

GLOBAL



CUSTOMISATION




MANUGRAPH
Technology in Print

41ST ANNUAL REPORT 2012 - 2013

TRUST



VISION

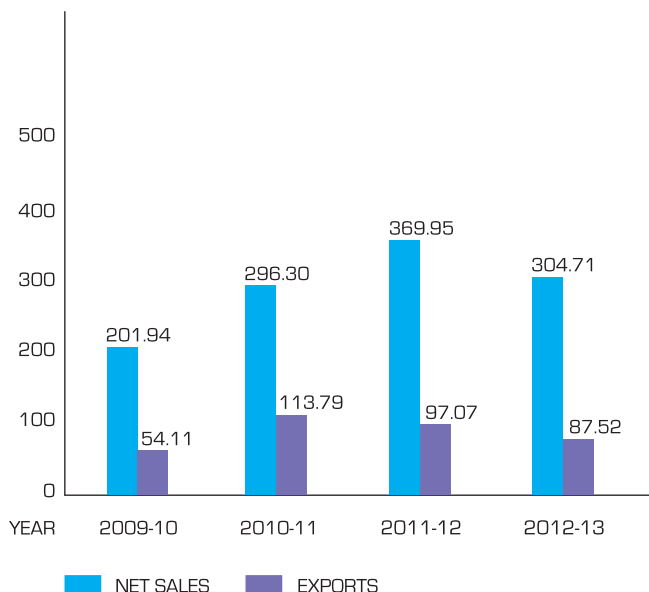


GROWTH

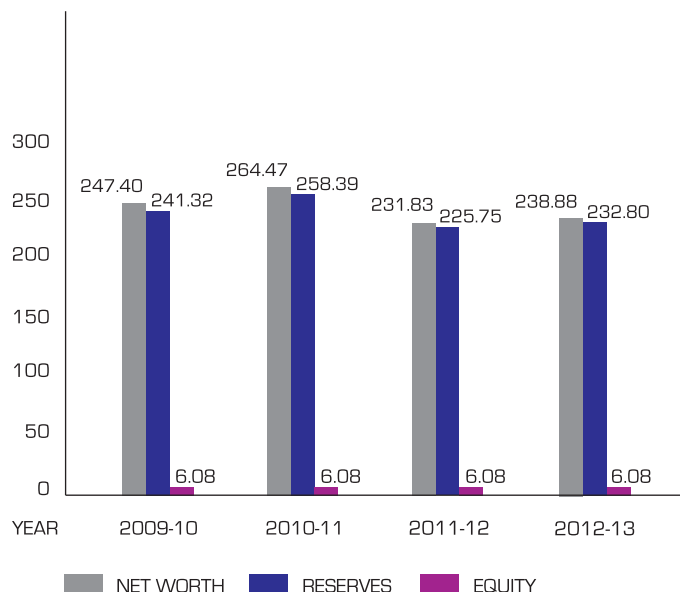
MANUGRAPH INDIA LTD.

STANDALONE

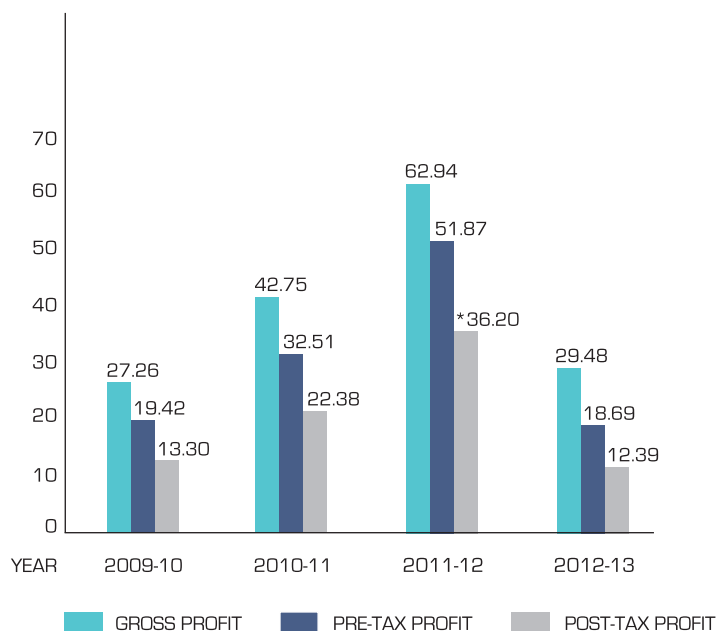
Sales (₹ in crores)



Net Worth (₹ in crores)

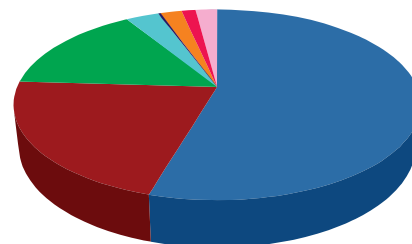


Profitability (₹ in crores)



Distribution of Income

MATERIALS	54.52%	INTEREST	0.19%
EXPENSES	21.42%	TAXES	2.06%
MANPOWER	15.29%	DIVIDEND	1.33%
DEPRECIATION	3.14%	RETAINED EARNINGS	2.05%



*[before exceptional item]

MANUGRAPH INDIA LIMITED

BOARD OF DIRECTORS

Chairman	Mr. Sanat M. Shah	
Vice-Chairman & Managing Director	Mr. Sanjay S. Shah	
Managing Director	Mr. Pradeep S. Shah	
Directors	Mr. Hiten C. Timbadia	} <i>Independent Non-Executive Directors</i>
	Mr. Amit N. Dalal	
	Mr. Perses M. Bilimoria	
	Mr. Abhay J. Mehrotra	
	Mr. Jai S. Diwanji	
	Mr. Bhupal B. Nandgave (w.e.f. 10-12-2012)	<i>Whole-time Director (Works)</i>

Company Secretary	Mr. Ravindra V. Joshi
Chief Financial Officer	Mr. Suresh Narayan
Auditors	Messers Natvarlal Vepari & Co. <i>Chartered Accountants</i>
Bankers	State Bank of India State Bank of Bikaner & Jaipur Standard Chartered Bank
Registered Office	Sidhwa House, 1st Floor, N. A. Sawant Marg, Colaba, Mumbai 400 005.

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41st Annual General Meeting on Thursday, the 1st August, 2013 at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001 at 3.15 p.m.

NOTICE

NOTICE is hereby given that forty-first Annual General Meeting of Members of MANUGRAPH INDIA LIMITED will be held on Thursday, the 1st August, 2013 at 3.15 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001, to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and Profit and Loss account for the year ended 31st March, 2013 together with reports of the Directors and the Auditors thereon;
2. To declare dividend on equity shares;
3. To appoint a Director in place of Mr. Sanat M. Shah who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint a Director in place of Mr. Abhay J. Mehrotra who retires by rotation and being eligible offers himself for re-appointment;
5. To appoint M/s. Natvarlal Vepari & Co., Chartered Accountants, Mumbai, Firm Registration No.106971W as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

AS SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Bhupal B. Nandgave who was appointed as an Additional Director at the meeting of the Board of Directors held on 10th December, 2012 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Bhupal B. Nandgave as a candidate for the Office of Director of the Company, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT subject to such consents, permissions and approvals as may be required and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such requisite approvals, if any, consent/approval of the Company be and is hereby accorded for the appointment of Mr. Bhupal B. Nandgave as the Whole-time Director (Works) of the Company for a period of 3 (three) years with effect from 10th December, 2012 till 9th December, 2015, on the remuneration and perquisites and terms and conditions as set out in the agreement between the Company and Mr. Bhupal B. Nandgave, a copy whereof laid before the meeting and initialed by the chairman for the purpose of identification.

RESOLVED FURTHER THAT subject to the limits prescribed from time to time in Section II of Part II of Schedule XIII of the Companies Act, 1956, the remuneration payable as aforesaid shall be paid to Mr. Bhupal B. Nandgave as minimum remuneration, notwithstanding that in any financial year of the Company during the terms of his office as such, the Company may have made no profits or inadequate profits.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to review, revise, increase or enhance the remuneration, perquisites and benefits to be paid or provided to Mr. Bhupal B. Nandgave (including the minimum remuneration) in accordance with the relevant provisions in the Companies Act, 1956 and/or the rules and regulations made hereunder and/or relaxation or revision in the Guidelines for Managerial Remuneration as may be made and/or announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary, desirable or appropriate to give effect to this Resolution”.

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

“RESOLVED THAT subject to such consents, permissions and approvals as may be required and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the approval of the Central Government and subject to such conditions and modifications as may be imposed or prescribed by any authorities while granting such sanctions, approvals and permissions, consent of the Company be and is hereby accorded for the re-appointment of Mr. Sanjay S. Shah as the Vice Chairman & Managing Director of the Company, for a period of 3 (three) years with effect from 1st April, 2013 till 31st March, 2016, on the following remuneration and perquisites and terms and conditions as set out in the draft agreement to be entered into between the Company and Mr. Sanjay S. Shah, laid before the meeting and initialed by the chairman for the purpose of identification:

Salary and perquisites and Allowances together with Retirals:

1. **Basic Salary:** Rs.4,50,000/- per month in the scale of Rs.4,50,000/- to Rs.9,00,000/- as per rules of the company and to grant such increments within the said scale

(Amount Rs.)

Financial year	Annual Salary	Perquisites and Allowances (per annum)	Retirals (per annum)	Total (per annum)
01.4.2013 to 31.3.2014	54,00,000	43,20,000	12,67,615	1,09,87,615
01.4.2014 to 31.3.2015	66,00,000	52,80,000	15,49,308	1,34,29,308
01.4.2015 to 31.3.2016	78,00,000	62,40,000	18,31,000	1,58,71,000

Commission:

In addition to the salary, allowances and perquisites, in the years in which the Company has sufficient profit, the appointee shall be paid commission on the annual net profits of the Company, as may be decided by the Remuneration Committee and/or Board of Directors, at the end of each financial year, computed in the manner laid down under Section 349 of the Act and subject to the ceiling laid down under Sections 198 and 309 of the Act on the total remuneration.

- Incentive payable in accordance with the Incentive Scheme as may be applicable to the Top Management Team of the Company from time to time.
- The Company’s contribution to the Provident Fund, Superannuation Fund (or other benefit permissible in lieu thereof) or annuity fund as per the rules of the Company and the same will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable in accordance with the gratuity Scheme of the Company provided that it does not exceed one-half month’s salary for every completed year of continuous service, since the date on which Mr. Sanjay S. Shah was appointed i.e. with effect from 01.12.1992.
- The appointee shall also be paid an amount equivalent to 80% of the basic salary towards the following:

House Rent Allowance	: 60% of the Basic Salary
Insurance, security charges, maintenance and repairs of house, servants’ salaries, society charges, property tax, furniture, fixtures and electrical appliances, expenditure incurred on gas, electricity, water, medical benefits, club fees and personal accident insurance.	: 20% of the Basic Salary

In addition, the appointee shall be entitled to the following benefits/perquisites:

a. **Conveyance:**

Free use of Company's car along with driver, insurance, petrol, cost of repairs, overhauling, maintenance and garage rent.

b. **Communication Facilities:**

The Company shall bear all expenses of the communication facilities at the appointee's residence – including but not limited to telephones (land lines/mobiles), faxes, computers/laptops, internet connection.

c. **Leave:**

The appointee shall be eligible for leave, leave travel concessions and encashment of leave as per the Rules of the Company.

d. **Entertainment, Travelling and other incidental expenses:**

The Company shall reimburse entertainment, travelling and other incidental expenses actually incurred by the appointee for the business of the Company.

e. **Other Benefits:**

The appointee shall be entitled to the other benefits, schemes, privileges and amenities such as housing loans and other loans at concessional rate of interest, credit cards, as may be granted from time to time to the Top Management of the Company, in accordance with the relevant schemes.

f. **Variable Pay:**

Variable pay (over and above the remuneration stated above) and any other benefits and other allowances including but without limitation to payment of exgratia/bonus, gratuity etc. as per rules of the company.

In addition to above, any other allowance, benefits and perquisites as per Rules of the Company as are applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide.

Other terms and conditions:

The remuneration and other terms and conditions of this appointment may be varied/enhanced from time to time by the Board of Directors (which expression shall be deemed to include Remuneration Committee) as it may in its discretion deem fit within the maximum amounts payable to the appointee as per Schedule XIII to the Companies Act, 1956, so as to conform with the provisions of the Companies Act, 1956.

Valuation of perquisites:

Perquisites mentioned above shall be evaluated in accordance with the Income Tax Rules, 1961 wherever applicable, and in other cases at the actual cost to the Company.

Termination:

The Agreement may be terminated by either party giving the other party three months' notice.

Mr. Sanjay S. Shah undertakes, to the best of his skill and ability to:

- use his utmost endeavours to promote the interests and welfare of the Company.
- conform to and comply with the directions and regulations of the Company and all such orders and directions as may from time to time be given by the Board.
- devote the whole of his time and attention to the business of the Company.

Mr. Sanjay S. Shah, Vice Chairman and Managing Director is responsible for ensuring profitable growth of the company with adequate control on costs, investments in current and fixed assets and maintaining over all financial discipline throughout the organisation.

Mr. Sanjay S. Shah as the Vice Chairman and Managing Director of the Company will have substantial power of management and shall exercise the same subject to the superintendence, control and direction of the Board. He is over all responsible for the day to day management of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.

RESOLVED FURTHER THAT subject to the limits prescribed from time to time in Section II of Part II of Schedule XIII of the Companies Act, 1956, the remuneration payable as aforesaid shall be paid to Mr. Sanjay S. Shah as minimum remuneration, notwithstanding that in any financial year of the Company during the terms of his office as such, the Company may have made no profits or inadequate profits.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to review, revise, increase or enhance the remuneration, perquisites and benefits to be paid or provided to Mr. Sanjay S. Shah (including the minimum remuneration) in accordance with the relevant provisions in the Companies Act, 1956 and/or the rules and regulations made thereunder and/or relaxation or revision in the Guidelines for Managerial Remuneration as may be made and/or announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary, desirable or appropriate to give effect to this Resolution”.

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

“RESOLVED THAT subject to such consents, permissions and approvals as may be required and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the approval of the Central Government and subject to such conditions and modifications as may be imposed or prescribed by any authorities while granting such sanctions, approvals and permissions, consent of the Company be and is hereby accorded for the re-appointment of Mr. Pradeep S. Shah as the Managing Director of the Company, for a period of 3 (three) years with effect from 1st April, 2013 till 31st March, 2016, on the following remuneration and perquisites and terms and conditions as set out in the draft agreement to be entered into between the Company and Mr. Pradeep S. Shah, laid before the meeting and initialed by the chairman for the purpose of identification:

Salary and perquisites and Allowances together with Retirals:

1. **Basic Salary:** Rs.4,50,000/- per month in the scale of Rs.4,50,000/- to Rs.9,00,000/- as per rules of the company and to grant such increments within the said scale

(Amount Rs.)

Financial year	Annual Salary	Perquisites and Allowances (per annum)	Retirals (per annum)	Total (per annum)
01.4.2013 to 31.3.2014	54,00,000	43,20,000	12,67,615	1,09,87,615
01.4.2014 to 31.3.2015	66,00,000	52,80,000	15,49,308	1,34,29,308
01.4.2015 to 31.3.2016	78,00,000	62,40,000	18,31,000	1,58,71,000

Commission:

In addition to the salary, allowances and perquisites, in the years in which the Company has sufficient profit, the appointee shall be paid commission on the annual net profits of the Company, as may be decided by the Remuneration Committee and/or Board of Directors, at the end of each financial year, computed in the manner laid down under Section 349 of the Act and subject to the ceiling laid down under Sections 198 and 309 of the Act on the total remuneration.

2. Incentive payable in accordance with the Incentive Scheme as may be applicable to the Top Management Team of the Company from time to time.
3. The Company’s contribution to the Provident Fund, Superannuation Fund (or other benefit permissible in lieu thereof) or annuity fund as per the rules of the Company and the same will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

4. Gratuity payable in accordance with the gratuity Scheme of the Company provided that it does not exceed one-half month's salary for every completed year of continuous service, since the date on which Mr. Pradeep S. Shah was appointed i.e. with effect from 01.12.1992.

5. The appointee shall also be paid an amount equivalent to 80% of the basic salary towards the following:

House Rent Allowance	: 60% of the Basic Salary
Insurance, security charges, maintenance and repairs of house, servants' salaries, society charges, property tax, furniture, fixtures and electrical appliances, expenditure incurred on gas, electricity, water, medical benefits, club fees and personal accident insurance.	: 20% of the Basic Salary

In addition, the appointee shall be entitled to the following benefits/ perquisites:

a. **Conveyance:**

Free use of Company's car along with driver, insurance, petrol, cost of repairs, overhauling, maintenance and garage rent.

b. **Communication Facilities:**

The Company shall bear all expenses of the communication facilities at the appointee's residence – including but not limited to telephones (land lines/mobiles), faxes, computers/laptops, Internet connection.

c. **Leave:**

The appointee shall be eligible for leave, leave travel concessions and encashment of leave as per the Rules of the Company.

d. **Entertainment, Travelling and other incidental expenses:**

The Company shall reimburse entertainment, travelling and other incidental expenses actually incurred by the appointee for the business of the Company.

e. **Other Benefits:**

The appointee shall be entitled to the other benefits, schemes, privileges and amenities such as housing loans and other loans at concessional rate of interest, credit cards, as may be granted from time to time to the Top Management of the Company, in accordance with the relevant schemes.

f. **Variable pay:**

Variable pay (over and above the remuneration stated above) and any other benefits and other allowances including but without limitation to payment of exgratia/bonus, gratuity etc. as per rules of the company.

In addition to above, any other allowance, benefits and perquisites as per Rules of the Company as are applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide.

Other terms and conditions:

The remuneration and other terms and conditions of this appointment may be varied/enhanced from time to time by the Board of Directors (which expression shall be deemed to include Remuneration Committee) as it may in its discretion deem fit within the maximum amounts payable to the appointee as per Schedule XIII to the Companies Act, 1956, so as to conform with the provisions of the Companies Act, 1956.

Valuation of perquisites:

Perquisites mentioned above shall be evaluated in accordance with the Income Tax Rules, 1961 wherever applicable, and in other cases at the actual cost to the Company.

Termination:

The Agreement may be terminated by either party giving the other party three months' notice.

Mr. Pradeep S. Shah undertakes, to the best of his skill and ability to:

- a. use his utmost endeavours to promote the interests and welfare of the Company.
- b. conform to and comply with the Directions and regulations of the Company and all such orders and Directions as may from time to time be given by the Board.
- c. devote the whole of his time and attention to the business of the Company.

Mr. Pradeep S. Shah, Managing Director is responsible for product design & development, industrial engineering, production planning, developing new printing machinery, installing productions systems and training personnel and achieving production targets.

Mr. Pradeep S. Shah as the Managing Director of the Company will have substantial powers of management and shall exercise the same subject to the superintendence, control and direction of the Board. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.

RESOLVED FURTHER THAT subject to the limits prescribed from time to time in Section II of Part II of Schedule XIII of the Companies Act, 1956, the remuneration payable as aforesaid shall be paid to Mr. Pradeep S. Shah as minimum remuneration, notwithstanding that in any financial year of the Company during the terms of his office as such, the Company may have made no profits or inadequate profits.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to review, revise, increase or enhance the remuneration, perquisites and benefits to be paid or provided to Mr. Pradeep S. Shah (including the minimum remuneration) in accordance with the relevant provisions in the Companies Act, 1956 and/or the rules and regulations made thereunder and/or relaxation or revision in the Guidelines for Managerial Remuneration as may be made and/or announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary, desirable or appropriate to give effect to this Resolution”.

By Order of the Board of Directors

Sanjay S. Shah
Vice Chairman & Managing Director

Registered Office:
Sidhwa House, 1st Floor,
N. A. Sawant Marg,
Colaba,
Mumbai – 400 005.

Date: 29th May, 2013

NOTES:

1. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 to 9 being special business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members are requested to:
 - (a) intimate any change in their addresses to the company's registrar and share transfer agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400 078, if shares are held in physical form. If shares are held in electronic form, intimate any change in their addresses/bank details to the concerned Depository Participant.

- (b) quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all the correspondence.
- (c) intimate Permanent Account Number (PAN) and contact telephone number to the company's said registrar and share transfer agents at their above address.
4. Members/Proxies are requested to bring copy of Annual Report and attendance slip duly filled in.
 5. Corporate members are requested to send a duly certified copy of the board resolution authorising their representative(s) to attend and vote at the annual general meeting.
 6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
 7. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the amendment to the Companies Act, 1956. Members desirous to avail of this facility may send their nomination in the prescribed Form No.2B annexed to this report, duly filled in to Link Intime India Private Limited.
 8. Members desirous of getting any information about the accounts and operations of the company are requested to address their queries to the Secretary of the Company at least 15 (Fifteen) days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
 9. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, the 20th July, 2013 to Thursday, the 1st August, 2013, both days inclusive.
 10. The dividend, as recommended by the board, if declared at the Annual General Meeting, will be paid within the prescribed time limit to those persons or their mandates:
 - (a) on the basis of beneficial ownership as per details furnished for this purpose by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) whose names appear as members in the register of members of the company after giving effect to valid share transfers in physical form lodged with the company/its registrar and share transfer agents on or before 19th July, 2013.

Unclaimed Dividends:

The details of dividends paid by the Company and their respective due dates for the mandatory transfer to Investor Education and Protection Fund of the Central Government, if they remain unencashed, are as under:

Date of Declaration of dividend	Dividends for the year	Dividend per share Rs.	Due date for the mandatory transfer to the Central Government
(1)	(2)	(3)	(4)
18.08.2006	31.03.2006	2.50	21.10.2013
05.02.2007	Interim 06-07	2.00	11.04.2014
11.09.2007	31.03.2007	1.00	15.11.2014
02.11.2007	Interim 07-08	2.00	06.01.2015
28.08.2008	31.03.2008	2.00	01.11.2015
29.09.2009	31.03.2009	2.00	02.12.2016
27.09.2010	31.03.2010	1.00	29.11.2017
27.09.2011	31.03.2011	1.50	29.11.2018
01.08.2012	31.03.2012	2.50	04.10.2019

Your Company has maintained and followed a practice of sending an Indemnity Letter – cum – Reminder to each and every eligible shareholder, whose dividend remains unpaid / unclaimed, 3 (three) Months before the actual due date for Transfer of Unpaid/Unclaimed Dividend Amount to the Investor Education & Protection Fund of the Central Government.

It may please be noted that no claim will lie from any member once the transfer is made to the credit of the Investor Education & Protection Fund of the Central Government under the amended provisions of Section 205(C) of the Companies Act, 1956.

In view of the new regulation, the shareholders are advised to send all the unencashed dividend warrants to the Registered Office of the Company for revalidation at least one month before due dates specified in column 4 of the above table and encash them before the due date of transfer to the Central Government.

11. In respect of appointment/re-appointment of Directors, a statement containing details of the concerned Directors is annexed as Annexure A to this notice.

By Order of the Board of Directors

Sanjay S. Shah
Vice Chairman & Managing Director

Registered Office:
Sidhwa House, 1st Floor,
N. A. Sawant Marg,
Colaba,
Mumbai-400 005.

Date: 29th May, 2013

IMPORTANT COMMUNICATION TO MEMBERS IN CONNECTION WITH GREEN INITIATIVE

The Ministry of Corporate Affairs, Government of India vide various circulars has undertaken a “Green Initiative in Corporate Governance” by allowing Companies to send official communication and documents to its Members through electronic mode.

Accordingly, the Company can send all documents/official communications including notice of general meeting, annual reports etc., through E-mail to the Members whose E-mail IDs are registered with the Depository Participant/ Company.

Members desirous of getting all the documents/official communications from the company as stated above are requested to E-mail to the Company to that effect on our E-mail ID sharegrievances@manugraph.com and also requested to update their preferred E-mail ID with their Depository Participant/Company which can be used for sending official documents through E-mail. Members who have not registered their E-mail ID so far, in respect of their electronic holdings are requested to register their E-mail ID with their Depository Participants. Members who hold shares in physical form are requested to register their latest E-mail IDs by sending E-mail to that effect on the company's E-mail ID viz: sharegrievances@manugraph.com at the earliest.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item Nos. 6 and 7

Mr. Bhupal B. Nandgave was appointed by the Board of Directors of the Company as an additional Director of the Company with effect from 10th December, 2012 under section 260 of the Companies Act, 1956 read with article 135 of the Articles of Association of the Company. Mr. Bhupal B. Nandgave will hold office as an additional Director up to the date of the ensuing Annual General Meeting. A Notice in writing alongwith deposit from a member has been received by the Company under section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Bhupal B. Nandgave for appointment as a Director of the Company. Mr. Bhupal B. Nandgave, being eligible, offers himself for appointment.

Further on the recommendation of the Remuneration Committee, the Board of Directors has appointed Mr. Bhupal B. Nandgave as Whole-time Director (Works) for a period of 3 (three) years with effect from 10th December, 2012 to 9th December, 2015 on the terms and conditions as set out in the agreement dated 29th January, 2013 executed by the company with the said director.

Mr. Bhupal B. Nandgave has Diploma in Mechanical Engineering and has extensive background and vast experience in manufacturing, material management and operations.

The terms and conditions of appointment of Mr. Bhupal B. Nandgave as Whole-time Director (Works) of the company are given below:

Period	: 3 years w.e.f. 10.12.2012 to 9.12.2015 with liberty to either party to terminate the appointment by three months notice in writing to the other.
Basic Salary	: Rs.71,097/- per month in the grade of Rs.70,000/- to Rs.2,00,000/- as per rules of the company and to grant such increments within the said scale as may be determined by the Chairman and Managing Directors of the Company from time to time.
Perquisites and Allowances	: Rs.86,202/- per month (House Rent allowance, Educational allowance, Professional allowance, Medical allowance, Leave Travel allowance, Special allowance, Medidclaim, Contribution to Provident fund and Superannuation fund etc.) with authority to the Chairman and Managing Directors of the company to grant such increments/revisions from time to time, as per rules of the company not exceeding Rs.2,00,000/- per month.
Variable Pay	: Variable pay (over and above the remuneration stated above) and any other benefits and other allowances including but without limitation to payment of exgratia/bonus, gratuity etc. as per rules of the company.

Leave and encashment of leave as per Rules of the Company.

Use of car and telephone at residence for official purposes will not be considered as perquisites.

Any other allowance, benefits and perquisites as per Rules of the Company as are applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being, be in force.

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Mr. Bhupal B. Nandgave, Whole-time Director (Works) subject to the applicable provisions of Schedule XIII to the said Act.

The Whole-time Director (Works) shall not as long as he continues to be a Whole-time Director of the Company be liable to retire by rotation.

The Whole-time Director (Works) as long as he functions as such, shall not be paid any fee for attending the meeting of the Board of Directors or any Committee or Committees thereof.

A copy of the Agreement dated 29th January, 2013 entered into by the Company with Mr. Bhupal B. Nandgave according the terms of his appointment for a period of 3 years from 10th December, 2012 to 9th December, 2015 is available for inspection by the Members between 11.00 a.m. and 2.00 p.m. on any working day at the Registered Office of the Company.

As required under Section 302 of the Companies Act, 1956, an Abstract of the terms of appointment of Mr. Bhupal B. Nandgave and Memorandum of Interest was posted to all members on 18th December, 2012.

Termination

The Agreement may be terminated by either party giving the other party three months' notice.

Mr. Bhupal B. Nandgave undertakes, to the best of his skill and ability:

- a. to use his utmost endeavours to promote the interests and welfare of the Company.
- b. to conform to and comply with the directions and regulations of the Company and all such orders and directions as may from time to time be given by the Board.
- c. to devote the whole of his time and attention to the business of the Company.

The Board recommends passing of the resolutions as set out in Item Nos. 6 & 7 of the accompanying notice.

None of the Directors other than Mr. Bhupal B. Nandgave is deemed to be concerned or interested in these resolutions.

Item No. 8

On the recommendation and approval of the resolution for the remuneration payable to Mr. Sanjay Shah, Vice Chairman & Managing Director passed by the Remuneration Committee, the Board of Directors at its meeting held on 29.5.2013 has re-appointed Mr. Sanjay S. Shah, Vice Chairman & Managing Director for further period of 3 (three) years with effect from 1st April, 2013 on the terms and conditions as set out in the draft agreement to be entered into between the Company on one part and Mr. Sanjay S. Shah on the other part.

The terms and conditions of re-appointment of Mr. Sanjay S. Shah as Vice Chairman and Managing Director of the company are given in the Resolution at Item No. 8 of the notice

A draft copy of the Agreement to be entered into between the Company on one part and Mr. Sanjay S. Shah on the other part is available for inspection by the Members between 11.00 a.m. and 2.00 p.m. on any working day at the Registered office of the Company. This may be treated as an abstract of the draft agreement to be executed between the Company and Mr. Sanjay S. Shah pursuant to Section 302 of the Companies Act, 1956.

In accordance with Sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Act, where in any financial year during the currency of the tenure of the Managerial Person, a Company has no profits or its profits are inadequate, it may pay remuneration, upon compliance with conditions stated thereunder including seeking approval from the Shareholders by way of Special Resolution for the payment of remuneration for a period not exceeding three years subject to approval of the Central Government.

As the payment of minimum remuneration to Mr. Sanjay S. Shah, Vice Chairman & Managing Director for the Financial years 2013-14, 2014-15 and 2015-16 exceeds/may exceed the ceiling limit laid down in Sections 198, 309 read with Schedule XIII to the Act, Shareholders approval vide Special Resolution is sought for the said proposal, subject to approval of the Central Government.

As per the requirements of Schedule XIII of the Companies Act, 1956, the company has complied with the following :

- (i) The payment of Remuneration is approved by a resolution passed by the Remuneration Committee.
- (ii) The company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of three preceding financial years before the date of re-appointment of Mr. Sanjay S. Shah, Vice Chairman & Managing Director.
- (iii) A special resolution is being proposed at the ensuing annual general meeting as per resolution No. 8 of the accompanying notice for payment of remuneration for a period of three years w.e.f. 1.4.2013.
- (iv) **In terms of the requirements as per sub-clause (iv) of the proviso to Sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Act, the information/statement is as furnished below:**

I. GENERAL INFORMATION:

1.	Nature of Industry	Manufacturer of Printing machinery
2.	Date or expected date of commencement of commercial production	The Company is an existing company and is in operation since 1973.
3.	In case of new companies, expected date commencement of activities as per project approved by financial institutions appearing the prospectus	Not applicable

4. Financial performance based on given indicators (previous 5 years' details)

(Rs. in lakhs)

Sr. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
1.	Paid-up capital	608	608	608	608	608
2.	Reserves and Surplus	23194	24131	25839	22575	23280
3.	Turnover	39211	20194	29630	36995	30471
4.	Net Profit as per Sec. 198 (read with Section 349) of the Companies Act, 1956	5716	2042	3647	5336	2040
5.	Amount of dividend paid	608	304	456	760	456
6.	Rate of Dividend declared	100%	50%	75%	125%	75%

5. Export performance and net foreign exchange collaborations

(Rs. in lakhs)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Export turnover	11928	5411	11379	9707	8752

The company has no foreign collaboration.

6. Foreign investments or collaborators, if any

The total equity shares held by one Foreign Institutional Investor, one Foreign Company and four Foreign Nationals is 93910 equity shares of Rs.2/- each.

There is no foreign collaboration for any investment.

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Mr. Sanjay S. Shah has rich experience in multifarious areas of Accounting, Financial Management, Labour, Industrial Relation and administrative functions encompassing over two decades.

2. **Past remuneration:**

The remuneration paid to Mr. Sanjay S. Shah, Vice Chairman & Managing Director in the three financial years i.e. 2010-11, 2011-12 & 2012-13 are as given below:

(Rs. in lakhs)

Period	Annual Salary	Perquisites and allowances (per annum)	Commission (per annum)	Retirals (per annum)	Total (per annum)
2010-11	23	18	55	5	101
2011-12	48	38	100	6	192
2012-13	54	30	–	6	90

3. **Recognition or awards**

Nil

4. **Job profile and his suitability**

Mr. Sanjay S. Shah, Vice Chairman and Managing Director is responsible for ensuring profitable growth of the company with adequate control on costs, investments in current and fixed assets and maintaining over all financial discipline throughout the organisation. Mr. Sanjay S. Shah has rich experience in multifarious areas of Accounting, Financial Management, Labour, Industrial Relation and Administrative functions encompassing over two decades.

5. **Remuneration proposed:**

Details of remuneration proposed for Mr. Sanjay S. Shah, Vice Chairman & Managing Director for a period of three years with effect from 1st April, 2013 to 31st March, 2016 have been fully set out in the Special Resolution at item No. 8 of the accompanying notice.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

While fixing the salary of Mr. Sanjay S. Shah, Vice Chairman and Managing Director, the Remuneration Committee took into account the financial position of the Company, trend in the industry, appointee's qualifications, experience and background, past performance, past remuneration and his usefulness to the organisation in totality and objectivity in determining the remuneration package of Mr. Sanjay S. Shah while striking a balance between the interest of the Company and the shareholders.

7. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any**

Mr. Sanjay S. Shah, Vice chairman & Managing Director is one of the promoters, holds 4.32% in the equity share capital of the company. Mr. Sanjay S. Shah is son of Mr. Sanat M. Shah Chairman of the company and brother of Mr. Pradeep S. Shah, Managing Director of the Company. He has no relationship with any other managerial personnel except Mr. Kushal S. Shah, an executive of the company, is son of Mr. Sanjay S. Shah.

III. OTHER INFORMATION

1. **Reasons for loss or inadequate profits:**

Slow down in expansion and setting up of new Printing Press by our customers, resulting in lower capacity utilisation.

2. **Steps taken or proposed to be taken for improvement:**

Pursuing opportunities for manufacturing other engineering products which largely need similar infrastructure and skill sets.

3. **Expected increase in productivity and profits in measurable terms:**

Increase in the capacity utilisation is expected to be at around 20% to 30%.

IV. DISCLOSURES

1. The shareholders of the Company have been informed of the remuneration package of Mr. Sanjay S. Shah, Vice Chairman & Managing Director in the Special Resolution at Item No. 8 of the Notice in the following manner:

Details of total remuneration comprising *inter alia*, Salary and Perquisites and Allowances together with Retirals and other benefits which is proposed to be paid during the period from 1st April, 2013 to 31st March, 2016.

2. (i) Disclosure on remuneration package to the Directors of the Company have been made in the Corporate Governance Report which forms part of the Report of the Board of Directors in the Annual Report of the Company for the Financial Year 2012-13.
- (ii) The Company at present does not have a scheme for grant of performance-linked incentives for its directors.
- (iii) Details of Severance Contract, Notice Period and Severance Fees are given in the Report on Corporate Governance.
- (iv) The Company at present does not have a scheme for grant of stock options for its directors.

The Board recommends passing of the resolution as set out in Item No. 8 of the accompanying notice.

Except Mr. Sanjay S. Shah himself and Mr. Sanat M. Shah and Mr. Pradeep S. Shah Directors of the company, no other Director is interested in this resolution.

Item No. 9

On the recommendation and approval of the resolution for the remuneration payable to Mr. Pradeep S. Shah, Managing Director, passed by the Remuneration Committee, the Board of Directors at its meeting held on 29.5.2013 has re-appointed Mr. Pradeep S. Shah, Managing Director for further period of 3 years with effect from 1st April, 2013 on the terms and conditions as set out in the draft agreement to be entered into between the Company on one part and Mr. Pradeep S. Shah on the other part.

The terms and conditions of re-appointment of Mr. Pradeep S. Shah as Managing Director of the company are given in the resolution at item No. 9 of the notice.

A draft copy of the Agreement to be entered into between the Company on one part and Mr. Pradeep S. Shah on the other part is available for inspection by the Members between 11.00 a.m. and 2.00 p.m. on any working day at the Registered office of the Company. This may be treated as an abstract of the draft agreement to be executed between the Company and Mr. Pradeep S. Shah pursuant to Section 302 of the Companies Act, 1956.

In accordance with Sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Act, where in any financial year during the currency of the tenure of the Managerial Person, a Company has no profits or its profits are inadequate, it may pay remuneration, upon compliance with conditions stated thereunder including seeking approval from the Shareholders by way of Special Resolution for the payment of remuneration for a period not exceeding three years subject to approval of the Central Government.

As the payment of minimum remuneration to Mr. Pradeep S. Shah, Managing Director for the Financial years 2013-14, 2014-15 and 2015-16 exceeds/may exceed the ceiling limit laid down in Sections 198, 309 read with Schedule XIII to the Act, Shareholders approval vide Special Resolution is sought for the said proposal, subject to approval of the Central Government.

As per the requirements of Schedule XIII of the Companies Act, 1956, the company has complied with the following :

- (i) The payment of Remuneration is approved by a resolution passed by the Remuneration Committee.
- (ii) The company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of three preceding financial years before the date of re-appointment of Mr. Pradeep S. Shah, Managing Director.
- (iii) A special resolution is being proposed at the ensuing annual general meeting as per resolution No. 9 of the accompanying notice for payment of remuneration for a period of three years w.e.f. 1.4.2013.

- (iv) In terms of the requirements as per sub-clause (iv) of the proviso to Sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Act, the information/statement is as furnished below:

I. GENERAL INFORMATION:

1	Nature of Industry	Manufacturer of Printing machinery
2.	Date or expected date of commencement of commercial production	The Company is an existing company and is in operation since 1973.
3.	In case of new companies, expected date commencement of activities as per project approved by financial institutions appearing the prospectus	Not applicable

4. Financial performance based on given indicators (previous 5 years' details)

(Rs. in lakhs)

Sr. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
1.	Paid-up capital	608	608	608	608	608
2.	Reserves and Surplus	23194	24131	25839	22575	23280
3.	Turnover	39211	20194	29630	36995	30471
4.	Net Profit as per Sec. 198 (read with Section 349) of the Companies Act, 1956	5716	2042	3647	5336	2040
5.	Amount of dividend paid	608	304	456	760	456
6.	Rate of Dividend declared	100%	50%	75%	125%	75%

5. Export performance and net foreign exchange collaborations

(Rs. in lakhs)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Export turnover	11928	5411	11379	9707	8752

The company has no foreign collaboration.

6. Foreign investments or collaborators, if any

The total equity shares held by one Foreign Institutional Investor, one Foreign Company and four Foreign Nationals is 93910 equity shares of Rs.2/- each.

There is no foreign collaboration for any investment.

II. INFORMATION ABOUT THE APPOINTEE:

1. **Background details:**

Mr. Pradeep S. Shah is responsible for product design & development, Industrial engineering, production planning, developing new printing machinery, installing production systems and training personnel and achieving production target and has vast experience and knowledge in these fields encompassing over two decades.

2. **Past remuneration:**

The remuneration paid to Mr. Pradeep S. Shah, Managing Director in the three financial years i.e. 2010-11, 2011-12 & 2012-13 are as given below:

(Rs. in lakhs)

Period	Annual Salary	Perquisites and allowances (per annum)	Commission (per annum)	Retirals (per annum)	Total (per annum)
2010-11	23	18	55	5	101
2011-12	48	38	100	6	192
2012-13	54	30	—	6	90

3. **Recognition or awards:**

Nil

4. **Job profile and his suitability:**

Mr. Pradeep S. Shah is the Managing Director of the Company. He will have substantial powers of management and shall exercise the same subject to the superintendence, control and direction of the Board. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.

5. **Remuneration proposed:**

Details of remuneration proposed for Mr. Pradeep S. Shah, Managing Director for a period of three years with effect from 1st April, 2013 to 31st March, 2016 have been fully set out in the Special Resolution at Item No. 9 of the accompanying notice.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

While fixing the salary of Mr. Pradeep S. Shah, Managing Director, the Remuneration Committee also took into account the financial position of the Company, trend in the industry, appointee's experience and background, past performance, past remuneration, and his usefulness to the organisation in totality and objectivity in determining the remuneration package of Mr. Pradeep S. Shah while striking a balance between the interest of the Company and the shareholders.

7. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any**

Mr. Pradeep S. Shah, Managing Director is one of the promoters, holds 5.37% in the equity share capital of the company. Mr. Pradeep S. Shah is son of Mr. Sanat M. Shah, Chairman of the company and brother of Mr. Sanjay S. Shah, Vice Chairman & Managing Director of the Company. He has no relationship with other managerial personnel except Mr. Kushal S. Shah, an executive of the company is related to Mr. Pradeep S. Shah.

III. OTHER INFORMATION1. **Reasons for loss or inadequate profits:**

Slow down in expansion and setting up of new Printing Press by our customers, resulting in lower capacity utilisation.

2. **Steps taken or proposed to be taken for improvement:**

Pursuing opportunities for manufacturing other engineering products which largely need similar infrastructure and skill sets.

3. **Expected increase in productivity and profits in measurable terms:**

Increase in the capacity utilisation is expected to be at around 20% to 30%.

IV. DISCLOSURES

1. The shareholders of the Company have been informed of the remuneration package of Mr. Pradeep S. Shah, Managing Director in the Special Resolution at Item No. 9 of the Notice in the following manner:

Details of total remuneration comprising *inter alia*, Salary and Perquisites and Allowances together with Retirals and other benefits which is proposed to be paid during the period from 1st April, 2013 to 31st March, 2016.

2. (i) Disclosure on remuneration package to the Directors of the Company have been made in the Corporate Governance Report which forms part of the Report of the Board of Directors in the Annual Report of the Company for the Financial Year 2012-13.
- (ii) The Company at present does not have a scheme for grant of performance-linked incentives for its directors.

- (iii) Details of Severance Contract, Notice Period and Severance Fees are given in the Report on Corporate Governance.
- (iv) The Company at present does not have a scheme for grant of stock options for its directors

The Board recommends passing of the resolution as set out in Item No. 9 of the accompanying notice.

Except Mr. Pradeep S. Shah himself and Mr. Sanat M. Shah and Mr. Sanjay S. Shah Directors of the company, no other Director is interested in this resolution.

By Order of the Board of Directors

Sanjay S. Shah
Vice Chairman & Managing Director

Registered Office:
Sidhwa House, 1st Floor,
N. A. Sawant Marg,
Colaba,
Mumbai-400 005.

Date: 29th May, 2013

ANNEXURE A

Details of directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below:

Particulars	Details of the Directors				
Name of the Director	Mr. S. M. Shah	Mr. A. J. Mehrotra	Mr. B. B. Nandgave	Mr. S. S. Shah	Mr. P. S. Shah
Date of Birth	28.11.1932	01.12.1961	25.12.1953	31.07.1959	13.12.1960
Date of appointment	25.04.1972	29.10.2010	10.12.2012	11.08.1989	11.08.1989
Expertise in specific functional areas	As promoter, has been associated with the company from 1972. His profound business experience in the field of printing industry and his guidance and direction over a period of 35 years have enabled the company to earn international recognition as manufacturer of quality printing machines.	From October 2005 till date promoter and Executive Director of Vigel Manufacturing Technologies Pvt. Ltd. From October 2002 to September 2005 worked as Vice President of Dynatron Services. From June 1997 to December 2001 worked as Vice President (control Group) of Indfos Industries Limited. From September, 1996 to June 1997 worked as Manager Sales of Coen Bharat Limited. From August, 1987 to August, 1996 Promoter Director of Logicon Engineers Pvt. Ltd. From January 1985 to July 1987 worked as Director of Surbhay Consultancy & Investments Pvt. Ltd.	He has extensive background and vast experience in manufacturing, material management and operations.	He has rich experience in multifarious areas of Accounting, Financial Management, Labour, Industrial Relation and administrative functions encompassing over two decades.	He is responsible for product design & development, Industrial engineering, production planning, developing new printing machinery, installing production systems and training personnel and achieving production target and has vast experience and knowledge in these fields encompassing over two decades.
List of other Directorships	1. Manu Enterprises Ltd. 2. Multigraph Machinery Co. Ltd. 3. The Dukes Retreat Ltd. 4. Earthmaster Equipment Pvt. Ltd. 5. Constrad Agencies (Bombay) Pvt. Ltd. 6. Santsu Finance & Investment Pvt. Ltd.	1. Anjai Investments Pvt. Ltd. 2. Surbhay Consultancy & Investments Pvt. Ltd. 3. Vigel Manufacturing Technologies Pvt. Ltd. 4. Alfabay Engineering Services Pvt. Ltd. 5. Accurate Ancillary Products Ltd.	Nil	1. Manu Enterprises Ltd. 2. Multigraph Machinery Co., Ltd. 3. Multigraph Enterprises Ltd. 4. Mercongraphic FZC 5. Manugraph Americas Inc. 6. Earthmaster Equipment Pvt. Ltd. 7. Santsu Finance & Investment Pvt. Ltd. 8. Juno's Hospitality Pvt. Ltd.	1. Manu Enterprises Ltd. 2. Multigraph Machinery Co., Ltd. 3. Multigraph Enterprises Ltd. 4. Multigraph Machinery (Kenya) Ltd. 5. Mercongraphic FZC 6. Manugraph Americas INC. 7. Gar Apparel India Pvt. Ltd., 8. Santsu Finance & Investment Pvt. Ltd. 9. JMM Co. Cayman Islands
Membership/ Chairmanship of the committees of other Companies	Nil	Nil	Nil	Nil	Nil

DIRECTORS' REPORT

(Including Management Discussion and Analysis Report)

Dear Shareholders,

Your Directors have pleasure in presenting the forty-first Annual Report and audited accounts for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

Particulars

	April to March 2012-2013 (Rs. in Lakhs)	April to March 2011-2012 (Rs. in Lakhs)
Profit for the year	2,947.98	6,294.48
Less: Depreciation	1,079.08	1,107.65
Profit before exceptional item	1,868.90	5,186.83
Less: Exceptional item	—	6,000.00
Profit before tax	1,868.90	(813.17)
Less: Tax	630.39	1,567.11
Profit after tax	1,238.51	(2,380.28)
Add: Balance in profit and loss account	11,021.22	4,685.23
	12,259.73	2,304.95
Add: Amount transferred from general reserve	—	10,000.00
	12,259.73	12,304.95
Less: Appropriations		
Proposed dividend	456.23	760.38
Tax on proposed dividend	77.54	123.35
Transfer to general reserve	125.00	400.00
Closing balance	11,600.96	11,021.22

DIVIDEND

Your Directors recommend dividend of Rs.1.50 per equity share of Rs.2/- each (Previous year Rs.2.50 per share of Rs.2/- each) subject to the approval of the members at the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Opportunities

Although the Company has maintained its worldwide market share i.e. approximately 70% in domestic and 30% in Exports, the turnover has come down due to severe impact on the prices and the input cost has risen and the same has impacted the margins. At the same time, we see good demand growth in developing countries.

Outlook

For the current year 2013-14, challenges continue in developed markets. The growth in US and Europe are still slow. As informed earlier we are focusing in new markets viz. Africa, South America, CIS and Far East countries & of course India. The operations of the US subsidiary are satisfactory for the year 2012-13. With new models of machines introduced, we hope to get a better share in the market.

Risks and Concerns

Raw material cost is on the rise. General Economic slow down in the print industry is continuing. Salary, wages & D.A. are constantly rising.

Internal Control Systems and their Adequacy

The Company has an effective system of accounting and administrative controls which ensures that all assets are safe guarded and protected against loss from unauthorised use or disposition. The Company's policies, guidelines and procedures are in place to ensure that all transactions are authorised, recorded and reported correctly.

The Company has a reporting system, which evaluates and forewarns the management on issues related to compliance. The performance of the Company is regularly reviewed by the Board of Directors to ensure that it is in keeping with the overall corporate policy and in line with pre-set objectives.

The Company has appointed independent firms of Chartered Accountants, as internal auditors, who carry out audits in different areas of Company's operations. The Audit Committee reviews internal audit reports and the adequacy of internal controls.

Discussion on financial performance with respect to operational performance:

Highlights

	April to March 2012-2013 (Rs. in Lakhs)	April to March 2011-2012 (Rs. in Lakhs)
Net sales	30,470.70	36,994.72
Operating Income	753.28	1,156.67
Other income	428.06	832.08
Profit before interest, depreciation, and tax	3,011.90	6,418.43
Interest	63.92	123.95
Depreciation	1,079.08	1,107.65
Profit before exceptional item	1868.90	5,186.83
Exceptional item	—	6,000.00
Tax	630.39	1,567.11
Net profit after exceptional item	1,238.51	(2,380.28)
Earnings per share before exceptional item (in Rs.)	4.07	11.90
Earning per share after exceptional item (in Rs.)	4.07	(7.83)

The overall performance of the company during the year under review has been satisfactory despite prevalent sluggish market conditions in the international markets.

Sales

Total income from operations was Rs.31,223.98 lakhs including export sales of Rs.8,752.40 lakhs as compared to income from operations of Rs.38,151.39 lakhs including export sales of Rs.9,707.03 lakhs for the last year.

Other income

Other income consists of dividend, rent and profit on sale of investments.

Finance costs including interest

The Company is continuing its efforts to bring down the finance costs wherever possible.

Income-tax

As required by Accounting Standard AS-22, issued by the Institute of Chartered Accountants of India, deferred tax reversal of Rs.151.96 lakhs has been adjusted in the Profit and Loss Account.

Personnel

During the year, your Company has paid production linked incentives. Industrial relations remained very cordial at all levels.

As at the year end, the manpower strength stood at 1228 nos. (previous year 1217).

For the year under consideration there are no employees coming within the purview of provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975. Hence, no information under the said provisions is being given.

Cautionary Note

The statements forming part of the Directors' Report may contain certain forward looking statements within the meaning of the applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied, since the company's operations are influenced by many external and internal factors beyond the control of the management.

FIXED DEPOSITS

During the year, the Company has not accepted/renewed any deposits. The balance in the fixed deposit account as on 31st March, 2013 was Nil.

INSURANCE

The buildings, plant and machinery, stock in trade, standing charges and loss of profits have been adequately and appropriately insured.

CAPITAL EXPENDITURE

Your Company incurred Rs.409.32 lakhs towards capital expenditure consisting of buildings, plant and machinery and other fixed assets during the year under review, which will continue in the current year 2013-14 to improve, enhance and modernise both the plants.

CONSOLIDATED ACCOUNTS

In accordance with the requirements of Accounting Standard AS-21, prescribed by the Institute of Chartered Accountants of India, the consolidated accounts of the Company and its subsidiaries are annexed to this report.

SUBSIDIARY COMPANIES

The name of one of the subsidiary companies had been changed from Manugraph DGM Inc to "Manugraph Americas, Inc."

In terms of the General Circular No. 2/2011 dated February 8, 2011 read together with General Circular No. 3/2011 dated February 21, 2011, issued by the Government of India – Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching Balance Sheets/Annual Accounts of Subsidiary companies subject to fulfillment of conditions stated in the circular, copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors Report of the subsidiary companies viz. Constrad Agencies (Bombay) Pvt. Ltd. and Manugraph Americas Inc., for the year ended 31st March, 2013 are not attached to the Balance

Sheet of the Company as the Company has fulfilled the following conditions:

- (i) The Board of Directors of the Company has vide resolution dated 29th May, 2013 consented for not attaching the balance sheet(s) of the concerned subsidiary companies;
- (ii) The Company has presented in its Annual Report, the consolidated financial statements of Company and subsidiaries duly audited by its statutory auditors;
- (iii) The Consolidated financial statements have been prepared in strict compliance with the applicable Accounting Standards and Listing Agreement as prescribed by the Securities and Exchange Board of India;
- (iv) The Company has disclosed in the Annual Report the following information in aggregate for each subsidiary company, (a) Capital (b) Reserves (c) Total Assets (d) Total Liabilities (e) Details of Investment (except in case of investment in the subsidiaries) (f) Turnover (g) Profit before taxation (h) Provision for taxation (i) Profit after taxation and (j) Proposed dividend;
- (v) The annual accounts and other related detailed information of the following subsidiaries shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time:
 - (a) Constrad Agencies (Bombay) Pvt. Ltd.,
 - (b) Manugraph Americas Inc,
- (vi) Further, the annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder at the Registered Office of the Company and of the subsidiary companies concerned and the company shall furnish a hard copy of the details of accounts of subsidiaries to any shareholder on demand;
- (vii) The Company as well as subsidiary companies shall regularly file such data with the various regulatory and Government authorities as may be required by them;
- (viii) The Company has given Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiary company along with the exchange rate as on closing day of the financial year.

CORPORATE GOVERNANCE

Your company is fully committed to the philosophy of conducting its business with due compliance of laws, rules and regulations. The sound internal control and efficient management information systems, which play a pivotal role in corporate governance, are in place in your Company.

We are pleased to inform you that your Company has complied in all material respects with the features of corporate governance as specified in the Listing Agreement. A certificate of compliance from the statutory auditors together with a report on corporate governance forms part of this report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Company's articles of association, Mr. Sanat M. Shah and Mr. Abhay J. Mehrotra retire by rotation and are eligible for re-appointment. The Board recommends their re-appointment.

Mr. Bhupal B. Nandgave was appointed as an additional director w.e.f. 10th December, 2012.

On the recommendation of Remuneration Committee, the Board of Directors, has appointed Mr. Bhupal B. Nandgave as Whole-time Director (Works) for a period of 3 years w.e.f. 10th December, 2012 subject to the approval of the members of the company at the ensuing Annual General Meeting.

Similarly, on the recommendation of Remuneration Committee, the Board of Directors, has re-appointed Mr. Sanjay S. Shah as Vice Chairman & Managing Director for a period of 3 years w.e.f. 1st April, 2013 and Mr. Pradeep S. Shah as Managing Director for a period of 3 years w.e.f. 1st April, 2013 subject to the approval of the members of the company at the ensuing Annual General Meeting and subject to approval of Central Government.

The Company has filed a criminal and civil case against Mr. S. M. Mordekar under provisions of various sections of Indian Penal Code, 1860 and Indian Copy Right Act, 1957 on account of his malafide conduct and the same is pending before Kolhapur Metropolitan Magistrate Court and Bombay High Court. As the result of this act he was required to vacate the office of Director in terms of provisions of Section 283 of the Companies Act, 1956 and therefore, Mr. S. M. Mordekar who was appointed as Whole-time Director (Works) on 29th October, 2010 has ceased to be Director and also Whole-time Director w.e.f. 9th January, 2013.

Brief profiles of Mr. Sanat M. Shah, Mr. Abhay J. Mehrotra, Mr. Bhupal B. Nandgave, Mr. Sanjay S. Shah and Mr. Pradeep S. Shah proposed to be re-appointed/appointed as Directors of the Company are given in Annexure A to the notice convening the ensuing Annual General Meeting.

AUDITORS

Messrs Natvarlal Vepari & Co., Chartered Accountants, Mumbai, Firm Registration No. 106971W, the auditors of the company will retire from the office of the auditors at the forthcoming Annual General Meeting and being eligible offer themselves, for re-appointment. The board recommends their re-appointment.

COST AUDITORS

Pursuant to the requirements of Ministry of Corporate Affairs (MCA), New Delhi, the Board of Directors, subject to the approval of MCA, has appointed Mr. C. S. Adawadkar, Cost Accountant, Pune, for Cost Audit for the year 2013-14.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors confirm that, to the best of their knowledge and belief:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013, and of the profit of the Company for the year ended on that date;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as Annexure B to this report.

ACKNOWLEDGEMENTS

The Directors would like to thank the employee unions, shareholders, customers, suppliers, bankers, financial institutions, all other business associates and various departments of Central Government and State Government for the continuous support given by them to the company and their confidence in its management.

For and on behalf of the Board

S. M. SHAH
Chairman

Mumbai
Dated 29th May, 2013

ANNEXURE B TO THE DIRECTORS' REPORT

INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY:

Apart from implementing systematically the energy conservation methods mentioned in the earlier reports, conscious efforts were made to bring awareness among energy users for energy conservation. The additional efforts were also made:

1. Energy Audit carried out by certified Energy auditing firm.
2. Installed light pipe Day lighting system in such areas to avoid use of electricity in day time.
3. Replacement of conventional Mono block pumps with Energy efficient submersible pumps.
4. Installed Wind Ventilators with transparent FRP sheets to avoid use of exhaust Fans and increase in light intensity in day time.
5. Installed lighting energy saving unit for Smartline Assembly building.
6. Use of 10W, 20W LED fixtures in place of 36W PL lamp fixtures.
7. Use of 150W Magnetic lamp under trial at Machine Shop instead of 250W MH lamp.
8. Use of 10W LED spot lamps in place of halogen type spot lights at Reception hall and Executives Cabins.
9. Unity power factor maintained with the help of APFC unit.

B. TECHNOLOGY ABSORPTION:

1. Efforts made in technology absorption:

The focus on improvement in existing products & development of new products was maintained throughout the year. Thrust is given on strengthening manpower infrastructure in application of Computer Aided Engineering software and application of Data Acquisition System for Design of Experiments, to meet the future requirements of high speed, high performance machines. Thrust is also given to enhance the infrastructure by adding Illustration software, Design calculation software and Design documents control through Customised ERP.

The new machines and main features under development are:

- I. Hiline XL (Renamed as Dreamline)
- II. Doublewide Paster – DW4550.
- III. New Hiline Express in 560 mm cut off.
- IV. Smartline 1400 mm web width with Double Delivery Folder / DRA Structure.
- V. M360 in 533 mm cut off and improved F1:2:2 Folder.
- VI. Quarter Fold and Parallel Fold development for F2:3:3 Folder.
- VII. Balloon former option for F2:3:3 & F1:2:2 Folder.
- VIII. Autopaster for 50" Reel holding.
- IX. Bookline product development including Folder, Tower and allied aggregates.

2. Benefits derived as a result of the above R&D:

- I. New products development.
- II. More automation on existing products.
- III. Cost reduction & space saving on machines.
- IV. Performance improvement.
- V. Expanding Domestic & Export market.
- VI. Import substitution.

3. Expenditure on R&D:

(Rs. in Lakhs)

I. Capital	16.96
II. Recurring	270.77
III. Total	287.73
IV. Total R&D expenditure as a percentage of net sales	0.94

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports: initiatives taken to increase exports, develop new export markets for products and services; and export plans;

During the year under review, the Company continuously explored the possibilities of exporting more of its products to countries in Europe, Middle East Asia, Africa, South America and Australia.

2. Total foreign exchange used and earned:

The information on foreign exchange earnings and outgo is contained in note numbers 30, 31, 32 and 33.

REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance is given below.

I. MANDATORY REQUIREMENTS

1. Company's philosophy on code of governance

Manugraph India Ltd. (MIL) is committed to good Corporate Governance. The mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges have been fully implemented by your Company. The principles of transparency, accountability, trusteeship and integrity are at the core of the Company's basic character. The Company firmly believes in the right of its stakeholders to information regarding the Company's business and financial performance.

2. Board of Directors

The present strength of your Company's Board is nine directors comprising of three promoter directors viz. Mr. Sanat M. Shah, Mr. Sanjay S. Shah and Mr. Pradeep S. Shah. Mr. Sanat M. Shah is Non-Executive Chairman of the Company. Mr. Sanjay S. Shah is Vice Chairman and Managing Director and Mr. Pradeep S. Shah is Managing Director of the Company. Mr. Bhupal B. Nandgave is Whole-time Director(Works) (appointed w.e.f. 10.12.2012). Mr. Hiten C. Timbadia, Mr. Amit N. Dalal, Mr. Perses M. Bilimoria, Mr. Abhay J. Mehrotra and Mr. Jai S. Diwanji are other five non-executive independent directors. Mr. S. M. Mordekar has ceased to be director w.e.f. 9.1.2013.

During the financial year 2012 - 2013, five Board Meetings were held on 30th May 2012, 9th August, 2012, 6th November, 2012, 10th December, 2012 and 11th February, 2013.

The attendance at board meetings held during the financial year 2012-2013 and at the last Annual General Meeting (AGM), the number of other directorships and committee memberships/chairmanships of directors as on 31st March, 2013, are as follows:

Sr. No.	Name of the Director	Category	Board membership in other companies (*)	Committee chairmanship in other companies	Committee membership in other companies	No. of Board meetings of MIL attended	Attendance at the last AGM (Yes/No)
1	Mr. Sanat M. Shah	Non-Executive Chairman (Promoter)	6	Nil	Nil	4	Yes
2	Mr. Sanjay S. Shah	Vice Chairman & Managing Director (Promoter)	8	Nil	Nil	5	Yes
3	Mr. Pradeep S. Shah	Managing Director (Promoter)	9	Nil	Nil	4	Yes
4	Mr. Bhupal B. Nandgave (w.e.f. 10.12.2012)	Whole-time Director (Works) Executive - Non Independent	Nil	Nil	Nil	2	N.A.
5	Mr. Hiten C. Timbadia	Independent Non-Executive Director	1	1	Nil	5	Yes
6	Mr. Amit N. Dalal	Independent Non-Executive Director	11	1	4	4	Yes
7	Mr. Perses M. Bilimoria	Independent Non-Executive Director	4	Nil	Nil	4	Yes
8	Mr. Abhay J. Mehrotra	Independent Non-Executive Director	5	Nil	Nil	4	No
9	Mr. Jai S. Diwanji	Independent Non-Executive Director	4	Nil	Nil	5	Yes
10	Mr. Shubhendra M. Mordekar (Upto.8.1.2013)	Whole-time Director (Works) Executive - Non Independent	Nil	Nil	Nil	1	Yes

* Includes private Companies and foreign Company directorship.

3. Audit Committee

Your Company has an Audit Committee comprising of three non-executive independent directors viz. Mr. Hiten C. Timbadia, Mr. Perses M. Bilimoria and Mr. Abhay J. Mehrotra. Mr. Hiten C. Timbadia is the Chairman of the committee.

The Company Secretary acted as secretary to the committee.

The Vice-chairman and Managing Director is an invitee to the meetings. The Statutory Auditors are also invited to attend the meetings.

The terms of reference of the audit committee cover the matters specified under clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

During the year under review, five audit committee meetings were held on 30th May 2012, 9th August, 2012, 6th November, 2012, 10th December, 2012 and 11th February, 2013

Attendance at the audit committee meetings:

Sr. No.	Name of the director	No. of meetings held	No. of meetings attended
1	Mr. Hiten C. Timbadia	5	5
2	Mr. Perses M. Bilimoria	5	4
3	Mr. Abhay J. Mehrotra	5	4

The chairman of the Audit Committee along with one of the other members of the audit committee were present at the last Annual General Meeting held on 1st August, 2012.

4. Remuneration Committee

Terms of reference :

The broad terms of reference of the committee are to determine and recommend to the board, compensation payable to Managing Directors and Whole-time Directors.

The Remuneration Committee consists of Mr. Hiten C. Timbadia, Mr. Perses M. Bilimoria and Mr. Abhay J. Mehrotra. Mr. Hiten C. Timbadia is the Chairman of the Committee. All are non-executive independent directors.

During the year under review, two Remuneration Committee meetings were held on 30th May, 2012 and 10th December, 2012.

Attendance at the remuneration committee meetings:

Sr. No.	Name of the director	No. of meetings held	No. of meetings attended
1	Mr. Hiten C. Timbadia	2	2
2	Mr. Perses M. Bilimoria	2	1
3	Mr. Abhay J. Mehrotra	2	1

The details of remuneration paid to the directors of the Company during the financial year 2012 - 2013 are given below:

Sr. No.	Name of the Director	Details of Salary and perquisites Rs.	Sitting fee for board and committee meetings. Rs.
1	Mr. Sanjay S. Shah	89,97,767.73	N. A.
2	Mr. Pradeep S. Shah	89,87,533.76	N. A.
3	Mr. Bhupal B. Nandgave (w.e.f. 10.12.2012)	5,69,674.30	N. A.
4	Mr. Shubhendra M. Mordekar (Upto 8.1.2013)	14,22,495.01	N. A.
5	Mr. Sanat M. Shah	N. A.	40,000.00
6	Mr. Hiten C. Timbadia	N. A.	1,00,000.00
7	Mr. Amit N. Dalal	N. A.	40,000.00
8	Mr. Perses M. Bilimoria	N. A.	74,000.00
9	Mr. Abhay J. Mehrotra	N. A.	74,000.00
10	Mr. Jai S. Diwanji	N. A.	50,000.00

The remuneration paid to Managing Directors and Whole-time Director is within the ceiling prescribed under the provisions of the Companies Act, 1956.

Sr. No.	Name of the Director	Service Contract	Notice Period	Severance Fee
1	Mr. Sanjay S. Shah Vice Chairman & Managing Director	1-4-2013 to 31-3-2016*	Three Months	Nil
2	Mr. Pradeep S. Shah Managing Director	1-4-2013 to 31-3-2016*	Three Months	Nil
3	Mr. Bhupal B. Nandgave Whole-time Director (Works) (w.e.f. 10.12.2012)	10-12-2012 to 9-12-2015*	Three Months	Nil

* Subject to re-appointment/appointment at the ensuing AGM.

Except the Managing Directors and Whole-time Director, all the members of the board are liable to retire by rotation.

Your Company presently does not have a scheme for grant of stock options or performance-linked incentives for its directors.

5. Shareholders' Grievance Committee

The Company has Shareholders' Grievance Committee comprising of Mr. Perses M. Bilimoria and Mr. Sanjay S. Shah. Mr. Perses M. Bilimoria is the Chairman of the committee.

The Shareholders' Grievance Committee looks into the shareholders' and investors' grievances. The Company Secretary acted as the Compliance Officer and Secretary to the Shareholders' Grievance Committee.

All shares received for transfers are registered and despatched within thirty days of receipt, provided the documents are correct and valid in all respects.

There were no pending share transfers as on 31st March, 2013.

During the year under review, the Company received 31 complaints from shareholders relating to non-receipt of dividend, and non-receipt of shares sent for transfer. The complaints were duly attended to and there were no complaints pending for more than 30 (Thirty) days as on 31st March, 2013.

Status of receipt and redressal of Investors' Grievances during the financial year is as under :

Investors' Grievances pending as on 1.4.2012	Nil
Add : Investors' Grievances received during the year	31
Less : Investors' Grievances redressed during the year	31
Investors' Grievances pending as on 31.3.2013	Nil

6. General Body Meetings

Financial year	2011-2012 40th AGM	2010-2011 39th AGM	2009-2010 38th AGM
Venue	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001
Day	Wednesday	Tuesday	Monday
Date	1st August, 2012	27th September, 2011	27th September, 2010
Time	2.30 p.m.	3.00 p.m.	11.00 a.m.
No. of Special Resolution(s) passed	Nil	One	One

All resolutions as set out in the respective notices were duly passed by the shareholders.

No special resolution was put through postal ballot at the last annual general meeting. No special resolution requiring postal ballot is being proposed at the ensuing annual general meeting.

7. Disclosures

CEO and CFO Certification :

The Managing Director and Chief Financial Officer have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

Related Parties Transactions :

The Company has not entered into any transaction of a material nature with the promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The register of contracts containing transactions, in which directors are interested, is placed before the board regularly.

Code of Conduct :

The Board of Directors has laid down a "Code of Conduct" (Code) for all the Board Members and the senior management of the Company and this Code is posted on the Website of the Company. Annual compliance affirmation is obtained from every person covered by the Code.

Risk Management :

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

Statutory Compliance, Penalties and Strictures :

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets. During the last three years, no penalties or strictures have been imposed by them on the Company.

8. Means of Communication

The quarterly and half yearly results of the Company are published in the following newspapers :

Business Standard (English newspaper)

Sakal (Marathi newspaper)

The financial results are also made available at Company's Website www.manugraph.com for shareholders'/ investors' information.

II. NON-MANDATORY REQUIREMENTS

- A. Office of the chairman of the board and reimbursement of expenses by the Company.

The Company is presently reimbursing the expenses incurred in performance of duties.

- B. Shareholders' rights – furnishing of half-yearly results.

The Company's half-yearly results are published in English and Marathi newspapers having wide circulation.

- C. Postal Ballot

The Company will seek shareholders' approval through postal ballot in respect of such resolutions as are laid down in Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as and when the occasion arises.

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges on Code of Corporate Governance, Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance by the Company is annexed. The Auditors' Certificate will also be sent to the Stock Exchanges, Mumbai where the Company's shares are listed, alongwith the annual report to be filed by the Company.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

MANUGRAPH INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **MANUGRAPH INDIA LIMITED** for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Registration No. 106971W

N. Jayendran

Partner

M. No. 40441

Mumbai

Dated : May 29, 2013



GENERAL SHAREHOLDER INFORMATION

i. Annual general meeting

Date and Time : 1st August, 2013 at 3.15 p.m.
 Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building,
 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.

ii. Financial calendar

Financial year : April to March
 Financial reporting (tentative)
 First quarter results : Second week of August, 2013
 Half-yearly results : Second week of November, 2013
 Third quarter results : Second week of February, 2014
 Fourth quarter results : Second week of May, 2014

iii. Dates of book closure

From : Saturday, the 20th July, 2013
 To : Thursday, the 1st August, 2013 (both days inclusive)

iv. Dividend payment date

: On or before 29th August, 2013

v. Listing of Equity shares on Stock Exchanges

Name of Stock Exchanges : Stock Code/Symbol
 Bombay Stock Exchange Limited : 505324
 National Stock Exchange of India Limited : MANUGRAPH
 Security Series: EQ

vi. ISIN Number

: INE-867A 01022

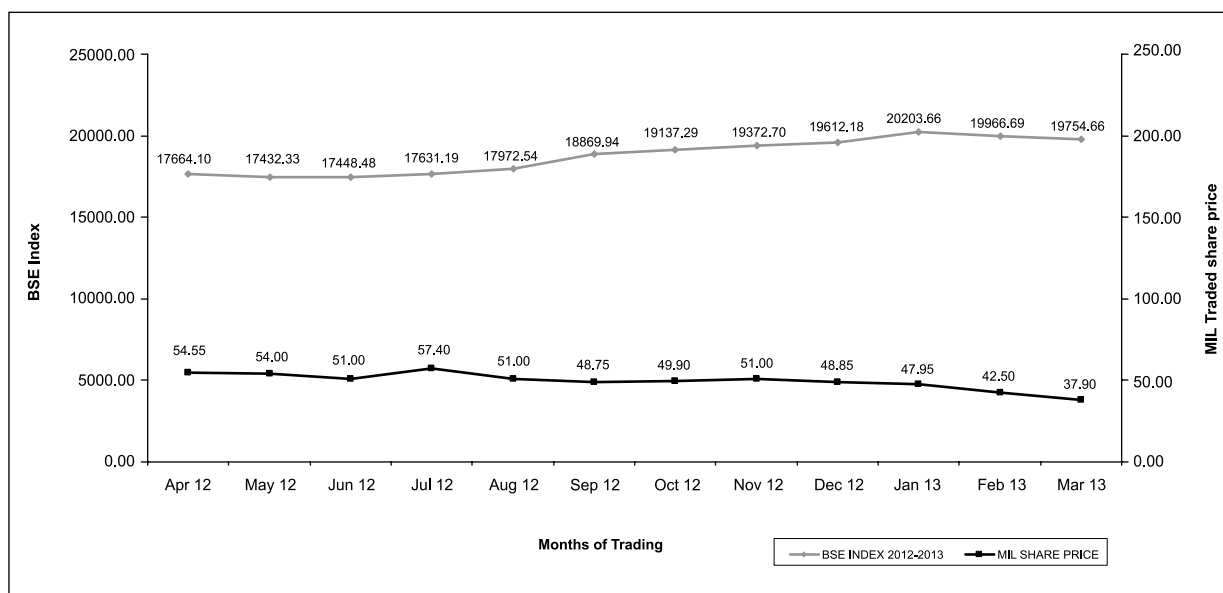
The Company has paid listing fee to both the Stock Exchanges upto the financial year 2013-2014.

vii. Market price data:

Monthly high and low quotations of shares traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year 2012-2013:

Months	Bombay Stock Exchange Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High price	Month's Low price	Month's High price	Month's Low price
April, 2012	54.55	46.55	61.00	46.25
May, 2012	54.00	46.55	54.90	46.60
June, 2012	51.00	48.00	54.45	48.10
July, 2012	57.40	47.00	57.75	45.85
August, 2012	51.00	46.50	51.50	46.50
September, 2012	48.75	45.50	52.00	45.00
October, 2012	49.90	45.15	50.00	46.00
November, 2012	51.00	45.00	51.00	44.60
December, 2012	48.85	45.45	48.85	45.00
January, 2013	47.95	40.10	47.45	39.60
February, 2013	42.50	35.05	42.00	35.00
March, 2013	37.90	29.30	37.50	30.00

viii Performance in comparison to broad-based indices BSE Sensex.



ix. Registrar and share transfer agents

: Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai – 400 078,
Phone: 022 25946970
Fax: 022 25946969
Email: rnt.helpdesk@linkintime.co.in

x. Share transfer system

: Share transfers in physical forms have to be lodged with Link Intime India Pvt. Limited at the above mentioned address.

During the year under review, all shares received for transfer were registered and despatched within thirty days of receipt, provided the documents were correct and valid in all respects.

Normally it takes 10 days for processing of demat requests from the date of receipt of the same from Depository Participants.

xi. Distribution of shareholdings as on 31st March, 2013:

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	9901	78.05	1629640	5.36
501 – 1000	1377	10.86	1099216	3.61
1001 – 2000	795	6.27	1190522	3.91
2001 – 3000	223	1.75	562210	1.85
3001 – 4000	97	0.76	342117	1.13
4001 – 5000	80	0.63	372396	1.22
5001 – 10000	106	0.84	754749	2.48
10001 and above	106	0.84	24464211	80.44
Total	12685	100.00	30415061	100.00

xii. Shareholding pattern as on 31st March, 2013:

Category	No. of shares held	% of shareholding
A. Promoters' Holding	17353602	57.06
Sub-Total (A):	17353602	57.06
B. Non-promoters' holding		
1 Institutional Investors		
a. Mutual Funds/UTI	1833108	6.03
b. Banks	250	0.00
c. Insurance Companies	1134352	3.73
d. Foreign Institutional Investors	48400	0.16
Sub-Total (B):	3016110	9.92
2. Others		
a. Corporate Bodies	1931668	6.35
b. Indian Public	7766820	25.54
c. Directors and their relatives	49960	0.16
d. Non-Resident Individuals	192184	0.63
e. Foreign Companies	250	0.00
f. Foreign Nationals	45260	0.15
g. Any other (Clearing Members)	59207	0.19
Sub-Total (C):	10045349	33.02
Grand Total [A+B+C]:	30415061	100.00

xiii. Dematerialisation of shares and liquidity:

96.31 per cent of the Company's paid-up equity share capital has been dematerialised upto 31st March, 2013.

xiv. Outstanding GDR/Warrants or convertible bonds, conversion dates and likely impact on equity**xv. Plant Locations**

: Plot No. D – 1, MIDC Shirol, Industrial Area,
Pune-Bangalore Road, Shirol, Kolhapur, Maharashtra.
Warananagar, Kodoli,
Tal. Panhala, Dist. Kolhapur, Maharashtra,
Gokul Shirgaon,
Plot No. A/8, MIDC, Kolhapur, Maharashtra

xvi. Address for correspondence

: The Company Secretary,
Manugraph India Limited,
Sidhwa House, 1st Floor, N. A. Sawant Marg,
Colaba, Mumbai-400 005
Phone: 022 22852256/57/58 • Fax: 022 22870702
E-mail: sharegrievances@manugraph.com.

Declaration by the Vice Chairman and Managing Director under clause 49 of the Listing Agreement regarding adherence to the Code of Conduct.

In accordance with Clause 49(ID) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the directors and the senior management personnel of the Company have affirmed compliance with the code of conduct, as applicable to them for the financial year ended 31st March, 2013.

For Manugraph India Limited

Sanjay S. Shah
Vice Chairman & Managing Director

Mumbai,
29th May, 2013

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Manugraph India Limited

Report on Financial Statements

We have audited the accompanying financial statements of **Manugraph India Limited** ("the Company"), which comprises the Balance sheet as at 31st March, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 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 matters specified in paragraphs 4 and 5 of the said Order.

2. As required by Section 227(3) of the Companies Act 1956, we report that:
- (i) 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.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
 - (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of Clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956 on the said date.

For **NATVARLAL VEPARI & CO.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M. No. 040441

Mumbai,
Dated: May 29, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, a major portion of fixed assets has been physically verified by the management during the year in accordance with a phased programme of verification adopted by the company. In our opinion, the frequency of physical verification is reasonable, having regard to the size of the operations of the company and on the basis of explanations received, in our opinion, the net differences found on physical verification were not significant.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories of finished goods and work-in-progress in the company's custody have been physically verified by the management as at the end of financial year. In respect of inventories of stores, spare parts and raw materials, there is a perpetual inventory system and a substantial portion of the inventories have been physically verified during the year. In our opinion, the frequency verification is reasonable. In case of materials lying with the third parties, certificates conforming inventories have been received in respect of substantial portion of the stocks held at the year end.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventories. The discrepancies noted on physical verification of inventories as compared to the book record were not material having regard to the size of the operation of the company.
- (iii) (a) The Company has granted unsecured loans to one wholly owned subsidiary companies covered in the register maintained under section 301 of the companies Act 1956. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 3.50 lakhs and the year end balance Rs. 3.50 lakhs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been given by the company are not prima facie prejudicial to the interest of the company.
- (c) The terms of repayment of loans and payment of interest have been stipulated. In respect of the principal amount and interest, there are no overdue amounts.
- (d) According to the information and explanation given to us, the company has during the year, not taken any loans, secured or unsecured from companies, firms or any other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative source are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regards to purchases of inventories and fixed assets and sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or agreements referred to in section 301 of The Companies Act, 1956 that need to be entered in to the registered maintained under the said section have been so entered.
- (b) In our opinion and having regards to our comments in paragraph (iv) above and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements

entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market price are available.

- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from public during the period covered by our audit report. Therefore the provisions of clause 4(vi) of the Companies (Auditors Report) Order, 2003 are not applicable to the company. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that the coverage of the internal audit functions carried out by the firms of chartered accountants appointed by the management is commensurate with the size of the company and the nature of its business.
- (viii) In terms of the Companies (Cost Accounting Record) Rules, 2011, the Company has maintained the Cost Accounting Records. However, no examination of the said records has been carried out by us.
- (ix)
 - (a) According to the records of the company examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute are stated in the statement attached herewith.
- (x) The Company does not have accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions, banks. The Company has not issued any debentures.
- (xii) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and therefore the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) In respect of shares, securities, debentures and other investments dealt in or traded by the company, proper records have been maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are held by the company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantee and has pledged its investments for loan taken by its subsidiary from bank are not prima facie prejudicial to the interest of the company.
- (xvi) The Company has not obtained any fresh term loans during the year and therefore the provisions of clause 4(xvi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have prima facie not been used during the year for long-term investment.

- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year and therefore the provisions of clause 4(xviii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xix) In our opinion and according to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our audit report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xx) During the period covered by our audit report, the company has not raised any money by public issues and therefore the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xxi) The management has represented that no instances of fraud, other than some malafide conduct by the then whole time director and some employees were noted during the internal investigations. The quantum of damage attributable to such malafide acts is being determined and will crystallize on completion of investigation being carried out jointly with the law enforcement authorities.

For **NATVARLAL VEPARI & CO.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M. No. 040441

Mumbai,
Dated: May 29, 2013

Statement Of Statutory Dues Outstanding On Account Of Disputes, As On 31st March, 2013, Referred To In Para 4(ix)(c) of The Annexure To Auditors' Report

Name of statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Additions during Assessments	33.20	Assessment year 2008-2009	Commissioner of Income Tax (Appeals) – IV, Mumbai
Income Tax Act, 1961	Additions during Assessments	507.92	Assessment year 2009-2010	Commissioner of Income Tax (Appeals) – IV, Mumbai
Customs Act, 1962	Customs duty on two dryers	27.96	Assessment Year 1987-1988	Customs, Excise & Service tax Appellate Tribunal, Mumbai
The Central Excise Act, 1944	Duty on scrap generated at vendors end	4.80	01.07.07 to 30.11.07	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on jigs and fixtures	1.16	01.04.04 to 31.12.04	Customs, Excise & Service tax Appellate Tribunal, West Zonal Bench, Mumbai
The Central Excise Act, 1944	Duty on sale of spares to related persons	9.45	01.12.00 to 31.05.05	Customs, Excise & Service tax Appellate Tribunal, west Zonal Bench, Mumbai
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.03	01.06.05 to 31.12.05	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.07	01.01.06 to 30.06.06	The Deputy Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.12	01.07.06 to 30.11.06	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.05	01.12.06 to 30.06.07	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.15	01.07.07 to 31.03.08	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Claim for refund of duty on scrap generated during on job work	0.55	01.04.03 to 31.03.04	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on debit notes raised on vendors towards recovery of raw material cost	0.56	01.07.01 to 31.03.02	The High Court of Judicature, Mumbai
Finance Act, 1994 Service Tax Rules, 1994	Interest on Service tax on goods transport operators	0.51	Assessment Year 2001-2002	The Commissioner, Central Excise (Appeals-II), Pune

Name of statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 Service Tax Rules, 1994	Service tax on technical know how	7.42	Assessment Year 2005-2006	The Deputy Commissioner, Central Excise, Kolhapur-I Division
Finance Act, 1994 Service Tax Rules, 1994	Service tax on clearing and forwarding charges paid by the company for the services availed from clearing and forwarding agents	1.44	01.07.97 to 31.08.99	Customs, Excise & Service tax Appellate Tribunal, West Zonal Bench, Mumbai
Finance Act, 1994 Service Tax Rules, 1994	Service tax on services rendered in respect of repairs and maintenance	0.05	01.08.03 to 31.08.03	Customs, Excise & Service tax Appellate Tribunal, West Zonal Bench, Mumbai
Finance Act, 1994 Service Tax Rules, 1994	Service tax on services rendered in respect of installation, commissioning, repairs and maintenance	2.73	01.04.04 to 31.03.07	The Assistant Commissioner, Central Excise, Kolhapur-I Division
Finance Act, 1994 Service Tax Rules, 1994	Service tax on Outward Freight	0.03	01.01.12 to 31.05.12	The Commissioner (Appeals), Central Excise, Pune II
Central Excise Act, 1944	Duty Drawback on exported goods	3.90	01.09.2010 to 30.09.2010	The Dy. Commissioner (tech.) Central Excise, Kolhapur
Central Excise Act, 1944	Duty Drawback on exported goods	1.25	01.01.2011 to 31.10.2011	The Dy. Commissioner (tech.) Central Excise, Kolhapur
Central Excise Act, 1944	Reversal of Cenvat Credit	11.38	01.05.2008 to 28.02.2010	Customs, Excise & Service tax Appellate Tribunal, West Zonal Bench, Mumbai
Finance Act, 1994 Service Tax Rules, 1994	Interest on Input Services	0.16	Assessment Year 2011-2012	The Deputy Commissioner, Central Excise, Kolhapur, Division
Finance Act, 1994 Service Tax Rules, 1994	Interest on Input Services	1.12	Assessment Year 2011-2012	The Addl. Commissioner Bagal, Chowk, Kolhapur
Central Excise Act, 1944	Duty Draback on exported Goods	19.32	01.12.2010 to 31.12.2010	The Joint Secretary Government of India, Ministry of Finance, Dept. of Revenue, New Delhi
Total		635.33		

Balance Sheet as at 31st March, 2013

Particulars	Note Ref.	As at 31st March, 2013 (Rs. in lakhs)	As at 31st March, 2012 (Rs. in lakhs)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	608.30	608.30
(b) Reserves & Surplus	2	23,279.60	22,574.86
(c) Money Received against Share Warrants		—	—
		<u>23,887.90</u>	<u>23,183.16</u>
2. Share Application Money Pending Allotment		—	—
3. Non-Current Liabilities			
(a) Long-Term Borrowings		—	—
(b) Deferred Tax Liabilities (net)	3	262.83	414.80
(c) Other Long Term Liabilities	4	5.79	5.05
(d) Long Term Provisions	5	204.80	180.86
		<u>473.42</u>	<u>600.71</u>
4. Current Liabilities			
(a) Short-Term Borrowings	6	—	—
(b) Trade Payables	7	3,351.54	5,356.90
(c) Other Current Liabilities	4	3,501.20	5,479.58
(d) Short-Term Provisions	5	1,367.68	1,915.11
		<u>8,220.42</u>	<u>12,751.59</u>
Total		<u><u>32,581.74</u></u>	<u><u>36,535.46</u></u>
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	5,453.97	6,188.91
(ii) Intangible Assets	9	48.09	40.15
(iii) Capital Work-in-Progress	10	1.05	61.94
(iv) Intangible Assets Under Development		—	—
		<u>5,503.11</u>	<u>6,291.00</u>
(b) Non-Current Investments	11	7,244.53	8,144.53
(c) Deferred Tax Assets		—	—
(d) Long-Term Loans & Advances	12	704.84	656.57
(e) Other Non-Current Assets	13	1,852.82	1,161.09
		<u>9,802.19</u>	<u>9,962.19</u>
2. Current Assets			
(a) Current Investments	14	3,557.28	2,781.40
(b) Inventories	15	8,736.64	10,485.83
(c) Trade Receivables	16	2,461.90	3,591.73
(d) Cash and Bank Balances	17	1,430.95	2,411.75
(e) Short-term Loans and Advances	12	533.16	434.33
(f) Other Current Assets	13	556.51	577.23
		<u>17,276.44</u>	<u>20,282.27</u>
Total		<u><u>32,581.74</u></u>	<u><u>36,535.46</u></u>

The accompanying Statement of Significant Accounting policies and notes to financial statements form an integral part of the Financial Statements

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran

Partner
M.No. 040441

Mumbai, Date: 29th May, 2013

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 29th May, 2013

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note Ref.	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Revenue from Operations (Gross):	18	33,196.41	39,779.80
Less: Excise Duty		2,725.71	2,785.08
Revenue from Operations (Net):		30,470.70	36,994.72
Other Operating Revenue	19	753.28	737.25
Other Income	20	428.06	1,251.49
A. Total Revenue		31,652.04	38,983.47
Expenses:			
Cost of Materials Consumed	21	17,591.69	21,354.37
Purchase of Stock-in-Trade		226.58	–
Changes in Inventories of finished goods work-in-progress and Stock-in-Trade	22	498.14	2,051.09
Employee Benefit Expenses	23	5,257.61	4,789.08
Finance Cost	24	63.92	123.95
Depreciation & Amortisation	25	1,079.08	1,107.65
Other Expenses	26	5,066.12	4,370.50
B. Total Expenses		29,783.14	33,796.64
Profit Before exceptional and extraordinary items and Tax (A-B)		1,868.90	5,186.83
Exceptional Item			
Provision for diminution in value of long term investment in subsidiary	11	–	6,000.00
Profit Before extraordinary items and tax		1,868.90	(813.17)
Extraordinary Items		–	–
Profit Before Tax		1,868.90	(813.17)
1. Current Tax	27	782.35	1,724.00
2. Deferred Tax	3	(151.96)	(156.89)
Tax Expense		630.39	1,567.11
Profit for the period from Continuing Operations		1,238.51	(2,380.28)
Discontinued Operations		–	–
Profit for the period		1,238.51	(2,380.28)
Earning per Equity Share			
– Before Exceptional Item	28	4.07	11.90
– After Exceptional Item	28	4.07	(7.83)
Par Value		2.00	2.00

The accompanying Statement of Significant Accounting policies and notes to financial statements form an integral part of the Financial Statements

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran

Partner
M.No. 040441

Mumbai, Date: 29th May, 2013

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 29th May, 2013



Cash Flow Statement for the year ended 31st March, 2013

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	1,868.90	(813.17)
Add: Depreciation	1,079.08	1,107.65
Interest	41.96	55.08
Fixed assets written off/scrapped	13.45	10.87
Loss/(profit) on sale of assets	(27.80)	7.00
Provision for gratuity	106.47	74.31
Provision for interest on income tax	5.97	45.00
Provision for wealth tax	2.70	2.16
Provision for earned leave wages	33.01	8.70
Provision for warranty expenses	0.43	19.30
Provision for diminution in current investment	(4.70)	4.70
Dividend	(124.45)	(206.50)
Profit on sale of investments	(40.92)	(312.86)
Interest received on deposits	(108.35)	(283.74)
Project expenses Written off	83.42	–
Exchange gain on loan to Subsidiary	–	(364.20)
Provision for diminution in non-current investment	–	6,000.00
Operating Profit before working Capital Changes	2,929.17	5,354.31
Working Capital Changes		
Trade payable and Other Liabilities	(3,983.45)	(1,849.79)
Inventory changes	1,749.19	2,270.45
Trade and other receivables	301.64	(1,566.85)
Cash generated from operations	996.55	4,208.11
Deduct: Direct taxes	1,094.42	1,061.04
Net Cash from Operating Activities	(97.87)	3,147.07
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(430.80)	(328.49)
Purchase of investments	(3,329.39)	(7,523.80)
Sale of fixed assets	70.55	38.52
Sale of investments	3,499.13	7,419.99
Dividend received	124.45	206.50
Other bank balances	157.86	(52.73)
Interest Received	108.35	283.74
Net cash flow from Investing Activities	200.15	43.72

Cash Flow Statement for the year ended 31st March, 2013 (contd.)

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (Net)	–	(2,130.45)
Interest Paid	(41.96)	(59.57)
Dividend paid including dividend tax	(883.27)	(530.78)
Net Cash flow from Financing Activities	(925.23)	(2,720.80)
Net Cashflow from Operating, Investing and Financing Activity	(822.95)	470.00
Opening Cash and Cash Equivalents	1,330.12	860.12
Closing Cash and Cash Equivalents	507.17	1,330.12

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran

Partner
M.No. 040441

Mumbai, Date: 29th May, 2013

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 29th May, 2013

Statement of Significant Accounting Policies and Other Explanatory Notes

A. BACKGROUND

Manugraph India Ltd, was established in the year 1972. The company is the largest manufacturer of single width web-offset printing presses in India and has a significant share of the world market for its products. The manufacturing facilities are located at Kolhapur in India and through its wholly owned subsidiary in Millersburg – USA. The company has its in-house R&D facilities with a combined strength of over 50 engineers at both locations. The Indian R&D facilities are recognized by Department of Scientific and Industrial Research – Ministry of Science and Technology, Government of India.

B. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006, (as amended), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis of accounting and under the historical cost convention.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956.

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known.

(c) Inflation

Assets and liabilities are shown at historical cost. No adjustments are made for changes in purchasing power of money.

(d) Fixed Assets

- i. Fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets.
- ii. The fixed assets manufactured by the company are stated at manufacturing cost. Fixed assets are shown net of accumulated depreciation.
- iii. Intangible Assets are recorded at cost of acquisition.

(e) Depreciation and Amortisation

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation of R&D assets (being prototype) is being done over a useful life of 5 years.

(f) Impairment of assets

Cash generating unit/ fixed assets/Investments are assessed for possible impairment at balance sheet date based on external and internal sources of information. Impairment losses, if any, are recognised as an expense in the statement of profit and loss. Impairment loss in respect of assets sold / scrapped are reversed and consequent profit or loss on such sale is accounted. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use.

Statement of Significant Accounting Policies and Other Explanatory Notes

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Depreciation charged on assets impaired is adjusted in future period over its remaining useful life.

(g) Inventories

Cost of inventories is ascertained on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

- | | |
|---|---|
| i. Raw Material & Components | Raw materials and components, stores and spares are stated at lower of cost and net realisable value. |
| ii. Consumable Tools | Consumable tools are stated at cost or below cost. |
| iii. Work-in-progress and manufactured components | Work-in-progress and manufactured components are valued at cost computed including Material, Labour and Overheads related to the manufacturing operations |
| iv. Finished Goods | Finished products are valued at lower of cost and net realisable value Cost is computed including Material, Labour and Overheads related to the manufacturing operations. |

Excise duty is included in the value of finished products inventory.

(h) Investment

Long term investments are stated at cost less provision for diminution other than temporary in nature, if any. Current investments are stated at lower of cost and fair value.

(i) Employee Benefits

- Provident fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year in which the contributions to the fund are accrued.
- Superannuation fund is a defined contribution scheme and contributions to the scheme are charged to the Statement of profit and loss in the year when the contributions accrue. The scheme is funded with an insurance company in the form of a qualifying insurance policy.
- The company has a defined benefit gratuity scheme. For the defined benefit scheme, actuarial valuations are being carried out on unit credit method at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur.
- Leave encashment benefit is provided on the basis of actuarial valuation done at the end of the year. The aforesaid leave liability is not funded.

(j) Research and Development

Revenue expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is included in additions to fixed assets under appropriate heads. Self manufactured R&D assets are carried at cost of manufacture.

(k) CENVAT Credit / Service Tax Credit

- CENVAT credit utilised during the year is accounted in excise duty and unutilised CENVAT balance at the year end is considered as advance excise duty.
- Service tax credit utilised during the year towards excise liability is accounted in excise duty and unutilised service tax credit at the year-end is considered as advance Service Tax

(l) Revenue Recognition

- Sales comprise of sale of goods and spare parts and are net of trade discount and sales returns. Sales are recognised when the goods are dispatched and all risks and rewards are transferred to the buyer. Income from Installation and commissioning is recognised after the service is rendered.
- Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- Dividend income is accounted when the right to receive the same is established by the Balance sheet date

Statement of Significant Accounting Policies and Other Explanatory Notes

(m) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

(n) Foreign Exchange Transactions

- i. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement / negotiation during the year is recognised in the Statement of Profit and Loss.
- ii. Foreign currency transactions remaining unsettled at the end of the year are converted at year-end rates. Gain or loss arising on account of transactions covered by forward contract is recognised over the period of contracts.
- iii. Current assets and current liabilities at the end of the year are converted at the year end rate and the resultant gain or loss is accounted for in the Profit and Loss Account.
- iv. The company has not used any derivative instrument except forward contracts which have been used for hedging its foreign currency exposure. The company does not undertake any speculative or trading activity through derivative instruments.

(o) Taxation

Tax expense comprises of current and deferred taxes.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

(p) Earnings per share

- i. Basic and diluted earnings per share are calculated by dividing the net profit for the year/period attributed to equity shareholders by the weighted average number of equity shares outstanding during the year/period.
- ii. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions, Contingent Liabilities and Contingent Assets

- i. Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.
- ii. Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- iii. Contingent assets are neither recognized nor disclosed in the financial statements.

(r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.

Statement of Significant Accounting Policies and Notes to Financial Statements

C. NOTES TO FINANCIAL STATEMENTS

1. Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Authorised Capital:				
Equity shares of Rs. 2 each	98,500,000	1,970.00	98,500,000	1,970.00
Preference shares of Rs.100 each	10,000	10.00	10,000	10.00
Unclassified shares of Rs.100 each	20,000	20.00	20,000	20.00
Redeemable preference shares of Rs.100 each	350,000	350.00	350,000	350.00
Total		2,350.00		2,350.00

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Issued, Subscribed And Paid up Capital:				
Equity shares of Rs. 2 each fully paid up	30,415,061	608.30	30,415,061	608.30
Total	30,415,061	608.30	30,415,061	608.30

(a) The Company has not issued any bonus shares during the last five years.

(b) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares held	%	Number of shares held	%
Multigraph Machinery Co. Ltd.	5,955,027	19.58	5,955,027	19.58
Sanat Manilal Shah	2,562,610	8.43	2,562,610	8.43
Pradeep Sanat Shah	1,634,545	5.37	1,634,545	5.37
Santsu Finance & Investment Pvt. Ltd.	1,905,500	6.26	1,905,500	6.26
Manu Enterprises Ltd.	1,955,375	6.43	1,955,375	6.43
Reliance Capital Trustee Co. Ltd.	1,830,853	6.02	1,830,853	6.02
Total	15,843,910	52.09	15,843,910	52.09

(c) The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share.

Statement of Significant Accounting Policies and Notes to Financial Statements

2. Reserves & Surplus

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
i. Capital Reserve		70.00		70.00
ii. Capital Reserve – On Amalgamation		128.00		128.00
iii. Capital Redemption Reserve		110.58		110.58
iv. Securities Premium Account		2,145.06		2,145.06
Other Reserves				
v. General Reserve:				
Balance per last Balance Sheet		9,100.00		18,700.00
Less: Transfer to Surplus in Profit and Loss a/c.		–		10,000.00
Add: Transferred from surplus		125.00		400.00
		9,225.00		9,100.00
vi. Surplus in Profit and Loss Account				
Balance as per last Balance Sheet		11,021.22		4,685.23
Add:				
Transfer from General Reserve		–		10,000.00
Profit for the year		1,238.51		(2,380.28)
Sub Total		1,238.51		7,619.72
Less:				
Transfer to General Reserve		125.00		400.00
Proposed Dividend		456.23		760.38
Tax on Proposed Dividend		77.54		123.35
Sub Total		658.77		1,283.73
		11,600.96		11,021.22
Total Reserves & Surplus (i+ii+iii+iv+v+vi)		23,279.60		22,574.86

- a) The General Reserve has been created in accordance with the requirements of the Companies (Transfer of Profits to Reserve) Rules, 1975.
- b) The company had been transferring voluntarily from its profit and loss account to general reserve amounts in excess of the minimum amount required to be transferred under the provisions of Companies (Transfer of Profits to Reserves) Rules, 1975. As on 31st March, 2011 surplus amount voluntarily transferred to general reserves aggregate approximately Rs. 15,000 lakhs. In accordance with the opinion of a learned counsel who opined that the surplus amount voluntarily transferred to general reserves is not a compulsory reserve and would form part of the free reserves of the company and with a view to have sufficient balance in the profit and loss account, the company has transferred back in the previous year from its general reserve to profit and loss account an amount of Rs. 10,000 lakhs.

Statement of Significant Accounting Policies and Notes to Financial Statements

3. Deferred Tax Liabilities (net)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Deferred tax liability on account of				
Difference between book and tax depreciation		516.34		612.06
Less:				
Deferred tax Assets on account of				
Provision for leave encashment	80.01		65.67	
Provision for gratuity	173.50		131.07	
Provision for doubtful debts and advances	—		0.52	
Total Deferred Tax Asset		253.51		197.26
Net deferred tax liability		262.83		414.80

4. Other Liabilities

Particulars	Non-Current		Current	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
Advances from Customers	—	—	2,933.52	4,517.06
Unclaimed dividends	—	—	65.38	64.93
Other Liabilities	—	—	502.30	897.59
Security deposits	5.79	5.05	—	—
Total	5.79	5.05	3,501.20	5,479.58

Unclaimed dividends: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

5. Provisions

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
For employee benefits				
Provision for earned leave wages	204.80	180.86	30.59	21.53
Provision for Gratuity	—	—	510.45	403.98
Others				
Proposed Dividend	—	—	456.23	760.38
Corporate Tax on Dividend	—	—	77.54	123.35
Provision for Warranty	—	—	140.36	139.93
Provision for taxation net of taxes paid	—	—	152.51	465.94
Total	204.80	180.86	1,367.68	1,915.11

Statement of Significant Accounting Policies and Notes to Financial Statements

The Company provides gratuity to all employees. The benefit is in the form of lumpsum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to fund administered by trustees and managed by Life Insurance Corporation of India, for amounts notified by it. The gratuity benefit is a defined benefit plan.

Particulars	As at 31st March, 2013 (Rs. in lakhs)	As at 31st March, 2012 (Rs. in lakhs)
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Present value of obligation at the beginning of the year	1,433.91	1,226.00
Interest cost	114.71	98.08
Current service cost	61.25	53.94
Benefits paid	(65.59)	(31.12)
Actuarial (gain)/loss on obligation	126.88	87.01
Present value of obligation at the end of the year	1,671.17	1,433.91
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,029.93	896.33
Expected return on plan assets	93.77	82.24
Contributions	102.60	82.47
Benefits paid	(65.59)	(31.11)
Actuarial gain/(loss) on plan assets	—	—
Fair value of plan assets as at the end of the year	1,160.72	1,029.93
Amount recognised in Balance Sheet		
Fair value of plan assets as at the end of the year	1,160.72	1,029.93
Present value of obligation as at the end of the year	1,671.17	1,433.91
Asset/(liability) recognised in the Balance Sheet	(510.45)	(403.98)
Expense recognised in the Statement of Profit and Loss		
Interest cost	114.71	98.08
Current service cost	61.25	53.94
Expected return on plan assets	(93.77)	(82.24)
Net actuarial (gain)/loss recognised in the year	126.88	87.01
Net cost	209.07	156.79
Break-up of Plan Assets		
Category of assets as at the end of the year		
Insurer Managed Funds	100%	100%
(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
Assumptions		
Discount rate	8%	8%
Salary escalation rate (annual)	4%	4%

Note:- Experience adjustment information is not available and hence not disclosed.

Disclosure under Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets (2012-13)

	(A)	(B)	(C)	(A+B-C)
Particulars	Bal. as on 01.04.12	Additions During the year	Amt. Paid/Reversed During the year	Bal. as on 31.03.13
Warranty Expenses	139.93	156.63	156.19	140.37
(Previous Year)	(120.63)	(196.21)	(176.91)	(139.93)

Statement of Significant Accounting Policies and Notes to Financial Statements

6. Borrowings

The borrowings of the Company are analysed as follows:

Particulars	Non-Current / Long Term		Current / Short Term	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
Secured Loans:				
Cash credit account	—	—	—	—
State Bank of India	—	—	—	—
Unsecured Loans:	—	—	—	—
Total Loans	—	—	—	—

Secured by hypothecation of stock-in-trade, stores, book-debts and other receivables and second charge on the company's moveable and immoveable properties.

7. Trade Payables – Current

Particulars	As at 31st March, 2013 (Rs. in lakhs)	As at 31st March, 2012 (Rs. in lakhs)
Trade Payables		
– Subsidiary company	5.81	7.65
– Micro Small and Medium Enterprises	43.31	192.60
– Others	3,302.42	5,156.65
Total	3,351.54	5,356.90

Disclosure in accordance with Section 22 of Micro Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31st March, 2013 (Rs. in lakhs)	As at 31st March, 2012 (Rs. in lakhs)
a. Principal amount remaining unpaid to any supplier	41.46	190.33
b. Interest Due and unpaid during the year	1.85	2.27
c. The amount of principal paid beyond the appointed date	103.80	333.21
d. The amount of interest paid beyond the appointed date	2.27	7.40
e. Amount of interest due and payable on delayed payments	1.85	2.27
f. Total outstanding dues of micro, small and medium enterprises	43.31	192.60

The information has been given in respect of such vendors to the extent they could be identified as 'micro and small enterprises' on the basis of information available with the company. This has been relied upon by the auditor.

Statement of Significant Accounting Policies and Notes to Financial Statements

8. Tangible assets

(Rs. in lakhs)

	Research and Development											
	Freehold land	Leasehold land	Buildings	Plant, Machinery & Equipment	Computers	Other Equipments	Furniture & fittings	Vehicles	Gauges & Instruments	Computers	Prototype Machine	Total
Cost												
As at 1st April, 2011	14.69	7.64	2,249.08	10,681.24	394.86	250.09	481.82	394.49	42.10	20.06	549.92	15,085.99
Additions	-	-	6.62	101.76	48.40	34.53	2.92	64.44	-	3.56	-	262.23
Disposals	-	-	-	61.75	38.46	1.37	0.91	89.50	-	-	-	191.99
As at 31st March, 2012	14.69	7.64	2,255.70	10,721.25	404.80	283.25	483.83	369.43	42.10	23.62	549.92	15,156.23
Additions	-	-	3.84	163.37	20.55	34.56	13.89	140.17	-	2.83	-	379.21
Disposals	-	-	-	143.78	6.07	11.40	1.16	59.61	-	-	-	222.02
As at 31st March, 2013	14.69	7.64	2,259.54	10,740.84	419.28	306.41	496.56	449.99	42.10	26.45	549.92	15,313.42
Depreciation/ Amortisation												
As at 1st April, 2011	-	-	630.55	6,417.19	336.35	115.08	324.13	128.65	23.22	13.89	22.90	8,011.96
Charge for the year	-	-	78.24	805.56	29.51	11.41	16.09	32.57	4.35	3.25	109.98	1,090.96
Disposals	-	-	-	50.83	38.44	1.18	0.91	44.26	-	-	-	135.62
As at 31st March, 2012	-	-	708.79	7,171.92	327.42	125.31	339.32	116.96	27.57	17.14	132.88	8,967.30
Charge for the year	-	-	65.07	781.13	25.64	13.05	16.90	39.22	4.35	2.62	109.98	1,057.96
Disposals	-	-	-	129.90	6.07	7.09	0.59	22.16	-	-	-	165.81
As at 31st March, 2013	-	-	773.86	7,823.15	346.99	131.27	355.62	134.02	31.92	19.76	242.86	9,859.45
Net Block												
As at 31st March, 2012	14.69	7.64	1,546.91	3,549.33	77.38	157.94	144.52	252.47	14.53	6.48	417.04	6,188.93
As at 31st March, 2013	14.69	7.64	1,485.68	2,917.69	72.29	175.14	140.94	315.97	10.18	6.69	307.06	5,453.97

Statement of Significant Accounting Policies and Notes to Financial Statements

9. Intangible assets

(Rs. in Lacs)

	Technical Documentation & Know How	Computer Software	R & D Software	Total
Cost				
As at 1st April, 2011	220.74	124.59	77.47	422.80
Additions	–	2.45	12.42	14.87
As at 31st March, 2012	220.74	127.04	89.89	437.67
Additions	–	14.93	14.14	29.06
As at 31st March, 2013	220.74	141.97	104.03	466.73
Depreciation / Amortization				
As at 1st April, 2011	220.74	115.06	45.03	380.83
Charge for the year	–	3.95	12.74	16.69
As at 31st March, 2012	220.74	119.01	57.77	397.52
Charge for the year	–	7.87	13.25	21.12
As at 31st March, 2013	220.74	126.88	71.02	418.64
Net Block				
As at 31st March, 2012	–	8.03	32.12	40.16
As at 31st March, 2013	–	15.09	33.01	48.09

10. Capital Work-in-Progress

Particulars	As at 31st March, 2013 (Rs. in lakhs)	As at 31st March, 2012 (Rs. in lakhs)
Capital Work In Progress	1.05	1.86
Project Expenses Pending Allocation	–	60.08
Total	1.05	61.94

The Company has debited expenditure incurred in connection with its project for setting up compostable packaging material as Project Expenses Pending Allocation (PEPA). The Details of PEPA incurred for the project are given below.

	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
i Material cost	–	32.28
ii Employee benefit cost	–	19.94
iii Other expenses	–	7.86
Total	–	60.08

During the year the Company has abandoned the project for setting up compostable packaging material and accordingly has charged off all the Project Expenses Pending allocation to the Statement of Profit and loss.

Statement of Significant Accounting Policies and Notes to Financial Statements

11. Non-Current Investments

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
Trade Investments				
Manugraph Securities and Finance Private Limited (unquoted)	250	0.03	250	0.03
Other Investments				
Investment in Government securities (unquoted)				
6 years National Savings Certificates – VIII issue		0.10		0.10
Investment in subsidiary companies (unquoted)				
Constrad Agencies (Bombay) Private Ltd. (shares of Rs. 100/- each)	5,000	177.16	5,000	177.16
Manugraph Americas, Inc, USA (shares of US\$ 0.01 each)	3,88,290	9,197.51	3,88,290	9,197.51
Manugraph Americas, Inc, USA – Preferred Stock (shares of US\$ 0.01 each)	1,00,000	3,869.23	1,00,000	3,869.23
Others (unquoted)				
Shree Warna Sahakari Bank Limited (shares of Rs. 25/- each)	2,000	0.50	2,000	0.50
Investments in Mutual Funds				
Units of the face value of Rs. 10/- each (unless otherwise specified) (quoted)				
HDFC FMP 400D February 2012 (I) Growth	–	–	20,00,000	200.00
HDFC FMP 392D March 2012 (I) Growth	–	–	50,00,000	500.00
Birla Sunlife Fixed Term Plan Sr. FC – Growth	–	–	20,00,000	200.00
		13,244.53		14,144.53
Less -				
Provision for diminution in value of investment (in respect of Equity Investment in Manugraph Americas, Inc formerly called Manugraph DGM, Inc)		6,000.00		6,000.00
Total		7,244.53		8,144.53

Particulars	As at 31st March, 2013		As at 31st March, 2012	
		(Rs. in lakhs)		(Rs. in lakhs)
a Aggregate value of quoted investments				
– Book Value		–		900.00
– Market Value		–		906.86
b Aggregate value of unquoted investments		7,244.53		7,244.53

- i 6 years National Savings Certificates – VIII Issue of the face value of Rs.10,000 (previous year: Rs.10,000) have been deposited with the sales-tax authorities and a customer
- ii The investment in Manugraph Americas Inc. (Formerly Manugraph DGM Inc.) includes 116,698 equity shares which have been pledged with the bankers for credit facilities availed by the subsidiary Manugraph Americas, Inc.

Statement of Significant Accounting Policies and Notes to Financial Statements

12. Loans and Advances

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
Loan to subsidiary company	3.50	3.00	–	–
Staff Loans	293.64	226.44	103.36	80.80
Advances Recoverable in Cash or in kind	3.22	2.37	117.84	352.53
Advances to Suppliers	–	–	310.26	–
Capital Advance	11.01	25.43	–	–
Sundry Deposits	53.49	49.26	1.70	1.00
Taxes paid net of provisions	339.98	350.07	–	–
Total	704.84	656.57	533.16	434.33

13. Other Assets

Particulars	Non-Current / Long Term		Current / Short Term	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
Claims and Refunds receivable	1,852.22	1,161.09	448.90	451.25
Balances with Revenue Authorities	0.60	–	107.61	125.98
Total	1,852.82	1,161.09	556.51	577.23

14. Current Investments

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
Investments in Mutual Funds				
Units of the face value of Rs. 10/- each (unless otherwise specified) (quoted)				
Templeton India Low Duration Fund Qtr. Dividend	41,54,557	428.90	41,73,548	431.01
HDFC Cash Mgmt. Fund Treasury Advt. Div. Re-invt.	–	–	16,81,171	168.50
DWS Cash Opportunities Fund Div. Re-invt.	–	–	41,70,168	420.65
HDFC Short Term Plan Div. Re-invest.	–	–	30,19,032	310.97
IDFC SSIF Short Term Plan B - Fortnightly Div.	–	–	48,12,187	518.96
Templeton India Short Term Plan Div. Re-invest.	–	–	28,990	311.82
Birla Sunlife Dynamic Bond Fund Regular Growth	15,74,225	300.00	–	–
Birla Sunlife Dynamic Bond Fund Direct Growth	15,24,336	300.00	–	–
Birla Sunlife Fixed Term Plan Series EP - Growth	–	–	30,00,000	300.00
Birla Sunlife Dynamic Bond Retail Qtr. Div. Re-inv.	–	–	26,76,832	307.95
Templeton India Cash Management Account - Dividend Reinvestment (unquoted)	33,810	3.38	1,62,389	16.24
HDFC FMP 400D February 2012 (1) Growth	20,00,000	200.00	–	–
HDFC FMP 392D March 2012 (1) Growth	50,00,000	500.00	–	–
Birla Sunlife Fixed Term Plan Sr. FC - Growth	20,00,000	200.00	–	–
IDFC SSIF Short Term Plan A Growth	21,53,390	500.00	–	–
DWS Premier Bond Fund Regular Plan - Growth	21,26,506	400.00	–	–
Templeton India Short Term Plan Growth	13,276	300.00	–	–
HDFC Short Term Plan - Growth	13,76,065	300.00	–	–
HDFC Income Fund - Growth	4,83,692	125.00	–	–
		3,557.28		2,786.10
Less: Prov. for diminution in value of investment		–		4.70
Total		3,557.28		2,781.40
Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)		(Rs. in lakhs)	
a. Aggregate of quoted investments				
– Book Value		3,553.90		2,765.16
– Market Value		3,722.27		2,786.27
b. Aggregate Book Value of unquoted investments		3.38		16.24

Statement of Significant Accounting Policies and Notes to Financial Statements

15. Inventories

Per Inventory taken, valued and certified by the whole-time director

Particulars	As at 31st March, 2013		As at 31st March, 2012
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Raw Material (incl Goods in transit Rs. 69.01 lakhs, (previous year Rs. Nil)	2,155.69		3,169.82
Work In Progress	3,231.12		1,459.83
Finished Goods	–		2,170.10
Stores & Spares	136.19		172.82
Loose Tools (Consumable)	72.50		75.98
Manufactured components	2,914.56		3,437.28
Traded Goods	226.58		–
Total	8,736.64		10,485.83

Valuation methodology

- | | | |
|-----|--|--|
| i | Raw Material & Components, Stores & Spares | Raw materials and components, stores and spares are stated at lower of cost and net realisable value. |
| ii | Consumable Tools | Consumable tools are stated at cost or below cost. |
| iii | Work-in-progress and manufactured components | Work-in-progress and manufactured components are valued at cost. |
| iv | Finished Goods including traded goods | Finished products are valued at lower of cost and net realisable value. Excise duty is included in the value of finished products inventory. |

16. Trade receivables – Current (Unsecured)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Outstanding for over six months old				
– Considered good	1,352.30		1,283.91	
– Considered doubtful	–		1.62	
	1,352.30		1,285.53	
Less: Provision for doubtful debts	–		1.62	
		1,352.30		1,283.91
Others				
– Considered good		1,109.60		2,307.82
Total		2,461.90		3,591.73

17. Cash and Bank Balances

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Cash & Cash Equivalents				
Bank balances				
With Schedule Banks				
In current accounts	339.83		1,039.76	
In cash credit accounts	143.81		266.39	
With Shree Warana Sahakari Bank Limited	8.04		4.52	
In current account		491.68		1,310.67
Cheques, Drafts on hand		1.34		4.36
Cash Balances		14.15		15.09
		507.17		1,330.12
Other Bank Balances				
In fixed deposit accounts (as margin money)		858.40		1,016.70
In unclaimed dividend accounts		65.38		64.93
		923.78		1,081.63
Total		1,430.95		2,411.75

Statement of Significant Accounting Policies and Notes to Financial Statements

18. Revenue from Operations (Gross)

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Sale of Products		
Sales of Finished Goods & spares (Domestic)	24,444.01	30,072.77
Sales of Finished Goods & spares (Export)	8,752.40	9,707.03
[Excluding Sales Return Rs. 3.54 lakhs (previous year Rs. 6.05 lakhs)]		
Total	33,196.41	39,779.80

Sale of Products

Sale of Finished Goods & Spares (Net of excise duty)

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Printing units	28,701.17	35,628.44
Spares and accessories	1,769.53	1,366.28
Total	30,470.70	36,994.72

19. Other Operating Revenue

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Service and erection charges received	526.00	555.12
Miscellaneous receipts	225.08	170.43
Sundry credit balances appropriated	0.58	2.49
Excess provision for doubtful debts & advances	1.62	9.21
Total	753.28	737.25

20. Other Income

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Dividend from Current Investment	124.39	191.40
Dividend from Non-current Investment	0.06	15.10
Rent (gross)	28.98	28.98
Profit on sale of Assets (Net)	27.80	–
Profit on sale of Investment – Non-Current	–	312.86
Profit on sale of Investment – Current	40.92	–
Exchange gain (Net)	92.86	419.42
Excess Provision of Diminution in value of Investment	4.70	–
Interest received on investments	–	0.05
Interest received on deposits, debts etc.	108.35	283.69
Total	428.06	1,251.49

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Profit on Sale of Investments include		
– Profit on Sale of Non-Current Investment	–	306.25
– Profit on Sale of Current Investment	40.92	6.61
	40.92	312.86

Dividend from Non-current investment includes Dividend from Subsidiary Company – Rs. NIL. (Previous year Rs. 15.03 lakhs)

Statement of Significant Accounting Policies and Notes to Financial Statements

21. Cost of Materials Consumed:

Particulars	2012-13		2011-12	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Raw Materials Consumed				
Opening Stock	3,169.82		3,418.38	
Add: Purchases (Including components processing charges Rs.801.61 lakhs – previous year: Rs. 899.31 lakhs)	16,584.05		21,110.46	
		19,753.87		24,528.84
Less: RMC Capitalised	6.49		4.65	
Closing Stock	2,155.69		3,169.82	
		2,162.18		3,174.47
Total		17,591.69		21,354.37

i) Raw Materials Consumed:

Particulars	2012-13		2011-12	
	(Rs. in lakhs)	%	(Rs. in lakhs)	%
Steel and other metals	1,033.61	5.88	1,208.70	5.66
Castings	1,321.24	7.51	1,631.68	7.64
Electrical parts	3,738.70	21.25	4,784.19	22.40
Components	11,498.14	65.36	13,729.80	64.30
Total	17,591.69	100.00	21,354.37	100.00

ii) Value of imported and indigenous raw materials and components consumed and the percentage of each to the total consumption:

Particulars	2012-13		2011-12	
	(Rs. in lakhs)	%	(Rs. in lakhs)	%
Raw materials:				
Imported	3,037.37	17.27	4,720.97	22.11
Indigenous	14,554.32	82.73	16,633.40	77.89
Total	17,591.69	100.00	21,354.37	100.00

In giving the above information, the company has taken the view that spares and components as referred to in clause 5(VIII)(c) of Schedule VI cover only such items as go directly into production.

Statement of Significant Accounting Policies and Notes to Financial Statements

22. Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	2012-13		2011-12	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Inventory Adjustments – WIP				
Work-in-progress at Opening	1,459.83		2,551.57	
Work-in-progress at Closing	3,231.12		1,459.83	
		(1,771.29)		1,091.74
Inventory Adjustments – FG				
Stock at Commencement	2,170.10		3,076.44	
Less: Stock at Closing	–		2,170.10	
		2,170.10		906.34
Inventory Adjustments – Manufactured components				
Stock at Commencement	3,437.28		3,505.44	
Less: Stock at Closing	2,914.56		3,437.28	
		522.72		68.16
Inventory Adjustments – Trading				
Stock at Commencement	–		–	
Less: Stock at Closing	226.58		–	
		(226.58)		–
Excise duty on closing stock of finished products	–		196.81	
Less: Provision for excise duty on opening stock of finished products	196.81		211.96	
		(196.81)		(15.15)
Total		498.14		2,051.09

Opening stock of Finished Goods

Particulars	2012-13 (Rs. In lakhs)	2011-12 (Rs. In lakhs)
Printing units	2,170.10	3,076.44
Total	2,170.10	3,076.44

Closing stock of Finished Goods

Particulars	2012-13 (Rs. In lakhs)	2011-12 (Rs. In lakhs)
Printing units	–	2,170.10
Total	–	2,170.10

Statement of Significant Accounting Policies and Notes to Financial Statements

23. Employee Benefit Expenses

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Salary, Wages, bonus and allowances	4,397.63	4,099.27
Welfare expenses	294.41	236.44
Contribution to provident & other funds	331.07	294.56
Provision for earned leave wages	33.01	8.70
Contribution to Employees Group Gratuity Scheme	209.07	156.79
	5,265.19	4,795.76
Less Wages Capitalised	7.58	6.68
Total	5,257.61	4,789.08

24. Finance Cost

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Interest paid	41.96	55.08
Interest on Income Tax	6.89	45.00
Other Borrowing Costs	15.07	23.87
Total	63.92	123.95

25. Depreciation & Amortisation

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Depreciation	1,079.09	1,107.65
Total	1,079.09	1,107.65

Statement of Significant Accounting Policies and Notes to Financial Statements

26. Other Expenses

Particulars	2012-13		2011-12	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Consumption of stores and Consumables		427.46		390.47
Power & Fuel		253.25		226.61
Rent		38.58		36.07
Rates & Taxes		13.97		28.86
Repairs to Buildings		89.93		59.85
Repairs to Machinery		95.37		74.14
Insurance		30.09		17.13
Travelling and conveyance		648.46		388.39
Commission on sales		1,197.14		1,451.19
Provision for diminution in value of current investment		—		4.70
Bank Charges		92.23		145.78
Other repairs		128.59		123.35
Advertisement and sales promotion expenses		434.59		63.50
Sundry debit balances written off		5.96		2.73
Loss on sale of assets		—		7.00
Fixed assets scrapped		13.45		10.87
Warranty expenses		156.63		196.21
Research and development expenses		270.77		224.20
Donations		6.42		1.76
Legal and professional fees		88.59		90.40
Short provision and adjustments relating to previous years		257.69		47.87
Freight and Handling Charges		52.77		92.35
Packing and Forwarding Charges		259.86		249.70
Project Expenses Written off		83.42		—
Directors' Fees		3.78		2.58
Remuneration to Auditors				
Audit fees	16.75		15.00	
Other Services	3.31	20.06	1.41	16.41
Miscellaneous Expenses (None of which individually forms more than 1% of the Operating Revenue.)		425.32		450.48
		5,094.38		4,402.60
Less: Expenditure transferred to capital accounts.				
Overheads capitalised	—	28.26	—	32.10
Total		5,066.12		4,370.50

Note: Advertisement and Sales promotion during the year includes the cost of participation in Drupa 2012 exhibition of Rs. 329.65 lakhs

Statement of Significant Accounting Policies and Notes to Financial Statements

a) Research and development expenses

Particulars	2012-13		2011-12	
	In Recognised Units	In other Units	In Recognised Units	In other Units
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Material	–	–	–	–
Personnel costs	220.82	46.84	171.69	50.98
Other Costs	2.56	0.55	0.77	0.76
Total Revenue Costs	223.38	47.39	172.46	51.74
Capex Costs	16.96	–	15.99	–

27. Current Taxation

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Current tax	782.00	1,724.00
Income tax pertaining to previous year	0.35	–
Total	782.35	1,724.00

28. Earning Per Share

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Net profit after tax available for equity shareholders before Exceptional Items	1,238.51	3,619.72
Net profit after tax available for equity shareholders after Exceptional Items	1,238.51	(2,380.28)
Weighted average number of equity shares of Rs. 2 each outstanding during the year	30,415,061	30,415,061
Earning Per Share before Exceptional Items Basic and diluted earnings per share (Rs.)	4.07	11.90
Earning Per Share after Exceptional Items Basic and diluted earnings per share (Rs.)	4.07	(7.83)

29. Unhedged foreign currency exposures as at the year end:

Particulars	31.03.2013		31.03.2012	
	Currency type	Amount	Currency type	Amount
Trade Receivable and Other Receivables	USD	3,403,982	USD	6,416,291
	EURO	490,160	EURO	138,540
	GBP	1,684	GBP	–
	JPY	–	JPY	410,947
Trade Payable and Other Payables	USD	1,223,015	USD	1,349,333
	EURO	14,317	EURO	567,624
	GBP	741	GPB	–
Outstanding forward contracts for future transaction/Firm Commitments	USD	–	USD	–

Statement of Significant Accounting Policies and Notes to Financial Statements

30. CIF Value of Imports

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Components	2,174.46	3,138.16
Capital goods	–	5.49
Stores, Spares and tools	31.16	68.65
Traded Goods	170.06	–
Total	2,375.68	3,212.31

31. Earnings in Foreign Exchange

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Exports of Printing Units calculated on F.O.B. basis	8,752.40	9,707.03
Service and Erection charges	82.95	218.13
Dividend	–	15.03
Interest	–	165.27
Total	8,835.35	10,105.46

32. Expenditure in foreign currency

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Professional fees	6.13	12.00
Interest	–	14.46
Payments on other accounts	552.05	276.78
Total	558.18	303.24

33. Remittances in foreign currency for dividend:

The Company has remitted during the year dividend in foreign currency to non-resident shareholders. The particulars of dividend paid during the year are as under:

Particulars	2012-13	2011-12
Number of non-resident shareholders	6	8
Number of equity shares of Rs. 2 each held by them	62,260	100,712
Amount of dividend remitted (Rs.)	1,55,650	1,51,068

Statement of Significant Accounting Policies and Notes to Financial Statements

34. Disclosure pursuant to Clause 32 of the Listing Agreement

Particulars	2012-13		2011-12	
	As at 31.3.13	Maximum outstanding	As at 31.3.12	Maximum outstanding
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Name of Loanees				
Subsidiary Companies	—	—	—	—
Amount of Loans/advances in nature of loan outstanding with no repayment schedule				
Manugraph Americas, Inc.	—	—	—	4,443.35
Advances in nature of loan carrying Nil rate of interest				
Constrad Agencies (Bombay) Private Limited	3.50	3.50	3.00	3.00
Note: None of the Loanees have, per se, made investments in the shares of the company.				
Employee loans where repayment is beyond 7 years	344.65	349.33	261.70	266.88

35. Disclosure as required by Accounting Standard – AS 18 "Related Parties" of the Companies (Accounting Standards) Rules, 2006

I. Relationships:

Subsidiaries

Constrad Agencies (Bombay) Private Limited

Manugraph Kenya Limited (upto 30.03.2012)

Manugraph Americas, Inc. USA. (formerly known as Manugraph DGM, Inc)

Entities where significant influence exists

Multigraph Machinery Company Limited

Manubhai Sons and Company

Mercongraphic FZC,

Multigraph Machinery Kenya Ltd.

Key Management Personnel

Mr. Sanjay S. Shah — Vice Chairman and Managing Director

Mr. Pradeep S. Shah — Managing Director

Mr S.M Mordekar — Whole-time Director (Works) upto 08.01.2013

Mr. B B Nandgave — Whole-time Director (Works) w.e.f 10.12.2012

Relatives of Key Management Personnel

Mr. Sanat M. Shah

Mrs. Sudha S. Shah

Mr. Kushal Shah

Statement of Significant Accounting Policies and Notes to Financial Statements**II. The Related party transactions are detailed as required by AS-18 are as under**

				(Rs. in lakhs)
	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel
Purchase of goods:				Grand Total
Manugraph Americas Inc.	43.32			43.32
	(80.81)			(80.81)
	43.32			43.32
	(80.81)			(80.81)
Sale of goods:				
Multigraph Machinery Kenya Ltd	-	24.49		24.49
	(292.59)	(-)		(292.59)
Manugraph Americas Inc.	13.11			13.11
	(150.79)			(150.79)
Mercongraphic FZC		5,626.20		5,626.20
		(3725.80)		(3725.80)
	13.11	5,650.69		5,663.81
	(443.38)	(3725.80)		(4,169.18)
Finance given:				
Constrad Agencies (Bombay) Private Limited	0.50			0.50
	(-)			(-)
	0.50			0.50
	(-)			(-)
Interest received:				
Manugraph Americas Inc.	-			-
	(165.27)			(165.27)
	-			-
	(165.27)			(165.27)
Dividend received:				
Multigraph Machinery Kenya Ltd	-			-
	(15.03)			(15.03)
	-			-
	(15.03)			(15.03)
Expenditure on other services:				
Multigraph Machinery Kenya Ltd	-	17.29		17.29
	(3.02)	(-)		(3.02)
Manugraph Americas Inc.	-			-
	(8.99)			(8.99)
Mercongraphic FZC	-	49.43		49.43
		(8.89)		(8.89)
	-	66.73		66.73
	(12.01)	(8.89)		(20.90)
Commission paid:				
Multigraph Machinery Kenya Ltd	-			-
	(24.26)			(24.26)
Manugraph Americas Inc.	175.04			175.04
	(24.97)			(24.97)

Statement of Significant Accounting Policies and Notes to Financial Statements

(Rs. in lakhs)

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Multigraph Machinery Co. Ltd		1,020.20 (1,351.56)			1,020.20 (1,351.56)
Mercongraphic FZC		— (50.41)			— (50.41)
	175.04 (49.23)	1,020.20 (1,401.97)			1,195.24 (1,451.20)
Rent received:					
Multigraph Machinery Co. Ltd		27.54 (27.54)			27.54 (27.54)
Manubhai Sons and Company		1.44 (1.44)			1.44 (1.44)
		28.98 (28.98)			28.98 (28.98)
Rent paid:					
Multigraph Machinery Co. Ltd		3.37 (2.61)			3.37 (2.61)
Sanjay S. Shah			11.07 (10.80)		11.07 (10.80)
Pradeep S. Shah			11.07 (10.80)		11.07 (10.80)
Sudha S. Shah				2.46 (2.40)	2.46 (2.40)
		3.37 (2.61)	22.14 (21.60)	2.46 (2.40)	27.97 (26.61)
Managerial remuneration paid:					
Sanjay S. Shah			89.98 (192.03)		89.98 (192.03)
Pradeep S. Shah			89.87 (191.60)		89.87 (191.60)
S. M. Mordekar			14.22 (15.59)		14.22 (15.59)
B. B. Nandgave			5.70 (—)		5.70 (—)
			199.77 (399.22)		199.77 (399.22)
Directors' fees:					
Sanat M. Shah				0.40 (0.40)	0.40 (0.40)
				0.40 (0.40)	0.40 (0.40)
Salaries and allowances:					
Kushal S. Shah				6.81 (5.35)	6.81 (5.35)
				6.81 (5.35)	6.81 (5.35)

Statement of Significant Accounting Policies and Notes to Financial Statements

(Rs. in lakhs)

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Investment					
(Conversion of loan to preferred stock)					
Manugraph Americas Inc.	-				-
	(3,869.23)				(3,869.23)
	-				-
	(3,869.23)				(3,869.23)
Disposal of subsidiary shares					
Multigraph Machinery Co. Ltd		-			-
		(257.42)			(257.42)
		-			-
		(257.42)			(257.42)
Outstanding Receivables					
Manugraph Machinery Kenya Ltd	-	20.00			20.00
	(3.03)	(-)			(3.03)
Manugraph Americas Inc.	264.33				264.33
	(392.85)				(392.85)
Mercongraphic FZC		1,101.21			1,101.21
		(1,005.30)			(1,005.30)
Constrad Agencies (Bombay) Private Limited	3.50				3.50
	(3.00)				(3.00)
	267.83	1,121.21			1,389.04
	(398.88)	(1,005.30)			(1,404.18)
Outstanding Payables					
Manugraph Americas Inc.	64.07				64.07
	(16.65)				(16.65)
Multigraph Machinery Co. Ltd		271.08			271.08
		(185.33)			(185.33)
Mercongraphic FZC		56.77			56.77
		(325.38)			(325.38)
	64.07	327.85			391.92
	(16.65)	(510.71)			(527.36)
Guarantees given to banker for credit facilities					
Manugraph Americas Inc.	2,311.55				2,311.55
	(2,659.46)				(2,659.46)
	2,311.55				2,311.55
	(2,659.46)				(2,659.46)

Statement of Significant Accounting Policies and Notes to Financial Statements

36. Contingent liabilities and commitments

Description	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
I. Contingent liabilities		
(a) Claims against the company not acknowledged as debt;	37.12	102.76
(b) Guarantees;		
On account of guarantees executed by the company's bankers:	8.29	1,084.99
On account of the guarantee given by the Company's bankers for the value of USD 4.25 million (Previous year USD 4.25 million) in favour of subsidiary's banker for credit facilities availed by the subsidiary Manugraph Americas Inc. from them	2,311.55	2,659.46
(c) Other money for which the company is contingently liable		
Income-tax, sales tax, customs duty, excise duty and service tax demands against which the company has preferred appeals/ made representation	806.33	107.45
On account of undertakings given by the company in favour of Customs Authority:	1,005.00	1,240.00
Total	4,168.29	5,194.66
II. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	25.87	21.94
(b) Uncalled liability on shares and other investments partly paid	—	—
(c) Other commitments (specify nature).	—	—
Total	25.87	21.94

37. In the opinion of the Board of Directors, all the assets other than fixed assets and non current investments have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet.

38. Confirmations from some of the creditors were not received by the company and therefore their balances are as per books of account only.

39. Previous year figures are regrouped and re-arranged wherever necessary with those of the current year to make them comparable

40. Segment Reporting as required by AS-17

The operation of the company represents one primary segment of activity relating to "Production of Printing Machines" and the entire production operations are located in India and therefore there are no separate reportable segments as per AS-17 'Segment Reporting'.

41. Explanatory notes 1 to 41 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran

Partner

M.No. 040441

Mumbai, Date: 29th May, 2013

R. V. Joshi

Company Secretary

For and on behalf of the Board of Directors

S. M. Shah

Chairman

Sanjay S. Shah

Vice Chairman and Managing Director

Pradeep S. Shah

Managing Director

Mumbai, Date: 29th May, 2013

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Manugraph India Limited

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Manugraph India Limited ('MIL' or 'the Company') and its subsidiaries (MIL Group), which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the "MIL GROUP" as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the "MIL GROUP" for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the "MIL GROUP" for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs. 6,758.53 lakhs as at March 31, 2013, total income of Rs. 6,195.61 lakhs for the year then ended;

The above mentioned financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

For Natvarlal Vepari & Co.
 Firm Registration Number: 106971W
 Chartered Accountants

N Jayendran
 M. No. 040441
 Partner

Mumbai, Dated : May 29, 2013



Consolidated Balance Sheet as at 31st March, 2013

Particulars	Note Ref.	As at 31st March, 2013 (Rs. in lakhs)	As at 31st March 2012 (Rs. in lakhs)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	608.30	608.30
(b) Reserves & Surplus	2	20,621.81	19,375.49
(c) Money Received against Share Warrants		—	—
		21,230.11	19,983.79
2. Share Application Money Pending Allotment		—	—
3. Non-Current Liabilities			
(a) Long-Term Borrowings		—	—
(b) Deferred Tax Liabilities (Net)	3	262.83	414.79
(c) Other Long Term Liabilities	4	5.79	5.05
(d) Long Term Provisions	5	204.80	180.86
		473.43	600.70
4. Current Liabilities			
(a) Short-Term Borrowings	6	1,781.32	1,561.01
(b) Trade Payables	7	3,562.75	5,809.68
(c) Other Current Liabilities	4	4,149.78	7,071.81
(d) Short-Term Provisions	5	1,406.93	1,941.37
		10,900.78	16,383.87
Total		32,604.32	36,968.36
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	6,896.70	7,669.91
(ii) Intangible Assets	9	48.08	40.15
(iii) Capital Work-in-Progress	10	1.05	61.94
(iv) Intangible Assets Under Development		—	—
		6,945.83	7,772.00
(b) Goodwill on Consolidation	11	331.38	331.38
(c) Non-Current Investments	12	0.63	900.63
(d) Deferred Tax Assets (Net)	13	3,533.88	2,901.08
(e) Long-Term Loans & Advances	14	701.33	653.57
(f) Other Non-Current Assets	15	1,885.56	1,188.50
		6,452.78	5,975.16
2. Current Assets			
(a) Current Investments	16	3,557.28	2,781.40
(b) Inventories	17	10,639.54	12,510.54
(c) Trade Receivables	18	2,720.89	3,904.17
(d) Cash and Bank Balances	19	1,431.59	2,412.01
(e) Short-term Loans and Advances	14	595.49	1,312.86
(f) Other Current Assets	15	260.92	300.22
		19,205.71	23,221.20
Total		32,604.32	36,968.36

The accompanying Statement of Significant Accounting policies and notes to financial statements form an integral part of the Financial Statements

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran

Partner
M.No. 040441

Mumbai, Date: 29th May, 2013

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 29th May, 2013

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note Ref.	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Revenue from Operations (Gross):	20	38,449.09	46,030.61
Less: Excise Duty		2,725.71	2,785.08
Revenue from Operations (Net):		35,723.38	43,245.53
Other Operating Revenue	21	1,462.34	1,395.96
Other Income	22	428.07	844.28
A Total Revenue		37,613.79	45,485.77
Expenses:			
Cost of Materials Consumed	23	21,145.73	25,162.87
Purchase of Stock-in-Trade		226.58	103.66
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	604.23	2,267.15
Employee Benefit Expenses	25	6,793.09	6,385.05
Finance Cost	26	145.92	215.22
Depreciation & Amortisation	27	1,217.43	1,266.02
Other Expenses	28	5,753.78	5,147.86
B Total Expenses		35,886.76	40,547.83
Profit Before exceptional and extraordinary items and Tax (A-B)		1,727.03	4,937.94
Exceptional Item			
Provision for diminution in value of Goodwill on Consolidation of overseas Subsidiary	11 (iii)	—	6,000.00
Profit Before extraordinary items and tax		1,727.03	(1,062.06)
Extraordinary Items		—	—
Profit Before Tax		1,727.03	(1,062.06)
1. Current Tax	29	782.35	1,751.96
2. Deferred Tax		(151.96)	(156.89)
Tax Expense		630.39	1,595.07
Profit for the period from Continuing Operations		1,096.64	(2,657.13)
Discontinued Operations		—	—
Profit for the period		1,096.64	(2,657.13)
Earning per Equity Share	30		
– Before Exceptional Item			
– Basic and Diluted		3.61	10.99
– After Exceptional Item			
– Basic and Diluted		3.61	(8.74)
Par Value		2.00	2.00

The accompanying Statement of Significant Accounting policies and notes to financial statements form an integral part of the Financial Statements

As per our report of even date attached
For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran

Partner
M.No. 040441

Mumbai, Date: 29th May, 2013

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 29th May, 2013



Consolidated Cash Flow Statement for the year ended 31st March, 2013

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	1,727.03	(1,062.06)
Add: Depreciation	1,217.43	1,266.02
Interest	115.96	136.08
Fixed assets written off/scrapped	13.45	10.87
Loss/(profit) on sale of assets	(27.80)	7.00
Goodwill impairment	–	66.98
Provision for gratuity	106.47	74.31
Provision for interest on income tax	5.97	45.00
Provision for wealth tax	2.70	2.16
Provision for earned leave wages	33.01	8.70
Provision for warranty expenses	13.42	(38.72)
Provision for diminution in current investment	(4.70)	4.70
Dividend	(124.45)	(191.47)
Profit on sale of investments	(40.92)	(80.88)
Interest received on deposits	(108.35)	(118.65)
Project expenses written off	83.42	–
Provision for impairment of Goodwill on Consolidation	–	–
Operating Profit Before Working Capital Changes	3,012.63	6,130.04
Working Capital Changes		
Trade payable and Other Liabilities	(5,168.66)	(708.33)
Inventory changes	1,871.01	2,397.73
Trade and other receivables	1,185.04	(2,417.04)
Cash generated from operations	900.01	5,402.40
Deduct: Direct taxes	1,094.34	1,089.32
Net Cash from Operating Activities	(194.33)	4,313.08
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(438.20)	(784.87)
Purchase of investments	(3,329.39)	(7,523.80)
Sale of fixed assets	70.68	292.08
Sale of investments	3,499.14	7,165.35
Dividend received	124.45	191.47
Other bank balances	157.85	(52.73)
Interest received	108.35	118.65
Net Cash Flow from Investing Activities	192.88	(593.85)

Consolidated Cash Flow Statement for the year ended 31st March, 2013 (contd.)

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Movements in Foreign Currency Translation reserve and Capital reserve	(42.19)	(253.82)
Borrowings (Net)	220.31	(2,351.58)
Interest paid	(115.96)	(140.57)
Dividend paid including dividend tax	(883.27)	(530.78)
Net Cash Flow from Financing Activities	(821.11)	(3,276.75)
Net Cash Flow from Operating, Investing and Financing Activity	(822.57)	442.48
Opening Cash and Cash Equivalents	1,330.38	887.90
Closing Cash and Cash Equivalents	507.81	1,330.38

As per our report of even date attached
For **Natvarlal Vepari & Co.**

Chartered Accountants
Firm Registration No. 106971W

N. Jayendran

Partner
M.No. 040441

Mumbai, Date: 29th May, 2013

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 29th May, 2013

Consolidated Statement of Significant Accounting Policies and Other Explanatory Notes

A. BACKGROUND

Manugraph India Ltd, was established in the year 1972. The company is the largest manufacturer of single width web-offset printing presses in India and has a significant share of the world market for its products. The manufacturing facilities are located at Kolhapur in India and through its wholly owned subsidiary in Millersburg – USA. The company has its in-house R&D facilities with a combined strength of over 50 engineers at both locations. The Indian R&D facilities are recognized by Department of Scientific and Industrial Research – Ministry of Science and Technology, Government of India.

1. Principles of consolidation:

The consolidated financial statements relate to Manugraph India Limited (the company) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis.

The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra- group balances and intra group transactions resulting in un-realized profits or losses per Accounting Standard AS-21 – Consolidated Financial Statements as per Companies (Accounting Standards) Rules, 2006, as amended.

In case of foreign subsidiaries, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains or losses on conversion arising on consolidation are recognized under foreign currency translation reserve.

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the company i.e. 31st March 2013.

The difference between cost to the company of its investments in the subsidiary companies and the equity value as at the acquisition date is recognised in the financial statements as goodwill or capital reserve.

The list of subsidiary companies which are included in the consolidation and the company's holdings therein are as under:

Name of the subsidiary companies	Country of Incorporation	Percentage of holdings
1. Constrad Agencies (Bombay) Private Limited	India	100%
2. Manugraph Kenya Limited (upto 30.03.2012)	Kenya	100%
3. Manugraph DGM Inc.	USA	100%
4. Offset Services, Inc. (100% equity is held by Manugraph DGM, Inc.)	USA	100%

2. Significant accounting policies and notes to these consolidated financial statements are intended to serve as means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognising this purpose, the company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which, in the opinion of the management, could be better viewed when referred from the individual financial statements.

B. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006, (as amended), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis of accounting and under the historical cost convention.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956.

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year.

Consolidated Statement of Significant Accounting Policies and Other Explanatory Notes

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known.

(c) Inflation

Assets and liabilities are shown at historical cost. No adjustments are made for changes in purchasing power of money.

(d) Fixed Assets

- i. Fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets.
- ii. The fixed assets manufactured by the company are stated at manufacturing cost. Fixed assets are shown net of accumulated depreciation.
- iii. Intangible Assets are recorded at cost of acquisition.

(e) Depreciation and Amortisation

Manugraph India Limited

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation of R&D assets (being prototype) is being done over a useful life of 5 years.

Amortisation of Intangible assets is done over the economic life of the asset.

Manugraph Kenya Limited

Depreciation is calculated on the reducing balance basis to write down the cost of each asset to its residual value over its estimated useful lives. The rates of depreciation are as follows:

Furniture, fittings and equipments	12.50%
Motor vehicles	25.00%
Computer equipment	30.00%

Manugraph DGM, Inc.

Depreciation is provided on the straight line method over the estimated useful life of the assets.

Constrad Agencies (Bombay) Pvt. Ltd.

Depreciation on immoveable property is not provided.

(f) Impairment of assets

Cash generating unit/fixed assets/Investments are assessed for possible impairment at balance sheet date based on external and internal sources of information. Impairment losses, if any, are recognised as an expense in the statement of profit and loss. Impairment loss in respect of assets sold/scrapped are reversed and consequent profit or loss on such sale is accounted. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Depreciation charged on assets impaired is adjusted in future period over its remaining useful life

(g) Inventories

Cost of inventories is ascertained on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

- i. Raw Material & Components Raw materials and components, stores and spares are stated at lower of cost and net realisable value.
- ii. Consumable Tools Consumable tools are stated at cost or below cost.

Consolidated Statement of Significant Accounting Policies and Other Explanatory Notes

- | | |
|---|--|
| iii. Work-in-progress and manufactured components | Work-in-progress and manufactured components are valued at cost computed including Material, Labour and Overheads related to the manufacturing operations |
| iv. Finished Goods | Finished products are valued at lower of cost and net realisable value. Cost is computed including Material, Labour and Overheads related to the manufacturing operations. |

Excise duty is included in the value of finished products inventory.

(h) Investment

Long term investments are stated at cost less provision for diminution other than temporary in nature, if any. Current investments are stated at lower of cost and fair value.

(i) Employee Benefits

- i. Provident fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year in which the contributions to the fund are accrued.
- ii. Superannuation fund is a defined contribution scheme and contributions to the scheme are charged to the Statement of profit and loss in the year when the contributions accrue. The scheme is funded with an insurance company in the form of a qualifying insurance policy.
- iii. The company has a defined benefit gratuity scheme. For the defined benefit scheme, actuarial valuations are being carried out on Unit credit method at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur.
- iv. Leave encashment benefit is provided on the basis of actuarial valuation done at the end of the year. The aforesaid leave liability is not funded.

(j) Research and Development

Revenue expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is included in additions to fixed assets under appropriate heads. Self manufactured R&D assets are carried at cost of manufacture.

(k) CENVAT Credit/Service Tax Credit

- i. CENVAT credit utilised during the year is accounted in excise duty and unutilised CENVAT balance at the year end is considered as advance excise duty.
- ii. Service tax credit utilised during the year towards excise liability is accounted in excise duty and unutilised service tax credit at the year-end is considered as advance Service Tax.

(l) Revenue Recognition

Manugraph India Limited

- i. Sales comprise of sale of goods and spare parts and are net of trade discount and sales returns. Sales are recognised when the goods are dispatched and all risks and rewards are transferred to the buyer. Income from Installation and commissioning is recognised after the service is rendered.
- ii. Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- iii. Dividend income is accounted when the right to receive the same is established by the Balance sheet date.

Manugraph Kenya Limited

Revenue is measured at the fair value of the consideration received/receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Sales of goods are recognised when goods are delivered and title has passed.

Hire purchase interest income is accrued on a time basis by reference to the principal amount outstanding and at the effective interest rate applicable.

The operating expenses are apportioned to the hire purchase financing activity using the ratio of the gross hire purchase interest income to the total of trading income and gross hire purchase income.

Consolidated Statement of Significant Accounting Policies and Other Explanatory Notes

Manugraph DGM, Inc.

The company generally recognises revenue upon shipment and passage of title to customers, or if applicable the installation of its products, or when a service is completed.

(m) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

(n) Foreign Exchange Transactions

- i. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement/negotiation during the year is recognised in the Statement of Profit and Loss.
- ii. Foreign currency transactions remaining unsettled at the end of the year are converted at year-end rates. Gain or loss arising on account of transactions covered by forward contract is recognised over the period of contracts.
- iii. Current assets and current liabilities at the end of the year are converted at the year end rate and the resultant gain or loss is accounted for in the Statement of Profit and Loss.
- iv. The company has not used any derivative instrument except forward contracts which have been used for hedging its foreign currency exposure. The company does not undertake any speculative or trading activity through derivative instruments.

(o) Taxation

Tax expense comprises of current and deferred taxes.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

(p) Earnings per share

- i. Basic and diluted earnings per share are calculated by dividing the net profit for the year/period attributed to equity shareholders by the weighted average number of equity shares outstanding during the year/period.
- ii. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions, Contingent Liabilities and Contingent Assets

- i. Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.
- ii. Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- iii. Contingent assets are neither recognized nor disclosed in the financial statements.

(r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

C. NOTES TO FINANCIAL STATEMENTS

1. Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Authorised Capital:				
Equity shares of Rs. 2 each	9,85,00,000	1,970.00	9,85,00,000	1,970.00
Preference shares of Rs.100 each	10,000	10.00	10,000	10.00
Unclassified shares of Rs.100 each	20,000	20.00	20,000	20.00
Redeemable preference shares of Rs.100 each	3,50,000	350.00	3,50,000	350.00
Total		2,350.00		2,350.00

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Issued, Subscribed and Paid up Capital:				
Equity shares of Rs. 2 each fully paid up	3,04,15,061	608.30	3,04,15,061	608.30
Total	3,04,15,061	608.30	3,04,15,061	608.30

- (a) The Company has not issued any bonus shares during the last five years.
- (b) Details of Shareholding in excess of 5%
- (c) The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share.

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares held	%	Number of shares held	%
Multigraph Machinery Co. Ltd.	59,55,027	19.58	59,55,027	19.58
Sanat Manilal Shah	25,62,610	8.43	25,62,610	8.43
Pradeep Sanat Shah	16,34,545	5.37	16,34,545	5.37
Santsu Finance & Investment Pvt. Ltd.	19,05,500	6.26	19,05,500	6.26
Manu Enterprises Ltd.	19,55,375	6.43	19,55,375	6.43
Reliance Capital Trustee Co. Ltd.	18,30,853	6.02	18,30,853	6.02
Total	1,58,43,910	52.09	1,58,43,910	52.09

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

2. Reserves & Surplus

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
i. Capital Reserve		72.00		72.00
ii. Capital Reserve – On Amalgamation		128.00		128.00
iii. Capital Redemption Reserve		110.58		110.58
iv. Securities Premium Account		2,145.06		2,145.06
Other Reserves				
v. General Reserve:				
Balance per last Balance Sheet		9,100.00		18,700.00
Less: Transfer to Surplus in profit and loss a/c.		–		10,000.00
Add: Transferred from surplus		125.00		400.00
		9,225.00		9,100.00
vi. Foreign Currency Translation Reserve		854.21		170.76
vii. Surplus in Profit and Loss Account				
Balance as per last Balance Sheet		7,649.09		1,589.95
Add:				
Transfer from General Reserve		–		10,000.00
Profit for the year		1,096.64		-2,657.13
Sub Total		1,096.65		7,342.87
Less:				
Transfer to General Reserve		125.00		400.00
Proposed Dividend		456.23		760.38
Tax on Proposed Dividend		77.54		123.35
Sub Total		658.77		1,283.73
		8,086.96		7,649.09
Total Reserves & Surplus (i+ii+iii+iv+v+vi)		20,621.81		19,375.49

- (a) The General Reserve has been created in accordance with the requirements of the Companies (Transfer of Profits to Reserve) Rules, 1975.
- (b) The Company had been transferring voluntarily from its profit and loss account to general reserve amounts in excess of the minimum amount required to be transferred under the provisions of Companies (Transfer of Profits to Reserves) Rules, 1975. As on 31st March, 2011 surplus amount voluntarily transferred to general reserves aggregate approximately Rs. 15,000 lakhs. In accordance with the opinion of a learned counsel who opined that the surplus amount voluntarily transferred to general reserves is not a compulsory reserve and would form part of the free reserves of the company and with a view to have sufficient balance in the profit and loss account, the company has transferred back in the previous year from its general reserve to profit and loss account an amount of Rs. 10,000 lakhs.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

3. Deferred Tax Liabilities (net)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Deferred tax liability on account of				
Difference between book and tax depreciation		516.34		612.06
Less:				
Deferred tax Assets on account of				
Provision for leave encashment	80.01		65.67	
Provision for gratuity	173.50		131.08	
Provision for doubtful debts and advances	—		0.52	
Total Deferred Tax Asset		253.51		197.27
Net deferred tax liability		262.83		414.79

4. Other Liabilities

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
Advances from Customers	—	—	3,420.16	5,928.72
Unclaimed dividends	—	—	65.38	64.93
Other Liabilities	—	—	664.24	1,078.16
Security deposits	5.79	5.05	—	—
Total	5.79	5.05	4,149.78	7,071.81

- (a) **Secured loan from Export-Import Bank of India:** Term loans under production equipment finance programme Secured by first charge by way of hypothecation of moveable fixed assets, present and future and mortgage of land and other immoveable properties, present and future of the company.
- (b) **Unclaimed dividends:** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

5. Provisions

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
For employee benefits				
Provision for earned leave wages	204.80	180.86	30.59	21.53
Provision for Gratuity	—	—	510.45	403.98
Others				
Proposed Dividend	—	—	456.23	760.38
Corporate Tax on Dividend	—	—	77.54	123.35
Provision for Warranty	—	—	179.62	166.20
Provision for taxation net of taxes paid	—	—	152.51	465.93
Total	204.80	180.86	1,406.93	1,941.37

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

The Company provides gratuity to all employees. The benefit is in the form of lumpsum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to fund administered by trustees and managed by Life Insurance Corporation of India, for amounts notified by it. The gratuity benefit is a defined benefit plan.

Particulars	As at 31st March, 2013 (Rs. in lakhs)	As at 31st March, 2012 (Rs. in lakhs)
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Present value of obligation at the beginning of the year	1,433.91	1,226.00
Interest cost	114.71	98.08
Current service cost	61.25	53.94
Benefits paid	(65.59)	(31.12)
Actuarial (gain)/loss on obligation	126.88	87.01
Present value of obligation at the end of the year	1,671.17	1,433.91
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,029.93	896.33
Expected return on plan assets	93.77	82.24
Contributions	102.60	82.47
Benefits paid	(65.59)	(31.11)
Actuarial gain/(loss) on plan assets	—	—
Fair value of plan assets as at the end of the year	1,160.72	1,029.93
Amount recognised in Balance Sheet		
Fair value of plan assets as at the end of the year	1,160.72	1,029.93
Present value of obligation as at the end of the year	1,671.17	1,433.91
Asset/(liability) recognised in the Balance Sheet	(510.45)	(403.98)
Expense recognised in the Statement of Profit and Loss		
Interest cost	114.71	98.08
Current service cost	61.25	53.94
Expected return on plan assets	(93.77)	(82.24)
Net actuarial (gain)/loss recognised in the year	126.88	87.01
Net cost	209.07	156.79
Break-up of Plan Assets		
Category of assets as at the end of the year		
Insurer Managed Funds	100%	100%
(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
Assumptions		
Discount rate	8%	8%
Salary escalation rate (annual)	4%	4%

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

Disclosure under Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets (2012-13)

	(A)	(B)	(C)	(A+B-C)
Particulars	Bal. as on 01.04.12	Additions During the year	Amt. Paid During the year	Bal. as on 31.03.13
Warranty Expenses	166.20	268.73	255.31	179.62
(Previous Year)	204.92	172.40	211.12	166.20

6. Borrowings

The borrowings of the Company are analysed as follows:

Particulars	Long Term		Short Term	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
Secured Loans:				
Cash credit account	–	–	–	–
State Bank of India	–	–	–	–
PNC Bank WCDL	–	–	1,769.75	1,561.01
PNC Bank – Bank Overdraft	–	–	11.57	–
Unsecured Loans:	–	–	–	–
Total Loans	–	–	1,781.32	1,561.01

Secured by hypothecation of stock-in-trade, stores, book-debts and other receivables and second charge on the company's moveable and immoveable properties.

The lines of credit are secured by substantially all of the assets of the subsidiary company. The lines of credit are also secured by first priority perfected line on the real property of the subsidiary company and letter of credit of USD 4.25 million.

7. Trade Payables – Current

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Trade Payables				
– Micro Small and Medium Enterprises	–	43.31	–	192.60
– Others	–	3,519.44	–	5,617.08
Total	–	3,562.75	–	5,809.68

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

8. Tangible assets

(Rs. in lakhs)

	Research and Development												
	Freehold land	Land Improvement	Leasehold land	Buildings	Plant, Machinery & Equipment	Computers	Other Equipments	Furniture & fittings	Vehicles	Gauges & Instruments	Computers	Prototype Machine	Total
Cost													
As at 1st April, 2011	73.39	56.27	7.64	3,588.56	11,691.68	671.48	631.84	500.55	408.66	42.10	20.06	549.92	18,242.13
Additions	-	-	-	6.62	102.48	48.40	34.53	2.92	64.44	-	3.56	-	262.95
Disposals	-	-	-	-	61.75	43.65	1.38	10.58	96.76	-	-	-	214.12
Exchange Differences	8.55	8.20	-	194.10	147.29	39.55	55.63	1.32	1.01	-	-	-	455.66
As at 31st March, 2012	81.94	64.47	7.64	3,789.28	11,879.70	715.78	720.62	494.20	377.35	42.10	23.62	549.92	18,746.62
Additions	-	-	-	11.25	163.37	20.55	34.56	13.89	140.17	-	2.83	-	386.61
Disposals	-	-	-	-	143.78	6.07	11.40	1.16	59.74	-	-	-	222.15
Exchange Differences	4.25	4.07	-	96.46	73.21	19.65	27.64	0.66	0.49	-	-	-	226.43
As at 31st March, 2013	86.19	68.54	7.64	3,896.99	11,972.49	749.92	771.42	507.59	458.27	42.10	26.44	549.92	19,137.52
Depreciation													
As at 1st April, 2011	-	18.06	-	907.93	7,170.98	601.47	495.60	339.36	138.17	23.22	13.89	22.90	9,731.57
Charge for the year	-	1.52	-	128.74	899.52	38.06	12.41	16.22	32.82	4.35	3.25	109.98	1,246.88
Disposals	-	-	-	-	50.83	42.84	1.18	7.60	47.73	-	-	-	150.19
Exchange Differences	-	2.63	-	40.42	109.84	37.99	55.45	1.24	0.88	-	-	-	248.46
As at 31st March, 2012	-	22.21	-	1,077.09	8,129.52	634.68	562.28	349.22	124.14	27.58	17.14	132.88	11,076.72
Charge for the year	-	1.61	-	118.66	861.89	27.38	13.28	17.03	39.49	4.35	2.62	109.98	1,196.30
Disposals	-	-	-	-	129.90	6.07	7.09	0.59	22.16	-	-	-	165.81
Exchange Differences	-	1.41	-	23.39	60.69	19.42	27.61	0.63	0.45	-	-	-	133.61
As at 31st March, 2013	-	25.23	-	1,219.14	8,922.20	675.41	596.08	366.29	141.92	31.93	19.76	242.87	12,240.82
Net Block													
As at 31st March, 2012	81.94	42.26	7.64	2,712.19	3,750.18	81.11	158.35	144.98	253.21	14.52	6.48	417.03	7,669.90
As at 31st March, 2013	86.19	43.32	7.64	2,677.85	3,050.29	74.50	175.34	141.30	316.35	10.17	6.69	307.05	6,896.70

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

9. Intangible assets

(Rs. in Lacs)

	Goodwill	Technical Documentation & Know-how	Computer Software	R & D Software	Total
Cost					
As at 1st April, 2011	66.98	220.74	124.59	77.47	489.77
Additions	—	—	12.42	2.45	14.87
Disposals	66.98	—	—	—	66.98
Exchange Differences	—	—	—	—	—
As at 31st March, 2012	—	220.74	137.01	79.92	437.66
Additions	—	—	14.93	14.14	29.06
Disposals	—	—	—	—	—
Exchange Differences	—	—	—	—	—
As at 31st March, 2013	—	220.74	151.94	94.05	466.73
Amortization					
As at 1st April, 2011	—	220.74	115.06	45.03	380.83
Charge for the year	—	—	3.95	12.74	16.69
Disposals	—	—	—	—	—
Exchange Differences	—	—	—	—	—
As at 31st March, 2012	—	220.74	119.01	57.77	397.52
Charge for the year	—	—	7.87	13.25	21.13
Disposals	—	—	—	—	—
Exchange Differences	—	—	—	—	—
As at 31st March, 2013	—	220.74	126.89	71.02	418.64
Net Block					
As at 31st March, 2012	—	—	18.00	22.15	40.15
As at 31st March, 2013	—	—	25.05	23.03	48.08

10. Capital Work-in-Progress

Particulars	As at 31st March, 2013 (Rs. in lakhs)	As at 31st March, 2012 (Rs. in lakhs)
Capital Work In Progress	1.05	1.86
Project Expenses Pending Allocation	—	60.08
Total	1.05	61.94

The Company has debited expenditure incurred in connection with its project for setting up compostable packaging facilities as Project Expenses Pending Allocation (PEPA). The Details of PEPA incurred for the project are given below.

	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
i. Material cost	—	32.28
ii. Employee benefit cost	—	19.94
iii. Other expenses	—	7.86
Total	—	60.08

During the year the Company has abandoned the project for setting up compostable packaging facilities and accordingly has charged off all the Project Expenses Pending allocation to the Statement of Profit and Loss.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

11. Goodwill on Consolidation

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(Rs. in lakhs)	(Rs. in lakhs)
Goodwill on Consolidation	6,331.38	6,331.38
Less: Provision for diminution in value of Goodwill arising out of Investment in Manugraph Americas Inc. (formerly Manugraph DGM)	(6,000.00)	(6,000.00)
Total	331.38	331.38

Goodwill on Consolidation amounting to Rs. 6,331.38 lakhs has arisen on consolidation between the Company and Manugraph DGM Rs. 6,159.22 lakhs and between the Company and Constrad Agencies (Bombay) Private Limited Rs. 172.16 lakhs. This Goodwill represents difference between the cost to Company of its Investment in the Subsidiary Companies and the Equity Value on the date of acquisition.

12. Non-Current Investments

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
Trade Investments				
Manugraph Securities and Finance Private Limited (unquoted)	250	0.03	250	0.03
Other Investments				
Investment in Government securities (unquoted)				
6 years National Savings Certificates – VIII issue		0.10		0.10
Others (unquoted)				
Shree Warna Sahakari Bank Limited (shares of Rs. 25/- each)	2,000	0.50	2,000	0.50
Investments in Mutual Funds				
Units of the face value of Rs. 10/- each (unless otherwise specified) (quoted)				
HDFC FMP 400D February 2012 (I) Growth	–	–	20,00,000	200.00
HDFC FMP 392D March 2012 (I) Growth	–	–	50,00,000	500.00
Birla Sunlife Fixed Term Plan Sr. FC - Growth	–	–	20,00,000	200.00
		0.63		900.63
Total		0.63		900.63

13. Deferred Tax Assets (Net)

Particulars	As at 31st March, 2013	As at 31st March, 2012
	(Rs. in lakhs)	(Rs. in lakhs)
Arising out of accumulated carry forward losses (foreign subsidiary)	3,533.88	2,901.08
Total	3,533.88	2,901.08

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements**14. Loans and Advances**

Particulars	Long Term		Short Term	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
Staff Loans	293.64	226.44	103.36	80.80
Advances Recoverable in Cash or in kind	3.22	2.37	145.35	436.83
Advances to Suppliers	—	—	310.26	—
Capital Advance	11.01	25.43	—	—
Sundry Deposits	53.49	49.26	36.52	795.23
Taxes paid net of provisions	339.98	350.07	—	—
Total	701.33	653.57	595.49	1,312.86

15. Other Asset

Particulars	Non-Current		Current	
	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2012 (Rs. in lakhs)
Claims and Refunds receivable	1,852.22	1,188.50	131.61	174.23
Balances with Revenue Authorities	0.60	—	107.61	125.99
Other Assets	32.74	—	21.71	—
Total	1,885.56	1,188.50	260.92	300.22

16. Current Investments

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Nos.	Cost (Rs. in lakhs)	Nos.	Cost (Rs. in lakhs)
Investments in Mutual Funds				
Units of the face value of Rs. 10/- each (unless otherwise specified) (quoted)				
Templeton India Low Duration Fund Qtr. Dividend	41,54,557	428.90	41,73,548	431.01
HDFC Cash Management Fund Treasury Advt.	—	—	16,81,171	168.50
DWS Cash Opportunities Fund Div. Re-invt.	—	—	41,70,168	420.65
HDFC Short Term Plan Div. Re-invest.	—	—	30,19,032	310.97
IDFC SSIF Short Term Plan B – Fortnightly Div.	—	—	48,12,187	518.96
Templeton India Short Term Plan Div. Re-invest. (Units of the face value of Rs. 1000/- each)	—	—	28,990	311.82
Birla Sunlife Dynamic Bond Fund Regular Growth	15,74,225	300.00	—	—
Birla Sunlife Dynamic Bond Fund Direct Growth	15,24,336	300.00	—	—
Birla Sunlife Fixed Term Plan Series EP – Growth	—	—	30,00,000	300.00
Birla Sunlife Dynamic Bond Retail Qtr. Div. Re-inv.	—	—	26,76,832	307.95
Templeton India Cash Management Account – Dividend Reinvestment (unquoted)	33,810	3.38	1,62,389	16.24
HDFC FMP 400D February 2012 (1) Growth	20,00,000	200.00	—	—
HDFC FMP 392D March 2012 (1) Growth	50,00,000	500.00	—	—
Birla Sunlife Fixed Term Plan Sr. FC – Growth	20,00,000	200.00	—	—
IDFC SSIF Short Term Plan A Growth	21,53,390	500.00	—	—
DWS Premier Bond Fund Regular Plan – Growth	21,26,506	400.00	—	—
Templeton India Short Term Plan Growth	13,276	300.00	—	—
HDFC Short Term Plan – Growth	13,76,065	300.00	—	—
HDFC Income Fund – Growth	4,83,692	125.00	—	—
		3,557.28		2,786.10
Less: Prov. for diminution in value of investment		—		4.70
Total		3,557.28		2,781.40

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements**17. Inventories**

Per Inventory taken, valued and certified by the whole-time director

Particulars	As at 31st March, 2013		As at 31st March, 2012
	(Rs. in lakhs)		(Rs. in lakhs)
Raw Material (incl Goods in transit Rs. 69.01 lakhs, (previous year Rs. Nil)		3,361.70	4,391.54
Work In Progress		3,627.32	1,911.61
Finished Goods		284.83	2,502.94
Stores & Spares		136.19	172.83
Loose Tools (Consumable)		72.50	75.98
Manufactured components		2,930.40	3,455.64
Traded Goods		226.58	—
Total		10,639.54	12,510.54

18. Trade receivables – Current (Unsecured)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Outstanding for over six months old				
– Considered good	1,352.30		1,283.91	
– Considered doubtful	70.83		43.36	
	1,423.12		1,327.27	
Less: Provision for doubtful debts	70.83		43.36	
		1,352.30		1,283.91
Others				
– Considered good		1,368.59		2,620.26
Total		2,720.89		3,904.17

19. Cash and Bank Balances

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Cash & Cash Equivalents				
Bank balances				
With Schedule Banks				
In current accounts	340.38		1,044.54	
In cash credit accounts	143.81		266.39	
With Shree Warana Sahakari Bank Limited	8.04		—	
In current account		492.23		1,310.93
Cheques, Drafts on hand		1.35		4.36
Cash Balances		14.23		15.09
		507.81		1,330.38
Other Bank Balances				
In fixed deposit accounts (as margin money)		858.40		1,016.70
In unclaimed dividend accounts		65.38		64.93
		923.78		1,081.63
Total		1,431.59		2,412.01

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements**20. Revenue from Operations (Gross)**

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Sale of Products		
Sales of Finished Goods & spares (net of sales return)	38,449.09	46,030.61
Total	38,449.09	46,030.61

21. Other Operating Revenue

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Agency Fees	6.46	165.87
Service and erection charges received	1,148.44	996.79
Miscellaneous receipts	305.24	219.59
Sundry credit balances appropriated	0.58	2.49
Excess provision for doubtful debts & advances	1.62	9.21
Commission Received	–	2.01
Total	1,462.34	1,395.96

22. Other Income

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Dividend from Current Investment	124.39	191.40
Dividend from Non-current Investment	0.06	0.07
Rent (gross)	28.98	28.98
Profit on disposal of Subsidiary	–	2.78
Profit on sale of Assets (Net)	27.80	–
Profit on sale of Investment – Current	40.92	78.10
Exchange gain (Net)	92.86	419.42
Excess Provision of Diminution in value of Investment	4.70	–
Interest received on investments	–	0.05
Hire Purchase Activity	–	4.87
Interest received on deposits, debts etc.	108.35	118.61
Total	428.06	844.28

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

23. Cost of Materials Consumed:

Particulars	2012-13		2011-12	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Raw Materials Consumed				
Opening Stock	4,391.54		4,551.33	
Add: Purchases (Including components processing charges Rs.792.95 lakhs – previous year: Rs. 899.31 lakhs)	20,122.38		25,007.73	
		24,513.92		29,559.06
Less: RMC Capitalised	6.49		4.65	
Closing Stock	3,361.70		4,391.54	
		3,368.19		4,396.19
Total		21,145.73		25,162.87

24. Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade

Particulars	2012-13		2011-12	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Inventory Adjustments – WIP				
Work-in-progress at Opening	1,911.61		2,997.85	
Work-in-progress at Closing	3,627.32		1,911.61	
		(1,715.71)		1,086.24
Inventory Adjustments – FG				
Stock at Commencement	2,502.94		3,614.82	
Less: Stock at Closing	284.83		2,502.94	
		2,218.11		1,111.88
Inventory Adjustments – Manufactured components				
Stock at Commencement	3,455.64		3,539.83	
Less: Stock at Closing	2,930.40		3,455.64	
		525.24		84.19
Inventory Adjustments – Trading				
Stock at Commencement	–		–	
Less: Stock at Closing	226.58		–	
		(226.58)		–
Excise duty on closing stock of finished products	–		196.81	–
Less: Provision for excise duty on opening stock of finished products	(196.81)		211.96	
		(196.81)		15.16
Total		604.24		2,267.15

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements**25. Employee Benefits Expenses**

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Salary, Wages, bonus and allowances	5,613.90	5,388.62
Welfare expenses	485.56	420.01
Contribution to provident & other funds	459.14	417.62
Provision for earned leave wages	33.01	8.69
Contribution to Employees Group Gratuity Scheme	209.07	156.79
	6,800.67	6,391.73
Less: Wages Capitalised	7.58	6.68
Total	6,793.09	6,385.05

26. Finance Cost

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Interest paid	115.96	136.08
Interest on Income Tax	6.90	45.00
Other Borrowing Costs	23.06	34.14
Total	145.92	215.22

27. Depreciation & Amortisation

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Depreciation	1,217.43	1,263.57
Depreciation of Manugraph Kenya till date of sale	—	2.45
Total	1,217.43	1,266.02

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements**28. Other Expenses**

Particulars	2012-13		2011-12	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Consumption of stores and Consumables		505.99		508.38
Power & Fuel		302.70		276.84
Rent		63.08		118.34
Rates & Taxes		40.26		72.86
Repairs to Buildings		102.72		68.30
Repairs to Machinery		119.18		97.77
Insurance		95.42		84.17
Travelling and conveyance		695.33		435.60
Commission on sales		1,063.46		1,432.10
Provision for diminution in value of current investment		–		4.70
Bank Charges		121.56		165.01
Other repairs		164.96		155.39
Advertisement and sales promotion expenses		462.57		97.59
Sundry debit balances written off		5.96		2.73
Loss on sale of assets		–		7.00
Fixed assets scrapped		13.45		10.87
Goodwill Impairment		–		66.98
Warranty expenses		255.31		172.40
Research and development expenses		346.52		294.16
Donations		6.42		1.77
Legal and professional fees		132.81		142.71
Short provision and adjustments relating to previous years		257.69		47.87
Freight and Handling Charges		110.58		92.35
Packing and Forwarding Charges		259.86		249.70
Project Expenses W/off		83.42		–
Directors' Fees		3.78		2.58
Bad Debts		28.22		20.86
Remuneration to Auditors				
Audit fees	16.75		15.00	
Other Services	3.31	20.06	1.41	16.41
Miscellaneous Expenses (None of which individually forms more than 1% of the Operating Revenue.)		520.72		534.52
		5,782.03		5,179.96
Less: Expenditure transferred to capital accounts.				
Overheads capitalised		28.26		32.10
Total		5,753.77		5,147.86

Note: Advertisement and Sales promotion during the year includes the cost of participation in Drupa 2012 exhibition of Rs. 329.65 lakhs

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

29. Current Taxation

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Current tax	782.00	1,751.96
Income tax pertaining to previous year	0.35	—
Total	782.35	1,751.00

30. Earning Per Share

Particulars	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
Net profit after tax available for equity shareholders before Exceptional Items	1,096.65	3,342.87
Net profit after tax available for equity shareholders after Exceptional Items	1,096.65	-2,657.13
Weighted average number of equity shares of Rs. 2 each outstanding during the year	30,415,061	30,415,061
Earning Per Share before Exceptional Items Basic and diluted earnings per share (Rs.)	3.61	10.99
Earning Per Share after Exceptional Items Basic and diluted earnings per share (Rs.)	3.61	-8.74

31. Unhedged foreign currency exposures as at the year end:

Particulars	31.03.2013		31.03.2012	
	Currency type	Amount	Currency type	Amount
Trade Receivable and Other Receivables	USD	3,403,982	USD	6,416,291
	EURO	490,160	EURO	138,540
	GBP	1,684	GBP	—
	JPY	—	JPY	410,947
Trade Payable and Other Payables	USD	1,223,015	USD	1,349,333
	EURO	14,317	EURO	567,624
	GPB	741	GPB	—
Outstanding forward contracts for future transaction/Firm Commitments	USD	—	USD	—

32. Disclosure as required by Accounting Standard – AS 18 “Related Parties” of the Companies (Accounting Standard) Rules, 2006

I. Relationships:

Entities where significant influence exists

Multigraph Machinery Company Limited
 Manubhai Sons and Company
 Mercongraphic FZC,
 Multigraph Machinery Kenya Ltd.

Key Management Personnel

Mr. Sanjay S. Shah — Vice Chairman and Managing Director
 Mr. Pradeep S. Shah — Managing Director
 Mr S. M. Mordekar — Whole Time Director (Works) upto 8.1.2013
 Mr. B. B. Nandgave — Whole Time Director (Works) w.e.f 10.12.2012

Relatives of key management personnel

Mr. Sanat M. Shah
 Mrs. Sudha S. Shah
 Mr. Kushal Shah

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

The Related Party transactions are detailed as required by AS-18 are as under:

(Rs. in lakhs)

	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Sale of goods:				
Multigraph Machinery Kenya Ltd.	24.49 (-)			24.49 (-)
Mercongraphic FZC	5,626.20 (3,725.80) 5,650.69 (3,725.80)			5,626.20 (3,725.80) 5,650.69 (3,725.80)
Expenditure on other services:				
Multigraph Machinery Kenya Ltd.	17.29 (-)			17.29 (-)
Mercongraphic FZC	49.43 (8.89) 66.73 (8.89)			49.43 (8.89) 66.73 (8.89)
Commission paid:				
Multigraph Machinery Co. Ltd.	1,020.20 (1,351.56)			1,020.20 (1,351.56)
Mercongraphic FZC	- (50.41) 1,020.20 (1,401.97)			- (50.41) 1,020.20 (1,401.97)
Rent received:				
Multigraph Machinery Co. Ltd.	27.54 (27.54)			27.54 (27.54)
Manubhai Sons and Company	1.44 (1.44) 28.98 (28.98)			1.44 (1.44) 28.98 (28.98)
Rent paid:				
Multigraph Machinery Co. Ltd.	3.37 (2.61)			3.37 (2.61)
Sanjay S. Shah		11.07 (10.80)		11.07 (10.80)
Pradeep S. Shah		11.07 (10.80)		11.07 (10.80)
Sudha S. Shah			2.46 (2.40)	2.46 (2.40)
	3.37 (2.61)	22.14 (21.60)	2.46 (2.40)	27.97 (26.61)

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

The Related Party transactions are detailed as required by AS-18 (contd.)

(Rs. in lakhs)

	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Managerial remuneration paid:				
Sanjay S. Shah		89.98 (192.03)		89.98 (192.03)
Pradeep S. Shah		89.87 (191.60)		89.87 (191.60)
S. M. Mordekar		14.22 (15.59)		14.22 (15.59)
B. B. Nandgave		5.70 (-)		5.70 (-)
		199.77 (399.22)		199.77 (399.22)
Directors' fees:				
Sanat M. Shah			0.40 (0.40)	0.40 (0.40)
			0.40 (0.40)	0.40 (0.40)
Salaries and allowances:				
Kushal S. Shah			6.81 (5.35)	6.81 (5.35)
			6.81 (5.35)	6.81 (5.35)
Disposal of subsidiary shares:				
Multigraph Machinery Co. Ltd.	- (257.42)			- (257.42)
	- (257.42)			- (257.42)
Outstanding Receivables				
Manugraph Machinery Kenya Ltd.	20.00 (-)			20.00 (-)
				-
				-
Mercongraphic FZC	1,101.21 (1,005.30)			1,101.21 (1,005.30)
	1,121.21 (1,005.30)			1,121.21 (1,005.30)
Outstanding Payables				
Multigraph Machinery Co. Ltd.	271.08 (185.33)			271.08 (185.33)
Mercongraphic FZC	56.77 (325.38)			56.77 (325.38)
	327.85 (510.71)			327.85 (510.71)

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

33. Contingent liabilities and commitments

Description	2012-13 (Rs. in lakhs)	2011-12 (Rs. in lakhs)
I. Contingent liabilities		
(a) Claims against the company not acknowledged as debt;	37.12	102.76
(b) Guarantees;		
On account of guarantees executed by the company's bankers:	8.29	1,084.99
(c) Other money for which the company is contingently liable		
Income-tax, sales tax, customs duty, excise duty and service tax demands against which the company has preferred appeals/made representation	806.33	107.45
On account of undertakings given by the company in favour of Customs Authority:	1,005.00	1,240.00
Total	1,856.74	2,535.20
II. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	25.87	21.94
(b) Uncalled liability on shares and other investments partly paid		
(c) Other commitments (specify nature).		
Total	25.87	21.94

34. Previous year figures are regrouped and re-arranged wherever necessary with those of the current year to make them comparable

35. Segment Reporting as required by AS-17

The operation of the company represents one primary segment of activity relating to "Production of Printing Machines" and the entire production operations are located in India and therefore there are no separate reportable segments as per AS -17 'Segment Reporting'.

36. The Company is obligated under various operating leases for office equipment, CNC equipment and vehicles at it's U.S.A. subsidiary. The future rent payments under all operating leases are as follows:

Financial Year	Rs in Lakhs
2013-2014	29.80
2014-2015	9.05
2015-2016	1.66

37. Explanatory notes 1 to 37 form an integral part of the Balance Sheet and Profit and Loss Account and are duly authenticated.

As per our report of even date attached

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Registration No. 106971W

N. Jayendran

Partner

M.No. 040441

Mumbai, Date: 29th May, 2013

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

R. V. Joshi

Company Secretary

Mumbai, Date: 29th May, 2013

The details of subsidiaries in terms of General circular No. 2/2011 dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs Under Section 212 (8) of the Companies Act, 1956 are as under:

(Rs. in lakhs)

		Indian subsidiary	Foreign subsidiary
		Constrad Agencies (Bombay) Pvt. Limited	Manugraph Americas Inc. USA
(a)	Share capital	5.00	6076.41
(b)	Reserves	(0.55)	(1826.17)
(c)	Total assets	8.06	7383.27
(d)	Total liabilities	8.06	7383.27
(e)	Details of investment (except in case of investment in the subsidiary)	–	–
(f)	Turnover	–	5311.50
(g)	Profit before taxation	(0.17)	(141.71)
(h)	Provision for taxation	–	–
(I)	Profit after tax	(0.17)	(141.71)

Note in respect of foreign subsidiary -

- (i) item no. a to d are translated at exchange rate as on closing date of the year of USD 1 = Rs. 54.3893
- (ii) Item no. f to I are translated at average rate of USD 1 = Rs. 54.2697

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies.

1.	Name of the Company	:	Manugraph India Limited	Manugraph India Limited
2.	Name of the Subsidiary Company	:	Constrad Agencies (Bombay) Private Limited	Manugraph Americas Inc. (Formerly Manugraph DGM Inc. USA)
3.	Financial year of the subsidiary ended on	:	31.03.2013	31.03.2013
4.	Holding Company's interest in the subsidiary	:	5,000 Equity shares of Rs.100/- each (100% as on 31.03.2013)	3,88,290 equity shares of US\$ 0.01 each and 1,00,000 preferred stock (shares of US\$ 0.01 each) (100% as on 31.03.2013)
5.	Currency	:	Rs.	US\$
6.	Net aggregate amount of the profits/(loss) of the subsidiary NOT dealt with in the holding company's accounts.			
	(a) For the financial year of the subsidiary Company.	:	Rs. (17,297.00)	US\$ (2,61,129) Rs. (141.71) lakhs
	(b) For the previous financial year of the subsidiary Company.	:	Rs. (14,373.00)	US\$ (1,59,957) Rs. (81.84) lakhs
7.	Net aggregate amount of the profits/(loss) of the subsidiary dealt with in the holding Company's accounts.			
	(a) For the financial year of the subsidiary Company.	:	NIL	NIL
	(b) For the previous financial year of the subsidiary Company.	:	NIL	NIL

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

R. V. Joshi
Company Secretary

Mumbai, Date: 29th May 2013

MANUGRAPH INDIA LTD. FINANCIAL HIGHLIGHTS – Standalone

(Rs. in crores)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	
PROFIT & LOSS ACCOUNT SUMMARY											
Turnover – Total	304.71	369.95	296.30	201.94	392.11	422.99	368.84	321.50	247.96	202.59	
Total Income	316.52	389.84	304.91	209.77	405.86	454.67	381.17	333.23	254.39	205.82	
EBIDTA	30.12	64.19	45.65	30.46	67.41	106.15	80.94	94.31	51.39	30.81	
Depreciation	10.79	11.08	10.24	7.83	9.27	8.29	7.42	6.05	5.82	6.01	
Interest	0.64	1.24	2.90	3.21	3.59	4.11	3.11	0.92	0.66	1.17	
Profit before Exceptional Items	18.69	51.87	32.51	19.42	54.55	93.75	70.41	87.34	44.91	23.63	
Exceptional Items (note 2)		60.00						(4.45)		6.05	
Profit before Taxation	18.69	(8.13)	32.51	19.42	54.55	93.75	70.41	91.79	44.91	17.58	
Provision for Taxation	6.30	15.67	10.13	6.12	17.66	31.69	23.00	29.95	15.38	4.89	
Profit after Taxation	12.39	(23.80)	22.38	13.30	36.89	62.06	47.41	61.84	29.53	12.69	
BALANCE SHEET SUMMARY											
Assets Employed											
Fixed Assets – Gross	157.81	156.54	155.09	147.64	142.41	134.02	119.27	99.97	89.58	78.90	
Fixed Assets – Net	55.03	62.91	71.26	73.39	77.60	73.38	59.54	51.86	43.68	33.94	
Investments	108.02	109.26	126.45	141.51	124.88	138.07	165.50	26.54	8.21	2.97	
Current Assets – Net	78.46	63.81	93.78	87.95	107.07	78.26	43.82	57.16	56.51	45.58	
Total Assets	241.51	235.98	291.49	302.85	309.55	289.71	268.86	135.56	108.40	82.49	
Financed By											
Share Capital (note 1)	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.00	6.00	6.00	
Reserves & Surplus	232.80	225.75	258.39	241.31	231.94	202.17	154.51	109.33	60.80	37.82	
Shareholders' Funds	238.88	231.83	264.47	247.39	238.02	208.25	160.59	115.33	66.80	43.82	
Borrowings	–	–	21.30	50.02	66.27	76.21	105.40	17.61	39.39	36.79	
Deferred Tax Liability	2.63	4.15	5.72	5.44	5.26	5.15	2.87	2.62	2.21	1.88	
Total Liabilities	241.51	235.98	291.49	302.85	309.55	289.61	268.86	135.56	108.40	82.49	
OTHER INVESTOR INFORMATION											
Earnings per share (before exceptional items)	Rs.	4.07	11.90	7.36	4.37	12.13	20.39	15.73	19.60	49.18	28.42
Earnings per share (after exceptional items)	Rs.	4.07	(7.83)	7.36	4.37	12.13	20.39	15.73	20.60	49.18	21.13
Dividend	%	75	125	75	50	100	200	150	200	100	40
Book Value Per share	Rs.	78.54	76.22	86.95	81.34	78.26	68.47	52.80	38.42	111.27	73.00
Market Price: High	Rs.	61.00	65.50	76.35	68.00	114.00	192.00	259.00	318.25	1,000.00	206.00
Low	Rs.	29.30	43.10	43.50	29.10	24.50	24.50	104.25	175.00	150.15	40.00
Shareholders	Nos.	12,685	13,590	14,289	15,480	14,320	13,669	11,515	9,329	7,908	7,867
Employees	Nos.	1,228	1,217	1,217	1,222	1,327	1,341	1,313	1,330	1,321	1,324

Notes:

1. Equity share of Rs. 10/- upto FY2005 and Rs. 2/- from FY 2006
2. Exceptional Items
 - FY 2004 - Compensation under VRS
 - FY 2006 - Surplus on prepayment of Sales-tax deferral loans
 - FY 2012 - Provision for diminution in value of investment in subsidiary



MANUGRAPH INDIA LIMITED

Regd. Office : Sidhwa House, 1st Floor, N. A. Sawant Marg, Colaba, Mumbai - 400 005.

ATTENDANCE SLIP

41st Annual General Meeting – 1st August, 2013 at 3.15 p.m.

Regd. Folio No.

No. of Shares

Client ID No.

DP ID No.

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.

I hereby record my presence at the 41st Annual General Meeting of the company at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001 on 1st August, 2013.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL.

TEAR HERE



MANUGRAPH INDIA LIMITED

Regd. Office : Sidhwa House, 1st Floor, N. A. Sawant Marg, Colaba, Mumbai - 400 005.

FORM OF PROXY

I/We..... of
in the District of
being a member(s) of the above-named company hereby appoint
of in the district of.....
or failing him of in the
district of as my/our proxy to vote for me/us on my/our behalf at
at the 41st ANNUAL GENERAL MEETING of the company to be held on 1st August, 2013, and at any adjournment thereof.

Signed this.....day.....2013.

Regd. Folio No. Signature

Client ID No.

DP ID No.

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company, not less than 48 hours before the time for holding the meeting.

Proxy need not be a member of the company.

Affix
Re. 1
Revenue
Stamp

FORM 2B (NOMINATION)

(To be filled in by individual(s))

To, Manugraph India Limited C/o. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400 078. Phone: 022 25946970/Fax: 022 25946969 E-mail : rnt.helpdesk@linkintime.co.in	Name of shareholder and address From _____ Folio No. _____ No. of shares _____
---	---

I am/we are holder(s) of shares of the company as mentioned above. I/We nominate the following person in whom all rights of transfer and/or amount payable in respect of equity shares shall vest in the event of my/our death.

Nominee's name										Age								
To be furnished in case the nominee is a minor								Date of Birth										
Guardian's name & address*																		
Occupation of Nominee Tick (✓)	1	Service		2	Business		3	Student		4	Household							
	5	Professional		6	Farmer		7	Others										
Nominee's																		
Address																		
	Pincode																	
Telephone No.																Fax No.		
E-mail Address	STD Code																	
Specimen signature of nominee/guardian (in case nominee is minor)																		

* To be filled in case nominee is a minor

Kindly take the aforesaid details on record.

Thanking you.

Yours faithfully,

Date.....

Name and address of equity shareholder (as appearing on the certificate(s))	Signature (as per specimen with company)
Sole/1st holder (address)	
2nd holder	
3rd holder	
4th holder	

Witness (two)		
	Name and Address	Signature & Date
1.		
2.		

INSTRUCTIONS :

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, karta of hindu undivided family and holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders shall sign (as per the specimen signature registered with the company) the nomination form.
3. A minor can be nominated by a holder of shares and in that event the name and address of the guardian shall be given by the holder.
4. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of shares in favour of a nominee and repayment of amount to nominee shall be a valid discharge by a company against the legal heir.
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled; else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the company) and (b) the nominee.
9. Whenever the shares in the given folio are entirely transferred or dematerialized, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the registrars and transfer agent of the company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The company will not entertain any claims other than those of a registered nominee, unless so directed by a Court
13. The intention regarding nomination/nomination form shall be filed in duplicate with the registrars and transfer agents of the company who will return one copy thereof to the shareholders.
14. For shares held in dematerialised mode, nomination is required to be filed with Depository Participant in their prescribed form.

FOR OFFICE USE ONLY	
Nomination registration number	
Date of registration	
Checked by (name and signature)	

MANUGRAPH AT PRINT PACK 2013

PRINTING DIVISION



Showcasing the M360 - BK Bookline Press and Folder launched in February 2013

PACKAGING DIVISION



Showcasing MK 1060M/MF: Automatic Platen Die Cutting Machine with Stripping
MK 420: Fully Automatic Sheet Inspection Machine



MANUGRAPH FACTORY AT KOLHAPUR



MANUGRAPH

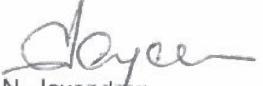
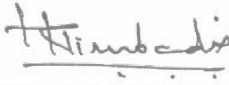
Technology in Print

MANUGRAPH INDIA LTD.

CORPORATE OFFICE: SIDHWA HOUSE, 2ND FLOOR, N. A SAWANT MARG, COLABA, MUMBAI - 400 005.

www.manugraph.com

Form A
[As per clause 31 (a) of the Listing Agreement]

1.	Name of the company	Manugraph India Limited
2.	Annual financial statements for the year ended	31 st March, 2013.
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable.
5.	To be signed by-	
	• CEO/ Managing Director	 (SANJAY S. SHAH)
	• CFO	 (SURESH NARAYAN)
	• Auditor of the company	For NATVARLAL VEPARI & CO. Chartered Accountants Firm Registration No.106971W  N. Jayendran Partner M. No.40441
	• Audit Committee Chairman	 (HITEN C. TIMBADIA)

Place : Mumbai

Date : - 2 JUL 2013