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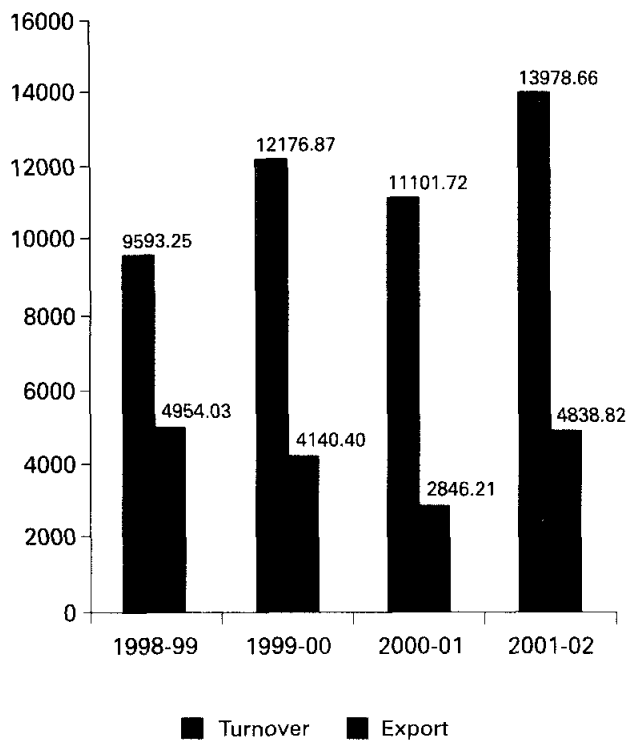
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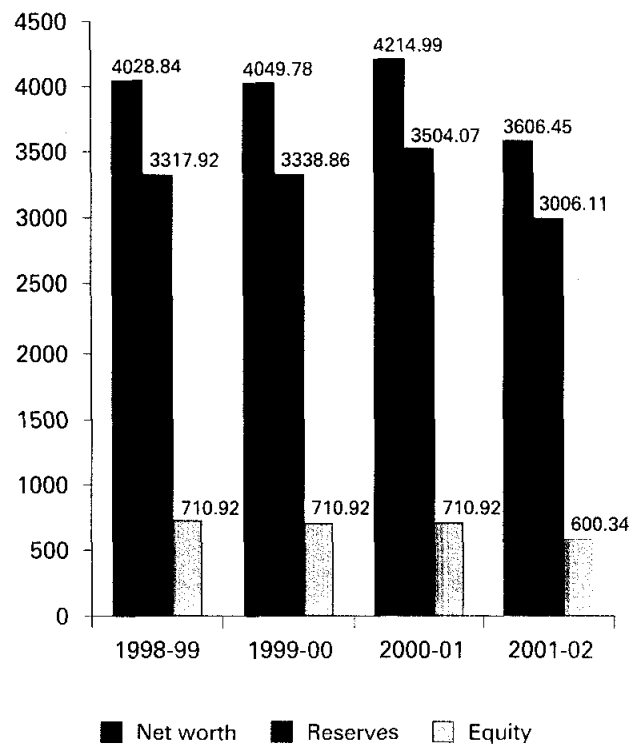
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Success by design

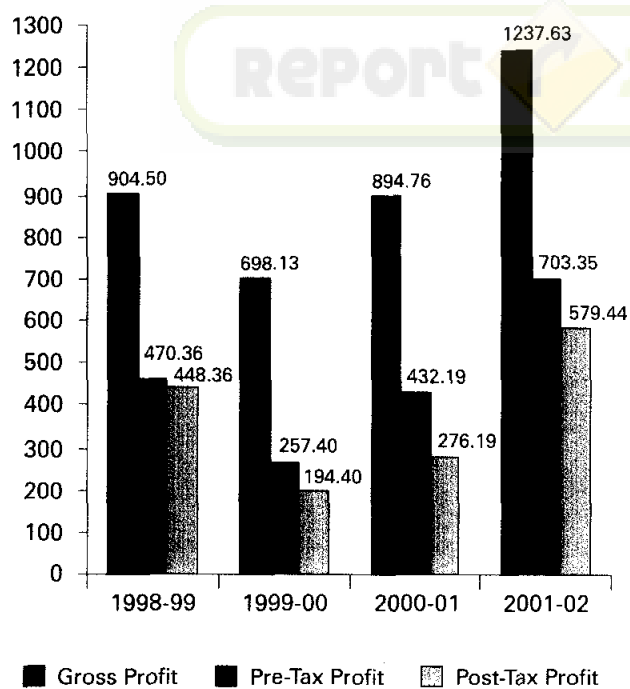
Sales (Rs. in lakhs)



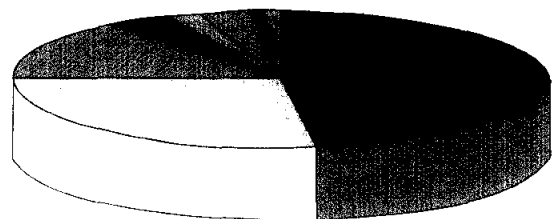
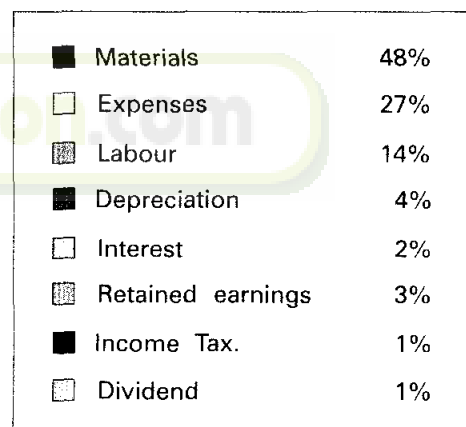
Net Worth (Rs. in lakhs)



Profitability (Rs. in lakhs)



Distribution of Income



MANUGRAPH INDIA LIMITED

(FORMERLY MANUGRAPH INDUSTRIES LIMITED)

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BOARD OF DIRECTORS

Sanat M. Shah	Chairman
Harshad H. Vasa*	* Independent, Non-Executive Directors
Jayant C. Vakil*	
Jitendra N. Mehrotra*	
Hiten C. Timbadia*	
Sanjay S. Shah	Vice-Chairman & Managing Director
Pradeep S. Shah	Managing Director
Mohan R. Harshe	Whole-Time Director

COMPANY SECRETARY

Vijay H. Modi

AUDITORS

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

REGISTERED OFFICE

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

WORKS

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

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

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

SOLICITORS & ADVOCATES

Messrs. Tyabji Dayabhai

BANKERS

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

30th Annual General Meeting on Tuesday, the 30th July, 2002 at M.C.Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001, at 3.30 P.M.

NOTICE

NOTICE is hereby given that thirtieth Annual General Meeting of Members of Manugraph India Limited will be held on Tuesday the 30.07.2002 at 3.30 p. m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001 to transact the following business :

1. To consider and adopt the Balance Sheet as at 31st March, 2002 and Profit and Loss account for the year ended 31st March, 2002 and reports of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity shares for the year ended 31st March, 2002.
3. To appoint a Director in place of Mr. S. M. Shah who retires by rotation, but being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. H. H. Vasa who retires by rotation, but being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

NOTES :

1. 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.
2. A brief profile of the Directors retiring by rotation and eligible for reappointment, as required by Clause 49 VI A of the Listing Agreement signed by the Company with The Stock Exchange, Mumbai is given in the Report on Corporate Governance.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 23rd July, 2002 to Tuesday the 30th July, 2002 (Both days inclusive).

4. The members are requested to :

- a) intimate changes, if any, in their registered addresses to the company's Registrars and share transfer Agents M/s. Intime Spectrum Registry Limited, 260 Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai – 400 080.
- b) quote ledger folio numbers in all their correspondence,
- c) Consolidation of Folios :

It has been observed that certain shareholders of the Company are holding shares under multiple folios. With a view to render prompt and efficient service to our shareholders as well as to avoid duplication of expenses in sending balance sheets, dividend warrants etc., the Company is desirous of eliminating holding under multiple folios.

In case, you are holding shares of the Company in more than one folio (in the same sequence of joint names in joint holding), you are requested to send a letter of request alongwith the relevant share certificates to the company or to the Registrars and share Transfer Agents, M/s. Intime Spectrum Registry Limited. The consolidation of multiple folios in one common folio will help the Company to serve you better at all times.

- d) As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available for members, debenture holders and fixed Deposit holders in respect of the shares, debentures and deposits held by them.
 - e) bring their copies of the Annual Reports and the attendance Slips with them at the Annual General Meeting.
5. The dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund, constituted by the Central Government under Section 205(A) & 205(C) of the Companies Act, 1956.

The details of dividends paid by the Company and their respective due dates of the proposed transfer to such Fund of the Central Government if they remain unencashed are as under :

Date of Declaration of dividend	Date of Dividend warrant	Dividends for the year	Dividend Rs. per share	Due date of the proposed transfer to the Central Government
30.10.1995	09.12.1995	1994-95	1.20	08.12.2002
30.09.1996	07.11.1996	1995-96	0.80	06.11.2003
25.09.1997	05.11.1997	1996-97	1.00	04.11.2004
31.08.1998	09.10.1998	1997-98	1.20	08.10.2005
31.08.1999	04.10.1999	1998-99	1.80	03.10.2006
31.08.2000	29.09.2000	1999-00	2.00	28.09.2007
30.07.2001	07.08.2001	2000-01	1.20	06.08.2008

It may please be noted that no claim will lie from a 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 and encash them before the due date for transfer to the Central Government.

6. 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.
7. Members are requested to inform their Bank Account Numbers and Bank branch details to the Company to enable it to include these details in the dividend warrants and thus minimize the chances of loss of dividend warrants. The above information may be given to the Company's Registered Office or its Registrars and Share Transfer Agents on or before 23.07.2002.
8. Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2002 when declared at the meeting, will be paid :
 - (i) to those members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company and its Registrars on or before 23.07.2002.
 - (ii) in respect of shares held in electronic form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 23.07.2002.
 - (iii) The dividend will be taxable in the hands of the recipient in accordance with the Finance Act, 2002 and the Company will be obliged to deduct income-tax at source from the dividend where dividend amount exceeds Rs.1,000. No income-tax will be deducted at source from dividend payable to individual resident shareholders if Form 15G in duplicate is submitted to the Company/Registrars on or before 23rd July, 2002. The Company will, however, not be able to give effect to Form 15G received after 23rd July, 2002 as the dividend is required to be paid within a very short span of time.

By Order of the Board
For **MANUGRAPH INDIA LIMITED**

V. H. MODI
Company Secretary

Registered Office : Manu Mansion, 16, Shahid Bhagatsingh Road, Fort, Mumbai - 400 001.

Date : 01st July, 2002.

DIRECTORS' REPORT

including Management Discussion and Analysis Report

Your Directors have pleasure in presenting the thirtieth Annual Report and audited accounts for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS:

	April to March 2001-2002 (Rs. in lakhs)	April to March 2000-2001 (Rs. in lakhs)
Profit for the year	1283.99	1057.92
Less : Depreciation	<u>534.28</u>	<u>462.57</u>
	749.71	595.35
Less : Compensation under Voluntary Retirement Scheme	<u>46.36</u>	<u>163.16</u>
Profit before Tax	703.35	432.19
Less : Taxation		
Current	400.05	154.00
Deferred	<u>(277.09)</u>	<u>--</u>
	122.96	154.00
Provision for wealth Tax	<u>0.95</u>	<u>2.00</u>
	123.91	156.00
Profit after Tax	579.44	276.19
Less : Incometax pertaining to previous year	<u>25.72</u>	<u>16.97</u>
	553.72	259.22
Add : Balance brought forward	<u>109.67</u>	<u>111.15</u>
AMOUNT AVAILABLE FOR APPROPRIATION	<u>663.39</u>	<u>370.37</u>
APPROPRIATIONS		
Proposed Dividend	108.06	85.31
Tax on Proposed Dividend	--	8.70
General Reserve	400.00	166.69
Balance carried to Balance Sheet	<u>155.33</u>	<u>109.67</u>
	<u>663.39</u>	<u>370.37</u>

DIVIDEND

For the year under review, your Directors recommend a dividend of Rs.1.80 (Rs. 1.20) per equity share, subject to deduction of tax at source and subject to the approval by the members at the annual general meeting.

CHANGE OF NAME OF THE COMPANY

Pursuant to the resolution passed by the members at the last annual general meeting held on 30th July, 2001, Registrar of Companies accorded approval for change of name of the company from Manugraph Industries Limited to Manugraph India Limited with effect from 31st August, 2001.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure

From April, 2002, our industry continues to pass through difficult times. As regards the Government's policy, no steps are being taken to correct the various issues such as high rate of excise duty – 16% and sales tax – 10%. The domestic capacity in the Four Page Single Width machine far exceeds the demand and second-hand sheetfed machines are still freely available. Although the general outlook is not very encouraging, the company is gearing up to face global competition both in terms of product range and quality standards. Conscientious efforts are being made to increase the exports of the company and to deliver quality products.

Opportunities

Vigorous marketing activities in the domestic market and in line with the agreement of business co-operation with MAN Roland, for the selected regions in the world market continues. In the current year, the company proposes to carry out planned advertising campaign to highlight the types of machines produced by the company and the company's partnership with MAN Roland.

In April, 2002, the company jointly with our partners MAN Roland, participated in one of the largest printing exhibition viz. IPEX at Birmingham. This participation has resulted in further exposure of our products and quality assurances in the printing machine industry. However, the impact of the above participation on the business would be felt only after October, 2002.

Outlook

Various set-backs, both worldwide and in India, starting from attack on 11th September, 2001 followed by an attack on the Indian Parliament on 13th December, 2001 and recent disturbances in the state of Gujarat, will have a negative impact on the company's performance in the current year.

The company will be continuously upgrading and modernising both machine shop, factory and manpower. With the introduction of modern manufacturing machine tools and techniques a further reduction in manpower is embarked upon.

Over and above, your company proposes to introduce a new Product line from October, 2002.

Risks and Concerns

For the current year we foresee the following main business risks.

Threats from domestic manufacturers, second-hand machine imports and consequent severe pressure on domestic prices.

Cancellation of various foreign delegations' visits in their view of the increased tension on our country's borders.

Long awaited reforms to provide flexibility in labour laws have not been implemented by the government.

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 has a well defined organisation structure with clear authority limits for approval of all transactions.

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 as internal auditors independent firms of Chartered Accountants 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	Rs. in lakhs 2001 – 2002	Rs. in lakhs 2000 – 2001
Income from operations	13,978.66	11,101.72
Other income	199.28	242.42
Profit before interest, depreciation, compensation under VRS and tax	1,523.83	1,442.38
Interest expenditure (Net of income)	239.84	384.46
Depreciation	534.28	462.57
Compensation under VRS	46.36	163.16
Profit before tax	703.35	432.19
Current tax	401.00	156.00
Deferred tax	-277.09	--
Net profit	579.44	276.19
Earnings per share (in Rs.)	8.38	3.89

The overall performance of the company during the year under consideration has been extremely good due to a healthy order position and minimum cancellation of orders.

Sales

Total income from operations has increased to Rs. 13,978.66 lakhs. Export sales (direct and through export house) of the company increased to Rs. 4,817.77 lakhs from Rs. 2,846.21 lakhs in previous year.

Other income

Other income consists of foreign exchange profit, service and erection charges, labour charges, sale of scrap, etc.

Interest

Net interest expenditure declined substantially by 38% from Rs. 384.46 lakhs to Rs. 239.84 lakhs on account of repayment, restructuring of debts and lower interest rates prevailing during the year.

Income-tax

As required by Accounting Standards AS – 22, issued by the Institute of Chartered Accountants of India deferred tax asset of Rs. 194.58 lakhs has been created for the year on timing differences between taxable income and accounting income. The accumulated net deferred tax liability of Rs. 722.45 lakhs relating to previous years mainly due to difference in book and tax depreciation has been adjusted against general reserve in accordance with the said Accounting Standard.

Buy-back of shares

During the year under consideration the company bought back 1,105,825 shares at a price of Rs. 30/- per share, the details of which are mentioned in the Directors' Report.

Earnings per share

Earnings per share (on weighted average basis) has increased to Rs. 8.38 per share in 2001 – 2002 from Rs. 3.89 in 2000 – 2001.

Financial performance as shown in the illustrated graphs (refer inside cover page) shows the higher growth in sales and net profits vis-à-vis compared to a lower operational performance plan. This, however, would not match in the year 2002 – 2003 due to several adverse conditions listed in the earlier paragraphs.

Personnel

The relationship with the employees and union continue to remain cordial. There was unity of purpose among all levels of employees - continuously striving for betterment and improvement in work practices and productivity. This reinforces the success of the human relationship factor that is one of the cornerstones of the company's work philosophy. Training and development of employees continues to be an area of prime concern.

Wage agreement entered into last year is in operation for the year 2002 – 2003.

At the year end 1,571 employees were on the payroll of the company.

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 by such forward looking statements.

BUY-BACK OF EQUITY SHARES

The company, with a view to utilise part of its surplus funds, offered to buy-back 25% of its paid up share capital under tender offer method at the price of Rs. 30 per share. The company successfully carried out the buy-back procedure during the period 14th December, 2001 to 11th January, 2002. The company bought back 11,05,825 equity shares (being 15.55 per cent of its paid-up shares) at an aggregate value of Rs. 3,31,74,750/-. With this, the post buy-back equity share capital stands at Rs. 6,00,33,510/- divided into 60,03,351 equity shares of Rs. 10/- each.

FIXED DEPOSITS

Fixed deposits accepted from the shareholders and the public stood at Rs. 103.65 lakhs at the close of the financial year. Deposits of Rs. 1.15 lakhs from 12 depositors which fell due for repayment before the close of the financial year remained unclaimed by the depositors as on 31st March, 2002 and of these, deposits of Rs. 0.90 lakh from 10 depositors were subsequently repaid, leaving a balance of Rs. 0.25 lakh from 2 depositors unclaimed upto the date of this report.

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. 836.36 lakhs towards capital expenditure during the year under review with significant investment in plant and machinery. Our efforts are still on in identifying and rationalising the man power services in certain critical areas.

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 subsidiary is annexed to this report.

SUBSIDIARY COMPANY

As required under section 212 of the Companies Act, 1956, the audited statement of accounts alongwith the directors' report for the year ended 31st December, 2001 of Manugraph Mauritius Holding Limited, a wholly owned subsidiary of your company is annexed.

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. S. M. Shah and Mr. H. H. Vasa retire by rotation and are eligible for re-appointment.

AUDITORS

Messrs B. F. Pavri & Company, the auditors of company will retire from the office of the auditors at the forthcoming annual general meeting and being eligible offer themselves for re-appointment. Their remuneration for the current year is to be fixed by you.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (ii) the Directors had 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 at the end of the financial year and of the profit of the Company for that year;
- (iii) the Directors had 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 Directors had prepared the annual accounts on a going concern basis.

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

Information pursuant to sub-section 1(e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure 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

CHAIRMAN

MUMBAI,
Date : 1st July, 2002