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**MANUGRAPH**

Technology in Print

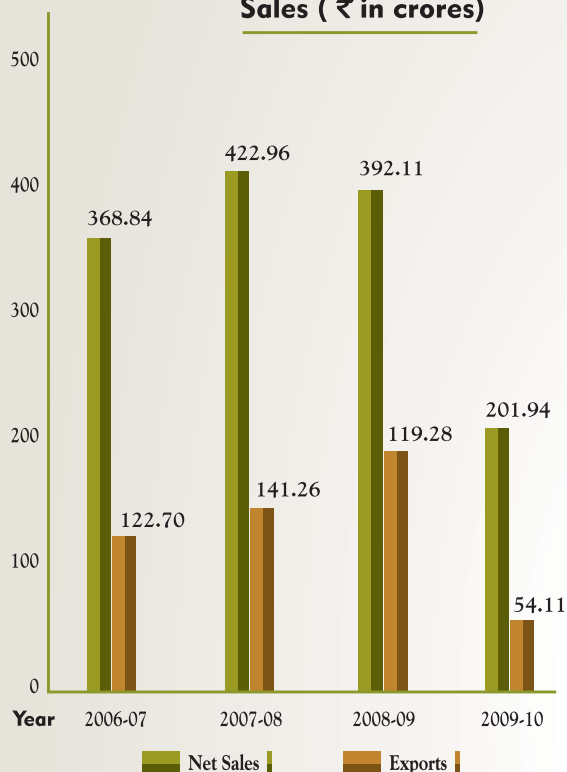
MANUGRAPH INDIA LTD.

38TH ANNUAL REPORT 2009 - 2010

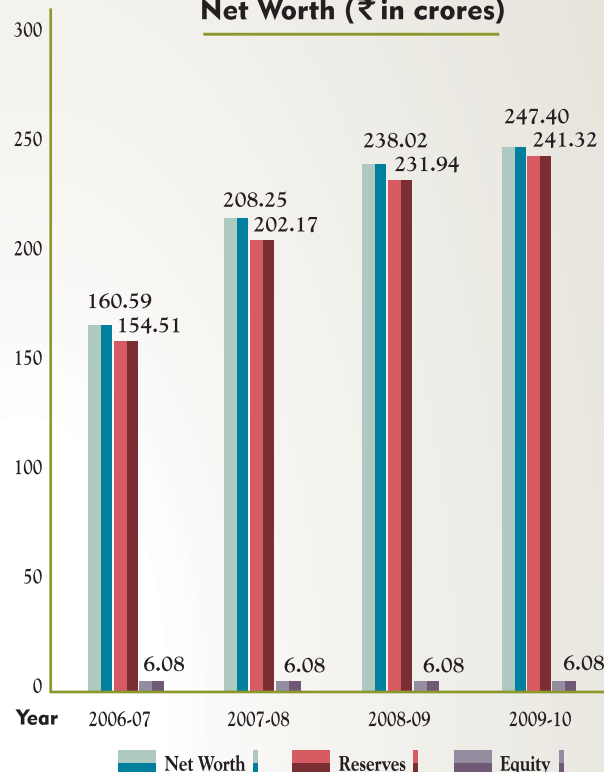
# MANUGRAPH INDIA LTD.

(STANDALONE)

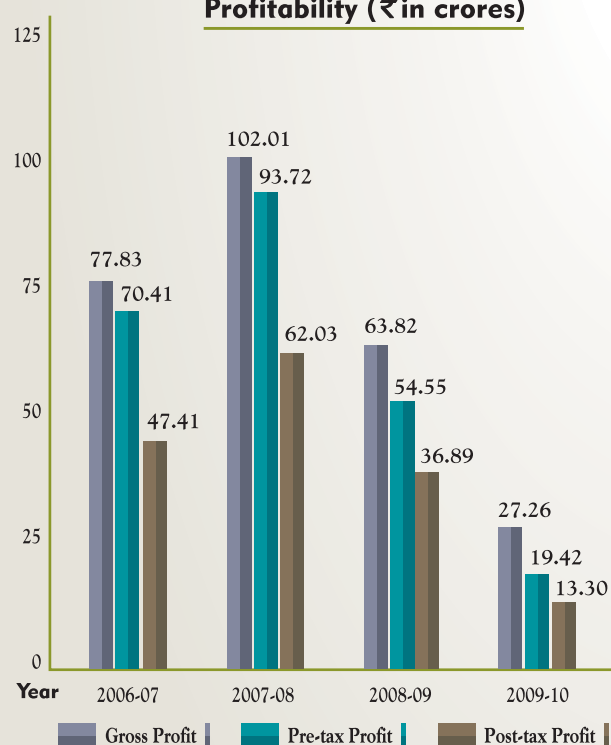
**Sales ( ₹ in crores)**



**Net Worth ( ₹ in crores)**

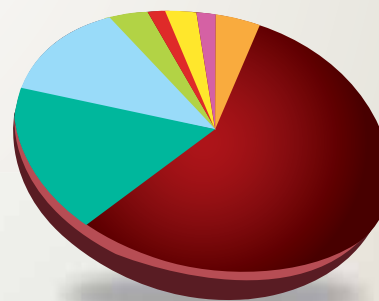


**Profitability ( ₹ in crores)**



**Distribution of Income**

Materials	55.36%	Interest	0.65%
Expenses	17.43%	Income Tax	3.15%
Labour	14.29%	Dividend	1.37%
Depreciation	3.53%	Retained Earnings	4.22%



# MANUGRAPH INDIA LIMITED

## BOARD OF DIRECTORS

### CHAIRMAN

Mr. Sanat M. Shah

### DIRECTORS

Mr. Jayant C. Vakil	]	
Mr. Jitendra N. Mehrotra	]	
(Upto 15.4.2010)	]	
Mr. Hiten C. Timbadia	]	Independent Non-Executive Directors
Mr. Harshad H. Vasa	]	
Mr. Amit N. Dalal	]	
Mr. Perses M. Bilimoria	]	
(w.e.f. 13.5.2010)	]	
Mr. Mohan R. Harshe		Whole-time Director
Mr. Arun Kumar Puri (w.e.f. 11.8.2010)		Non-Executive Director

### VICE-CHAIRMAN & MANAGING DIRECTOR

Mr. Sanjay S. Shah

### MANAGING DIRECTOR

Mr. Pradeep S. Shah

### COMPANY SECRETARY

Mr. Ravindra V. Joshi

### MANAGEMENT

Mr. Suresh Narayan	(Chief Financial Officer)
Mr. S. M. Mordekar	(General Manager - Operations)
Mr. B. B. Nandgave	(General Manager - Operations)

### AUDITORS

Messrs B. F. Pavri & Co.  
Chartered Accountants

### SOLICITORS & ADVOCATES

Messrs Tyabji Dayabhai

### BANKERS

State Bank of India  
State Bank of Bikaner & Jaipur  
Syndicate Bank  
Export-Import Bank of India  
Axis Bank Ltd.  
Standard Chartered Bank

### REGISTERED OFFICE

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

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**38th Annual General Meeting on Monday, the 27th September, 2010 at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001, at 11.00 a.m.**



## NOTICE

NOTICE is hereby given that thirty-eighth Annual General Meeting of Members of Manugraph India Limited will be held on Monday the 27th September, 2010 at 11.00 a. 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, 2010 and Profit and Loss account for the year ended 31st March, 2010 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 M/s. Natvarlal Vepari & 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 authorise the Board of Directors to fix their remuneration.

### AS SPECIAL BUSINESS

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

**RESOLVED THAT** Mr. Perses M. Bilimoria who was appointed as an Additional Director at the meeting of the Board of Directors held on 13th May, 2010 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. Perses M. Bilimoria as a candidate for the Office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

**RESOLVED THAT** Mr. Arun Kumar Puri who was appointed as an Additional Director at the meeting of the Board of Directors held on 11th August, 2010 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 her intention to propose Mr. Arun Kumar Puri 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 of the Company be and is hereby accorded for the appointment of Mr. Arun Kumar Puri as the Whole-time Director (Works) of the Company for a period of 3(three) years with effect from 1st September, 2010 till 31st August, 2013, on the remuneration and perquisites and terms and conditions as set out in the draft agreement between the Company and Mr. Arun Kumar Puri, 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. Arun Kumar Puri 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. Arun Kumar Puri (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 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 of the Company be and is hereby accorded for the re-appointment of Mr. Sanjay S. Shah as the Vice Chairman and Managing Director of the Company, for a period of 3 (three) years with effect from 1st April, 2010 till 31st March, 2013, on the remuneration and perquisites and terms and conditions as set out in the draft agreement between the Company and Mr. Sanjay S. Shah, 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. 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 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 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, 2010 till 31st March, 2013, on the remuneration and perquisites and terms and conditions as set out in the draft agreement between the Company and Mr. Pradeep S. Shah, 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. 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.

10. 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 1(one) year with effect from 1st July, 2010 on the 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

**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 tenure 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 Board of 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.

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

**RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the following Article of the Articles of Association of the Company is hereby altered in the following manner :

The existing Article 139:

139.The qualification of a Director shall be the holding of shares in the Company of the nominal value of Rs.1000/- (Equity)

be deleted and in its place and stead the following Article be substituted as Article 139 :

139.It shall not be necessary for a Director to hold any qualification shares in the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorised to do all such acts deeds, matters and things as it may, in its absolute discretion, deem necessary or expedient.

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

Date : 11th August, 2010.

By Order of the Board of Directors

Sanjay S. Shah  
Vice Chairman & Managing Director



**NOTES :**

1. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of item Nos.5 to 11 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. Intimate any change in their addresses/bank details to the Depository Participant if shares are held in electronic form.
  - 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 registrar and share transfer agents, Link Intime India Private Limited.
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 representatives 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 desiring 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 10 (Ten) 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 18th September, 2010 to Monday the 27th September, 2010, 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 17th September, 2010.

**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>Dividends for the year</b>	<b>Dividend per share Rs.</b>	<b>Due date of the proposed transfer to the Central Government</b>
(1)	(2)	(3)	(4)
29.08.2003	31.03.2003	1.20	02.11.2010
30.07.2004	31.03.2004	4.00	02.10.2011
10.01.2005	Interim 04-05	4.00	13.03.2012
10.08.2005	31.03.2005	6.00	13.10.2012
25.10.2005	Interim 05-06	1.50*	28.12.2012
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

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

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 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 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 re-appointment of the existing Directors and appointment of new directors, a statement containing details of the concerned Directors is annexed as Annexure A to this notice.

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

Date : 11th August, 2010.

By Order of the Board of Directors

SANJAY S. SHAH  
Vice Chairman & Managing Director



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

### Item No. 5

Mr. Perses M. Bilimoria was appointed by the Board of Directors of the Company as an additional Director of the Company with effect from 13th May, 2010 under section 260 of the Companies Act, 1956 read with article 135 of the Articles of Association of the Company. Mr. Perses M. Bilimoria 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. Perses M. Bilimoria for appointment as a Director of the Company. Mr. Perses M. Bilimoria being eligible, offers himself for appointment.

Mr. Perses M. Bilimoria is a Commerce Graduate. In order to avail benefit of his valuable and expert advice and guidance, the Board commends passing of the resolution as set out in item No.5 of the accompanying notice.

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

### Item Nos. 6 & 7

Mr. Arun Kumar Puri was appointed by the Board of Directors of the Company as an additional Director of the Company with effect from 11th August, 2010 under section 260 of the Companies Act, 1956 read with article 135 of the Articles of Association of the Company. Mr. Arun Kumar Puri 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 her intention to propose the candidature of Mr. Arun Kumar Puri for appointment as a Director of the Company. Mr. Arun Kumar Puri being eligible, offers himself for appointment.

On the recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 11.8.2010 has appointed Mr. Arun Kumar Puri as Whole Time Director (Works) for a period of 3(three) years with effect from 1st September, 2010 on the terms and conditions as set out in the draft agreement to be executed by the company with the said director.

Mr. Arun Kumar Puri is a Science Graduate with specialisation in Mechanical Engineering and has also completed M.B.A.

The terms and conditions of appointment of Mr. Arun Kumar Puri as Whole Time Director (Works) of the company are given below :

- a) Period : 3 (three years)
- b) Basic Salary  
Rs.1,40,000/- per month in the scale of Rs.1,40,000/- — 10,000/- — Rs.1,60,000/-
- c) The perquisites and other allowances payable to Arun Kumar Puri in addition to his above mentioned salary shall be as follows:-

#### Perquisites/Allowances

House Rent Allowance	Rs.42,000/- p. m.
Soft Furnishing	Rs.21,000/- p. m.
Special Allowance	Rs.22,000/- p.m.
Servant/Mali Allowance	Rs. 7,000/- p.m.
Leave Travel Assistance	Rs. 5,000/- p.m.
Medical Exp. Reimbursement	Rs. 2,000/- p.m.
Additional Bonus	Rs.2,40,000/- per year payable on prorata basis (subject to applicable tax)

He may be eligible for other benefits as per rules of the company subject to the discretion of the management.

Car with Driver will be provided for official use.

- d) Gratuity payable in accordance with the gratuity Scheme of the Company provided that it does not exceed half month's salary for every completed year of continuous service.

- e) The Whole-time Director (Works) shall be eligible for leave as per Rules of the Company and encashment of leave at the end of tenure.
- f) In addition to the above salary and perquisites, the Whole-time Director (Works) shall be entitled to the following benefits :
  - i) Driver 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 Whole-time Director (Works).
  - iii) Reimbursement of expenses incurred by the Whole-time 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. Arun Kumar Puri according the terms of his appointment for a period of 3 years from 1st September, 2010 to 31st August, 2013 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. Arun Kumar Puri pursuant to Section 302 of the Companies Act, 1956.

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.

#### **Termination**

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

Mr. Arun Kumar Puri 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 resolution as set out in item Nos.6 & 7 of the accompanying notice.

None of the Directors other than Mr. Arun Kumar Puri is deemed to be concerned or interested in this resolution.

#### **Item No. 8**

On the recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 11.8.2010 has re-appointed Mr. Sanjay S. Shah, Vice Chairman and Managing Director for further period of 3(three) years with effect from 1st April, 2010 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 below :

1. Basic Salary:  
Rs.3,50,000/- per month in the scale of Rs.3,50,000/- – 50,000/- – Rs.4,50,000/-.
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. Sanjay S. Shah was appointed i.e. with effect from 01.11.1992.