

26TH ANNUAL REPORT
1 9 9 7 - 9 8

Manugraph

INDUSTRIES LTD

MD	✓	BKC	✓
CS	✓	DIV	✓
RO	✓	DIV	✓
TRA	✓	AS	✓
AGM	✓	SHE	✓
YE	✓		

coldset & heatset
pressline installed
in Sandesh

14 Unit **Newsline 30**
Installed in **Korea**

Excellent

response

in Iran

Newsline 20
A BIG

success

in India & abroad

Tremendous

response

in UK

Shiva
Newsline

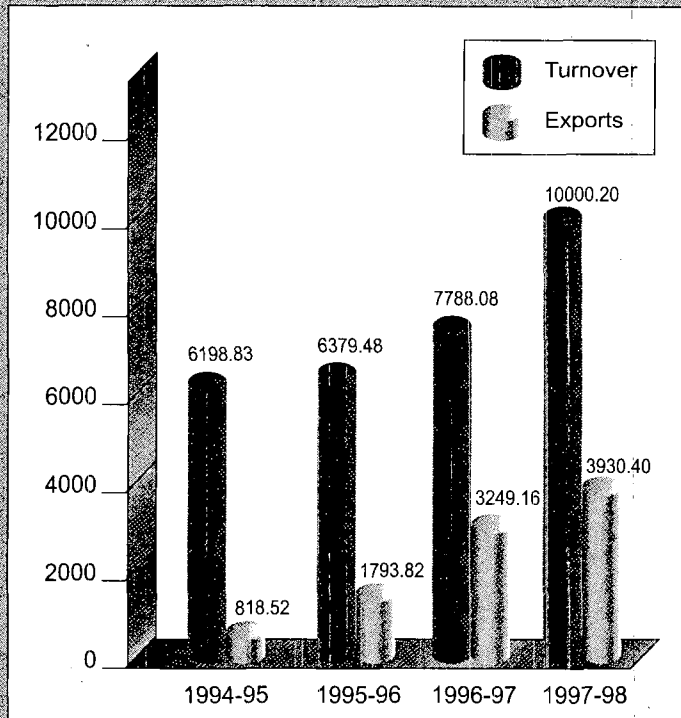
attracting

printers

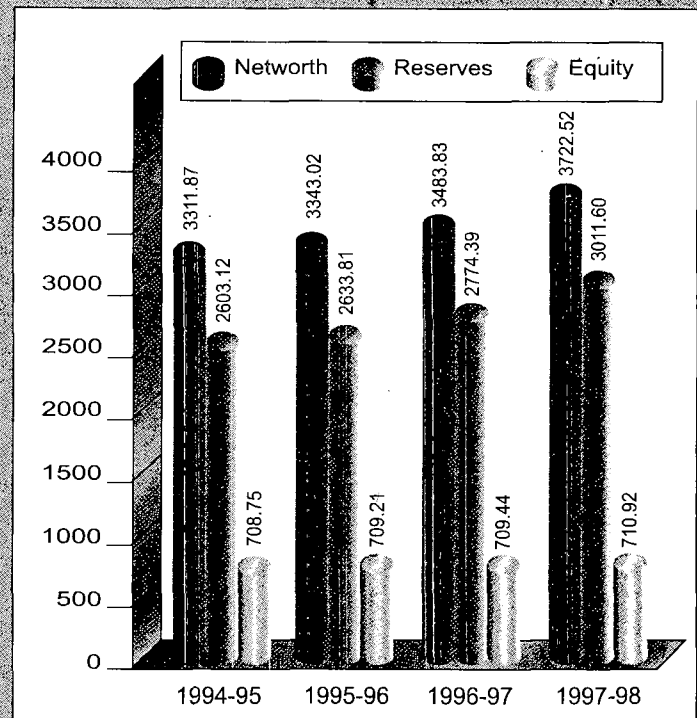
African

printers

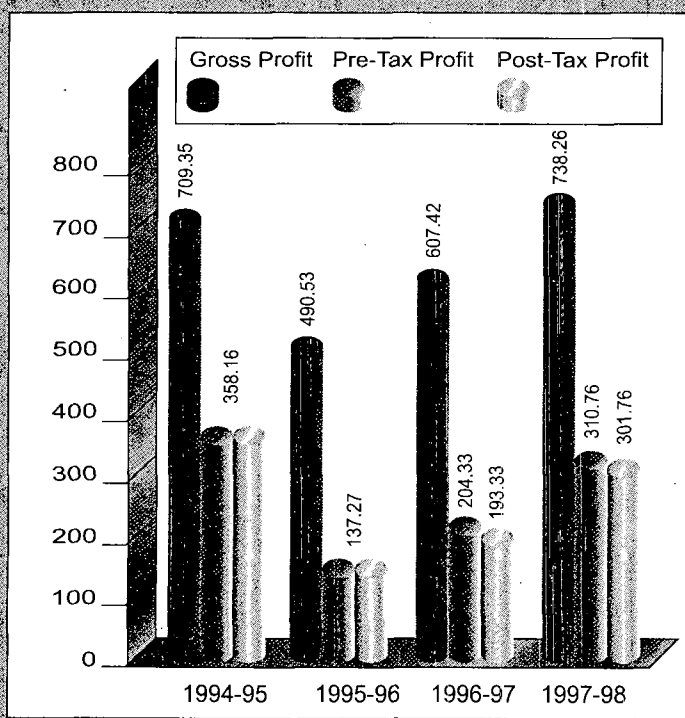
SALES (Rs. in Lacs)



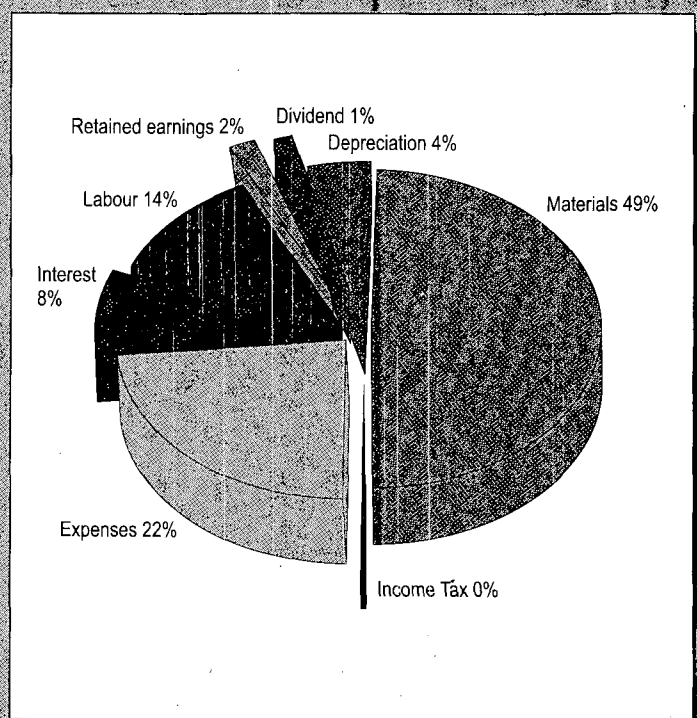
NET WORTH (Rs. in Lacs)



PROFITABILITY (Rs. in Lacs)



DISTRIBUTION OF INCOME



MANUGRAPH INDUSTRIES LIMITED

(FORMERLY MASCHINENFABRIK POLYGRAPH (INDIA) LIMITED)

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BOARD OF DIRECTORS

Sanat M. Shah	(Chairman)
Vijaychandra N. Cantol	
Harshad H. Vasa	
Jayant C. Vakil	
Jitendra N. Mehrotra	
Sanjay S. Shah	(Whole-Time Director)
Pradeep S. Shah	(Whole-Time Director)
Sanjeev S. Chandorkar	(Nominee of IDBI)
Mohan R. Harshe	(Whole-Time Director w.e.f. 16-2-98)

COMPANY SECRETARY

Vijay H. Modi

REGISTERED OFFICE

Manu Mansion,
16, Shahid Bhagatsingh Road,
Fort, Mumbai 400 001.

WORKS

Plot No. D-1, MIDC Shirolu Industrial Area,
Poona-Bangalore Road, Shirolu, Kolhapur,
Maharashtra.

Warnanagar, Kodoli, Tal. Panhala,
Dist. Kolhapur - 416 113, Maharashtra.

Gokul Shirgaon, Plot No. A/8, MIDC,
Kolhapur, Maharashtra.

AUDITORS

Messrs. B.F. Pavri & Co.
Chartered Accountants

SOLICITORS & ADVOCATES

Messrs. Tyabji Dayabhai

BANKERS

State Bank of India
State Bank of Bikaner & Jaipur
Canara Bank
Syndicate Bank

26th Annual General Meeting on Monday, the 31st August, 1998 at Kamalnayan Bajaj Hall, Ground Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021, at 3.00 P.M.

N O T I C E

NOTICE is hereby given that Twenty-sixth Annual General Meeting of Members of Manugraph Industries Limited will be held on Monday the 31st August, 1998 at 3.00 p.m. at Kamalnayan Bajaj Hall, Ground Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021 to transact the following business :

1. To consider and adopt the Balance Sheet as at 31st March, 1998 and Profit and Loss account for the year ended 31st March, 1998 and reports of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity shares for the year ended 31st March, 1998.
3. To appoint a Director in place of Mr. J. C. Vakil who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. H. H. Vasa who retires by rotation, but being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions :

6. As a Special Resolution

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby granted to the re-appointment of Mr. Sanjay S. Shah as Whole-time Director designated as Executive Director of the Company, for a period of three years with effect from 1st April, 1998 to 31st March, 2001 on the salary, commission and perquisites as set out in the letter issued to him and laid before the meeting, with liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Sanjay S. Shah within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made from time to time by the Central Government in this behalf.

7. As a Special Resolution

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby granted to the re-appointment of Mr. Pradeep S. Shah as Whole-time Director designated as Executive Director of the Company, for a period of three years with effect from 1st April, 1998 to 31st March, 2001 on the salary, commission and perquisites as set out in the letter issued to him and laid before the meeting, with liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Pradeep S. Shah within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made from time to time by the Central Government in this behalf.

8. As an Ordinary Resolution

To appoint a director in place of Mr. Mohan R. Harshe, who was appointed as an additional director of the company under Article 135 and who holds office only upto the date of the ensuing Annual General Meeting and who being eligible offers himself for appointment. The company has received notices in writing from members of their intention to propose his candidature for appointment as director.

RESOLVED THAT Mr. Mohan R. Harshe be and is hereby appointed as director of the company.

9. As a Special Resolution

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby granted to the appointment of Mr. Mohan R. Harshe as Whole-time Director designated as Director(Works) of the Company, for a period from 16th February, 1998 to 31st March, 2001 on the salary, and perquisites as set out in the letter issued to him and laid before the meeting, with liberty and powers to the Board of Directors to increase, alter and vary the salary and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Mohan R. Harshe within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made from time to time by the Central Government in this behalf.

10.As a Special Resolution

RESOLVED THAT the Board of Directors be and is hereby authorised pursuant to Section 370 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactments thereof, to make from time to time loan(s) to any body or bodies corporate, whether under the same management or not, of such sum or sums and upon such terms and conditions as the Board may think fit, within the limits as prescribed under the said Section without the approval of the Central Government, and in excess of the limits so prescribed under the Section with the approval of the Central Government, provided that the aggregate of the loans so made to all bodies corporate shall not at any time exceed Rs.5.00 crores.

11.As a Special Resolution

RESOLVED THAT subject to the approval of Reserve Bank of India and/or Central Government under Foreign Exchange Regulation Act, 1973 and subject to such other approvals, permissions and sanctions as may be considered necessary, consent of the Company be and is hereby accorded for purchase/acquisition of Equity shares of the Company by Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Non-Residents (NRs), etc. under the investment portfolio Scheme of the Reserve Bank of India and/or in accordance with all permissible rules, subject, however, that the Equity Shares so purchased/acquired shall not exceed 30% of issued share Capital of the Company as issued from time to time.

RESOLVED FURTHER THAT the said purchase/acquisition of shares as aforesaid upto a limit of 30% of issued Share Capital as issued from time to time shall be subject to the conditions and restrictions as laid under the investment Portfolio Scheme and/or other permissible rules and guidelines for the time being in force and as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper and expedient for the purpose of giving effect to this Resolution and for matters connected therewith.

12.As a Special Resolution

RESOLVED THAT pursuant to Section 163 of the Companies Act, 1956 (hereinafter referred to as 'the Act') the Company hereby approves that the Register of Members/ Debentureholders, indexes of Members/ Debentureholders, copies of all Annual Returns prepared by the Company under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them shall, as from the date of passing of this resolution, be kept at the offices of M/s. Intime Share Services Pvt. Ltd., the Registrars to the Company, at 260A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai-400 080 instead of at the Registered Office of the Company.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection by the Members, Debentureholders and/or any persons entitled thereto under the Act, be kept open for inspection by the Members,

Debentureholders and/or any persons entitled thereto under the Act, be kept open for such inspection, at the place where they are kept, to the extent, in the manner and on payment of fees, if any, specified in the Act between the hours of 11.00 a. m. and 2.00 p.m. on any working day except on Saturdays and Sundays and when the registers and books are closed under the provisions of the Act or the Articles of Association of the Company, provided, however, that the Registers required to be maintained under Section 307 of the Act shall be open for inspection of the members as aforesaid between the hours above mentioned during the period prescribed under sub-section 5(a) of the said Section 307."

NOTES :

1. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of items 6 to 12 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 PROXY, 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. The Register of Members and the Share Transfer Books of the company will remain closed from Tuesday the 25th August, 1998 to Monday the 31st August, 1998 (Both days inclusive).
4. The members are requested to :
 - a) intimate changes, if any, in their registered addresses to the company,
 - b) quote ledger folio numbers in all their correspondence,
 - c) intimate about consolidation of folios, if share holdings are under multiple folios,
 - d) bring their copies of the Annual Reports and the Attendance Slips with them at the Annual General Meeting.
4. Members are hereby informed that the company has transferred to the Central Government unclaimed dividend relating to the accounting year ended upto 31st March, 1993. Members who have not collected dividends for any of the above accounting years are requested to make an application to the Registrar of Companies, Maharashtra, 2nd Floor, Hakoba Compound, Dattaram Lad Marg, Kalachowki, Mumbai - 400 033 for an order for payment of such uncollected dividend. Such application has to be made in the prescribed Form No.II under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
5. 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 atleast ten days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.

Registered Office :

Manu Mansion,
16, Shahid Bhagatsingh Road,
Fort, Mumbai - 400 001.
Date : 27th July, 1998.

By Order of the Board
For MANUGRAPH INDUSTRIES LIMITED

V. H. MODI
Company Secretary

ANNEXURE TO THE NOTICE

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NOS. 6 & 7

The Shareholders will recall approving the re-appointment of Mr. Sanjay S. Shah and Mr. Pradeep S. Shah as Whole-time Directors designated as Executive Directors of the Company for a period of three years at the Annual General Meeting of the Company held on 30th October, 1995.

Considering the growth and progress made by the Company, the Board of Directors of the Company at their meeting held on 27th July, 1998 has recommended the remuneration to the said Whole-time Directors subject to the approval of the Shareholders in the ensuing Annual General Meeting as under :

- a) Period - Three years with effect from 1st April, 1998.
 - b) Basic Salary of Rs.50,000/- per month in the grade of Rs.50,000-5,000-60,000.
 - c) Perquisites: Perquisites such as fully furnished house, house rent allowance, expenditure incurred on gas, electricity, water and furnishings, medical benefits for himself and his family, leave travel concession, club fees, personal accident insurance or other allowance equivalent to his annual salary or Rs.4,50,000/- per annum whichever is less.
 - d) Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointees, the company has no profits or its profits are inadequate, the company will pay to the Executive Directors a remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of part II of Schedule XIII of the Companies Act, 1956 and as may be decided by the Board of Directors of the Company.
- 1) The salary and perquisites mentioned under (b) (c) and (d) will be **EXCLUSIVE** of :
 - (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent of this either singly or put together are not taxable under the Income-tax Act, 1961.
 - (ii) Gratuity payable at the rate not exceeding half month's salary for each completed year of service, and
 - (iii) Encashment of Leave at the end of tenure.
 2. In addition to the above salary, in the years in which the Company has sufficient profit, Mr. Sanjay S. Shah and Mr. Pradeep S. Shah be paid commission on the annual net profits of the Company, as may be decided by the Board, at the end of each financial year, computed in the manner, laid down in Section 309(5) of the Companies Act, 1956, subject to the ceiling laid down in Sections 198 and 309 of the Companies Act, 1956 on the total remuneration.
 3. In addition to the above salary, Mr. Sanjay S. Shah and Mr. Pradeep S. Shah, Executive Directors of the Company shall be entitled to the following benefits :
 - a) Car provided for use on Company's business and telephone at residence will not be considered as perquisites.
 - b) Personal long distance calls and use of car for private purpose shall be billed by the Company to the Executive Directors.
 - c) The Company shall reimburse to the Executive Directors entertainment, travelling and all other expenses incurred by them for the business of the Company.
 - d) Earned Leave : On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service.

A copy of the letters dated 27.7.1998 addressed by the Company to Mr. Sanjay S. Shah and Mr. Pradeep S. Shah according the terms of their appointment for a period of three years from 1st April, 1998 to 31st March, 2001 is available for inspection by the Members between 11.00 a. m. to 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 letters dated 27.7.1998 addressed by the Company to Mr. Sanjay S. Shah and Mr. Pradeep S. Shah pursuant to Section 302 of the Companies Act, 1956.

The Whole-time Directors as long as they function as such, shall not be paid any fees for attending the meeting of the Board of Directors or any Committee thereof.

The Board commends passing of the Resolutions as set out in item Nos. 6 and 7 of the accompanying notice.

Mr. Sanjay S. Shah and Mr. Pradeep S. Shah are concerned and interested in resolution under item No. 6 and 7 respectively.

Mr. Sanat M. Shah and Mr. Pradeep S. Shah Directors of the Company being related to Mr. Sanjay S. Shah may be deemed to be concerned and interested in the resolution under item No.6.

Mr. Sanat M. Shah and Mr. Sanjay S. Shah, Directors of the Company being related to Mr. Pradeep S. Shah may be deemed to be concerned and interested in the resolution under item No.7.

Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in these items.

ITEM NOS. 8 & 9

Mr. Mohan R. Harshe was appointed by the Board of Directors of the Company as an additional Director of the Company with effect from 16th February, 1998 under article 135 of the articles of association of the Company and under section 260 of the Companies Act, 1956. Mr. Mohan R. Harshe will hold office as an additional Director upto the date of the ensuing Annual General Meeting. Notice from the members as required under section 257 of the Companies Act, 1956 have been received proposing the appointment of Mr. M. R. Harshe as Director. Mr. Mohan R. Harshe is a D.M.E. and has about 32 years of experience. It would, therefore, be in the interest of the Company to avail of his services.

Mr. Mohan R. Harshe has vast knowledge and hands on experience with Printing Machines and the Printing Industry in general.

Smooth functioning of all three units and to ensure each Unit is profit making Unit on its own will be the primary responsibility of the resident director.

The terms and conditions of his appointment are as under

a) Period - 16th February, 1998 to 31st March, 2001.

b) Basic Salary :

16th February, 1998 to 31st March, 1998 : Rs.12,500/- per month + perquisites
01st April, 1998 to 31st March, 2001 : Rs.17,500/- per month
in the grade of Rs.17,500-2,500-22,500/-

c) Perquisites: Perquisites such as house rent allowance, educational allowance, newspapers and periodicals, special allowance, leave travel allowance, soft furnishing, medical allowance, holiday resort and conveyance allowance not exceeding Rs.15,000/- per month.

d) Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the company has no profits or its profits are inadequate, the company will pay to the Director (Works) a remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of part II of Schedule XIII of the Companies Act, 1956 and as may be decided by the Board of Directors of the Company.

1) The salary and perquisites mentioned under (b) (c) and (d) will be **EXCLUSIVE** of :

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent of this either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity payable at the rate not exceeding half month's salary for each completed year of service, and
- (iii) Encashment of Leave at the end of tenure.

In addition to the above salary, Mr. Mohan R. Harshe Director (Works) of the Company shall be entitled to the following benefits :

- a) Car provided for use on Company's business and telephone at residence will not be considered as perquisites.
- b) Personal long distance calls and use of car for private purpose shall be billed by the Company to the Director (Works).
- c) Reimbursement of expenses incurred by him for the purpose of business of the Company.
- d) Earned Leave : On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service.

A copy of the letter dated 27.7.1998 addressed by the Company to Mr. Mohan R. Harshe according the terms of his appointment for a period from 16th February, 1998 to 31st March, 2001 is available for inspection by the Members between 11.00 a. m. to 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 letter dated 27.7.1998 addressed by the Company to Mr. Mohan R. Harshe pursuant to Section 302 of the Companies Act, 1956.

The Whole-time Director 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 as long as he function as such, shall not be paid any fees for attending the meeting of the Board of Directors or any Committee thereof.

The Board commends passing of the Resolution as set out in Item Nos.8 and 9 of the accompanying notice.

Mr. Mohan R. Harshe is concerned and interested in resolution under item Nos. 8 and 9.

Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in these items.

ITEM NO. 10

In view of the increasing business operations of the Company as also of the associate companies, it has become necessary for the Board of Directors from time to time to give loans for such companies.

As per the provisions of Section 370 of the Companies Act, 1956, the Company has to obtain prior approval of the shareholders and the Central Government (wherever necessary) for making loans in excess of the limits laid down in that Section.

The Board commends passing of the Resolution as set out in item No.10 of the accompanying notice.

None of the Directors of the Company is concerned or interested in the passing of this Resolution.

ITEM NO. 11

Till recently, Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) and Non-Residents (NRs) could jointly hold 24% of the issued Equity Share Capital of any Company in terms of the resolution passed in the Extra Ordinary General Meeting of the company held on Monday the 30th December, 1991.

This limit has now been enhanced to 30%, subject to the approval of the Shareholders of the Company

by way of Special Resolution.

This is being done to facilitate further foreign investment and thereby increase the inflow of foreign exchange into the country.

Accordingly, it is proposed to increase the ceiling of holdings by NRIs, OCBs, FIIs and NRs from the present limit of 24% to 30%.

The Board accordingly recommend the resolution for the approval of the Members.

None of the Directors of the Company is concerned or interested in this Resolution.

ITEM NO.12

M/s. Intime Share Services Pvt. Ltd. have been appointed as the Registrars of the Company. As Registrars of the Company, they will attend to matters relating to the allotment of shares/debentures of the Company and the registration and certification of the transfer of shares/debentures of the Company, maintain the Register of Members and Debenture holders and Index of Members/Debentureholders and will prepare all Annual Returns to be filed by the Company with the Registrar of Companies, Maharashtra, Mumbai and to do all such other work as is normally done by Registrars. With a view to enabling the Registrars to carry out their duties efficiently and expeditiously, it would be desirable to keep the Registers of Members/ Debentureholders, the Indexes of Members/Debentureholders, the copies of all Annual Returns prepared by the Company under Section 159 of the Companies Act, 1956 (hereinafter referred to as 'the Act') together with copies of the certificates and documents required by Section 161 of the Act to be annexed thereto, at their office at 260A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai-400 080 INSTEAD OF AT THE REGISTERED OFFICE OF THE COMPANY AS AT PRESENT.

Having regard to Section 163 of the Act, the approval of the Members by a Special Resolution is required to be obtained if the aforesaid books and/or documents or any one or more of them are to be kept at any place OTHER THAN THE REGISTERED OFFICE OF THE COMPANY.

The Special Resolution also specifies the time of inspection of the books and documents of the Company by its members and others.

An advance copy of the Special Resolution set out in the accompanying Notice which is proposed to be passed at the Annual General Meeting has been filed with the office of the Registrar of Companies, Maharashtra, Mumbai, as required by Section 163 of the Act.

The Board commends passing of the Resolution as set out in item No. 12 of the accompanying notice.

None of the Directors of the Company are concerned or interested in the Resolution.

By Order of the Board
For MANUGRAPH INDUSTRIES LIMITED

Registered Office :

Manu Mansion,
16, Shahid Bhagatsingh Road,
Fort, Mumbai - 400 001.
Date : 27th July, 1998.

V. H. MODI
Company Secretary