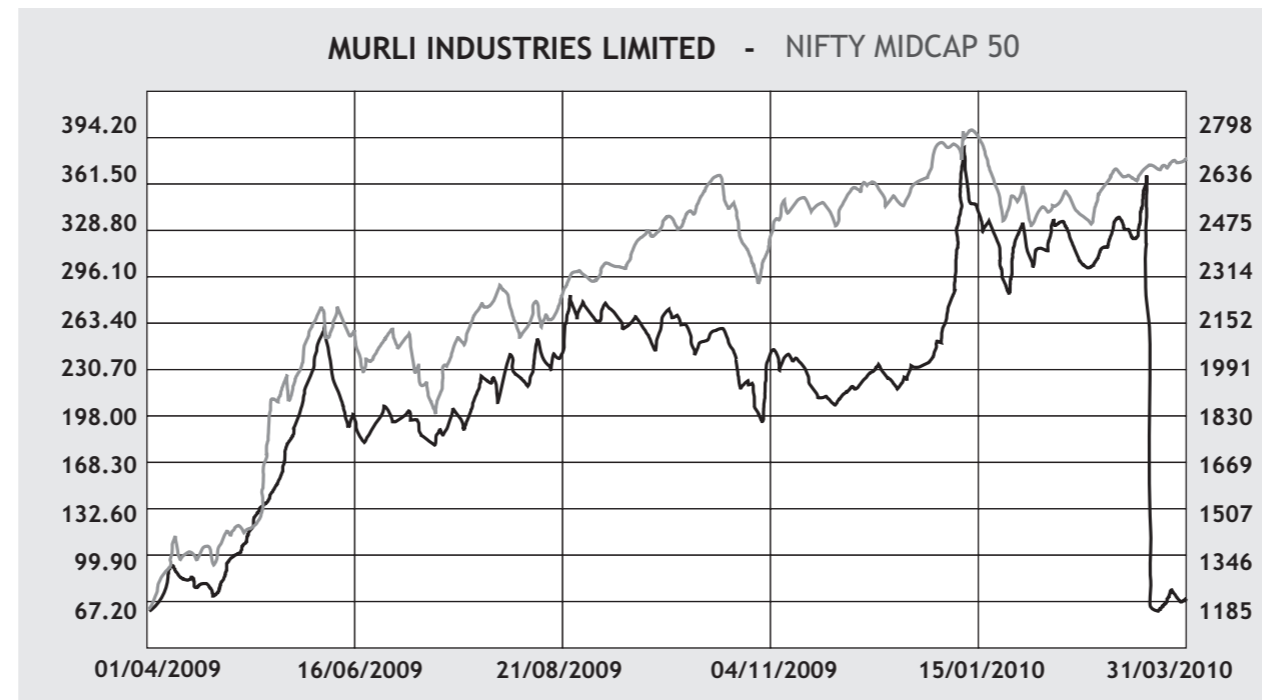
Note : The high and low prices given above are on the basis of Face Value of ₹ 10/- per share.
The equity shares of the Company Sub-divided from One equity share of ₹ 10/- each to
Five equity shares of ₹ 2/- each on 19.03.2010

Source : NSE & BSE site

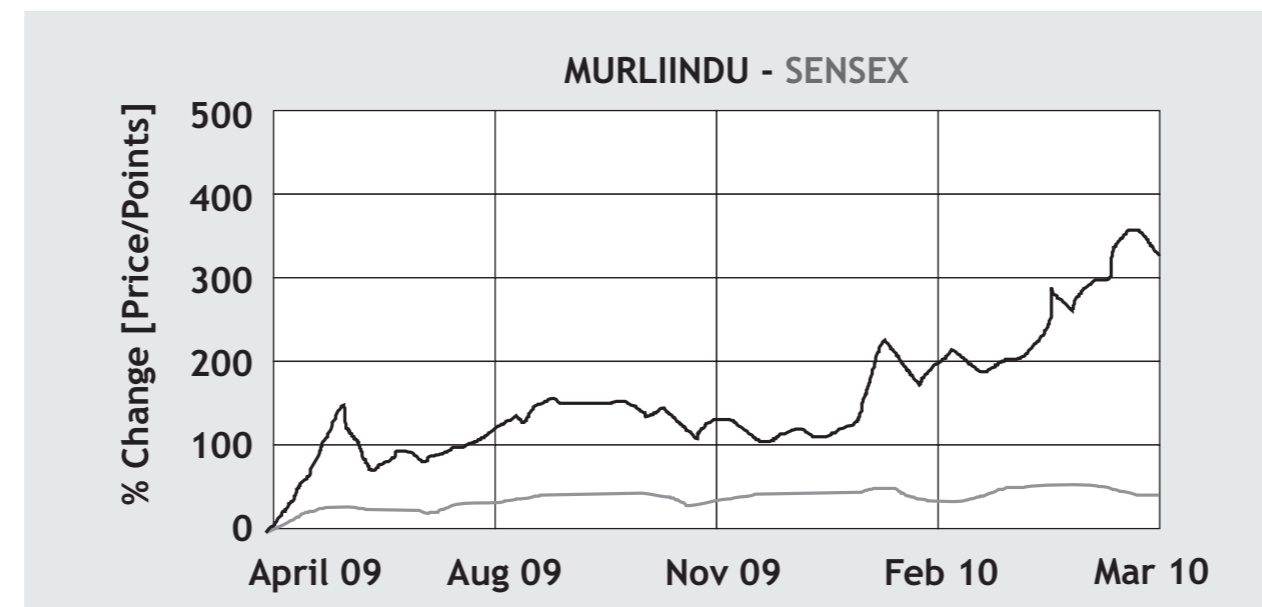


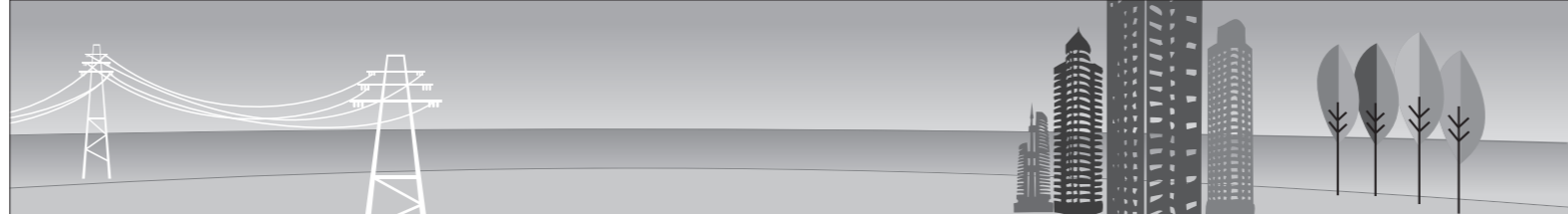
MURLI

Stock Exchange (NSE) Graph



Stock Exchange (BSE) Graph





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, 25946970
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
Power Unit (18 MW) : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur
Power Unit (48 MW) : Vill : Naranda, Tah. Korapana, Dist. Chandrapur
Pulp Mill : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur
SBS Board Unit : Vill : Vadoda, Tah. Kamptee, Dist. Nagpur
Cement Unit : Vill : Naranda, Tah. Korapana, 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**

Nandlal Maloo
Managing Director

Bajranglal Maloo
Director

Date : 2nd September, 2010
Place : Nagpur

CEO and CFO 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, 2010 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, 2010 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 systems 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 deficiency.
- d) (i) There has not been any significant change in 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 : 2nd September, 2010

Sd/-

CFO

Sd/-

Managing Director

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, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

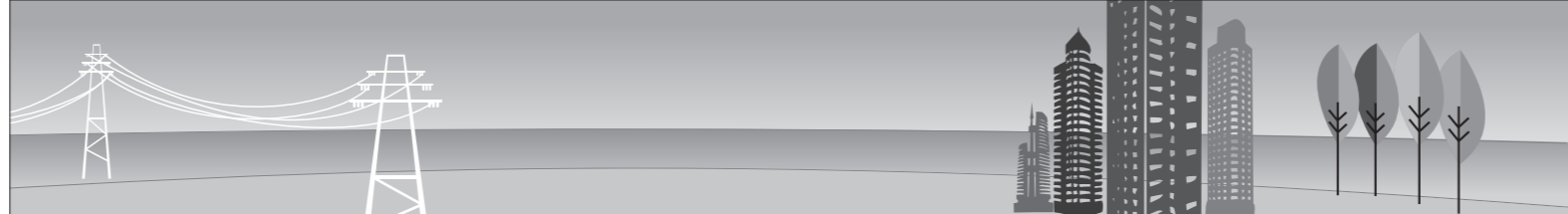
The Compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered 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 : 16.08.2010

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 2010, the Profit and Loss Account as 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 from 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) Without qualifying our opinion we draw attention to note (xviii) of Schedule S 'B', The Company has Capitalized expenses to the tune of ₹ 549 Lacs incurred in 'Pulp Mill Unit'. Instead of charging these expenses to Profit & Loss A/c., the Company has capitalized the same and will be depreciated over the period of time. As a result of above the profit of the Company for the year ended 31st March, 2010 is higher by ₹ 549 Lacs.
 - (e) We draw attention to note (iv) of Schedule 'S' 'B' The Company has not complied with AS-11 regarding 'Foreign Exchange Transactions' & also we draw attention to Note (ix) of Schedule 'S' 'B', the Company has not made any Provision for Deferred Tax Liability.
 - (f) We also draw attention to note 9 of Schedule S 'A', the Company has not provided for retirement of employees as per AS-15.
 - (g) In our opinion and subject to point no. (d) & (e) above, the Profit & Loss Account, Balance Sheet & Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of The Companies Act, 1956;
 - (h) 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 Balance Sheet, of the state of affairs of the Company as on 31st March, 2010;
 - ii) In the case of the Profit and Loss Account, of the profit 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 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 for being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;

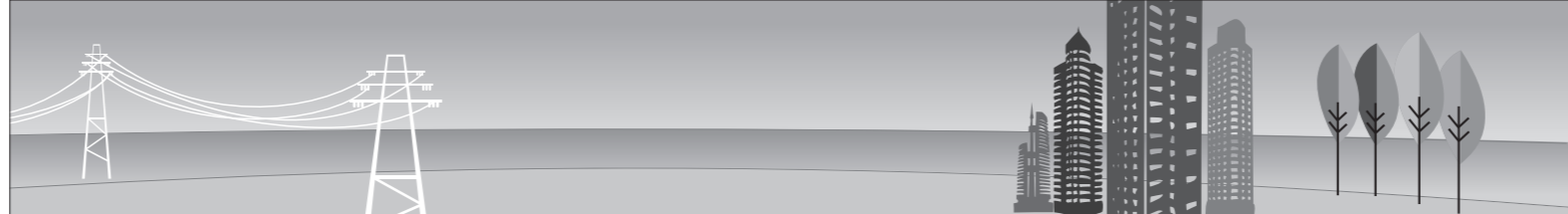
Place : Nagpur
Date : 16-08-2010

For Demble Ramani & Co.,
Chartered Accountants
Registration No. 102259W
Anand Despande, Partner
Membership No. 033618

Annexure to the Auditors Report

(As Referred to in paragraph 3 of our Report of even Date)

- (i) a) The Company is in the process of streamlining proper records showing full particulars, including quantitative details and situation of fixed assets.
b) As per information given to us, the Company have regular programme for physical verification of fixed assets. During the year, the management has carried out physical verification of fixed assets of the company, no material discrepancies were noticed on such verification.
c) During the year, the Company has not disposed 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) In our opinion and according to the information and explanation given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
c) As informed to us, the Company is maintaining proper records of inventory. It was further informed that the discrepancies noticed on physical verification of stock were not material in relation to the operations of the Company and have been properly dealt with in the books of the Company.
- (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 ₹ 1,14,03,573/- and the number of party involved is one.
b) The rate of interest and other terms and conditions of the unsecured loans given by the Company are not prima facie prejudicial to the interest of the Company. However, the Company has granted an interest free unsecured loan of ₹ 1,14,03,573/- to Murli Tyres Ltd.
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 overdues.
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 is ₹ 469.05 Lacs & number of parties involved is 31.
f) The rate of interest and other terms and conditions of the unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
g) 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.
- (iv) In our opinion and according to the information and explanation 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 in its register the 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 Sections 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made there under.
- (vii) The internal audit system of the Company needs to be strengthened commensurate with the size and nature of the business of the Company.



- (viii) The Company has maintained cost records in pursuance to section 209 (1) (d) of the Companies Act, 1956 for the respective products of the Company, however no detailed examination of such records has been carried out.
- (ix) a) According to the information and explanation given to us and as per our observations of records, except Professional Tax there is no major delay in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other statutory dues wherever applicable with the appropriate authorities.
- b) As informed to us, there is a dispute with Central Excise & Customs Department involving an amount of ₹ 12.06 Lacs.

Particulars	Figure in ₹	Pending Since	Forum
Central Excise & Customs Payment	12,06,834/-	2002	High Court, Nagpur

- (x) The Company does not have accumulated losses at the end of the financial year.
- (xi) The Company has not defaulted in repayment of dues to a financial institution and bank. The Company does not have borrowing by way of debentures.
- (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 ₹ 20 crores.
- (xvi) In our opinion and as per the information and explanations given, the term loan raised during the year has been applied for the purpose for which it has been raised.
- (xvii) On the basis of overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investment
- (xviii) During the year 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 interests 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 explanation 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
Membership No. 033618

Place : Nagpur
Date : 16-08-2010

BALANCE SHEET AS ON 31ST MARCH, 2010

(Figures in ₹)

Particulars	SCHEDULES	As on 31st March, 2010	As on 31st March, 2009
I) SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	(A)	10,74,22,000	10,24,22,000
b) Share Warrant Money		54,10,00,000	0
c) Reserves & Surplus	(B)	3,01,15,74,225	2,54,04,05,896
		<u>3,65,99,96,225</u>	<u>2,64,28,27,896</u>
d) Funds from Internal accruals of the Company			
2. Loan Funds			
a) Secured Loans	(C)	8,44,71,25,031	8,63,02,57,186
b) Unsecured Loans	(D)	2,83,94,64,252	1,09,27,92,676
		<u>11,28,65,89,283</u>	<u>9,72,30,49,863</u>
TOTAL		<u>14,94,65,85,508</u>	<u>12,36,58,77,759</u>
II) APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	(E)	11,99,33,11,971	5,07,48,24,305
Less : Depreciation		1,75,23,69,357	1,28,55,44,014
Net Block		<u>10,24,09,42,614</u>	<u>3,78,92,80,291</u>
b) Capital Work in Progress		55,01,28,331	5,38,33,51,385
2. Investments	(F)	10,91,60,887	9,75,65,712
3. Current Assets, Loans & Advances			
a) Inventories	(G)	3,54,98,56,057	2,34,72,88,927
b) Sundry Debtors	(H)	32,04,08,775	19,74,15,346
c) Cash & Bank Balances	(I)	8,50,68,195	16,39,12,777
d) Loans & Advances	(J)	1,26,25,73,949	1,14,22,04,529
		<u>5,21,79,06,976</u>	<u>3,85,08,21,580</u>
Less : Current Liabilities & Provisions	(K)	1,20,34,53,785	79,05,86,193
NET CURRENT ASSETS		<u>4,01,44,53,190</u>	<u>3,06,02,35,387</u>
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	(L)	3,19,00,486	3,54,44,984
TOTAL		<u>14,94,65,85,508</u>	<u>12,36,58,77,759</u>

Notes to Accounts & Significant Accounting Policies (S)

AS PER OUR ATTACHED REPORT ON EVEN DATE

For **DEMBLE RAMANI & CO.**

Chartered Accountants
Registration No. 102259W

Anand Deshpande

Partner

Membership No. 033618

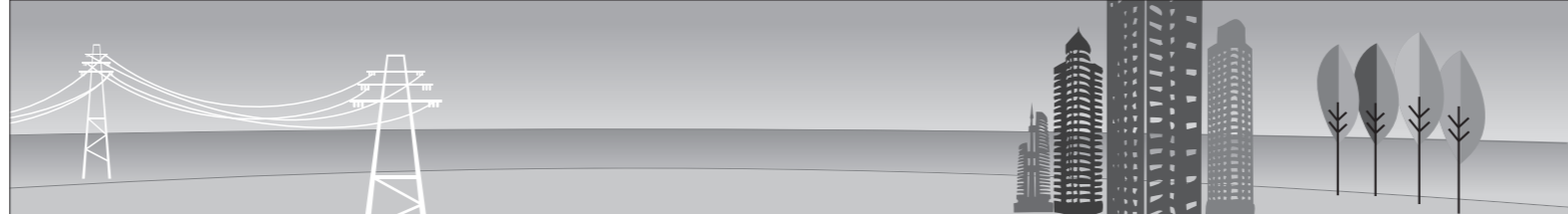
Place : Nagpur

Dated : 16th August 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Nandlal Maloo
Managing Director

Bajranglal Maloo
Director



Profit & Loss Account FOR THE YEAR ENDED 31ST MARCH, 2010

(Figures in ₹)

Particulars	SCHEDULES	For the year ended 31.3.2010	For the year ended 31.3.2009
INCOME			
Sales		5,71,67,89,504	5,20,21,70,660
Other Income	(M)	6,98,79,211	81,56,472
		5,78,66,68,715	5,21,03,27,132
EXPENDITURE			
Material Cost & Manufacturing Expenses	(N)	4,12,09,74,146	3,81,13,46,739
Employees Remuneration & Benefits	(O)	17,16,02,771	14,34,10,466
Administrative Expenses	(P)	6,60,91,612	5,43,87,019
Selling Expenses	(Q)	10,43,61,353	18,24,86,226
Finance Charges	(R)	41,26,66,970	21,49,03,378
		4,87,56,96,852	4,40,65,33,829
PROFIT BEFORE DEPRECIATION & TAX		91,09,71,863	80,37,93,303
Less : Depreciation		46,68,25,341	28,05,45,827
PROFIT BEFORE TAX		44,41,46,522	52,32,47,476
FBT Paid		0	17,66,545
Wealth Tax Paid		12,469	35,254
Provision for Taxation		6,00,00,000	6,00,00,000
Tax Paid (Earlier Year)		80,00,000	19,91,040
PROFIT AFTER TAX		37,61,34,053	45,94,54,637
Add : Balance of Profit from Previous Year		1,79,46,90,295	1,40,51,46,846
PROFIT AVAILABLE FOR APPROPRIATION		2,17,08,24,348	1,86,46,01,483
Dividend		2,04,84,400	2,04,84,400
Tax on Dividend		34,81,324	34,81,324
Transfer to General Reserve		3,76,13,405	4,59,45,464
Balance Carried to Balance Sheet		2,10,92,45,219	1,79,46,90,295
Earning Per Share (Basic)*		*7.00	*8.97

* P.Y. EPS calculated on the basis of ₹ 2/- per share paid up

AS PER OUR ATTACHED REPORT ON EVEN DATE

For **DEMBLE RAMANI & CO.**
Chartered Accountants
Registration No. 102259W

Anand Deshpande
Partner
Membership No. 033618
Place : Nagpur
Dated : 16th August 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Nandlal Maloo **Bajranglal Maloo**
Managing Director Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH, 2010

(Figure in ₹)

Particulars	As on 31st March, 2010	As on 31st March, 2009
SCHEDULE (A) SHARE CAPITAL		
Authorised		
12,07,00,000 Equity Shares of ₹ 2/- each.	24,14,00,000	24,14,00,000
(P.Y. 2,41,40,000 Equity Shares of ₹ 10/- each.		
86,000 (P.Y. 86,000) 15% Cumulative Redeemable	86,00,000	86,00,000
Preference Shares of ₹ 100/- each.		
Issued, Subscribed & Paid Up		
5,37,11,000 Equity Shares of ₹ 2/-each fully paid.	10,74,22,000	10,24,22,000
(P.Y. 1,02,42,200 Equity Shares of ₹ 10/- each fully paid)		
TOTAL	10,74,22,000	10,24,22,000
SCHEDULE (B) RESERVES & SURPLUS		
I) Reserves		
General Reserve		
As Per Last Balance Sheet	13,21,10,601	8,61,65,137
Add : Transferred from Profit & Loss Account	3,76,13,405	4,59,45,464
	16,97,24,006	13,21,10,601
II) Surplus		
Profit & Loss Account	2,10,92,45,219	1,79,46,90,295
III) Share Premium	73,22,98,000	61,32,98,000
IV) Capital Reserve	3,07,000	3,07,000
(Transfer of forfeited Capital 61,400 Equity Shares partly paid for ₹ 5 each of ₹ 10 face value)		
TOTAL	3,01,15,74,225	2,54,04,05,896
SCHEDULE (C) SECURED LOANS		
TERM LOAN :		
INDIAN RUPEE LOAN	5,67,02,35,098	7,48,05,69,631
FOREIGN CURRENCY LOAN	39,87,53,452	17,80,94,340
(Secured by Legal mortgage of land & building, plant & machinery and personal guarantee given by the Directors)		
CAR LOANS	54,72,614	1,42,76,955
(Hypothecation against Car)		
WORKING CAPITAL	2,37,26,63,868	95,73,16,261
(Secured by Hypothecation of Stock & Debtors & Personal Guarantee given by Directors.)		
TOTAL	8,44,71,25,032	8,63,02,57,187
SCHEDULE (D) UNSECURED LOANS		
FCCB (USD 5.5 Millions) (P.Y. USD 14.5 Millions)	24,16,70,000	63,70,66,000
(Conversion price Face Value ₹ 2/- and a Premium of ₹ 73.80/- per share)		
(Reset Price)		
Short Term Loans	1,14,00,00,000	0
S.T. Payable (Def. Payment)	19,52,97,183	17,38,97,641
C.S.T. Payable (Def. Payment)	20,97,30,703	18,56,32,015
Others	1,05,27,66,366	8,84,95,877
Bank Overdraft (Due to Reconcialiation)	0	77,01,144
TOTAL	2,83,94,64,252	1,09,27,92,676

SCHEDULES FORMING PART OF THE BALANCE SHEETS AS ON 31st MARCH, 2010

SCHEDULE E FIXED ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION				Net Block	
	%	As at 01/04/2009	Additions	Deletions	As at 31/03/10	Upto 31/03/2009	For the year	Deletions	Upto 31/03/2010	As at 31/03/2010	As at 31/03/2009
1. Land	--	10,82,44,816	16,33,47,674	---	27,15,92,490	---	---	---	---	27,15,92,490	10,82,44,816
2. Factory Building	10.00	49,67,20,661	74,04,48,398	---	1,23,71,69,059	15,20,78,289	2,94,84,637	---	18,15,62,926	1,05,56,06,133	34,46,42,372
3. Plant & Machinery	15.33	4,15,06,98,009	5,79,06,14,400	---	9,94,13,12,409	1,01,50,49,943	40,87,99,428	---	1,42,38,49,371	8,51,74,63,038	3,13,56,48,067
4. Electrification	15.33	21,44,44,482	15,81,46,441	---	37,25,90,923	6,20,69,512	1,68,49,643	---	7,89,19,155	29,36,71,767	15,23,74,971
5. Furniture	18.10	1,01,27,065	27,23,856	---	1,28,50,922	49,68,622	9,16,998	---	58,85,620	69,65,301	51,58,443
6. Office Equipment	18.10	2,84,90,293	77,77,039	---	3,62,67,332	1,34,97,943	27,70,661	---	1,62,68,604	1,99,98,727	1,49,92,351
7. Vehicles	25.89	6,37,77,429	2,53,56,852	---	8,91,34,281	3,71,86,561	67,35,518	---	4,39,22,079	4,52,12,203	2,65,90,868
8. Computer	40.00	23,21,550	3,00,73,005	---	3,23,94,555	6,93,146	12,68,455	---	19,61,601	3,04,32,954	16,28,403
TOTAL :		5,07,48,24,305	6,91,84,87,665	---	11,99,33,11,970	1,28,55,44,016	46,68,25,341	---	1,75,23,69,357	10,24,09,42,613	3,78,92,80,291
Previous Year		2,75,45,12,561	2,32,03,11,744	---	5,07,48,24,305	1,00,49,98,188	28,05,45,826	---	1,28,55,44,014	3,78,92,80,291	1,74,95,14,373

(Figure in ₹)

Particulars	As on 31st March, 2010	As on 31st March, 2009
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SCHEDULE F

INVESTMENTS (At Cost)

1) National Saving Certificate	11,500	11,500
2) Fixed Deposit With Bank	10,83,49,387	9,67,54,212
3) Investments in Shares	8,00,000	8,00,000
TOTAL	10,91,60,887	9,75,65,712

SCHEDULE G

INVENTORIES

(As certified by the management & valued at cost)

1) Raw Materials	2,49,02,32,478	1,62,74,07,220
2) Stores & Spares	24,19,86,355	21,72,63,445
3) Consumable Stores	46,25,93,158	32,00,65,603
4) Packing Materials	3,91,32,130	1,62,76,298
5) Finished Goods	31,59,11,935	16,62,76,361
TOTAL	3,54,98,56,056	2,34,72,88,927

SCHEDULE H

SUNDRY DEBTORS

(Unsecured, considered good, unless otherwise stated)

Outstanding for less than six months	25,98,74,603	19,74,15,346
Outstanding for more than six months	6,05,34,171	---
TOTAL	32,04,08,774	19,74,15,346

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH, 2010

(Figure in ₹)

Particulars	As on 31st March, 2010	As on 31st March, 2009
SCHEDULE I		
CASH & BANK BALANCES		
Cash in hand	25,24,345	54,04,148
Balances with Banks :		
In Current Accounts with Scheduled Banks	8,25,43,849	15,85,08,630
TOTAL	8,50,68,194	16,39,12,777
SCHEDULE J		
LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
1) Advances to Raw Material Suppliers	12,48,28,315	46,04,39,765
2) Advances to Other Suppliers	0	10,91,255
3) Advances to Staff & Contractors	1,31,09,831	31,80,342
4) Deposits	1,11,29,49,906	66,58,07,272
5) Advances to Sponge Iron Unit	2,82,323	2,82,323
6) Advances to Murli Tyres Ltd.	1,14,03,573	1,14,03,573
TOTAL	1,26,25,73,949	1,14,22,04,529
SCHEDULE K		
CURRENT LIABILITIES & PROVISIONS		
A) Current Liabilities		
1) Sundry Creditors for Raw Materials	78,93,19,682	70,90,88,232
2) Sundry Creditors for Capital Goods	17,74,40,965	0
3) Advance from Customers	4,34,74,442	5,02,79,547
4) Other Liabilities	16,66,97,353	1,90,49,783
B) Provision for Expenses	2,65,21,344	1,21,68,631
TOTAL	1,20,34,53,785	79,05,86,193
SCHEDULE L		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	3,54,44,984	3,54,44,984
Less : Written off during the year	35,44,498	0
TOTAL	3,19,00,486	3,54,44,984

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

(Figure in ₹)

Particulars	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
SCHEDULE M		
OTHER INCOME		
Interest Received	95,29,866	45,87,953
Agriculture Income	31,80,692	29,04,709
Duty drawback	5,48,653	6,63,810
Other Income	5,66,20,000	0
TOTAL	6,98,79,211	81,56,472

SCHEDULE N

MATERIAL COST & MANUFACTURING EXPENSES

I) MATERIAL CONSUMED

1. Raw Material

Stock At Commencement	1,62,74,07,220	1,60,75,29,497
Opening WIP	1,57,14,726	0
Purchases	4,00,94,07,785	3,00,96,47,193
Less : Stock At Close	2,49,02,32,478	1,62,74,07,220
Consumed	3,16,22,97,253	2,98,97,69,470

2. Stores & Spares and Consumable Stores

Stock At Commencement	53,73,29,047	38,12,86,250
Opening WIP	4,24,48,752	0
Purchases	41,02,94,502	31,95,67,638
Less : Stock At Close	70,45,79,513	53,73,29,047
Consumed	28,54,92,789	16,35,24,840

3. Packing Materials

Stock At Commencement	1,62,76,298	1,34,84,324
Opening WIP	88,98,902	0
Purchases	3,61,72,093	4,07,54,987
Less : Stock At Close	3,91,32,130	1,62,76,298
Consumed	2,22,15,163	3,79,63,013

Total (I)

3,47,00,05,204	3,19,12,57,323
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SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

(Figure in ₹)

Particulars	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
II) MANUFACTURING EXPENSES		
Electricity Charges	44,64,53,737	33,76,58,606
Freight Inward	10,69,00,247	8,91,61,237
Clearing & Forwarding Charges	18,38,10,936	11,84,78,416
Repairs & Maintenance	2,05,89,463	1,11,82,435
Water Charges	27,66,535	45,23,225
Loading Unloading Charges	48,59,607	88,77,719
Factory Expenses	39,75,742	31,12,905
Mandi Cess	1,13,28,840	1,26,75,756
CST Paid	47,07,383	52,27,050
VAT Paid	7,331	2,40,54,295
Excise Duty	28,699	0
Brokerage & Commission	1,14,71,221	63,34,152
Total (II)	79,68,99,743	62,12,85,795
III) FINISHED GOODS		
Less : Increase / Decrease in Finished Goods Stock at Close	(14,96,35,574)	(11,96,379)
b) Stock in Process		
Opening WIP	37,04,773	0
TOTAL (III)	(14,59,30,802)	(11,96,379)
TOTAL (I + II + III)	4,12,09,74,146	3,81,13,46,739

SCHEDULE O

EMPLOYEES REMUNERATION & BENEFITS

Salary, Wages & other Allowances	15,47,73,623	11,54,49,544
Directors' Remuneration	18,50,000	1,50,00,000
Security Charges	20,13,209	18,40,305
Employees' Welfare Expenses	29,20,247	21,97,931
Contribution to Provident Funds, ESIC, L.W.F. etc.	79,44,187	86,46,117
Education Allowances	1,67,707	71,935
Conveyance Allowances	3,54,269	71,889
House Rent Allowances	15,79,529	1,32,745
TOTAL	17,16,02,771	14,34,10,466

SCHEDULE P

ADMINISTRATIVE EXPENSES

Insurance Charges	44,86,686	43,66,460
Communication Charges	54,83,521	54,42,182
Travelling & Conveyance Expenses	84,38,292	89,99,810
Vehicle Maintenance	37,84,960	22,01,042
Printing & Stationery	10,40,839	8,23,726
Legal & Professional Charges	1,21,79,078	68,52,915

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

(Figure in ₹)

Particulars	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
SCHEDULE P (Contd.)		
Audit Fees	6,71,000	3,20,000
Office Expenses	16,90,420	13,62,803
Rent, Rates & Taxes	82,14,137	50,75,227
Listing Fees	2,33,819	1,36,899
Repairs & Maintenance	68,03,251	15,65,614
Miscellaneous Expenses	8,05,533	5,90,264
Retainership Charges	8,58,204	2,35,000
Licence & Filing Fees	14,51,804	4,12,314
Membership Subscription	1,45,371	49,680
Books & Periodicals	1,72,079	1,89,842
Gardening Expenses	8,54,476	5,47,396
Refreshment Expenses	18,42,073	7,45,523
Postage & Telegram	4,15,488	3,32,799
Donation	2,29,422	1,40,619
Keyman Insurance Policy	9,17,990	37,90,057
Computer Maintenance	6,15,044	9,36,147
Directors Sitting Fees	3,27,500	3,45,000
Loss due to fire	0	89,20,700
Professional Tax	2,500	5,000
Preliminary Expenses Written Off	35,44,498	0
Guest House Expenses	2,27,234	0
Equipment Hire Charges	6,56,393	0
TOTAL	6,60,91,612	5,43,87,019
SCHEDULE Q		
SELLING EXPENSES		
Freight Outward	4,45,13,008	7,81,33,902
Shortage, Quality Rebate & Discount	4,10,13,297	7,99,64,616
Brokerage & Commission	1,77,78,156	2,16,19,785
Advertisement	6,59,108	13,33,664
Octroi	30,014	50,478
Analysis Charges	2,72,737	12,05,650
Business Promotion	95,033	1,78,130
TOTAL	10,43,61,353	18,24,86,226
SCHEDULE R		
FINANCE CHARGES		
Interest on :		
Term Loans	26,42,78,898	7,63,11,685
Interest to Banks & Others	13,45,22,358	12,47,54,569
Bank Commission & Financial Charges	1,38,65,714	1,38,37,124
TOTAL	41,26,66,970	21,49,03,378

Schedule “S” Significant Accounting Policies and Notes to Accounts

A. Significant Accounting Policies

The accounts are prepared in accordance with the accounting principles generally accepted in India and are in line with the relevant laws as well as the guidelines prescribed by the Department of Company Affairs, Ministry of Law, Justice and Company- Affairs and the Institute of Chartered Accountants of India.

1. **SYSTEM OF ACCOUNTING** : 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.
2. **FIXED ASSETS** : Fixed Assets have been stated at cost. 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.
3. **DEPRECIATION** : Depreciation on the Fixed Assets has been provided on Written Down Value Method. The rates as provided under Schedule XIV to the Companies Act, 1956 are applied. Depreciation on additions to the Fixed Assets made during the year is provided on a pro-rata basis from the date when asset is put to use.
4. **BORROWING COST** : Borrowing cost directly attributable to the Acquisition, Construction or Production of qualifying assets is capitalized till the assets are ready to be used. Other borrowing costs are recognized as an expense in the period in which these are incurred.
5. **INVESTMENTS** : Long term Investments are stated at cost. Short term investment are stated at lower of cost or market value.
6. **INVENTORY** : Inventories are valued at lower of cost or net realizable value. Finished Goods costs include packing expenses and conversion cost. By-products are valued at net realizable value.
7. **REVENUE RECOGNITION** : Revenue is recognized on passing of reasonable risks and rewards of goods to the buyer.
8. **MODVAT/CENVAT** : MODVAT/CENVAT benefit is accounted for by reducing the actual cost of the respective raw materials / fixed assets/ stores.
9. **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 Retirement of Employees’.
10. **INCOME TAX** : The Company has provided for Income Tax liability on estimated Taxable income for the current accounting period & in accordance with the Provisions of Income Tax Act, 1961.
11. **WEALTH TAX** : As the Company does not have taxable wealth, as per Wealth Tax Act, the Company has not made any provision for payment of wealth tax.

B. Notes to Accounts

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

Claims not acknowledged as debts	Current Year (₹)	Previous Year (₹)
a) Customs	12,06,834	12,06,834
b) Other Pending Litigations	12,25,863	12,25,863
Total	24,32,697	24,32,697

- ii) Estimated amounts of contracts remaining to be executed on capital accounts and not provided for approx ₹ Nil (Previous Year ₹ 155 Crores)
- iii) **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 31.03.2010 could not be determined.
- iv) **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 AS-11.
- v) **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, Cement and Pulp Mill. The segment-wise disclosure is as under:

A) Primary Segment : Business Segment

(₹ In Lacs)

Particulars	U N I T S								
	Solvent Unit	Duplex Paper	News Print	Writing & Printing	Power	Pulp	SBS Board	Cement	Total
Segment Revenue									
External Sales	27,692	3,960	5,097	9,205	—	—	1,884	1,411	49,249
Inter-segment sales	—	—	—	—	7,919	—	—	—	7,919
Total Revenue	27,692	3,960	5,097	9,205	7,919	—	1,884	1,411	57,168
Segment Results	4,525	432	(287)	1,542	2,393	—	(458)	(277)	7,869
Unallocated Expenses	—	—	—	—	—	—	—	—	—
Operating Profit/Loss	5,369	914	1,124	3,075	4,520	—	561	395	15,958
Interest Expenses	996	27	441	753	839	—	449	621	4,127
Other Income	9	11	37	594	—	—	22	26	699
Extra Ordinary loss	—	—	—	—	—	—	—	—	—
Other Information	30,570	4,395	7,774	24,108	19,128	6,939	13,594	80,854	1,87,363
Segment Assets									
Segment Liabilities	14,380	3,000	5,077	11,045	10,658	2,528	9,585	68,627	1,24,900
Depreciation	111	72	750	834	1,656	—	840	407	4,668

B) Secondary Segment : Geographical Segment

(₹ In Lacs)

Item	Export	Domestic	Inter Segment Eliminations	Consolidated
Revenues :				
Sales to External Customers	4,622	52,546	0	57,168
Less :Inter Unit Sales	0	0	0	0
Total Revenue	4,622	52,546		57,168

vi) Payments to Auditors :

As Audit Fees : ₹ 4, 50,000

As Certification Charges : ₹ 50,000

vii) Directors Remuneration : Managerial Remuneration paid during the year is as follows:

Remuneration	2009 - 2010 (₹)	2008 - 2009 (₹)
Managing Director	60,00,000	42,00,000
Whole Time Directors	1,69,62,500	1,15,50,000
Total	2,29,62,500	1,57,50,000

viii) 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		(B) Enterprises owned / Managed by Key Managerial Personnel
Shobhagmal Maloo	Chairman	Nandlal Enterprises Limited
Nandlal Maloo	Managing Director	Murli Tyres Limited
Bajranglal Maloo	Director	Radha Software Limited
Lalchand Maloo	Director	Murli Infrastructure Limited
Sunil Kumar Maloo	Director	Murli Electrode Private Limited

Particulars of transactions during the year ended 31st March, 2010 with Related Parties.

(Figure in ₹)

Nature of Transactions	Key Management Personnel	Relative of Key Management Personnel	Enterprises Owned/Managed by Key Management Personnel	Total
Interest on Loans	17,73,876	79,68,681	3,93,030	1,01,35,587
Rent	36,72,000		9,60,000	46,32,000
Directors and their Relatives' Remuneration	2,22,00,000	66,00,000		2,88,00,000
Purchase of Goods & Raw material/ Services.			5,59,65,874	5,59,65,874
Loans Taken / (Repaid)	(61,20,923)	(3,13,92,783)	34,62,223	(3,40,52,482)
Outstanding as at the year end	1,06,20,909	3,26,07,208	36,77,152	4,69,05,269

ix) Deferred Taxation : The Company does not make provision for Deferred Tax as required by AS-22 Resulting from "Timing Differences" between Book & Taxable profit for the year.

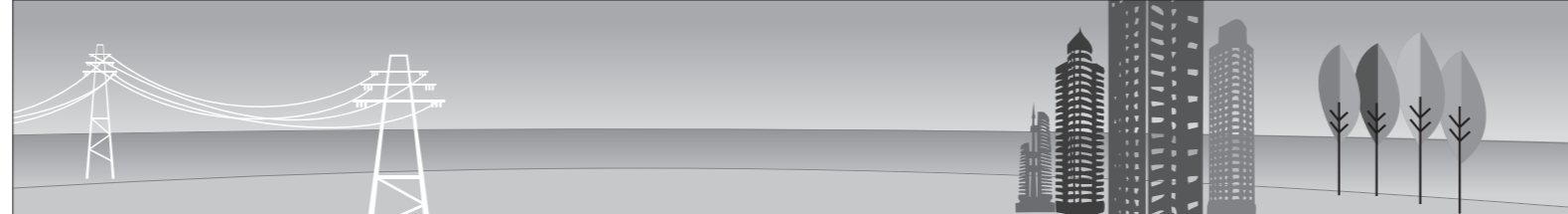
(Figure in ₹)

Sr.No.	Particulars	2009 - 2010	2008 - 2009
A	Deferred Tax Assets / (Liabilities)		
	Depreciation as per Companies Act	46,68,25,340	28,05,45,825
	Depreciation as per Income Tax Act	1,86,48,05,176	66,36,52,204
	Difference	(1,39,79,79,835)	(38,31,06,379)
	Deferred Tax Assets / (Liability) on difference between Book and Tax depreciation (tax rate 33.99%)	(47,51,73,346)	(13,02,17,858)

The Company has not made the provision for deferred tax liability. To this extent Reserves and Surplus of the Company remain inflated by ₹ 47,51,73,346/-

x) Earning per Share : As per Accounting Standard 20 of I.C.A.I., the Basic Earning per share of the Company is as follows:

$$\frac{\text{Net Profit}}{\text{No of Shares}} = \frac{37,61,34,053}{5,37,11,000} = ₹ 7.00 \text{ per share}$$



- xi)** The balance shown in Sundry Debtors, Sundry Creditors, Advances are subject to confirmation from respective parties.
- xii)** Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to the classification adopted in the Current Year.
- xiii)** Additional information pursuant to paragraphs 4 (C) and 4 (D) of part II of Schedule VI of the Companies Act, 1956 and Quantitative Details

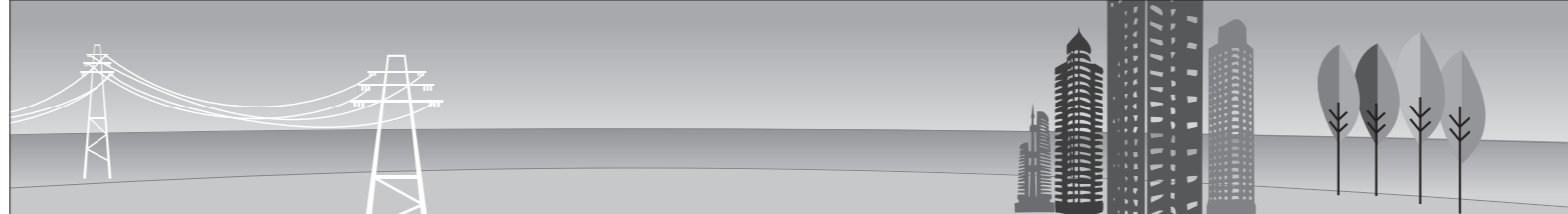
Products	Installed Capacity	Production (M.T.)	
		2009-10	2008-09
De-oiled Cake & Oil (Unit I)	300 TPD	32221.724	32945.019
De-oiled Cake & Oil (Unit II)	800 TPD	62674.189	63203.908
Refined Oil (Unit I)	70 TPD	6480.431	7616.340
Refined Oil (Unit II)	100 TPD	12532.653	12851.662
Duplex Paper Board	80 TPD	20654.945	19147.511
Newsprint	140 TPD	24659.087	35751.786
Writing and Printing Paper	150 TPD	33031.136	16124.653
Pulp Mill	150 TPD	0.000	13253.700
SBS Board	225 TPD	11905.532	30.179
Cement	3 Million T.P.A.	44449.000	0.000
Cement Captive Power Plant	30 MWPH	82269.15MW	5114MW
Paper Power	18 MWPH	64931.50MW	59060MW

- xiv) Value of Raw Materials Consumed :**
*Quantitative Details continued at the end of Schedule "S".
- xv) Value of Imports on C.I.F. Basis (Agro, Duplex, Newsprint, SBS & Writing Printing)**
Raw Material: ₹ 7,243.08 Lacs (\$ 15126281.91) [P.Y. ₹ 4,112.50 Lacs] (\$ 12330242)
Imported Capital Goods: ₹ 1,775.38 Lacs (\$3619848.7) [P.Y. ₹ 512.71856 Lacs] (\$1050203)
- xvi) Earnings in Foreign Exchange:** Export Value of Goods on F.O.B. Basis is ₹ 32,08,073 (\$70610.11), P.Y. ₹ 1,07,16,371 (\$232854.77).
- xvii) Export Turnover :** Total Turnover includes Export Turnover of ₹ 46,21,95,366/- (P.Y. ₹ 1,32,30,18,449/-).
- xviii)** The Company has capitalized expenses of ₹ 5.49 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 cost effective as compared to pulp of PULP Mill which is produced from agro residue.

Quantitative Details

(₹ in Lacs)

Particulars	Qty.(MT) 2009-10	Value (₹) 2009-10	Qty.(MT) 2008-09	Value (₹) 2008-09
A) Stock in Trade				
Stock at Commencement				
a) Finished Goods				
De-Oiled Cake / Poultry Feed (Unit-I)	1675.00	376.88	1124.46	185.54
De-Oiled Cake / Poultry Feed (Unit-II)	3322.85	747.64	1714.42	282.88
Refined Oil (Unit-I)	204.62	90.03	316.16	205.50
Refined Oil (Unit-II)	285.38	125.57	244.85	159.15
Duplex Paper Board	84.98	16.14	165.33	40.98
By-Products (Unit-I)	37.00	9.25	41.21	10.71
By-Products (Unit-II)	61.50	15.37	85.41	22.21
Newsprint	254.96	50.99	106.26	37.48
Writing & Printing Paper (WP Unit)	656.80	197.04	2011.99	603.60
Pulp Mill	332.40	31.58	1081.55	102.75
SBS Unit	14.17	2.27	0.00	0.00
Total (a)		1662.76		1650.80
B) Stock at Close				
Finished Goods				
De-Oiled Cake/Poultry Feed (Unit-I)	1520.03	304.01	1675.00	376.88
De-Oiled Cake/Poultry Feed (Unit-II)	3127.05	625.41	3322.85	747.64
Refined Oil (Unit-I)	90.98	40.03	204.62	90.03
Refined Oil (Unit-II)	268.97	118.35	285.38	125.57
Duplex Paper Board	323.50	74.41	84.98	16.14
By-Products (Unit-I)	37.00	4.92	37.00	9.25
By-Products (Unit-II)	37.86	9.46	61.50	15.37
Newsprint	137.47	31.62	254.96	50.99
Writing & Printing Paper	1754.77	596.62	656.80	197.04
Pulp Mill (Soda Ash)	332.40	31.58	332.40	31.58
SBS Unit	733.02	219.91	14.17	2.27
Cement Unit (Clinker)	74951.00	784.00	0.00	0.00
Cement Unit (Cement)	11409.96	318.81	0.00	0.00
Total		3159.12		1662.76
C) Turnover				
De-Oiled Cake/Poultry Feed (Unit-I)	32376.70	6691.69	32371.44	5530.91
De-Oiled Cake/Poultry Feed (Unit-II)	62869.99	15013.60	61699.41	10345.76
Refined Oil (Unit-I)	6594.07	3009.51	7727.85	3945.13



(₹ in Lacs)

Particulars	Qty.(MT) 2009-10	Value (₹) 2009-10	Qty.(MT) 2008-09	Value (₹) 2008-09
Refined Oil (Unit-II)	12549.07	2874.20	12811.13	6571.64
Imported Degum/Crude (Unit-I)	0.00	0.00	249.12	140.75
Duplex Paper Board	20416.41	3960.27	19227.87	3743.77
By-Products (Unit-I)	229.39	45.30	443.48	224.40
By-Products (Unit-II)	286.00	57.61	613.74	158.30
Newsprint	24776.58	5096.53	35555.34	9078.22
Writing & Printing Paper	31945.16	9205.28	17479.85	5137.99
Power (Qty. in MW)	63781.50	3479.63	56552.00	2731.74
Power-Coal	0.00	0.00	85000.00	2550.00
Pulp Mill	0.00	0.00	9409.86	1189.20
Pulp Mill (Soda Ash)	0.00	0.00	4593.00	501.69
Pulp Mill (Baggase)	0.00	0.00	6648.39	26.84
SBS Board	11186.68	1883.86	16.01	2.32
Cement	45970.65	1411.32	0.00	0.00
Power (Cement) Qty. in MW	73984.78	4439.09	4470.00	143.04
Total		57167.89		52021.70
D) Raw Material Consumed :				
Stock at Commencement				
Oil Seed (Unit-I)	19553.38	4888.34	23585.85	5424.75
Oil Seed (Unit-II)	23669.93	5917.48	23313.50	5362.10
Soya Crude (Unit-I)	61.92	24.77	476.56	262.10
Soya Crude (Unit-II)	807.10	322.84	775.33	426.43
Waste Paper - Duplex	1703.70	205.11	1679.26	288.51
Waste Paper - Newsprint	6076.00	729.12	4699.92	681.50
Waste Paper - Writing Printing Unit	5111.05	1635.52	3403.41	952.84
Coal - Power (Paper)	60500.00	1770.00	85426.00	2562.78
Baggase - Pulp Mill	25794.00	631.95	15227.51	114.27
SBS Unit	2848.22	146.30	0.00	0.00
Coal - CPP (Cement)	145.60	2.62	0.00	0.00
Total		16274.05		16075.28
Add : Purchases				
Oil Seed (Unit-I)	43896.47	10814.78	30212.30	5581.50
Oil Seed (Unit-II)	66351.85	15461.02	68961.73	13191.72
Imported Degum/Crude (Unit-I)	99.74	24.57	796.41	504.74
Refined Oil (Unit-I)	0.00	0.00	48.74	31.53

(₹ in Lacs)

Particulars	Qty.(MT) 2009-10	Value (₹) 2009-10	Qty.(MT) 2008-09	Value (₹) 2008-09
Waste Paper - Duplex	22389.05	2077.48	19674.52	1942.38
Waste Paper - Newsprint	28320.92	2158.62	51996.81	4338.21
Waste Paper - Writing & Printing	46519.90	4489.68	21113.04	2077.24
Coal - Power (Paper)	110469.90	1731.03	124575.32	1666.34
Baggase - Pulp Mill	0.00	0.00	34225.67	560.35
SBS Board	12774.33	1435.24	2881.75	149.84
Cement	17132.53	400.47	0.00	0.00
Coal - CPP (Cement)	95761.84	1501.18	2922.51	52.62
Total		40094.08		30096.47
Stock at Close				
Oil Seed (Unit-I)	31349.29	8150.83	19553.38	4888.34
Oil Seed (Unit-II)	28628.61	7443.44	23669.93	5917.48
Soya Crude (Unit-I)	301.23	120.49	61.92	24.77
Soya Crude (Unit-II)	1214.92	485.97	807.10	322.84
Waste Paper - Duplex	1560.77	234.12	1703.70	205.11
Waste Paper - Newsprint	3320.90	597.76	6076.00	729.12
Waste Paper - Writing Printing	8073.90	2583.65	5111.05	1635.52
Coal - Power (Paper)	108833.00	3265.00	60500.00	1770.00
Baggase - Pulp Mill	25794.00	631.95	25794.00	631.95
SBS Board	2740.83	904.48	2848.22	146.30
Cement	3354.47	266.90	0.00	0.00
Coal - CPP (Cement)	14009.85	217.74	145.60	2.62
Total		24902.32		16274.05
Raw Material Consumed :				
Oil Seed (Unit-I)	32100.56	6372.52	34244.77	6117.91
Oil Seed (Unit-II)	61393.18	11723.57	68605.30	12636.34
Soya Crude (Unit-I)	6802.40	1108.64	7945.82	773.60
Soya Crude (Unit-II)	13260.20	2048.36	13522.48	103.59
Waste Paper - Duplex	22532.24	2048.47	19650.08	2025.78
Waste Paper - Newsprint	31076.10	2289.98	50620.73	4290.59
Waste Paper - Writing Printing	43384.91	3541.56	19405.41	1394.56
Coal - Power (Paper)	62136.90	236.03	64501.32	2459.12
Baggase - Pulp Mill	0.00	0.00	23659.18	42.67
SBS Board	12881.71	677.06	33.53	3.54
Coal - CPP (Cement)	81897.59	1286.07	2776.91	50.00
Cement	13778.06	290.72	0.00	0.00
Total		31622.97		29897.70

Place : Nagpur
Date : 16-08-2010

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

Anand Despande
Partner
Membership No. 033618

Cash Flow Statement for the Year ended 31st March, 2010

(Figure in ₹)

A. Cash Flow from Operating Activities :	2009 - 2010	2008 - 2009
Net profit before Tax and extraordinary items	44,41,46,522	52,32,47,476
Adjustment for :		
Depreciation	46,68,25,341	28,05,45,826
Interest (Net)	38,92,71,390	18,66,71,097
Preliminary Expenses W/o	35,44,499	0
Increase/(Decrease) in Provision for Expenses	1,43,52,713	(3,31,73,375)
Operating Profit before working capital changes	1,31,81,40,465	95,72,91,024
Adjustment for :		
(Increase)/Decrease in Inventories	(1,20,25,67,129)	(17,99,08,873)
(Increase)/Decrease in Trade and Other Receivables	(12,29,93,428)	9,47,14,711
Increase/(Decrease) in Trade and Other Payables	39,85,14,879	17,03,23,167
Increase/(Decrease) in Loans & Advances	(12,03,69,420)	(55,08,38,235)
Cash generated from operations	27,07,25,367	49,15,81,794
Interest Paid Gross	(39,88,01,256)	(19,12,59,050)
Direct Taxes Paid	(6,80,12,469)	(6,37,92,839)
Net Cash from Operating Activities (A)	(19,60,88,358)	23,65,29,905
B. Cash Flow From Investing Activities.		
Purchase of Fixed Assets	(6,91,84,87,666)	(2,32,03,11,744)
Interest Received	95,29,866	45,87,953
(Increase)/Decrease in Investment	(1,15,95,175)	(1,40,68,648)
(Increase)/Decrease in Capital Work in Progress	4,83,32,23,054	(61,24,23,550)
Net Cash From Investing Activities (B)	(2,08,73,29,920)	(2,94,22,15,989)
C. Cash Flow From Financing Activities.		
Proceeds From Issue of share capital	66,50,00,000	0.00
Proceeds From Long term and other borrowings	1,56,35,39,420	2,83,99,40,634
Dividend Paid	(2,39,65,724)	(2,39,65,724)
Net Cash Used in Financing Activities (C)	2,20,45,73,696	2,81,59,74,910
Net increase in Cash and Cash equivalents (A+B+C)	(7,88,44,583)	11,02,88,825
Cash and cash equivalents as at Commencement of the year	16,39,12,777	5,36,23,952
Cash and cash equivalents as at End of the year	8,50,68,195	16,39,12,777
Note : Figures in brackets represent Cash Outflows.		

For and on behalf of Board of Directors,
Nandlal Maloo, Managing Director **Bajranglal Maloo**, Director

Auditor's Certificate

We have examined the Cash Flow Statement of MURLI INDUSTRIES LIMITED for the year ended 31st March, 2010. 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 Accounts of the Company covered by our Report 16/08/2010 to the members of the Company.

For **Demble Ramani & Co.**
Chartered Accountants. Reg. No. 102259W
Anand Despande
Partner. Membership No. 033618

Place : Nagpur
Date : 16th August, 2010

**MURLI**

Balance Sheet Abstract & Company's General Business Profile. Murli Industries Limited

I. Registration Details :

Registration No. :	64271	State Code : 11
Balance Sheet Date :	31.03.2010	

II. Capital Raised during the year (₹ in Thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil
Preferential Allotment	
5000	

III. Position of Mobilization and Deployment of Funds (₹ in Thousands)

Total Liabilities	Total Assets
14946585	14946585

SOURCES OF FUNDS

Paid up Capital	Reserves & Surplus
107422	3552574
Secured Loans	Unsecured Loans
8447125	2839464

APPLICATION OF FUNDS

Net Fixed Assets	Investments
10791071	109161
Net Current Assets	Misc. Expenditure
4014453	31900
Accumulated Losses	
NIL	

IV. Performance of Company (₹ in Thousands)

Turnover	Total Expenditure
5716790	4875697
Profit before Tax	Profit after Tax
444147	376134
Earning per share	Dividend (%)
₹ 7.00	20.00

V. Generic Names of Principal Products of the Company (as per Monetary terms)

Item Code No. (ITC Code)	15079000
Product Description	Soyabean Oil
Item Code No. (ITC Code)	23040003
Product Description	Soya DOC
Item Code No. (ITC Code)	48101200
Product Description	Duplex Board
Item Code No. (ITC Code)	48010090
Product Description	News Print Paper
Item Code No. (ITC Code)	48109000
Product Description	Writing Printing Paper

For Demble Ramani & Co.

Chartered Accountants
Registration No. 102259W

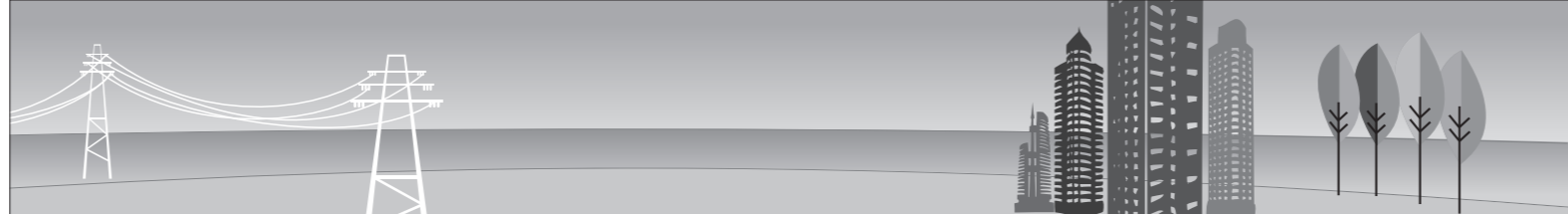
Anand Despande

Partner
Membership No. 033618

For and on Behalf of the Board of Directors of Murli Industries Ltd.

Nandlal Maloo,
Managing Director

Bajranglal Maloo,
Director



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.

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.

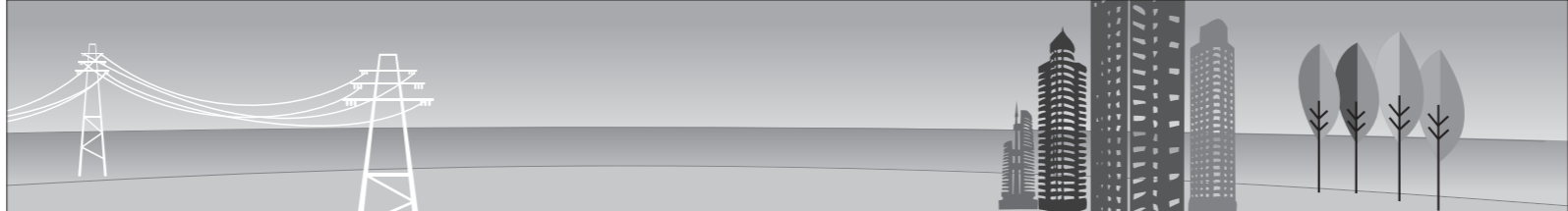
General :

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.

NOTES

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