



**MANUGRAPH**

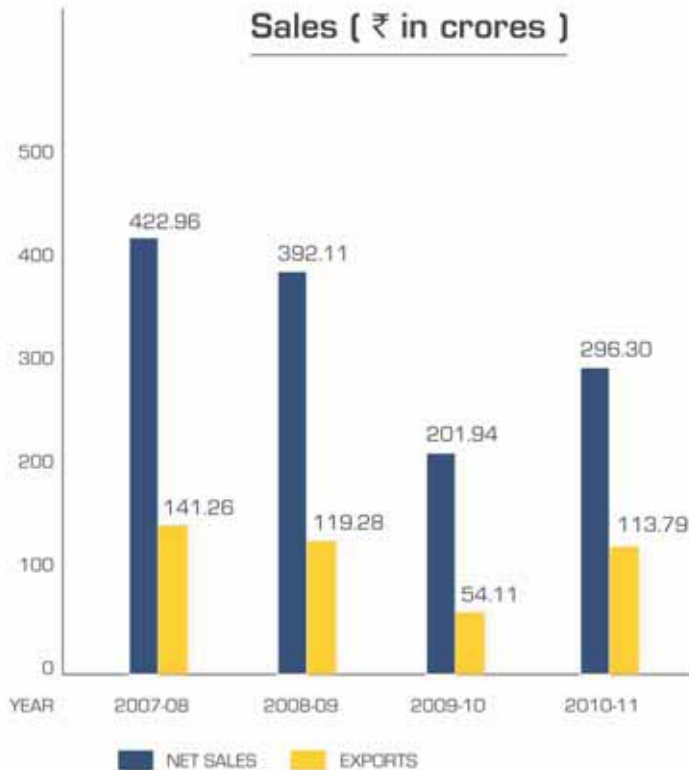
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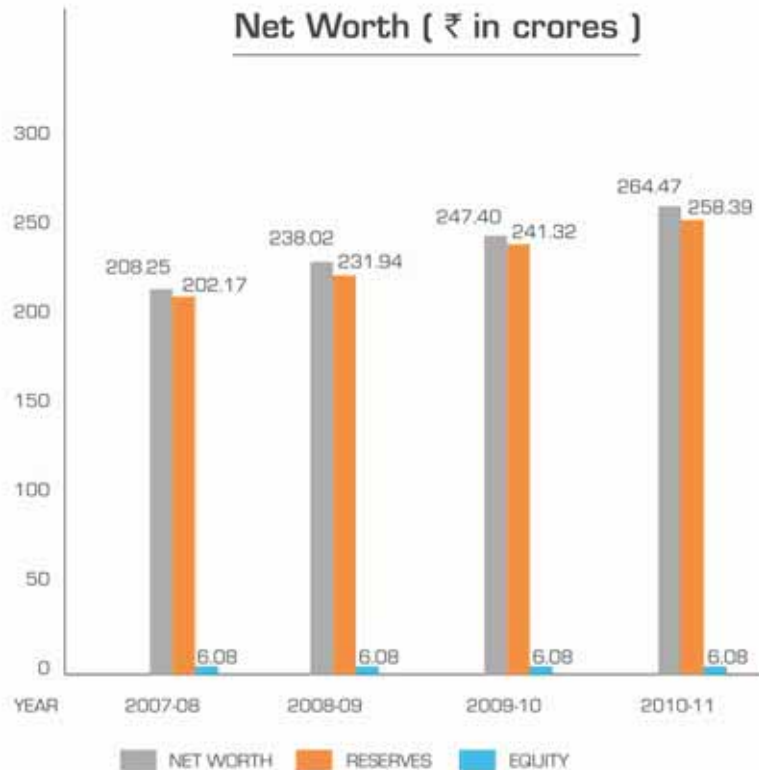
39TH ANNUAL REPORT | 2010-2011

## STANDALONE

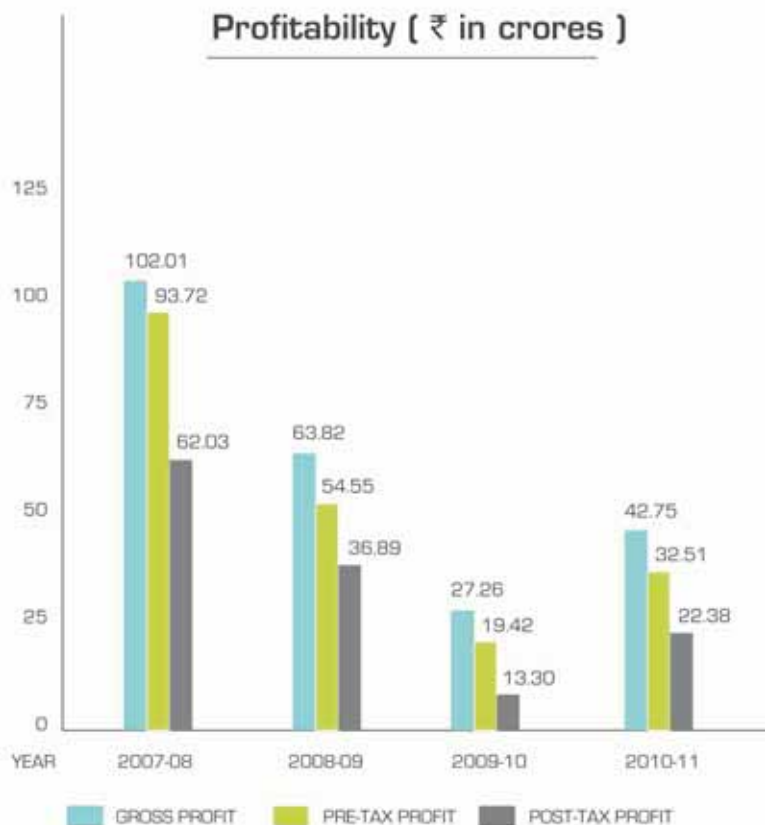
### Sales ( ₹ in crores )



### Net Worth ( ₹ in crores )

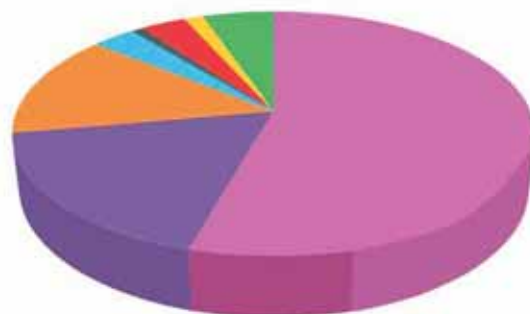


### Profitability ( ₹ in crores )



### Distribution of Income

MATERIALS	54.38%	INTEREST	0.89%
EXPENSES	17.80%	INCOME TAX	3.35%
LABOUR	13.78%	DIVIDEND	1.40%
DEPRECIATION	3.15%	RETAINED EARNINGS	5.25%



# MANUGRAPH INDIA LIMITED

## BOARD OF DIRECTORS

### CHAIRMAN

Mr. Sanat M. Shah

### DIRECTORS

Mr. Hiten C. Timbadia	]	
Mr. Harshad H. Vasa	]	
Mr. Amit N. Dalal	]	Independent Non-Executive Directors
Mr. Perses M. Bilimoria	]	
Mr. Abhay J. Mehrotra	]	
(w.e.f 29.10.2010)	]	
Mr. Shubhendra M. Mordekar		Whole-time Director (Works)
(w.e.f. 29.10.2010)		
Mr. Mohan R. Harshe		Whole-time Director
(Upto 15.11.2010)		
Mr. Arun Kumar Puri		Whole-time Director (Works)
(Upto 1.11.2010)		

### 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. B. B. Nandgave	(General Manager - Operations)

### AUDITORS

Messrs Natvarlal Vepari & 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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**39th Annual General Meeting on Tuesday, the 27th September, 2011 at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001, at 3.00 p.m.**



## NOTICE

NOTICE is hereby given that thirty-ninth Annual General Meeting of Members of Manugraph India Limited will be held on Tuesday the 27th September, 2011 at 3.00 p. 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, 2011 and Profit and Loss Account for the year ended 31st March, 2011 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. Harshad H. Vasa who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint a Director in place of Mr. Hiten C. Timbadia who retires by rotation and being eligible offers himself for re-appointment;
5. To appoint M/s. Natvarlal Vepari & Co., Chartered Accountants, Mumbai, Firm Registration No.106971W 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

6. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Abhay J. Mehrotra who was appointed as an Additional Director at the meeting of the Board of Directors held on 29th October, 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. Abhay J. Mehrotra 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."
7. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Shubhendra M. Mordekar who was appointed as an Additional Director at the meeting of the Board of Directors held on 29th October, 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. Shubhendra M. Mordekar as a candidate for the Office of Director of the Company, be and is hereby appointed as a Director of the Company."
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/approval of the Company be and is hereby accorded for the appointment of Mr. Shubhendra M. Mordekar as the Whole-time Director (Works) of the Company for a period of 3 (three) years with effect from 29th October, 2010 till 28th October, 2013, on the remuneration and perquisites and terms and conditions as set out in the agreement between the company and Mr. Shubhendra M. Mordekar, a copy whereof laid before the meeting and initialled 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. Shubhendra M. Mordekar 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. Shubhendra M. Mordekar (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."

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

**"RESOLVED THAT** pursuant to the provisions of Section 314, and other applicable provisions, if any, of the Companies Act, 1956 or any amendments or substitution thereof, the consent/approval of the Company be and is hereby accorded to appointment of Mr. Kushal S. Shah, relative (son) of Mr. Sanjay S. Shah, Vice Chairman and Managing Director, to hold and continue to hold an Office or place of Profit as an Executive of the Company on the following remuneration with effect from 1st October, 2010 :

- Basic Salary : Rs. 27,800/- per month in the grade of Rs. 23,000/- - Rs. 1,200/- - Rs. 29,000/-

In addition to basic salary, he will be entitled to all other allowances and perquisites as per the rules of the company, however, the gross remuneration (inclusive of all the benefits/ perquisites) not exceeding Rs. 1,00,000/- per month shall be payable to Mr. Kushal S. Shah. In addition, Mr. Kushal S. Shah shall also be entitled to Provident Fund, Superannuation Fund, Gratuity, Retirement Benefits and other facilities as admissible in his grade as per the Rules of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised and empowered, as and when it may determine and deem fit and proper, to revise the aforesaid terms of remuneration and to promote him to the next higher grade(s) with all the usual allowances, facilities and benefits as applicable to such grade(s)."

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

Date : 11th August, 2011.

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. 6 to 9 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. If shares are held in electronic form, intimate any change in their addresses/bank details to the concerned Depository Participant.
  - 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 representative(s) 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 desirous 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 10th September, 2011 to Tuesday the 27th September, 2011, 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 9th September, 2011.

**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 :

Date of Declaration of dividend	Dividends for the year	Dividend per share Rs.	Due date of the proposed transfer to the Central Government
(1)	(2)	(3)	(4)
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
27.09.2010	31.03.2010	1.00*	29.11.2017

\*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 any 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.

By Order of the Board of Directors

SANJAY S. SHAH  
Vice Chairman & Managing Director

Date : 11th August, 2011.

**IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to send their e-mail address to the company's e-mail address viz: [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com)

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

### Item No. 6

Mr. Abhay J. Mehrotra was appointed by the Board of Directors of the Company as an additional Director of the Company with effect from 29th October, 2010 under section 260 of the Companies Act, 1956 read with article 135 of the Articles of Association of the Company. Mr. Abhay J. Mehrotra will hold office as an additional Director up to the date of the ensuing Annual General Meeting. A Notice in writing along with 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. Abhay J. Mehrotra for appointment as a Director of the Company. Mr. Abhay J. Mehrotra being eligible, offers himself for appointment.

Mr. Abhay J. Mehrotra is postgraduate i.e. M.Sc. (Hons.) in Economics and MMS. In order to avail benefit of his valuable and expert advice and guidance, the Board recommends passing of the resolution as set out in item No. 6 of the accompanying notice.

None of the Directors other than Mr. Abhay J. Mehrotra is deemed to be concerned or interested in this resolution.

### Item Nos.7 & 8

Mr. Shubhendra M. Mordekar was appointed by the Board of Directors of the Company as an additional Director of the Company with effect from 29th October, 2010 under section 260 of the Companies Act, 1956 read with article 135 of the Articles of Association of the Company. Mr. Shubhendra M. Mordekar will hold office as an additional Director up to the date of the ensuing Annual General Meeting. A Notice in writing along with 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. Shubhendra M. Mordekar for appointment as a Director of the Company. Mr. Shubhendra M. Mordekar being eligible, offers himself for appointment.

Further on the recommendation of the Remuneration Committee, the Board of Directors has appointed Mr. Shubhendra M. Mordekar as Whole-time Director (Works) for a period of 3 (three) years with effect from 29th October, 2010 to 28th October, 2013 on the terms and conditions as set out in the agreement dated 10th December, 2010 executed by the company with the said director.

Mr. Shubhendra M. Mordekar has Diploma in Mechanical Engineering and has vast experience in various areas viz. assembly, installation, pre-sales as well as after sales activity, marketing, labour related matters etc.

The terms and conditions of appointment of Mr. Shubhendra M. Mordekar as Whole-time Director (Works) of the company are given below:

- |               |  |
|---------------|--|
| Period:       | 3 years w.e.f. 29.10.2010 to 28.10.2013 with liberty to either party to terminate the appointment by three months notice in writing to the other.  |
| Basic salary: | Rs. 55,000/- per month in the grade of Rs. 55,000/- – Rs. 5,000/- – Rs. 65,000/- as per rules of the company and as may be determined by the Chairman and Managing Directors of the Company from time to time.   |
| Perquisites : | Perquisites such as house rent allowance, educational allowance, Performance allowance, medical allowance, leave travel allowance, special allowance, contribution to Provident Fund and contribution to Superannuation Fund not exceeding Rs. 78,350/- in aggregate per month in the first year, Rs. 81,700/- in aggregate per month in the second year and Rs. 85,050/- in aggregate per month in the third year as per the rules of the company and as may be determined by the Chairman and Managing Directors of the Company from time to time. |

Gratuity payable as per rules of the Company.

Leave and encashment of leave as per Rules of the Company.

Use of car and telephone at residence for official purposes will not be considered as perquisites.

In addition to above perquisites, Mr. Shubhendra M. Mordekar Whole-time Director (Works) shall also be entitled to any other allowances, incentives, benefits and perquisites as per Rules of the Company as are applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force.

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Mr. Shubhendra M. Mordekar, Whole-time Director (Works) subject to the applicable provisions of Schedule XIII to the said Act.

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.

A copy of the Agreement dated 10th December, 2010 entered into by the Company with Mr. Shubhendra M. Mordekar according to the terms of his appointment for a period of 3 years from 29th October, 2010 to 28th October, 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.

As required under Section 302 of the Companies Act, 1956, an abstract of the terms of appointment of Mr. Shubhendra M. Mordekar and Memorandum of Interest was posted to all members on 11th November, 2010.

### Termination

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

Mr. Shubhendra M. Mordekar 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 recommends passing of the resolutions as set out in item Nos. 7 & 8 of the accompanying notice.

None of the Directors other than Mr. Shubhendra M. Mordekar is deemed to be concerned or interested in these resolutions.

### Item No. 9

Under the provisions of Section 314 of the Companies Act, 1956, a special resolution is required for enabling any relative of Director of the Company to hold any office or place of profit under the Company. Mr. Kushal S. Shah aged 23 years holds Bachelor's degree in Economics and History from Emory University, Atlanta GA, having adequate experience in the field of business development.

The Board of Directors at its meeting held on 29th October, 2010 appointed Mr. Kushal S. Shah as an Executive with effect from 1st October, 2010 on the basic salary of Rs. 27,800/- per month in the grade of Rs. 23,000/- – Rs. 1,200/- – Rs. 29,000/-. However, the total monthly remuneration payable to Mr. Kushal S. Shah shall not exceed Rs. 1,00,000/- per month.

In the light of explanations and justifications given above, it is recommended to approve the appointment of Mr. Kushal S. Shah as an Executive w.e.f. 1st October, 2010. The remuneration proposed to be paid to Mr. Kushal S. Shah is commensurate with his expertise and prevalent industry standard.

Mr. Kushal S. Shah is son of Mr. Sanjay S. Shah, Vice Chairman and Managing Director of the Company.

The proposed Special Resolution seeks consent of the Members of the Company for Mr. Kushal S. Shah's holding and continue to hold the office or place of Profit.

The Resolution also seeks an authorisation to the Board of Directors of the Company to sanction annual increments and in due course, promotions to Mr. Kushal S. Shah to the higher grade together with remuneration, perquisites, allowances, facilities and benefits as applicable in such grade, as per the Rules of the Company.

The proposed appointment is in the interest of the company and the Board recommends the resolution as special resolution.

Except Mr. Sanat M. Shah, Mr. Sanjay S. Shah and Mr. Pradeep S. Shah, no other Director is interested in this resolution.

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

Date : 11th August, 2011.

By Order of the Board of Directors

Sanjay S. Shah  
Vice Chairman & Managing Director

## ANNEXURE A

Details of directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below:

Particulars	Details of the Directors			
Name of the Director	Mr. H. H. Vasa	Mr. H. C. Timbadia	Mr. A. J. Mehrotra	Mr. S. M. Mordekar
Date of Birth	25.03.1934	26-2-1964	1-12-1961	24-12-1961
Date of appointment	20.03.1986	30-3-2001	29-10-2010	29-10-2010
Expertise in specific functional areas	Business executive in textile industry for 33 years having vast business experience. He has sound knowledge of share, stock and finance related matters.	He possesses vast experience and sound background in Accounts, Finance, Audit, Taxation, Banking and other related activities	From October 2005 till date promoter and Executive Director of Vigel Manufacturing Technologies Pvt. Ltd. From October 2002 to September 2005 worked as Vice President of Dynatron Services. From June 1997 to December 2001 worked as Vice President (control Group) of Indfos Industries Limited. From September, 1996 to June 1997 worked as Manager Sales of Coen Bharat Limited. From August, 1987 to August 1996 Promoter Director of Logicon Engineers Pvt. Ltd. From January 1985 to July 1987 worked as Director of Surbhay Consultancy & Investments Pvt. Ltd.	He possesses vast experience in various areas viz. Assembly, Installation, pre-sales as well as after sales activity, Marketing, labour related matters etc.
List of other Directorship	1. Varda Plastopack Industries Pvt. Ltd. 2. Vardayini Plastopack Industries Pvt. Ltd. 3. Vasa R. Engineering. Pvt. Ltd.	Dosti Reality Limited	1. Anjai Investments Pvt. Ltd. 2. Surbhay Consultancy & Investments Pvt. Ltd. 3. Vigel Manufacturing Technologies Pvt. Ltd. 4. Alfabay Engineering Services Pvt. Ltd. 5. Accurate Ancillary Products Ltd.	Nil
Membership of the committees of other Companies	Nil	1	Nil	Nil