

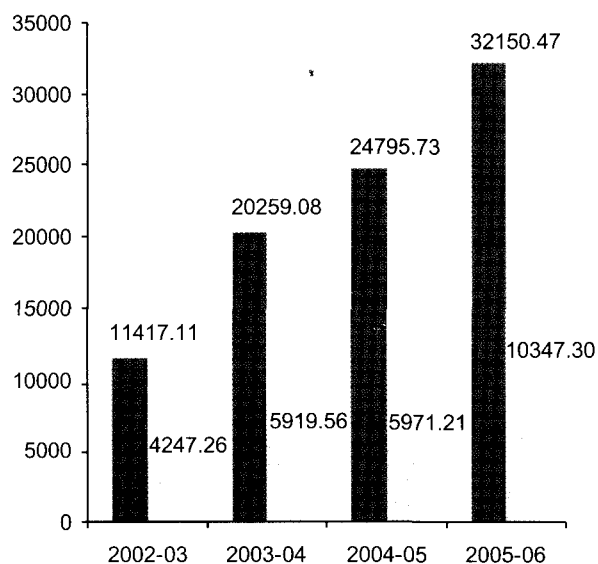
**MANUGRAPH**  
Technology in Print

34TH ANNUAL REPORT 2005 - 2006



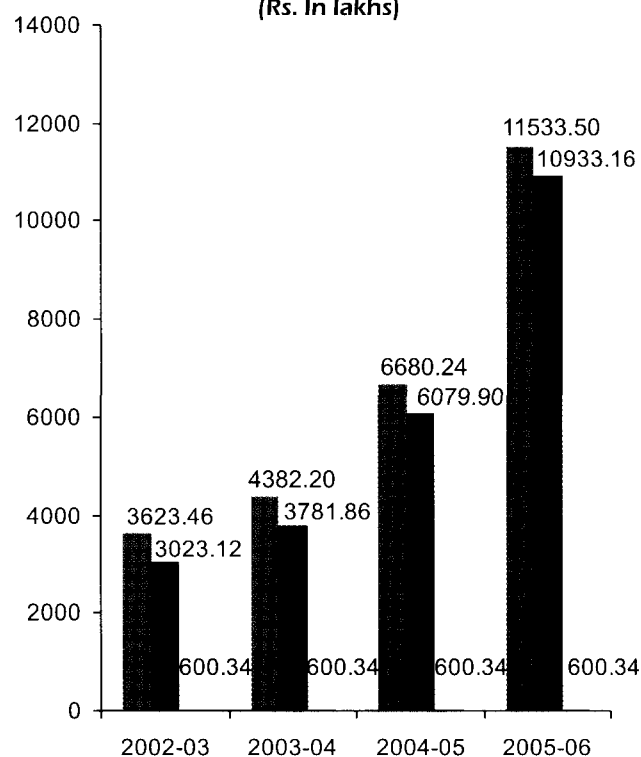
An Expression  
of Faith

### Sales (Rs. in lakhs)



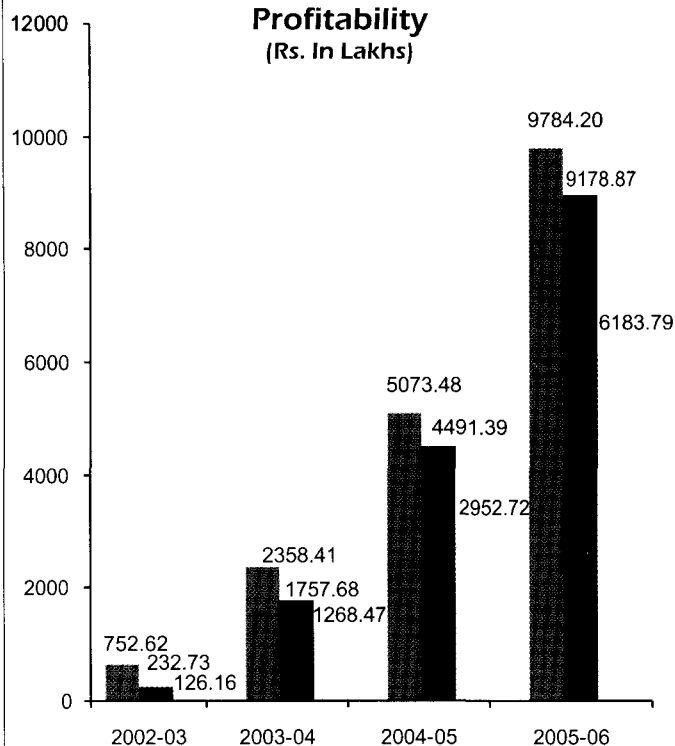
■ Net Sales ■ Exports

### Net Worth (Rs. In lakhs)



■ Net - Worth ■ Reserves ■ Equity

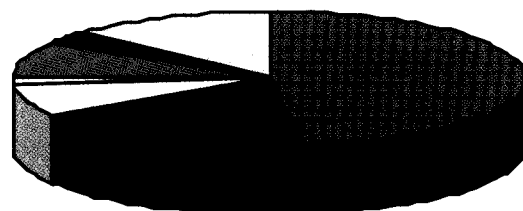
### Profitability (Rs. In Lakhs)



■ Gross Profit ■ Pre - Tax Profit ■ Post - Tax Profit

### Distribution of Income

Materials	47.92 %
Expenses	18.08 %
Labour	7.64 %
Depreciation	1.62 %
Interest	0.25 %
Income Tax	8.34 %
Dividend	3.20 %
Retained Earnings	12.95 %



**34<sup>th</sup> Annual Report 2005-2006****MANUGRAPH INDIA LIMITED****BOARD OF DIRECTORS****CHAIRMAN**

Mr. Sanat M. Shah

**DIRECTORS**

Mr. Jayant C. Vakil ]

Mr. Jitendra N. Mehrotra ]

Mr. Hiten C. Timbadia ] Independent Non-Executive Directors

Mr. Harshad H. Vasa ]

Mr. Amit N. Dalal ] (w.e.f. 25<sup>th</sup> October, 2005)

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. V.K.Gupte

**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.**CONTENTS**

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**34th Annual General Meeting on Friday, the 18th August, 2006 at M.C.Ghia Hall, Bhogilal Hargovindas Building,  
18/20, Kaikhushru Dubash Marg, Mumbai-400 001, at 3.30 p.m.**

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## NOTICE

NOTICE is hereby given that thirty-fourth Annual General Meeting of Members of Manugraph India Limited will be held on Friday the 18<sup>th</sup> August, 2006 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 receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2006 and Profit and Loss account for the year ended 31<sup>st</sup> March, 2006 together with reports of the Directors and the Auditors thereon;
2. To declare a dividend on equity shares;
3. To appoint a Director in place of Mr. J. N. Mehrotra who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint a Director in place of Mr. H.C. Timbadia who retires by rotation and being eligible offers himself for re-appointment;
5. To appoint M/s B.F.Pavri & Co. Chartered Accountants, 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 authorize the Board of Directors to fix their remuneration.

## SPECIAL BUSINESS:

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

RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Amit .N.Dalal, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, 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 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, 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 of the Company be and is hereby accorded for the re-appointment of Mr. Mohan R. Harshe as Whole-time Director designated as Director (Works), for a period of three years with effect from 1<sup>st</sup> July, 2006 on the following remuneration and perquisites and terms and conditions as set out in the draft Agreement submitted to this meeting and initialed by the Chairman for the purpose of identification :

- a. Salary : Rs.60,000/- per month in the grade of Rs.60,000 - 70,000/-
- b. Perquisites : Perquisites such as house rent allowance, educational allowance, Newspapers and periodicals, special allowance, leave travel allowance, soft furnishing, medical reimbursement, holiday resort and conveyance allowance not exceeding Rs.15,000/- per month.

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. Mohan R. Harshe 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 alter and vary the terms and conditions of the said re-appointment and /or draft Agreement in such manner as may be agreed to between the Directors and Mr. Mohan R. Harshe and to do all acts, deeds, matters and things, as it may at its absolute discretion, consider necessary, expedient or desirable, to give effect to the foregoing resolution.

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

By Order of the Board of Directors

Sanjay S.Shah  
Vice Chairman & Managing Director

Date : 28<sup>th</sup> June, 2006.



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## NOTES

1. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of item 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 Saturday, 5<sup>th</sup> August, 2006 to Friday, 18<sup>th</sup> August, 2006, 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 25<sup>th</sup> August, 2006 to those persons or their mandates :
  - a) whose names appear as Beneficial Owners as at the end of the business hours on 4<sup>th</sup> August, 2006 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/its registrar and share transfer agents on or before 4<sup>th</sup> August, 2006.



**34<sup>th</sup> Annual Report 2005-2006****Unclaimed Dividends :**

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 :

<b>Date of Declaration of dividend</b>	<b>Date of Dividend warrant</b>	<b>Dividends for the year</b>	<b>Dividend Rs. per share</b>	<b>Due date of the proposed transfer to the Central Government</b>
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
10.08.2005 (final)	16.08.2005	2004-05	6.00	15.08.2012
25.10.2005 (interim)	15.11.2005	2005-06	1.50*	14.11.2012

\*The paid up value of equity share is Rs.2/- per share w.e.f. 10.10.2005.

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.

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

By Order of the Board of Directors

Sanjay S.Shah  
Vice Chairman & Managing Director

Date : 28<sup>th</sup> June, 2006.

34<sup>th</sup> Annual Report 2005-2006

## ANNEXURE TO THE NOTICE

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

## Item No.6

Mr. A.N. Dalal was appointed by the Board of Directors of the Company as an additional Director of the Company with effect from 25<sup>th</sup> October, 2005 under section 260 of the Companies Act, 1956 read with article 135 of the Articles of Association of the Company. Mr. A.N. Dalal will hold office as an additional Director up to the date of the ensuing Annual General Meeting. A Notice in writing 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. A.N. Dalal for appointment as a Director of the Company. Mr. A.N. Dalal being eligible, offers himself for appointment.

Mr. A.N. Dalal is M.B.A. having in depth knowledge of finance and Stock market. Mr. A.N. Dalal is a Managing Director of ANSEC Pvt. Ltd., member of Bombay Stock Exchange Ltd. since 1989.

In order to avail benefit of his valuable and expert advice and guidance the Board commends passing of the resolutions as set out in item No.6 of the accompanying notice.

None of the Directors other than Mr. A.N. Dalal is deemed to be concerned or interested in this resolution.

## Item No. 7

On the recommendation of the Remuneration Committee, the Board of directors at its meeting held on 28.06.2006 has re-appointed Mr. M. R. Harshe, Director (Works) for a period of 3 years with effect from 1<sup>st</sup> July, 2006 on the terms and conditions set out in the draft agreement being executed by the company with the said director.

Mr. M. R. Harshe is Diploma holder in Mechanical Engineering and has vast knowledge and hands on experience with Printing Machines and the Printing Industry in general.

Mr. M. R. Harshe is primarily responsible for smooth functioning of two units situated at Shirol and Warananagar both at Kolhapur in the state of Maharashtra.

- a) Period - 01.07.2006 to 30.06.2009 (3 years)
- b) Basic Salary Rs. 60,000/- per month in the grade of Rs. 60,000 - 70,000/-
- c) Contribution by the Company to the Provident Fund at a rate not exceeding 12% of the Salary.
- d) Contribution to the Pension Fund and/or Superannuation Fund at a rate not exceeding 15% of the Salary.
- e) 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.
- f) Perquisites: Perquisites such as house rent allowance, educational allowance, Newspapers and periodicals, special allowance, leave travel allowance, soft furnishing, medical reimbursement, holiday resort and conveyance allowance not exceeding Rs. 15,000/- per month.
- g) The Whole-time Director shall be eligible for leave as per Rules of the Company and encashment of leave at the end of tenure.
- h) In addition to the above salary and perquisites, Mr. M. R. Harshe Director (Works) of the Company shall be entitled to the following benefits :
  - i) Use of car and telephone at residence for official purposes will not be considered as perquisites.
  - ii) Personal long distance calls and use of car for private purpose shall be billed by the Company to the Director (Works)
  - iii) Reimbursement of expenses incurred by the Director (Works) for the purpose of business of the company.

A draft copy of the Agreement to be entered into by the Company with Mr. M. R. Harshe according the terms of his re-appointment for a period of 3 years from 01.07.2006 to 30.06.2009 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.

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This may be treated as an abstract of the draft agreement to be executed between the Company and Mr. M. 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 or Committees thereof.

#### Termination

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

Mr. M. R. Harshe 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 commends passing of the resolutions as set out in item No.7 of the accompanying notice.

None of the Directors other than Mr. M. R. Harshe is deemed to be concerned or interested in this resolution

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

By Order of the Board of Directors

Sanjay S.Shah  
Vice Chairman & Managing Director

Date : 28<sup>th</sup> June, 2006.



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**Details of directors seeking appointment/re-appointment at the forthcoming annual general meeting are given below :**

Name of the Director	Mr. J. N. Mehrotra	Mr. H. C. Timbadia	Mr. A.N.Dalal	Mr. M.R. Harshe
Date of Birth	03-06-1931	26-02-1964	31-01-1963	31-01-1945
Date of appointment	24-04-1987	30-03-2001	25-10-2005	16-02-1998
Expertise in specific functional areas	He has over 4 decades of managerial experience in the company and has extensive knowledge on machine tool industry and has served on the Board of many well reputed companies.	He possesses vast experience and sound background in Accounts, Finance, Audit, taxation, Banking and other related activities.	Leading presence in the Stock Market, Merchant Banking and Corporate Finance services	Printing and Printing Technology especially design & assembly & testing
List of other Directorship	1.Ceon Bharat Ltd. 2.Indfos Industries Ltd. 3.Marigold Capital Services Ltd. 4.Marigold Trustee Ltd. 5.Anjai Investments Pvt. Ltd. 6.Effenjat Consultants Pvt. Ltd. 7.Surbhay Consultancy & Investments. Ltd. 8.Maccaferri Environmental Solutions Pvt. Ltd. 9.Vigel Mfg. Technologies Pvt. Ltd.	Nil	1.Amit Nalin Securities Pvt. Ltd. 2.Nexgen Lifin Pvt. Ltd. 3.Dhirajlal Maganlal Purshotamdas Pvt. Ltd. 4.Ashrulata & Co. Pvt. Ltd. 5.HL Investments Co. Ltd.	Nil
Chairmanship/Membership of the committees of other Companies	Nil	Nil	Nil	Nil

**34<sup>th</sup> Annual Report 2005-2006****DIRECTORS' REPORT**

including Management Discussion and Analysis Report.

Your Directors have pleasure in presenting the thirty fourth Annual Report and audited accounts for the year ended 31<sup>st</sup> March, 2006.

**FINANCIAL HIGHLIGHTS**

	April to March 2005 – 2006 (Rs. in lakhs)	April to March 2004 – 2005 (Rs. in lakhs)
Profit for the year	9784.20	5073.48
Less : Depreciation	605.33	582.09
Profit before tax	9178.87	4491.39
Less : Taxation		
Current tax	2910.0	1503.00
Deferred tax	41.18	32.47
Fringe benefit tax	42.00	-
	2993.18	1535.47
Provision for wealth tax	1.90	3.20
	2995.08	1538.67
Profit after tax	6183.79	2952.72
Add : Income-tax pertaining to previous years	38.53	27.56
	6222.32	2980.28
Add : Balance brought forward	356.09	258.05
AMOUNT AVAILABLE FOR APPROPRIATION	6578.41	3238.33
APPROPRIATIONS		
Interim dividend	450.25	240.14
Tax on interim dividend	63.15	31.38
Proposed dividend	750.42	360.20
Tax on proposed dividend	105.24	50.52
General reserve	3750.00	2200.00
Balance carried to balance sheet	1459.35	356.09
	6578.41	3238.33

**DIVIDEND**

During the year, the Board declared and paid interim dividend of Rs.1.50 per equity share of Rs.2/-each (Previous year 4/- per share of Rs.10/-each). Your Directors recommend a final dividend of Rs.2.50 per equity share of Rs.2/-each (Previous year Rs.6/- per share of Rs.10/-each) subject to the approval of the members at the annual general meeting.

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

In the current year 2006-07 demand in single width single circumference 4-page market continues to remain strong. A slight pick-up in the heatset 16-page market will be seen in 2006-07. Capacity with vendors and outsourcing will improve the number of print units per month production in both Units.

Additional new/and existing markets have been tapped by your company like South Africa, Libya and Vietnam.

Co-operation with our sales partner MAN Roland continues smoothly.