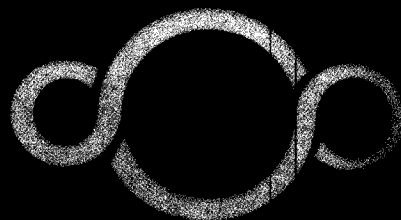
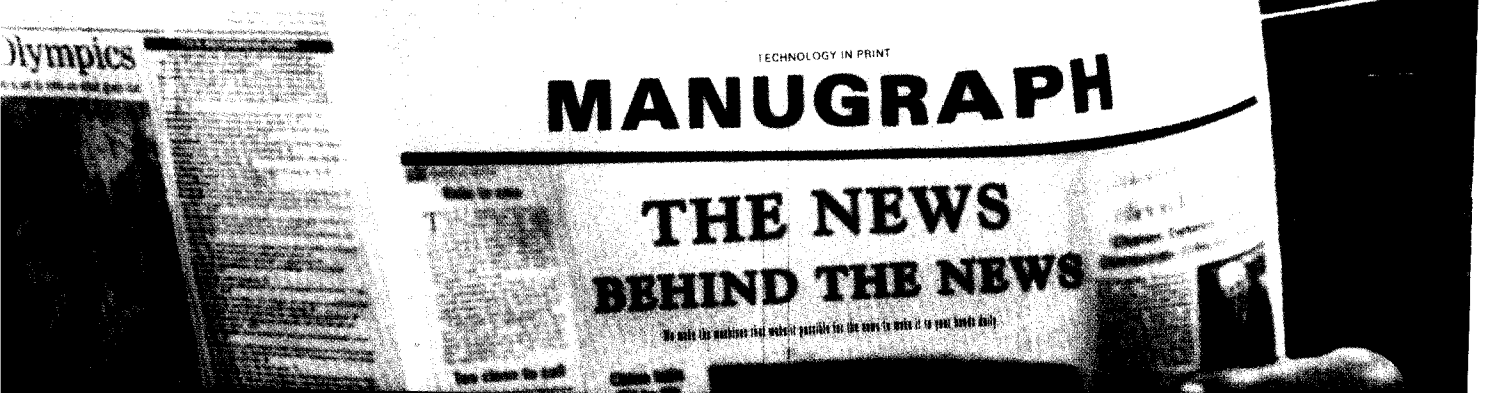
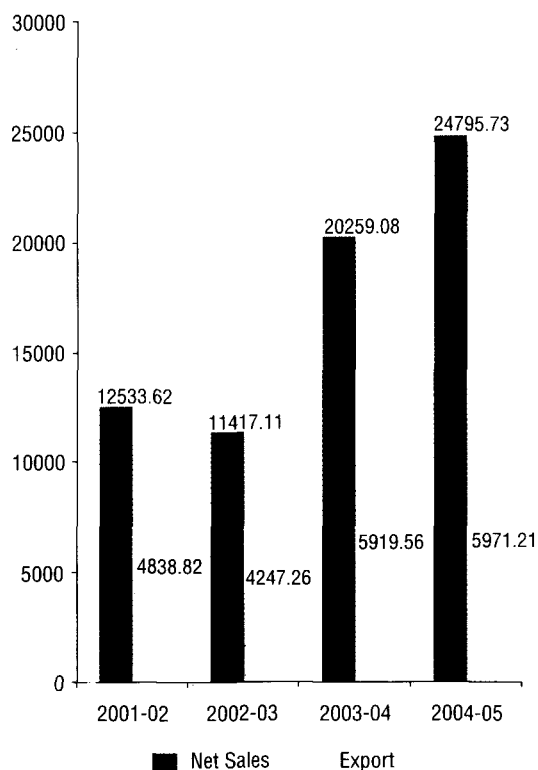


33RD ANNUAL REPORT 2004 - 2005

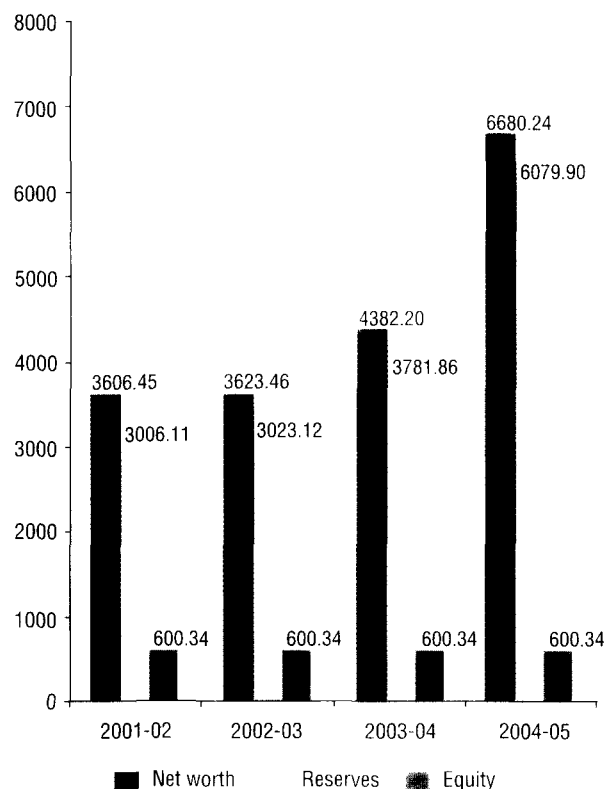


MANUGRAPH
Technology in Print

Sales (Rs. in lakhs)

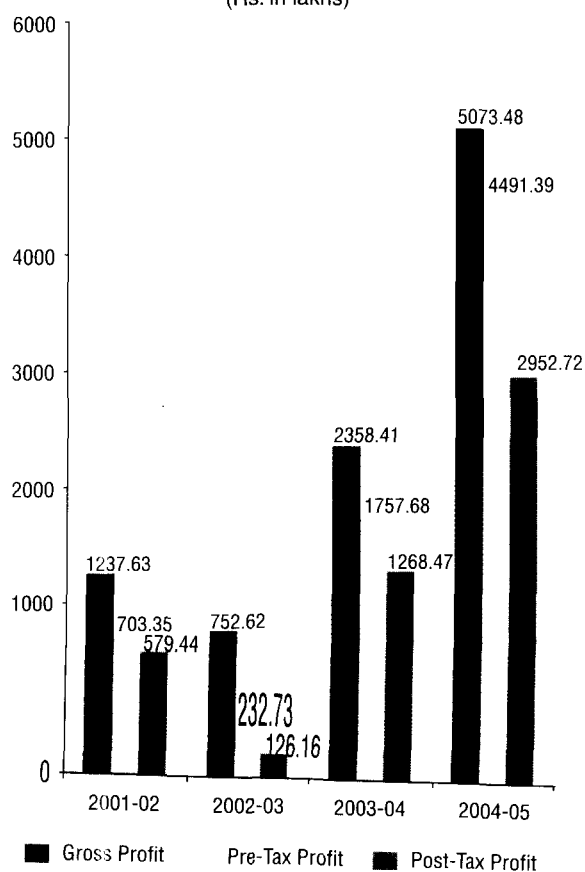


Net Worth (Rs. in lakhs)



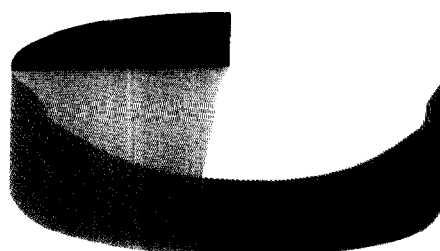
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Profitability (Rs. in lakhs)



Distribution of Income

Materials	52.07%
Expenses	21.46%
Labour	8.53%
Depreciation	2.03%
Interest	0.23%
Income Tax	5.56%
Dividend	2.10%
Retained Earnings	8.02%



MANUGRAPH INDIA LIMITED

BOARD OF DIRECTORS

CHAIRMAN

Mr. Sanat M. Shah

DIRECTORS

Mr. Jayant C. Vakil]

Mr. Jitendra N. Mehrotra]

Independent Non-Executive Directors

Mr. Hiten C. Timbadia]

Mr. Harshad H. Vasa]

Mr. Mohan R. Harshe

Whole-time Director

VICE-CHAIRMAN & MANAGING DIRECTOR

Mr. Sanjay S. Shah

MANAGING DIRECTOR

Mr. Pradeep S. Shah

MANAGEMENT

Mr. S. M. Mordekar

(General Manager - Operations)

Mr. B. B. Nandgave

(General Manager - Operations)

COMPANY SECRETARY

Mr. Shridhar D. Bhurke

AUDITORS

Messrs. B. F. Pavri & Co.

Chartered Accountants

SOLICITORS & ADVOCATES

Messrs. Tyabji Dayabhai

REGISTERED OFFICE

Sidhwa House, 1st Floor,
N. A. Sawant Marg,
Colaba, Mumbai 400 005.

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33rd Annual General Meeting on Wednesday, the 10th August, 2005 at M.C.Ghia Hall, Bhogllal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001, at 11.30 a.m.

NOTICE

NOTICE is hereby given that thirty-third Annual General Meeting of Members of Manugraph India Limited will be held on Wednesday, the 10th August, 2005 at 11.30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001, to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2005, Profit and Loss account for the year ended 31st March, 2005 and reports of the Directors and the Auditors thereon;
2. To declare a dividend on equity shares for the year ended 31st March, 2005;
3. To appoint a Director in place of Mr. H.H. Vasa who retires by rotation, but being eligible offers himself for re-appointment;
4. To appoint a Director in place of Mr. J.C. Vakil 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 modification (s), the following special resolutions:

6. As a special resolution:

"RESOLVED THAT in partial amendment to the resolution passed by the company at the thirty-second annual general meeting held on 30th July, 2004, subject to such consents, permissions and approvals as may be required and pursuant to the provisions of sections 198, 269, 309, 310 and 311 and Schedule XIII to the Companies Act, 1956 ("the Act") and such other applicable provisions, if any, of the Act, including any statutory modification or enactment thereof and all guidelines for managerial remuneration issued by the central government from time to time, consent of the company be and is hereby accorded to payment of commission to Mr. Sanjay S. Shah, Vice Chairman and Managing Director of the company, for each financial year, effective from 1st April, 2004, as may be decided by the board, at the end of each financial year, on the annual net profits of the company, computed in the manner laid down in section 349 of the Act subject to the ceiling laid down in sections 198 and 309 of the Act on the total remuneration.

RESOLVED FURTHER THAT all other terms and conditions of the agreement dated 15th April, 2004, executed between the company and Mr. Sanjay S. Shah shall remain unaltered and binding on the company and Mr. Sanjay S. Shah and continue to remain in full force and effect.

RESOLVED FURTHER THAT the supplemental agreement between the company and Mr. Sanjay S. Shah for the purpose of payment of commission for each financial year to Mr. Sanjay S. Shah, be and is hereby specifically approved.

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

7. As a special resolution:

"RESOLVED THAT in partial amendment to the resolution passed by the company at the thirty-second annual general meeting held on 30th July, 2004, subject to such consents, permissions and approvals as may be required and pursuant to the provisions of sections 198, 269, 309, 310 and 311 and Schedule XIII to the Companies Act, 1956 ("the Act") and such other applicable provisions, if any, of the Act,

including any statutory modification or enactment thereof and all guidelines for managerial remuneration issued by the central government from time to time, consent of the company be and is hereby accorded to payment of commission to Mr. Pradeep S. Shah, Managing Director of the company, for each financial year, effective from 1st April, 2004, as may be decided by the board, at the end of each financial year, on the annual net profits of the company, computed in the manner laid down in section 349 of the Act subject to the ceiling laid down in sections 198 and 309 of the Act on the total remuneration.

RESOLVED FURTHER THAT all other terms and conditions of the agreement dated 15th April, 2004, executed between the company and Mr. Pradeep S. Shah shall remain unaltered and binding on the company and Mr. Pradeep S. Shah and continue to remain in full force and effect.

RESOLVED FURTHER THAT the supplemental agreement between the company and Mr. Pradeep S. Shah for the purpose of payment of commission for each financial year to Mr. Pradeep S. Shah, be and is hereby specifically approved.

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

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

By Order of the Board of Directors

Date : 29th June, 2005.

S. D. Bhurke
Company Secretary

NOTES:

1. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956, in respect of items Nos.6 and 7 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. The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, the 4th August, 2005 to Wednesday, the 10th August, 2005, both days inclusive.
4. Members are requested to :
 - a) intimate any change in their addresses to the company's registrar and share transfer agents, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078,
 - 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.
5. Members/Proxies are requested to bring Annual Report and attendance slip duly filled in.
6. Corporate members are requested to send a duly certified copy of the board resolution authorising their representatives to attend and vote at the annual general meeting.
7. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
8. 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 desiring to avail of this facility may send their nomination in the prescribed Form No.2B duly filled in to Intime Spectrum Registry Limited.
9. 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.
10. The final dividend, as recommended by the board, if declared at the annual general meeting, will be paid on or after 12th August, 2005, to those persons or their mandates :
 - a) whose names appear as Beneficial Owners as at the end of the business hours on 3rd August, 2005, in the list of Beneficial Owners to be furnished 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 / registrar and share transfer agents on or before 3rd August, 2005.

Unclaimed Dividends :

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
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
30.07.2002	03.08.2002	2001-02	1.80	02.08.2009
29.08.2003	01.09.2003	2002-03	1.20	31.08.2010
30.07.2004	03.08.2004	2003-04	4.00	02.08.2011
10.01.2005 (interim)	28.01.2005	2004-05	4.00	27.01.2012

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 the entire 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.

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

By Order of the Board of Directors

Date : 29th June, 2005.

S. D. Bhurke
Company Secretary

ANNEXURE TO THE NOTICE

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

Items Nos. 6 and 7

At the thirty-second annual general meeting held on 30th July, 2004, Mr. Sanjay S. Shah was re-appointed as Vice Chairman and Managing Director of the company and Mr. Pradeep S. Shah was re-appointed as Managing Director of the company respectively for a period of three years commencing from 1st April, 2004 to 31st March, 2007 with the terms, inter alia, on remuneration including perquisites, benefits and amenities as set out in the respective agreements dated 15th April, 2004 entered between the company and Mr. Sanjay S. Shah and the company and Mr. Pradeep S. Shah. Under the said agreements no commission was payable to Mr. Sanjay S. Shah or to Mr. Pradeep S. Shah.

In view of the growth in the overall business of the company including expansion of its international operations, profitability and considering the additional and increased responsibilities shouldered by the Vice Chairman and Managing Director and the Managing Director, the Remuneration Committee subject to the approval of the members has recommended payment of commission to Vice Chairman and Managing Director and the Managing Director. The commission payable to the Vice Chairman and Managing Director and the Managing Director, as may be determined by the board is to be calculated on net profits of the company determined under section 349 of the Companies Act, 1956.

The payment of commission is subject to the provisions of sections 198, 309, 310 and 311 and such other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the members at the ensuing annual general meeting of the company.

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

Mr. Sanjay S. Shah and Mr. Pradeep S. Shah are concerned and interested in resolutions under items Nos. 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.

The supplemental agreements between the company and Mr. Sanjay S. Shah and the company and Mr. Pradeep S. Shah are available for inspection on any working day of the company between 11.00 a.m. and 2.00 p.m. only at the registered office of the company. This may be treated as an abstract of the said supplemental agreements between the company and Mr. Sanjay S. Shah and between the company and Mr. Pradeep S. Shah pursuant to section 302 of the Companies Act, 1956.

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

By Order of the Board of Directors

Date : 29th June, 2005.

S. D. Bhurke
Company Secretary

DIRECTORS' REPORT

including Management Discussion and Analysis Report

Your Directors have pleasure in presenting the thirty third Annual Report and audited accounts for the year ended 31st March, 2005.

FINANCIAL HIGHLIGHTS

	April to March 2004-2005 (Rs. in lakhs)	April to March 2003-2004 (Rs. in lakhs)
Profit for the year	5073.48	2963.84
Less : Depreciation	582.09	600.73
	4491.39	2363.11
Less : Compensation under voluntary retirement scheme	Nil	605.43
Profit before tax	4491.39	1757.68
Less : Taxation		
Current	1503.00	776.70
Deferred	32.47	(290.52)
	1535.47	486.18
Provision for wealth-tax	3.20	3.03
	1538.67	489.21
Profit after tax	2952.72	1268.47
Add/Less : Income-tax pertaining to previous years	27.56	10.95
	2980.28	1257.52
Add : Balance brought forward	258.05	92.34
AMOUNT AVAILABLE FOR APPROPRIATION	3238.33	1349.86
APPROPRIATIONS		
Interim dividend	240.14	--
Tax on interim dividend	31.38	--
Proposed dividend	360.20	240.14
Tax on proposed dividend	50.52	30.77
General reserve	2200.00	820.90
Balance carried to balance sheet	356.09	258.05
	3238.33	1349.86

DIVIDEND

During the year, the Board declared and paid interim dividend of Rs.4.00 per equity share. Your Directors recommend a final dividend of Rs.6.00 (Rs.4.00) per equity share subject to the approval of the members at the annual general meeting.

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE AND OPPORTUNITIES**

In the current year 2005-2006, demand for 4-page single width single circumference market, which constitutes 90 per cent of company's business continues to remain good.

The continuous thrust on export fronts has resulted in establishment of new markets in Sweden, Netherlands and Indonesia and expansion of business in existing markets in CIS countries, Middle East and Latin America.

Over and above, the company holds and maintains major market share in India with launch of several regional and English dailies who continue to bring in this 4-page market.

OUTLOOK

The business outlook continues to remain positive for the year 2005-2006. The company expects to maintain both top line and bottom line. The concept of service and spare parts remains a prime focus, ours being a service oriented industry. Further, the company will participate in domestic trade shows in India, CIS countries and other places.

RISKS AND CONCERNS

For the second quarter April – June, 2005, the Maharashtra Government has introduced severe power cuts and the company has to shift to Genset for power. Power remains area of high concern for the industry. Apart from this, in Maharashtra, considering local duties and taxes, customers have to pay almost 32 per cent which will have severe impact on sales in the state.

Further, concern for all industries is mushrooming Chinese manufacturers who are likely to increase their trade with India depending upon Government's import policy to allow import of new machines at reduced duty as compared to local excise duty and VAT being imposed on Indian manufacturers.

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

	Rs. in lakhs	
	2004 - 2005	2003 - 2004
Income from operations	28005.82	22734.51
Other income	643.64	323.22
Profit before interest, depreciation, compensation under VRS and tax	5139.33	3081.67
Interest expenditure (Net of income)	65.85	117.83
Depreciation	582.09	600.73
Compensation under VRS	Nil	605.43
Profit before tax	4491.39	1757.68
Taxation		
Current	1506.20	779.73
Deferred	32.47	(290.52)
Net profit	1538.67	489.21
Earnings per share (in Rs.)	2952.72	1268.47
	49.18	21.13

The overall performance of the company during the year under consideration has been excellent.