



MANUGRAPH

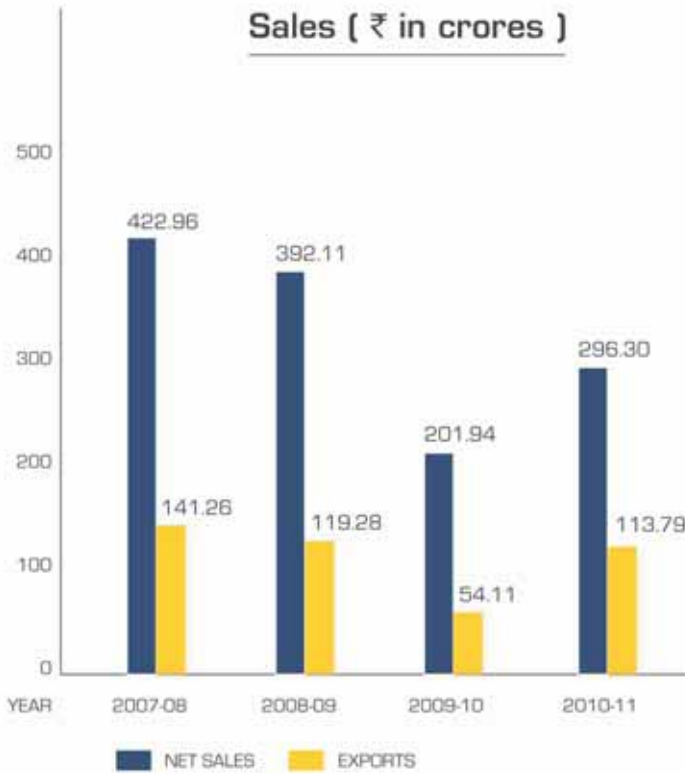
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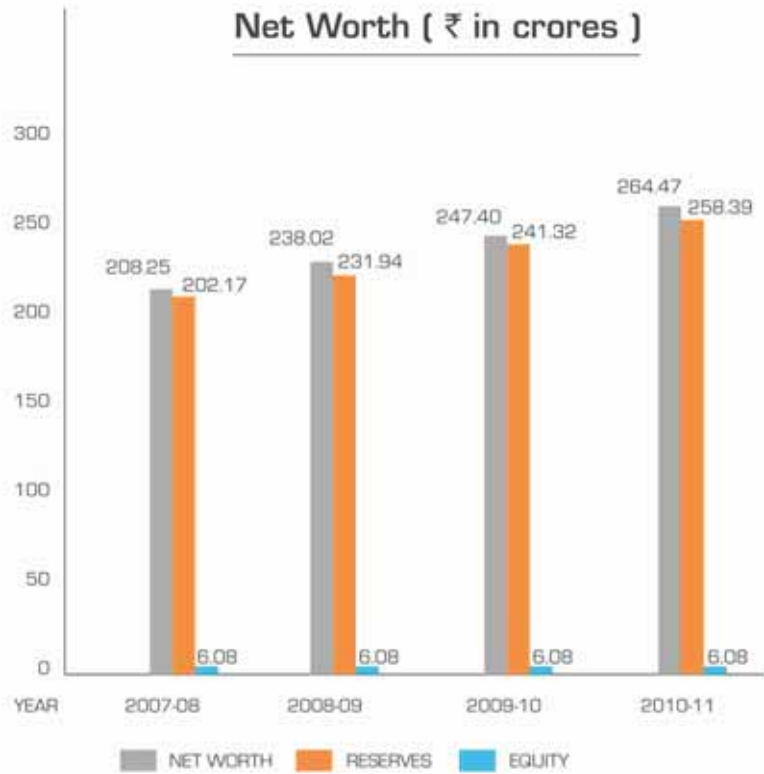
39TH ANNUAL REPORT | 2010-2011

STANDALONE

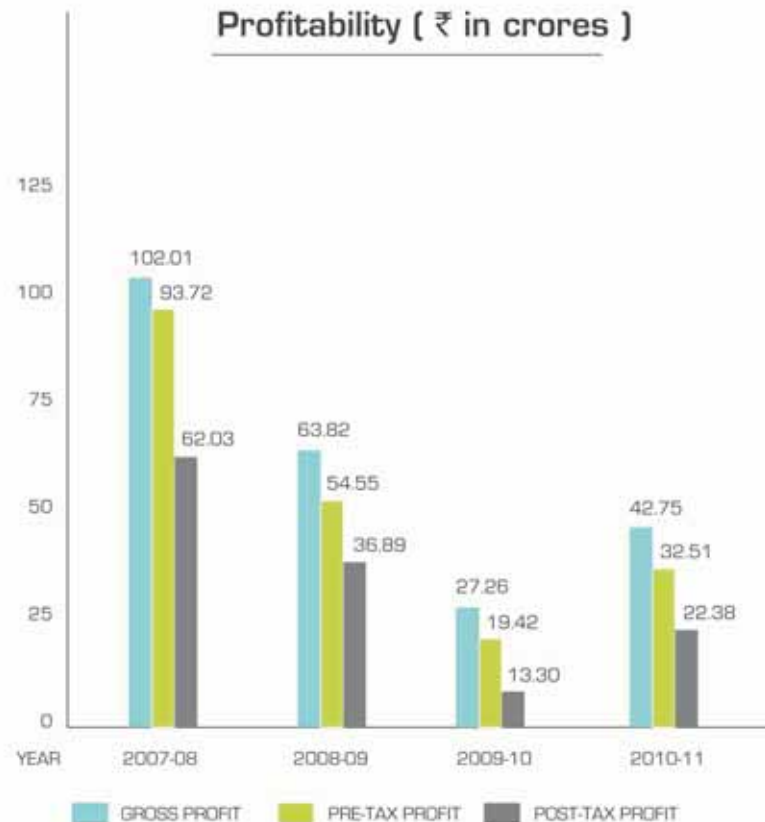
Sales (₹ in crores)



Net Worth (₹ in crores)

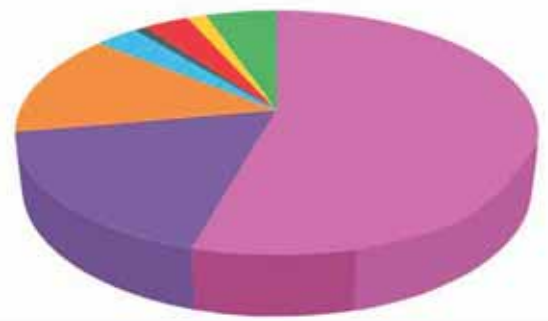


Profitability (₹ in crores)



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.

By Order of the Board of Directors

Date : 11th August, 2011.

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

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.

By Order of the Board of Directors

Date : 11th August, 2011.

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

DIRECTORS' REPORT

including Management Discussion and Analysis Report.

Dear Shareholders,

Your Directors have pleasure in presenting the thirty - ninth Annual Report and audited accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

Particulars	April to March 2010 - 2011 (Rs. in Lakhs)	April to March 2009 - 2010 (Rs. in Lakhs)
Profit for the year	4,275.09	2,725.53
Less: Depreciation	1,024.06	783.46
Profit before tax	3,251.03	1,942.07
Less: Provision for Taxation		
Current tax	983.00	591.52
Deferred tax	27.74	17.62
	1,010.74	609.14
Provision for wealth tax	2.20	2.66
	1,012.94	611.80
Profit after tax	2,238.09	1,330.27
Less : Income-tax pertaining to previous year	0.35	38.40
	2,237.74	1,291.87
Add: Balance brought forward from previous year	3,277.73	3,540.52
AMOUNT AVAILABLE FOR APPROPRIATION	5,515.47	4,832.39
APPROPRIATIONS		
Proposed dividend	456.23	304.15
Tax on proposed dividend	74.01	50.51
General reserve	300.00	1,200.00
Balance carried to balance sheet	4,685.23	3,277.73
	5,515.47	4,832.39

DIVIDEND

Your Directors recommend dividend of Rs. 1.50 per equity share of Rs. 2/- each (Previous year Re. 1/- per share of Rs. 2/- each) subject to the approval of the members at the ensuing Annual General Meeting.

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

You will observe from the results for the year 2010-11 that there is an improvement in the turnover of the company as compared to previous year. In spite of the fact that the overheads have increased considerably, the company has been able to maintain its bottom line well within control by showing Profit Before Tax (PBT).

OUTLOOK

As informed earlier the US subsidiary has been suitably re-structured and all presslines manufacturing activities for US market will take place mostly from Indian operations. In India, in the current year, we expect good improvement as against 2010-11. However this reflection is likely to come in the second half. Our primary focus is on reducing material cost by sourcing from vendors from all over India. The company is also contemplating buying components outright and not making them in-house so as to bring down the cost in certain categories.



RISKS AND CONCERNS

The old Wage Agreement expired on 31.3.2010, and after prolonged negotiations, new Wage Agreement has been finalised w.e.f. 1.4.2010 which will be valid for 3 years. Due to increased wages, it will be likely to have some impact on profitability of the company. Further increasing cost of raw materials, shall have some impact on the profitability of the company in future. However the management is confident of maintaining the other costs in strict control.

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

	2010 - 2011 (Rs. in Lakhs)	2009 - 2010 (Rs. in Lakhs)
Net sales	29,630.27	20,193.80
Operating Income	461.91	370.43
Other income	399.62	412.68
Profit before interest, depreciation, and tax	4,565.17	3,046.21
Interest	290.08	320.68
Depreciation	1,024.06	783.46
Profit before tax	3,251.03	1,942.07
Taxation		
Current	985.20	594.18
Deferred	27.74	17.62
	1,012.94	611.80
Net profit	2,238.09	1,330.27
Earnings per share (in Rs.)	7.36	4.37

The overall performance of the company during the year under consideration has been satisfactory despite prevalent sluggish market conditions in the international markets.

Sales

Total income from operations was Rs. 30,092.18 lakhs including export sales of Rs. 11,379.07 lakhs as compared to income from operations of Rs. 20,564.23 lakhs including export sales of Rs. 5,410.50 lakhs for the last year.

Other income

Other income consists of dividend, rent and profit on sale of investments.

Interest

The company is continuing its efforts to bring down the finance costs.

Income-tax

As required by Accounting Standard AS-22, issued by the Institute of Chartered Accountants of India, deferred tax liability of Rs. 27.74 lakhs has been adjusted in the Profit and Loss Account.

Earnings per share

Earnings per share stood at Rs. 7.36 per share in 2010-2011.

Personnel

During the Year your company has paid production linked incentives. Industrial relations remained very cordial at all levels.

As at the year end, the manpower strength stood at 1217 nos. as against total of 1222 (including contract workers) as at the previous year end.

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, since the company's operations are influenced by many external and internal factors beyond the control of the management.

FIXED DEPOSITS

During the year, the company has not accepted/renewed any deposits. The balance in the fixed deposit account as on 31st March, 2011 was Nil.

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. 1,045.55 lakhs towards capital expenditure consisting of buildings, plant and machinery and other fixed assets during the year under review, which will continue in the current year 2011-12 to improve, enhance and modernise both the plants.

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 subsidiaries are annexed to this report.

SUBSIDIARY COMPANIES

In terms of the General Circular No. 2/2011 dated February 8, 2011 read together with General Circular No. 3/2011 dated February 21, 2011, issued by the Government of India - Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching Balance Sheets/Annual Accounts of Subsidiary companies subject to fulfillment of conditions stated in the circular, copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors Report of the subsidiary companies viz. Constrad Agencies (Bombay) Pvt. Ltd., Manugraph Kenya Ltd., and Manugraph DGM Inc., for the year ended 31st March, 2011 are not attached to the Balance Sheet of the Company as the Company has fulfilled the following conditions:

- (i) The Board of Directors of the Company has vide resolution dated 11th August, 2011 consented for not attaching the balance sheet(s) of the concerned subsidiary companies;
- (ii) The Company has presented in its Annual Report, the consolidated financial statements of Company and subsidiaries duly audited by its statutory auditors;
- (iii) The Consolidated financial statements have been prepared in strict compliance with the applicable Accounting Standards and Listing Agreement as prescribed by the Securities and Exchange Board of India;
- (iv) The Company has disclosed in the Annual Report the following information in aggregate for each subsidiary Company, (a) Capital (b) Reserves (c) Total Assets (d) Total Liabilities (e) Details of Investment (except in case of investment in the subsidiaries) (f) Turnover (g) Profit before taxation (h) Provision for taxation (i) Profit after taxation and (j) Proposed dividend;

- (v) The annual accounts and other related detailed information of the following subsidiaries shall be made available to shareholders of the company and subsidiary companies seeking such information at any point of time:
- (a) Constrad Agencies (Bombay) Pvt. Ltd.,
 - (b) Manugraph Kenya Limited and
 - (c) Manugraph DGM Inc.;
- (vi) Further, the annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder at the Registered Office of the company and of the subsidiary companies concerned and the company shall furnish a hard copy of the details of accounts of subsidiaries to any shareholder on demand;
- (vii) The company as well as subsidiary companies shall regularly file such data to the various regulatory and Government authorities as may be required by them;
- (viii) The company has given Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiary companies along with the exchange rate as on closing day of the financial year.

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. Harshad H. Vasa and Mr. Hiten C. Timbadia retire by rotation and are eligible for re-appointment. The Board recommends their re-appointment.

Mr. Arun Kumar Puri resigned as Whole-time Director (Works) of the Company and also from the Board of Directors of the company w.e.f. 1st November, 2010. Mr. Mohan R. Harshe resigned as Director (Works) of the company and also from the Board of Directors of the company w.e.f. 15th November, 2010.

The Board places on record its deep sense of appreciation for the invaluable contribution made by Mr. Arun Kumar Puri and Mr. Mohan R. Harshe for professional advice and support to the Company during their tenure as Directors of the Company.

Mr. Abhay J. Mehrotra was appointed as an additional Director w.e.f. 29th October, 2010. Mr. Shubhendra M. Mordekar was appointed as an additional Director w.e.f. 29th October, 2010.

On the recommendation of Remuneration Committee, the Board of Directors, has appointed Mr. Shubhendra M. Mordekar as Whole-time Director (Works) for a period of 3 years w.e.f. 29th October, 2010 subject to the approval of the members of the company at the ensuing Annual General Meeting.

Brief profiles of Mr. Harshad H. Vasa, Mr. Hiten C. Timbadia, Mr. Abhay J. Mehrotra and Mr. Shubhendra M. Mordekar proposed to be re-appointed/appointed as Directors of the Company are given in Annexure A to the notice convening the ensuing Annual General Meeting.

AUDITORS

Messrs Natvarlal Vepari & Co., Chartered Accountants, the auditors of the company will retire from the office of the auditors at the forthcoming Annual General Meeting and being eligible offer themselves, for re-appointment. The Board recommends their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors confirm that, to the best of their knowledge and belief:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) the directors have 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 as at 31st March, 2011, and of the profit of the company for the year ended on that date;
- (iii) the directors have 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 annual accounts have been prepared on a going concern basis.

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

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

Mumbai
Dated 11th August, 2011

S. M. SHAH
CHAIRMAN

ANNEXURE B TO THE DIRECTORS' REPORT

INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY :

Apart from implementing systematically the energy conservation methods mentioned in the earlier reports, conscious efforts were made to bring awareness among energy users for energy conservation. The additional efforts were also made :

1. Use of 9W/11W CFL tube lights on machine by replacing 40W ordinary bulbs.
2. Unity Power Factor maintained with the help of APFC unit.
3. Use of electronics ballast with 28W T5 tubes against conventional copper chokes.
4. Auto timer used to switch off 400W MV lamps during lunch period.
5. 18 WLED lights under trial for Close cabins instead of 36W tubes.
6. Replacement of conventional type CO2 welding machine with Inverter type highly energy efficient machine.
7. Use of energy efficient CFL machine lamp fittings of machine tools replacing filament lamp fittings.
8. Replacement of 4X40W double tube - copper ballast type high-energy consumption light fittings by energy efficient PL lamp - reflector type fittings at Accounts and R/D depts.

B. TECHNOLOGY ABSORPTION :

1. Efforts made in technology absorption:

The focus on improvement in existing products & development of new products was maintained throughout the year. Thrust is given on strengthening manpower infrastructure in application of Computer Aided Engineering software and application of Data Acquisition System for Design of Experiments, to meet the future requirements of high speed, high performance machines. The new machines & main features under development are :

- I. Smartline in 1400 mm web width.
- II. Hiline Express in 546 & 578 mm cut off.
- III. New Hiline in 546 & 578 mm cut off.
- IV. Double Former & Double Delivery Folder for Smartline.
- V. Balloon Former for F2:3:3.
- VI. M360 Print unit.
- VII. MDGM Folder 1270 in 578 mm cut off.
- VIII. Integrated Autopaster for Cityline Express Tower.
- IX. Press Management System for 2 x 1 Pressline.

2. Benefits derived as a result of the above R&D :

- I. New products development.
- II. More automation on existing products.
- III. Cost reduction & space saving on machines.
- IV. Performance improvement.
- V. Expanding Domestic & Export market.
- VI. Import substitution

3. Expenditure on R&D :

	(Rs. In Lakhs)
I. Capital	560.92
II. Recurring	194.42
III. Total	755.34
IV. Total R&D expenditure as a percentage of net sales	2.55%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Activities relating to exports: initiatives taken to increase exports, develop new export markets for products and services; and export plans;

During the year under review, the Company continuously explored the possibilities of exporting more of its products to countries in Europe, Middle East Asia, Africa, South America and Australia.

2. Total foreign exchange used and earned :

The information on foreign exchange earnings and outgo is contained in notes 19, 20, 21 and 23 in Schedule T - Notes forming part of the Annual Accounts on page no. 51.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given below.

I MANDATORY REQUIREMENTS

1. Company's philosophy on code of governance

Manugraph India Ltd. (MIL) is committed to good Corporate Governance. The mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges have been fully implemented by your Company. The principles of transparency, accountability, trusteeship and integrity are at the core of the Company's basic character. The Company firmly believes in the right of its stakeholders to information regarding the Company's business and financial performance.

2. Board of Directors

The present strength of your Company's Board is nine directors comprising of three promoter directors viz. Mr. S. M. Shah, Mr. S. S. Shah and Mr. P. S. Shah. Mr. S. M. Shah is Non-Executive Chairman of the Company. Mr. S. S. Shah is Vice Chairman and Managing Director and Mr. P. S. Shah is Managing Director of the Company. Mr. S. M. Mordekar is Whole-time Director (Works) (appointed w.e.f. 29.10.2010). Mr. Harshad H. Vasa, Mr. Hiten C. Timbadia, Mr. Amit N. Dalal, Mr. Perses M. Bilimoria (appointed w.e.f. 13.5.2010) and Mr. Abhay J. Mehrotra (appointed w.e.f. 29.10.2011) are other five non-executive independent directors. Mr. Jayant C. Vakil retired w.e.f. 27.9.2010, Mr. Arun Kumar Puri resigned w.e.f. 1.11.2010 and Mr. Mohan R. Harshe resigned w.e.f. 15.11.2010.

During the financial year 2010 - 2011, five Board Meetings were held on 8th April, 2010, 13th May, 2010, 11th August, 2010, 29th October, 2010 and 14th February, 2011.

The attendance at Board meetings held during the financial year 2010-2011 and at the last Annual General Meeting (AGM), the number of other directorships and committee memberships / chairmanships of directors as on 31st March, 2011, are as follows:

Sr. No.	Name of the Director	Category	Board membership in other companies (*)	Committee chairmanship in other companies	Committee membership in other companies	No. of Board Meetings of MIL attended	Attendance at the last AGM (Yes/No)
1	Mr. Sanat M. Shah	Non-Executive Chairman (Promoter)	6	Nil	Nil	5	Yes
2	Mr. Sanjay S. Shah	Vice Chairman & Managing Director (Promoter)	8	Nil	Nil	5	Yes
3	Mr. Pradeep S. Shah	Managing Director (Promoter)	8	Nil	Nil	4	Yes
4	Mr. Shubhendra M. Mordekar (w.e.f. 29.10.2010)	Whole-time Director (Works) Executive - Non Independent	Nil	Nil	Nil	2	No
5	Mr. Harshad H. Vasa	Independent Non-Executive Director	3	Nil	Nil	5	Yes
6	Mr. Hiten C. Timbadia	Independent Non-Executive Director	1	Nil	1	5	Yes
7	Mr. Amit N. Dalal	Independent Non-Executive Director	10	1	4	4	No
8	Mr. Perses M. Bilimoria (w.e.f. 13.5.2010)	Independent Non-Executive Director	4	Nil	Nil	4	Yes
9	Mr. Abhay J. Mehrotra (w.e.f. 29.10.2010)	Independent Non-Executive Director	5	Nil	Nil	2	No
10	Mr. Arun Kumar Puri (11.8.2010 to 1.11.2010)	Whole-time Director (Works) Executive - Non Independent	4	Nil	Nil	1	No
11	Mr. Mohan R. Harshe (Upto 15.11.2010)	Director (Works) Executive - Non Independent	Nil	Nil	Nil	1	Yes
12	Mr. Jayant C. Vakil (Upto 27.9.2010)	Independent Non-Executive Director	Nil	Nil	Nil	3	Yes

* Includes private Companies and foreign Company directorship.

3. Audit Committee

Your Company has an Audit Committee comprising of four non-executive independent directors viz. Mr. Hiten C. Timbadia, Mr. Harshad H. Vasa, Mr. Perses M. Bilimoria (Inducted in the Audit Committee w.e.f. 10.8.2010) and Mr. Abhay J. Mehrotra (Inducted in the Audit Committee w.e.f. 13.5.2011). Mr. Hiten C. Timbadia is the Chairman of the committee.

The Company Secretary acted as secretary to the committee.

The Vice-chairman and Managing Director is an invitee to the meetings. The Statutory Auditors are also invited to attend the meetings.

The terms of reference of the audit committee cover the matters specified under Clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

During the year under review, five audit committee meetings were held on 13.05.2010, 10.08.2010, 28.10.2010, 14.02.2011, and 17.03.2011.

Attendance at the audit committee meetings:

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Mr. Hiten C. Timbadia	5	5
2	Mr. Harshad H. Vasa	5	5
3	Mr. Perses M. Bilimoria (Inducted in the Audit Committee w.e.f. 10.8.2010)	5	4
4	Mr. Abhay J. Mehrotra	Appointed as Audit Committee member w.e.f. 13.5.2011.	

The chairman along with two other members of the audit committee were present at the last Annual General Meeting held on 27th September, 2010.

4. Remuneration Committee

Terms of reference :

The broad terms of reference of the committee are to determine and recommend to the Board, compensation payable to Managing Directors and Whole-time Directors.

The Remuneration Committee consists of Mr. Hiten C. Timbadia, Mr. Harshad H. Vasa, Mr. Perses M. Bilimoria and Mr. Abhay J. Mehrotra. Mr. Hiten C. Timbadia is the Chairman of the Committee. All are non-executive independent directors.

During the year under review, two Remuneration Committee meetings were held on 11.8.2010 and 29.10.2010.

Attendance at the Remuneration committee meetings :

Sr. No.	Name of the Director	No. Meetings held	Meetings attended
1	Mr. Hiten C. Timbadia	2	2
2	Mr. Harshad H. Vasa	2	2
3	Mr. Perses M. Bilimoria	2	2
4	Mr. Abhay J. Mehrotra	Appointed as Remuneration Committee member w.e.f. 13.5.2011.	

The details of remuneration paid to the directors of the Company during the financial year 2010 -11 are given below:

Sr. No.	Name of the Director	Details of Salary and perquisites Rs.	Sitting fee for Board and Committee Meetings Rs.
1	Mr. Sanjay S. Shah	* 1,54,33,187.06	N. A.
2	Mr. Pradeep S. Shah	* 1,54,26,726.98	N. A.
3	Mr. Shubhendra M. Mordekar (w.e.f. 29.10.2010)	6,35,323.00	N. A.
4	Mr. Mohan R. Harshe (Upto 15.11.2010)	10,44,125.00	N. A.
5	Mr. Arun K. Puri (1.8.2010 to 1.11.2010)	5,18,000.00	N. A.
6	Mr. Sanat M. Shah	N. A.	50,000.00
7	Mr. Harshad H. Vasa	N. A.	1,00,000.00
8	Mr. Hiten C. Timbadia	N. A.	1,00,000.00
9	Mr. Amit N. Dalal	N. A.	40,000.00
10	Mr. Perses M. Bilimoria (w.e.f. 13.5.2010)	N. A.	84,000.00
11	Mr. Abhay J. Mehrotra (w.e.f. 29.10.2010)	N. A.	20,000.00
12	Mr. Jayant C. Vakil (Upto 27.9.2010)	N. A.	30,000.00

* includes commission for financial year 2010-11

The remuneration paid to Managing Directors and Whole-time Director is within the ceiling prescribed under the provisions of the Companies Act, 1956.

Sr. No.	Name of the Director	Service Contract	Notice Period	Severance Fee
1	Mr. Sanjay S. Shah Vice Chairman & Managing Director	1-4-2010 to 31-3-2013	Three Months	Nil
2	Mr. Pradeep S. Shah Managing Director	1-4-2010 to 31-3-2013	Three Months	Nil
3	Mr. Shubhendra M. Mordekar Whole-time Director (Works)	29-10-2010 to 28-10-2013*	Three Months	Nil

* Subject to appointment at the ensuing AGM.

Except the Managing Directors and Whole-time Director, all the members of the Board are liable to retire by rotation.

Your Company presently does not have a scheme for grant of stock options or performance-linked incentives for its directors.

5. Shareholders' Grievance Committee

The Company has Shareholders' Grievance Committee comprising of Mr. Harshad H. Vasa, Mr. Sanjay S. Shah and Mr. Perses M. Bilimoria (w.e.f.13.5.2011). Mr. Harshad H. Vasa is the Chairman of the committee.

The Shareholders' Grievance Committee looks into the shareholders' and investors' grievances. The Company Secretary acts as the Compliance Officer and Secretary to the Shareholders' Grievance Committee.

All shares received for transfers are registered and despatched within thirty days of receipt, provided the documents are correct and valid in all respects.

There were no pending share transfers as on 31st March, 2011.

During the year under review, the Company received 15 complaints from shareholders relating to non-receipt of dividend, non-receipt of annual report and non-receipt of shares sent for transfer. The complaints were duly attended to and there were no complaints pending for more than 30 (Thirty) days as on 31st March, 2011.

Status of receipt and redressal of Investors' Grievances during the financial year is as under :

Investors' Grievances pending as on 1.4.2010	Nil
Add : Investors' Grievances received during the year	15
Less : Investors' Grievances redressed during the year	15
Investors' Grievances pending as on 31.3.2011	Nil

6. General Body Meetings

Financial year	2009-2010 38th AGM	2008-2009 37th AGM	2007-2008 36th AGM
Venue	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001
Day	Monday	Tuesday	Thursday
Date	27th September, 2010	29th September, 2009	28th August, 2008
Time	11.00 a. m.	11.30 a. m.	3.30 p. m.
No. of Special Resolution(s) passed	One	Nil	Nil

All resolutions as set out in the respective notices were duly passed by the shareholders.

No special resolution was put through Postal Ballot at the last Annual General Meeting. No special resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

7. Disclosures**CEO and CFO Certification :**

The Managing Director and Chief Financial Officer have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

Related Parties Transactions :

The Company has not entered into any transaction of a material nature with the promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The register of contracts containing transactions, in which directors are interested, is placed before the Board regularly.

Code of Conduct :

The Board of Directors has laid down a "Code of Conduct" (Code) for all the Board Members and the senior management of the Company and this Code is posted on the Website of the Company. Annual compliance declaration is obtained from every person covered by the Code.

Risk Management :

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

Statutory Compliance, Penalties and Strictures :

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets. During the last three years, no penalties or strictures have been imposed by them on the Company.

8. Means of Communication

The quarterly and half yearly results of the company are published in the following newspapers :

Business Standard (English newspaper)

Sakal (Marathi newspaper)

The financial results are also made available at Company's Website www.manugraph.com for shareholders/investors information.

II. NON-MANDATORY REQUIREMENTS

A. Office of the chairman of the Board and reimbursement of expenses by the Company.

The Company is presently reimbursing the expenses incurred in performance of duties.

B. Shareholders' rights - furnishing of half-yearly results.

The Company's half-yearly results are published in English and Marathi newspapers having wide circulation.

C. Postal Ballot

The Company will seek shareholders' approval through Postal Ballot in respect of such resolutions as are laid down in Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as and when the occasion arises.

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges on Code of Corporate Governance, Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance by the Company is annexed. The Auditors' Certificate will also be sent to the Stock Exchanges, Mumbai where the Company's shares are listed, along with the annual report to be filed by the Company.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of
MANUGRAPH INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **MANUGRAPH INDIA LIMITED** for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR NATVARLAL VEPARI & CO.
Chartered Accountants
Firm Registration No. 106971W

N. JAYENDRAN
Partner
M. No. 040441

Mumbai
Date : 11th August, 2011

GENERAL SHAREHOLDER INFORMATION**i. Annual General Meeting**

Date and Time : 27th September, 2011 at 3.00 p. m.
 Venue : M. C. Ghia Hall,
 Bhogilal Hargovindas Building,
 18/20, Kaikhushru Dubash Marg,
 Mumbai - 400 001.

ii. Financial Calendar

Financial year : April to March
 Financial reporting (tentative)
 First quarter results : 11th August, 2011
 Half-yearly results : Second week of November, 2011
 Third quarter results : Second week of February, 2012
 Fourth quarter results : Second week of May, 2012

iii. Dates of Book Closure : From : Saturday the 10th September, 2011
 To : Tuesday the 27th September, 2011
 (both days inclusive)

iv. Dividend Payment Date : On or before 25th October, 2011

v. Listing of Equity Shares on Stock Exchanges

<u>Name of Stock Exchanges</u>	<u>Stock Code/Symbol</u>
Bombay Stock Exchange Limited	505324
National Stock Exchange of India Limited	MANUGRAPH
	Security Series: EQ

vi. ISIN Number : INE-867A 01022

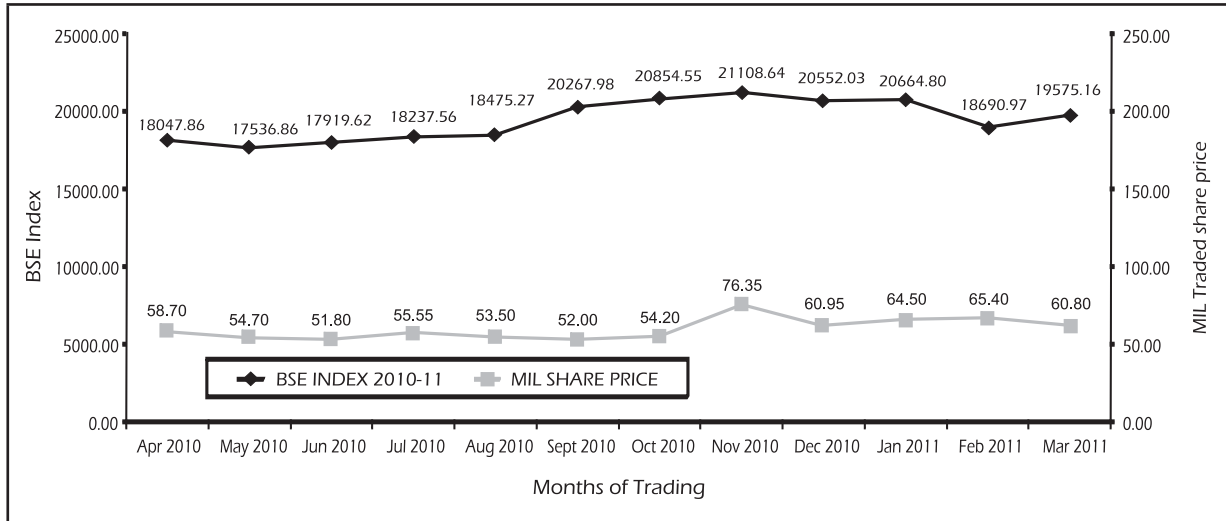
The Company has paid listing fee to both the Stock Exchanges upto the financial year 2011-2012.

vii. Market Price Data :

Monthly high and low quotations of shares traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year 2010 - 2011:

Months	Bombay Stock Exchange Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High price	Month's Low price	Month's High price	Month's Low price
April, 2010	58.70	44.50	58.50	46.75
May, 2010	54.70	45.35	54.80	41.60
June, 2010	51.80	46.15	51.80	44.30
July, 2010	55.55	48.00	55.20	48.00
August, 2010	53.50	45.05	53.70	45.10
September, 2010	52.00	43.50	53.00	44.85
October, 2010	54.20	44.80	54.35	44.70
November, 2010	76.35	51.50	76.40	50.55
December, 2010	60.95	50.00	61.00	49.65
January, 2011	64.50	50.50	64.25	48.55
February, 2011	65.40	48.60	65.30	48.55
March, 2011	60.80	52.90	60.95	53.00

viii. Performance in comparison to broad-based indices BSE Sensex.



ix. Registrar and share transfer agents

: Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mills Compound,
 L. B. S. Marg, Bhandup(W),
 Mumbai - 400 078,
 Phone : 25963838
 Fax : 2594 6969
 Email: mumbai@linkintime.co.in

x. Share transfer system

: Share transfers in physical forms have to be lodged with Link Intime India Pvt. Limited at the above mentioned address.

During the year under review, all shares received for transfer were registered and despatched within thirty days of receipt, provided the documents were correct and valid in all respects.

Normally it takes 10 days for processing of demat requests from the date of receipt of the same from Depository Participants.

xi. Distribution of shareholdings as on 31st March, 2011 :

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	11175	78.21	1825303	6.00
501 - 1000	1547	10.83	1237488	4.07
1001 - 2000	872	6.10	1319595	4.34
2001 - 3000	251	1.76	636312	2.09
3001 - 4000	124	0.87	437483	1.44
4001 - 5000	85	0.59	397601	1.31
5001 - 10000	125	0.87	893581	2.94
10001 and above	110	0.77	23667698	77.81
Total	14289	100.00	30415061	100.00

xii. Shareholding pattern as on 31st March, 2011

Category	No. of shares held	% of shareholding
A Promoter's Holding	17343602	57.02
Sub-Total (A)	17343602	57.02
B Non-promoter's holding		
1 Institutional Investors		
a. Mutual Funds / UTI	2533108	8.33
b. Banks	250	0.00
c. Insurance Companies	1526957	5.02
d. Foreign Institutional Investors	50744	0.17
Sub-Total (B)	4111059	13.52
2. Others		
a. Private Corporate Bodies	920443	3.03
b. Indian Public	7364645	24.21
c. Directors and their relatives	69635	0.23
d. Non-Resident Individuals	419890	1.38
e. Foreign Companies	250	0.00
f. Foreign Nationals	108154	0.36
g. Any other (Clearing Members)	77383	0.25
Sub-Total (C)	8960400	29.46
Grand Total [A+B+C]	30415061	100.00

- xiii. **Dematerialisation of shares and liquidity** : 60.51 per cent of the Company's paid-up equity share capital has been dematerialised upto 31st March, 2011.
- xiv. **Outstanding GDR/Warrants or convertible bonds, conversion dates and likely impact on equity** : Not applicable
- xv. **Plant Locations** : Plot No. D - 1, MIDC Shirol Industrial Area, Pune-Bangalore Road, Shirol, Kolhapur, Maharashtra.
Warananagar, Kodoli, Tal. Panhala, Dist. Kolhapur, Maharashtra,
Gokul Shirgaon, Plot No. A/8, MIDC, Kolhapur, Maharashtra
- xvi. **Address for correspondence** : The Company Secretary, Manugraph India Limited, Sidhwa House, 1st Floor, N. A. Sawant Marg, Colaba, Mumbai - 400 005
Phone : 22852256/57/58
Fax : 22870702
E-mail : sharegrievances@manugraph.com

Declaration by the Vice Chairman and Managing Director under clause 49 of the Listing Agreement regarding adherence to the Code of Conduct.

In accordance with Clause 49(ID) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the directors and the senior management personnel of the Company have affirmed compliance with the code of conduct, as applicable to them for the financial year ended 31st March, 2011.

For MANUGRAPH INDIA LIMITED

Mumbai
11th August, 2011

SANJAY S. SHAH
Vice Chairman & Managing Director

ANALYSIS OF RESULTS IN BRIEF

(Rupees in lakhs)

	Year ended 31st March, 2011		Year ended 31st March, 2010	
SALES	31,642.77		21,606.19	
Operating income	461.91		370.43	
Other income	399.62		412.68	
		%		%
	32,504.30	100.00	22,389.30	100.00
Less : Cost of materials and services	21,446.82	65.98	14,755.57	65.90
Materials	17,674.59	54.38	12,297.51	54.92
Services	3,772.23	11.60	2,458.06	10.98
VALUE ADDED	11,057.48	34.02	7,633.73	34.10
Disposal of value added		%		%
To employees	4,479.81	13.78	3,175.13	14.18
To government (excise duties and income-tax)	3,099.80	9.55	2,113.10	9.44
To providers of capital	746.31	2.29	624.83	2.79
Financial institutions, bankers and others (interest)	290.08	0.89	320.68	1.43
Shareholders (dividend)	456.23	1.40	304.15	1.36
Re-invested in business	2,731.56	8.40	1,720.67	7.69
Depreciation set aside	1,024.06	3.15	783.46	3.50
Profit retained	1,707.50	5.25	937.21	4.19
	11,057.48	34.02	7,633.73	34.10

AUDITORS' REPORT

To the Members of
Manugraph India Limited
Mumbai

1. We have audited the attached Balance Sheet of MANUGRAPH INDIA LIMITED, as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as it appears from our examination of the books;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
 - v) On the basis of the written representation received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956; and
 - vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
 - (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For **NATVARLAL VEPARI & CO.**
Chartered Accountants
Firm Registration No. 106971W

N. JAYENDRAN
Partner
M.No. 040441

Mumbai,
Dated : 11th August, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, a major portion of fixed assets has been physically verified by the management during the year in accordance with a phased programme of verification adopted by the company. In our opinion, the frequency of physical verification is reasonable, having regard to the size of the operations of the company and on the basis of explanations received, in our opinion, the net differences found on physical verification were not significant.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories of finished goods and work-in-progress in the company's custody have been physically verified by the management as at the end of financial year. In respect of inventories of stores, spare parts and raw materials, there is a perpetual inventory system and a substantial portion of the inventories have been physically verified during the year. In our opinion, the frequency verification is reasonable. In case of materials lying with the third parties, certificates conforming inventories have been received in respect of substantial portion of the stocks held at the year end.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventories. The discrepancies noted on physical verification of inventories as compared to the book record were not material having regard to the size of the operation of the company.
- (iii) (a) The Company has granted unsecured loans to two wholly owned subsidiary companies covered in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 3657.47 lakhs and the year end balance Rs. 3657.47 lakhs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been given by the company are not prima facie prejudicial to the interest of the company.
- (c) The terms of repayment of loans and payment of interest have been stipulated. In respect of the principal amount and interest, there are no overdue amounts.
- (d) According to the information and explanations given to us, the company has during the year, not taken any loans, secured or unsecured from companies, firms or any other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative source are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regards to purchases of inventories and fixed assets and sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or agreements referred to in Section 301 of the Companies Act, 1956 that need to be entered in to the registered maintained under the said section have been so entered.
- (b) In our opinion and having regards to our comments in paragraph (iv) above and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market price are available.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public during the period covered by our audit report. Therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- (vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that the coverage of the internal audit functions carried out by the firms of chartered accountants appointed by the management is commensurate with the size of the company and the nature of its business.
- (viii) According to the information given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the company.
- (ix) (a) According to the records of the company examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute are stated in the statement attached herewith.
- (x) The Company does not have accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In respect of shares, securities, debentures and other investments dealt in or traded by the company, proper records have been maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are held by the company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantee and has pledged its investments for loan taken by its subsidiary from bank are not prima facie prejudicial to the interest of the company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have prima facie not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) In our opinion and according to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our audit report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) During the period covered by our audit report, the company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, and to the best of our knowledge and belief, no material fraud on or by the company has been noticed or reported during the year.

For **NATVARLAL VEPARI & CO.**
Chartered Accountants
Firm Registration No. 106971W

N. JAYENDRAN
Partner
M.No. 040441

Mumbai,
Dated : 11th August, 2011

**STATEMENT OF STATUTORY DUES OUTSTANDING ON ACCOUNT OF
DISPUTES, AS ON 31ST MARCH, 2011, REFERRED TO IN PARA 4(IX)(C)
OF THE ANNEXURE TO AUDITORS' REPORT**

Name of statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty on two dryers	26.34	Assessment Year 1987-1988	Customs, Excise & Service tax Appellate Tribunal, Mumbai
The Central Excise Act, 1944	Duty on scrap generated at vendors end	4.80	01.07.07 to 30.11.07	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on jigs and fixtures	1.16	01.04.04 to 31.12.04	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Mumbai
The Central Excise Act, 1944	Duty on sale of spares to related persons	9.45	01.12.00 to 31.05.05	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Mumbai
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.03	01.06.05 to 31.12.05	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.07	01.01.06 to 30.06.06	The Deputy Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.12	01.07.06 to 30.11.06	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.05	01.12.06 to 30.06.07	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on sale of spares to related persons	0.15	01.07.07 to 31.03.08	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Claim for refund of duty on scrap generated during on job work	0.54	01.04.03 to 31.03.04	The Assistant Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty on debit notes raised on vendors towards recovery of raw material cost	0.56	01.07.01 to 31.03.02	The High Court of Judicature, Mumbai
Finance Act, 1994 Service Tax Rules, 1994	Interest on Service tax on goods transport operators	0.51	Assessment Year 2001-2002	The Commissioner, Central Excise (Appeals-II), Pune
Finance Act, 1994 Service Tax Rules, 1994	Service tax on technical know how	7.42	Assessment Year 2005-2006	The Deputy Commissioner, Central Excise, Kolhapur-I Division
Finance Act, 1994 Service Tax Rules, 1994	Service tax on clearing and forwarding charges paid by the company for the services availed from clearing and forwarding agents	1.44	01.07.97 to 31.08.99	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Mumbai

**STATEMENT OF STATUTORY DUES OUTSTANDING ON ACCOUNT OF
DISPUTES, AS ON 31ST MARCH, 2011, REFERRED TO IN PARA 4(IX)(C) OF THE
ANNEXURE TO THE AUDITORS' REPORT**

Name of statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 Service Tax Rules, 1994	Service tax on services rendered in respect of repairs and maintenance	0.05	01.08.03 to 31.08.03	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench, Mumbai
Finance Act, 1994 Service Tax Rules, 1994	Service tax on services rendered in respect of installation, commissioning, repairs and maintenance	2.73	01.04.04 to 31.03.07	The Assistant Commissioner, Central Excise, Kolhapur-I Division
Finance Act, 1994 Service Tax Rules, 1994	Service Tax on Outward Freight	0.76	01.04.08 to 31.03.09	The Asstt. Commissioner, Central Excise, Kolhapur-II
The Central Excise Act, 1944	Duty Draw Back on Exported Goods	4.83	01.12.10 to 31.12.10	The Additional Commissioner, Central Excise, Kolhapur
The Central Excise Act, 1944	Duty Draw Back on Exported Goods	5.93	01.12.10 to 31.12.10	The Additional Commissioner, Central Excise, Kolhapur
Total		<u><u>66.94</u></u>		

BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	A 608.30	608.30
Reserves and surplus	B <u>25,838.87</u>	<u>24,131.37</u>
	26,447.17	24,739.67
LOAN FUNDS		
Secured loans	C 2,130.45	3,186.47
Unsecured loans	D —	1,500.00
Deferred Payment liability	E —	315.81
	2,130.45	<u>5,002.28</u>
DEFERRED TAX LIABILITY	F 571.68	543.94
TOTAL FUNDS EMPLOYED	<u>29,149.30</u>	<u>30,285.89</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross block	G 15,508.78	14,764.38
Less: Depreciation	8,392.80	<u>7,489.93</u>
Net block	7,115.98	7,274.45
Capital work-in-progress	10.56	64.75
	7,126.54	<u>7,339.20</u>
INVESTMENTS	H 12,644.73	14,150.91
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories	I 12,756.28	8,782.96
Sundry debtors	J 2,559.54	1,208.01
Cash and bank balances	K 1,889.02	4,415.25
Loans and advances	L 6,045.98	10,240.36
	23,250.82	<u>24,646.58</u>
Less:		
CURRENT LIABILITIES AND PROVISIONS		
Liabilities	M 12,696.35	9,813.92
Provisions	N 1,176.44	6,036.88
	13,872.79	<u>15,850.80</u>
NET CURRENT ASSETS	9,378.03	<u>8,795.78</u>
TOTAL ASSETS (NET)	<u>29,149.30</u>	<u>30,285.89</u>
NOTES TO ACCOUNTS		
T		

As per our Report of even date attached

For Natvarlal Vepari & Co.

Chartered Accountants

Firm Registration No. 106971W

N. Jayendran

Partner

M. No. 040441

Mumbai, Dated : 11th August, 2011

R. V. Joshi

Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

S. S. Shah Vice-Chairman and Managing Director

P. S. Shah Managing Director

Mumbai, Dated : 11th August, 2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
INCOME			
Sales (gross) (Excluding sales return Rs. 20.28 lakhs - previous year Rs. 16.73 lakhs)		31,642.77	21,606.19
Less : Excise duty		2,012.50	1,412.39
Net Sales		29,630.27	20,193.80
Operating income	O	461.91	370.43
Other income	P	399.62	412.68
		30,491.80	20,976.91
EXPENDITURE			
Materials	Q	17,268.50	12,073.09
Other expenses	R	8,708.24	5,886.25
Depreciation		1,024.06	783.46
Interest	S	290.08	320.68
		27,290.88	19,063.48
Less: Expenditure transferred to capital accounts		50.11	28.64
TOTAL EXPENDITURE		27,240.77	19,034.84
PROFIT BEFORE TAX		3,251.03	1,942.07
Less: Provision for taxation			
Current tax		983.00	591.52
Deferred tax		27.74	17.62
		1,010.74	609.14
Provision for wealth tax		2.20	2.66
		1,012.94	611.80
PROFIT AFTER TAX		2,238.09	1,330.27
Less : Income tax pertaining to previous year		0.35	38.40
		2,237.74	1,291.87
Add : Balance brought forward from last year		3,277.73	3,540.52
AMOUNT AVAILABLE FOR APPROPRIATIONS		5,515.47	4,832.39
APPROPRIATIONS			
Proposed dividend		456.23	304.15
Tax on proposed dividend		74.01	50.51
General reserve		300.00	1,200.00
		830.24	1,554.66
BALANCE CARRIED TO BALANCE SHEET		4,685.23	3,277.73
Earning Per Share - Basic and Diluted (Rs.)		7.36	4.37

NOTES TO ACCOUNTS

T

As per our Report of even date attached

For Natvarlal Vepari & Co.

Chartered Accountants

Firm Registration No. 106971W

N. Jayendran

Partner

M. No. 040441

Mumbai, Dated : 11th August, 2011

R. V. Joshi

Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

S. S. Shah Vice-Chairman and Managing Director

P. S. Shah Managing Director

Mumbai, Dated : 11th August, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	3,251.03	1,942.07
Add : Depreciation	1,024.06	783.46
Interest	290.08	144.25
Fixed assets written off	6.41	4.23
Loss on sale of assets	61.55	2.12
Provision for gratuity	199.50	-
Provision for warranty expenses	72.09	-
	<u>1,653.70</u>	<u>934.06</u>
	4,904.72	2,876.13
Deduct : Dividend received	188.55	136.69
Excess provision for diminution in value of investments	-	15.78
Excess prov. for earned leave wages	19.18	3.26
Excess prov. for warranty expenses	-	27.23
Excess prov. for gratuity	-	13.46
Interest received on deposits	174.22	-
Rent received	28.98	28.98
Exchange gain on Deferred Payment	3.11	-
Profit on sale of investments	7.87	70.58
	<u>421.91</u>	<u>295.98</u>
Operating profit before Working Capital changes	4,482.81	2,580.15
Add : Increase in trade payables and other liabilities	2,887.96	662.01
Decrease in inventories	-	3,969.89
	<u>2,887.96</u>	<u>4,631.90</u>
	7,370.77	7,212.05
Deduct : Increase in inventories	3,973.32	-
Increase in trade and other receivables	2,265.71	887.88
	<u>6,239.03</u>	<u>887.88</u>
Cash generated from operations	1,131.74	6,324.17
Deduct : Direct taxes	1,165.42	1,030.81
Net Cash Flow from operating activities	(33.68)	5,293.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Outflow :		
Purchase of fixed assets	958.60	373.99
Purchase of investments	5,056.47	5,081.21
	<u>6,015.07</u>	<u>5,455.20</u>
Inflow :		
Sale of fixed assets	79.24	5.25
Sale of investments	6,257.82	3,504.24
Dividend received	188.55	136.69
Interest received	174.22	-
Rent received	28.98	28.98
	<u>6,728.81</u>	<u>3,675.16</u>
Net cashflow from investing activities	713.74	(1,780.04)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (Net)	<u>(2,556.01)</u>	<u>(1,624.40)</u>
	(2,556.01)	(1,624.40)
Less: Interest paid (Net)	297.57	156.52
Dividend paid	302.18	602.43
Tax on dividend	<u>50.52</u>	<u>103.38</u>
	650.27	862.33
Net cashflow from financing activities	(3,206.29)	(2,486.73)
Net (decrease) / increase in cash and cash equivalents [B - (A + B)]	(2,526.23)	1,026.59
Cash and Cash Equivalent at beginning of the year	4,415.25	3,388.66
Cash and Cash Equivalent at end of the year	1,889.02	4,415.25
Components of Cash and Cash Equivalents	31.03.2011	31.03.2010
Cash on Hand	14.35	15.77
Bank Balances in Scheduled Bank		
– Current accounts	786.45	1,347.85
– Cash credit accounts	56.11	2,029.08
– Fixed Deposit accounts	963.43	958.58
– Unclaimed Dividend accounts	65.47	63.51
Bank Balances in Other banks	3.21	0.46
TOTAL	1,889.02	4,415.25

As per our Report of even date attached

For Natvarlal Vepari & Co.

Chartered Accountants

Firm Registration No. 106971W

N. Jayendran

Partner

M. No. 040441

Mumbai, Dated : 11th August, 2011

For and on behalf of the Board of Directors

S. M. Shah Chairman

S. S. Shah Vice-Chairman and Managing Director

P. S. Shah Managing Director

R. V. Joshi

Company Secretary

Mumbai, Dated : 11th August, 2011

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED :		
9,85,00,000 equity shares of Rs. 2 each	1,970.00	1,970.00
10,000 preference shares of Rs.100 each	10.00	10.00
20,000 unclassified shares of Rs.100 each	20.00	20.00
3,50,000 redeemable preference shares of Rs.100 each	350.00	350.00
	<u>2,350.00</u>	<u>2,350.00</u>
ISSUED		
3,04,15,061 (previous year 3,04,15,061) equity shares of Rs. 2 each	608.30	608.30
SUBSCRIBED		
3,04,15,061 (previous year 3,04,15,061) equity shares of Rs. 2 each, fully paid-up	608.30	608.30
Of the above equity shares,		
2,21,840 equity shares of Rs.10 each, fully paid-up, allotted (at premium of Rs.10 per share) on conversion of part of the face value (i.e. Rs. 40) of each 14 per cent secured redeemable convertible debenture of Rs.140.		
20,28,822 equity shares of Rs.10 each, fully paid-up, allotted (at premium of Rs. 35 per share) on conversion of each zero per cent interest secured fully convertible debenture of Rs. 90.		
3,20,000 equity shares of Rs.10 each, fully paid-up, allotted (at premium of Rs. 35 per share) on conversion of each zero per cent interest secured fully convertible debenture of Rs. 90 issued to non-residents of Indian nationality / origin and Overseas Corporate Bodies.		
10,40,000 equity shares of Rs.10 each allotted to shareholders of erstwhile Manuweb International Limited in the ratio of one equity share of Rs. 10 each credited as fully paid up in exchange for one equity share of Rs. 10 each fully paid-up held in the erstwhile Manuweb International Limited pursuant to Mumbai High Court's Order.		
During the year ended 31st March, 2002, the company bought-back and cancelled 11,05,825 equity shares of Rs. 10 each under the scheme of buy-back of the shares at Rs. 30 per share. Accordingly, the issued and subscribed share capital was reduced from Rs. 7,10,91,760 to Rs. 6,00,33,510.		
The equity shares of Rs. 10 each have been sub-divided into 5 equity shares of Rs. 2 each pursuant to the resolution passed by the shareholders at the extraordinary general meeting held on 19th September, 2005.		
3,98,306 equity shares of Rs. 2 each, fully paid-up, allotted to 9 foreign nationals at a premium of Rs. 246 per share on 20th December, 2006. Accordingly, the issued and subscribed share capital increased from Rs. 6,00,33,510 to Rs. 6,08,30,122.		
TOTAL	<u>608.30</u>	<u>608.30</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE `B` RESERVES AND SURPLUS		
Capital Reserve		
Balance per last balance sheet	70.00	70.00
Amalgamation capital reserve:		
Surplus on amalgamation	128.00	128.00
Share premium		
Balance per last balance sheet	2,145.06	2,145.06
Capital redemption reserve:		
Balance per last balance sheet	110.58	110.58
General reserve:		
Balance per last balance sheet	18,400.00	17,200.00
Add: Amount transferred from profit and loss account	300.00	1,200.00
	18,700.00	18,400.00
Profit and loss account		
Balance carried forward	4,685.23	3,277.73
TOTAL	<u>25,838.87</u>	<u>24,131.37</u>
SCHEDULE `C` SECURED LOANS		
From Export-Import Bank of India		
Term loans under production equipment finance programme. Secured by first charge by way of hypothecation of moveable fixed assets, present and future and mortgage of land and other immoveable properties, present and future of the company (Repayable within one year Rs. 597.14 lakhs previous year Rs. 1083.88 lakhs).	597.14	1,686.47
Cash credit account		
State Bank of India		
Secured by hypothecation of stock-in-trade, stores, book-debts and other receivables and second charge on the company's moveable and immoveable properties, save and except property situated at Panhala, Kolhapur.	1,533.31	1,500.00
TOTAL	<u>2,130.45</u>	<u>3,186.47</u>
SCHEDULE `D` UNSECURED LOANS		
Export - Import Bank of India		
Short term loan	-	1,500.00
TOTAL	<u>-</u>	<u>1,500.00</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE 'E'		
DEFERRED PAYMENT LIABILITY		
Due for balance purchase consideration payable for acquisition of shares of subsidiary Manugraph DGM Inc. (Refer Schedule T - Note No. 10)	-	315.81
TOTAL	<u>-</u>	<u>315.81</u>
SCHEDULE 'F'		
DEFERRED TAX LIABILITY		
Deferred tax liability :		
Arising on account of		
difference between book and tax depreciation	<u>745.00</u>	<u>677.15</u>
	745.00	677.15
Deferred tax assets :		
Arising on account of		
provision for leave encashment	62.85	70.71
provision for transitional gratuity liability	106.96	43.24
provision for warranty expenses	-	16.12
provision for doubtful debts and advances	<u>3.51</u>	<u>3.14</u>
	173.32	133.21
Net deferred tax liability	<u>571.68</u>	<u>543.94</u>
TOTAL	<u>571.68</u>	<u>543.94</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 'G' FIXED ASSETS	(Rs. in lakhs)									
	GROSS BLOCK					DEPRECIATION				NET BLOCK
DESCRIPTION OF ASSETS	Original cost as at 31st March, 2010	Additions during the year	Deductions during the year	Original cost as at 31st March, 2011	Total upto 31st March, 2010	Provided during the year adjustments	On Upto 31st March, 2011	Book value as at 31st March, 2011	Book value as at 31st March, 2010	Book value as at 31st March, 2010
Free Hold Land	14.69	-	-	14.69	-	-	-	14.69	-	14.69
Lease Hold Land	7.64	-	-	7.64	-	-	-	7.64	-	7.64
Building	1,762.11	38.74	-	1,800.85	483.99	49.86	-	1,267.00	533.85	1,278.12
Office Premises	448.23	-	-	448.23	89.39	7.31	-	351.53	96.70	358.84
Plant and Machinery	8,317.70	135.03	27.13	8,425.60	4,367.35	668.02	25.77	3,416.00	5,009.60	3,950.35
Jigs and Fixtures	1,021.34	66.84	12.18	1,076.00	600.09	82.84	7.04	400.11	675.89	421.25
Dies and Patterns	397.89	24.09	0.97	421.01	259.98	30.29	0.76	131.50	289.51	137.91
Gauges and Instruments	387.72	18.45	10.76	395.41	303.54	22.57	9.69	78.99	316.42	84.18
Electrical Installations	362.59	0.62	-	363.21	110.40	15.37	-	237.44	125.77	252.19
Furniture and Fixtures & Equipments	1,226.07	41.77	16.47	1,251.37	840.67	63.86	13.90	360.74	890.63	385.40
Vehicles	469.04	126.32	200.87	394.49	151.49	41.19	64.03	265.84	128.65	317.55
Technical Documentation	60.09	-	-	60.09	60.09	-	-	-	60.09	-
Technical Knowhow	160.65	-	-	160.65	159.86	0.79	-	-	160.65	0.79
R & D Assets										
Gauges & Instruments	42.10	-	-	42.10	18.87	4.35	-	18.88	23.22	23.23
Computers	86.52	11.00	-	97.52	44.21	14.71	-	38.60	58.92	42.31
Prototype Machine - Smartline	-	549.92	-	549.92	-	22.90	-	527.02	22.90	-
Sub-total	128.62	560.92	-	689.54	63.08	41.96	-	584.50	105.04	65.54
Total	14,764.38	1,012.78	268.38	15,508.78	7,489.93	1,024.06	121.19	7,115.98	8,392.80	7,274.45
Capital Work-in-Progress	64.75	32.77	86.96	10.56	-	-	-	10.56	-	64.75
TOTAL	14,829.13	1,045.55	355.34	15,519.34	7,489.93	1,024.06	121.18	7,126.54	8,392.80	7,339.20
Previous year	14,484.93	582.28	238.08	14,829.13	6,724.66	783.46	18.19	7,339.20	7,489.93	7,760.27

Note :

Office premises include Rs. 100/- being cost of 1 share in Anand Chambers Owners' Association.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)		As at 31st March, 2010 (Rs. in lakhs)	
SCHEDULE 'H'				
INVESTMENTS				
LONG TERM INVESTMENTS (AT COST)	Nos.	Cost	Nos.	Cost
In Government securities (unquoted)				
6 years National Savings Certificates - VIII issue	–	0.52	–	0.52
Equity shares of Rs. 10/- each fully paid-up (unless otherwise specified)				
In subsidiary companies (unquoted)				
Constrad Agencies (Bombay) Private Limited (shares of Rs. 100/- each)	5000	177.16	5000	177.16
Manugraph Kenya Limited, Nairobi (shares of K.Shs. 100 each)	22500	22.66	22500	22.67
Manugraph DGM Inc, USA (shares of US \$ 0.01.- each) (Refer Schedule - T - Note No. 10)	388290	9,197.51	388290	9,510.21
Trade Investments				
Manugraph Securities and Finance Private Limited (unquoted)	250	0.03	250	0.03
Other Investments				
Shree Warna Sahakari Bank Limited (unquoted) (Shares of Rs. 25 each)	2000	0.50	2000	0.50
Investments in Mutual Funds				
Units of the face value of Rs. 10/- each (unless otherwise specified) (quoted)				
Birla Sun Life Short Term Fund - Instl.	–	–	5000000	525.52
TOTAL - LONG TERM INVESTMENTS		<u>9,398.38</u>		<u>10,236.61</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)		As at 31st March, 2010 (Rs. in lakhs)	
	Nos.	Cost	Nos.	Cost
CURRENT INVESTMENTS (AT COST)				
Investments in Mutual Funds				
Units of the face value of Rs. 10/- each (unless otherwise specified) (quoted)				
Birla Dynamic Bond Fund - Retail	-	-	3024416	314.77
HDFC Short Term Plan	-	-	11340960	1,170.54
Reliance Short Term Fund	-	-	1948523	207.21
Templeton India Short Term Income Plan (Rs. 1000/- each)	-	-	38658	415.36
Birla Sun Life MIP II - Saving 5 Plan	-	-	2703539	306.42
IDFC Money Manager Treasury Plan - Div.	-	-	4981221	500.00
LIC MF Income Plus - Dividend	-	-	4998950	500.00
Pru. ICICI Short Term Plan	-	-	4266102	500.00
UTI Dynamic Bond Fund - Dividend Payout	3081401	309.70	-	-
IDFC FMP IP Plan B Weekly Dividend	5049194	507.85	-	-
Templeton India Low Duration Fund Qtr. Dividend	3948728	407.92	-	-
HDFC Cash Management Fund Treasury Advantage	6540803	655.94	-	-
Birla Sun Life Short Term FMP Series 8 Dividend	3000000	300.00	-	-
HDFC FMP 370D March 2011 (1) Growth XVI	5000000	500.00	-	-
BSL Fixed Term Plan Series CU - Growth	2000000	200.00	-	-
BSL Cash Management - Inst. Plan Weekly Dividend	3006747	300.88	-	-
Templeton India Cash Management Account - Dividend Reinvestment (unquoted)	640572	64.06	-	-
TOTAL - CURRENT INVESTMENTS		3,246.35		3,914.30
TOTAL		12,644.73		14,150.91

Notes :

- Aggregate of quoted investments -

Cost	3,182.29	4,439.82
Market value	3,193.31	4,447.48
- Aggregate of unquoted investments -

Cost	9,462.44	9,711.09
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- 6 years National Savings Certificates - VIII Issue of the face value of Rs. 52,500 (previous year: Rs. 52,500) have been deposited with the sales-tax authorities and a customer
- The investment in Manugraph DGM Inc. includes 116,968 equity shares which have been pledged with the bankers for credit facilities availed by the subsidiary Manugraph DGM Inc.
- Details of investments purchased and sold during the year are stated in Schedule T - Note No. 4

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE `I` INVENTORIES		
Per inventory taken, valued and certified by the whole-time director:		
Stores and spares	144.70	120.33
Consumable tools	59.74	60.78
Finished products	3,076.45	1,472.17
Work-in-progress	2,551.57	960.83
Manufactured components	3,505.44	2,528.66
Raw materials and components	3,418.38	3,640.19
TOTAL	12,756.28	8,782.96
SCHEDULE `J` SUNDRY DEBTORS		
Over six months old (unsecured)		
Considered good	248.79	337.49
Considered doubtful	10.82	9.44
	259.61	346.93
Less: Provision for doubtful debts	10.82	9.44
	248.79	337.49
Others (unsecured)		
Considered good	2,310.76	870.52
TOTAL	2,559.55	1,208.01
Note :		
Amounts due from the subsidiaries :		
Over six months old	26.81	109.77
Others	145.59	75.44
SCHEDULE `K` CASH AND BANK BALANCES		
Cash balance on hand	14.35	15.77
Bank balances:		
With scheduled banks:		
In current accounts	786.45	1,347.85
In cash credit accounts	56.11	2,029.08
In fixed deposit accounts (as margin money)	963.43	958.58
In unclaimed dividend accounts	65.47	63.51
	1,871.46	4,399.02
With Shree Warna Sahakari Bank Limited:		
In current account		
Maximum balance at any time during the year Rs. 15.15 lakhs - previous year: Rs. 15.57 lakhs)	3.21	0.46
TOTAL	1,889.02	4,415.25

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE `L`		
LOANS AND ADVANCES		
Unsecured - considered good except otherwise stated		
Advances to subsidiary companies	3,657.47	2,984.93
Advances recoverable in cash or in kind or for value to be received		
Considered good	1,464.46	1,428.49
Taxes paid net of provisions	596.47	426.53
Balances with Central Excise Collectorate	327.58	121.92
TOTAL	6,045.98	4,961.87
Note: Advances recoverable in cash or in kind or for value to be received include:-		
Amount due by officers of the company	18.08	12.06
Maximum during the year	23.97	15.24
SCHEDULE `M`		
LIABILITIES		
Sundry creditors		
Subsidiary company	8.39	50.50
Micro, Small and Medium Enterprises - (Refer Schedule T- Note No. 6)	66.93	160.15
Others	5,300.51	3,238.54
	5,375.83	3,449.19
Advances received from customers	7,250.56	6,289.24
Unclaimed dividends *	65.47	63.51
Interest accrued but not due on loans	4.49	11.98
TOTAL	12,696.35	9,813.92
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
SCHEDULE `N`		
PROVISIONS		
Provision for taxation net of taxes paid	2.21	12.15
Proposed dividend	456.23	304.15
Provision for tax on proposed dividend	74.01	50.51
Other provisions		
Gratuity	329.67	130.17
Earned leave wages	193.69	212.88
Warranty expenses	120.63	48.53
	643.99	391.58
TOTAL	1,176.44	758.39

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
SCHEDULE 'O'		
OPERATING INCOME		
Service and erection charges received (Tax deducted at source Rs. 17.25 lakhs - previous year Rs. 16.95 lakhs)	359.19	250.36
Miscellaneous receipts (Tax deducted at source Rs. 0.24 lakh - previous year Rs. Nil)	82.90	101.63
Sundry credit balances appropriated	0.64	1.45
Excess provision for earned leave wages	19.18	-
Excess provision for doubtful debts and advances	-	1.21
Excess provision for diminution in value of investments	-	15.78
TOTAL	461.91	370.43
SCHEDULE 'P'		
OTHER INCOME		
Dividend	188.55	136.69
Rent (gross) (Tax deducted at source Rs. 2.75 lakhs - previous year Rs. 4.43 lakhs)	28.98	28.98
Profit on sale of investments	7.87	70.58
Interest received on deposits, debts etc. (gross) (Tax deducted at source Rs. 5.18 lakhs - previous year Rs. 18.42 lakhs)	174.22	176.43
TOTAL	399.62	412.68
SCHEDULE 'O'		
MATERIALS		
A. Consumption of raw materials and boughtout components :		
Opening stock	3,640.19	3,363.72
Add : Purchases (Including components processing charges Rs. 877.66 lakhs - previous year: Rs. 324.18 lakhs)	21,667.98	8,407.44
	25,308.17	11,771.16
Less : RMC Capitalised		13.20
	24,746.62	11,757.96
Less : Closing stock Consumption	3,418.38	3,640.19
		8,117.77
B. Excise duty on closing stock of finished products	211.96	99.90
Less : Provision for excise duty on opening stock of finished products	99.90	343.85
		(243.95)
	112.06	
C. Increase / decrease in stock of finished products, work-in-progress and manufactured components		
Closing stock :		
Finished products	3,076.45	1,472.17
Work-in-progress	2,551.57	960.83
Manufactured components	3,505.44	2,528.66
	9,133.46	4,961.66
Less : Opening stock :		
Finished products	1,472.17	6,193.24
Work-in-progress	960.83	630.32
Manufactured components	2,528.66	2,337.37
	4,961.66	9,160.93
	(4,171.80)	4,199.27
TOTAL	17,268.50	12,073.09

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
SCHEDULE `R`		
OTHER EXPENSES		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, wages, bonus & allowances	3,766.65	2,788.76
Company's contributions to provident and other funds	258.95	225.72
Gratuity paid	0.09	-
Company's contributions to Employees Group Gratuity Scheme	277.82	51.61
Welfare expenses	176.30	109.04
	4,479.81	3,175.13
OPERATION AND OTHER EXPENSES		
Stores and tools consumed	406.09	224.42
Electricity charges	201.38	88.65
Repairs to machinery	74.89	29.43
Repairs to buildings	50.18	12.69
Other repairs	74.23	50.52
Rent	37.13	9.87
Rates and taxes	18.03	5.33
Insurance charges	28.51	17.29
Travelling and conveyance	738.20	250.69
Advertisement and sales promotion expenses	118.82	74.23
Commission on sales	1,028.49	743.82
Bank and finance charges	163.05	202.32
Bad debts	0.45	118.98
Sundry debit balances written off	1.14	0.38
Loss on sale of assets	61.55	2.12
Fixed assets scrapped	6.41	4.23
Warranty expenses	131.62	36.22
Research and development expenses	194.42	183.23
Donations	7.72	10.20
Exchange loss (Net)	50.47	58.54
Legal and professional fees	100.69	80.84
Remuneration to Auditors	13.87	20.51
Miscellaneous expenses	353.80	309.06
Short provision and adjustments relating to previous years	89.35	123.00
	3,950.49	2,656.57
FREIGHT AND HANDLING CHARGES	102.33	44.45
PACKING AND FORWARDING CHARGES	169.99	6.14
DIRECTORS' FEES	4.24	3.96
PROVISION FOR DOUBTFUL DEBTS AND ADVANCES	1.38	-
TOTAL	8,708.24	5,886.25
SCHEDULE `S`		
INTEREST		
On fixed period loans	50.71	136.47
On cash credit accounts	165.76	144.37
Others	73.61	39.84
TOTAL	290.08	320.68



SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

2010 - 2011 (Rs. in lakhs)	2009 - 2010 (Rs. in lakhs)
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SCHEDULE 'T'

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

1. Accounting Policies

Basis for preparation of accounts

The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies discussed more fully below, are consistent with those used in the previous year.

Revenue Recognition

Sales comprise of sale of goods and spare parts and are net of trade discount and sales returns.

Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.

Dividend income is accounted when the right to receive the same is established.

Employee benefits

- (i) Provident fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the profit and loss account in the year in which the contributions to the fund are accrued.
- (ii) Superannuation fund is a defined contribution scheme and contributions to the scheme are charged to the profit and loss account in the year when the contributions accrue. The scheme is funded with an insurance company in the form of a qualifying insurance policy.
- (iii) The company has a defined benefit gratuity scheme. For the defined benefit scheme, actuarial valuations are being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account in the period in which they occur.
- (iv) Leave encashment benefit is provided on the basis of actuarial valuation done at the end of the year. The aforesaid leave liability is not funded.

Research and Development

Revenue expenditure on research and development is charged to profit and loss account in the year in which it is incurred. Capital expenditure on research and development is included in additions to fixed assets under appropriate heads. Self manufactured R&D assets are carried at cost of manufacture.

Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Amortisation of R&D assets (being prototype) is being done over a useful life of 5 years.

Transactions in foreign currencies

Transactions in foreign currencies are accounted for in the following manner:

Transactions covered by forward contracts are accounted for by recognising the difference between the forward rate and the exchange rate on the date of the transaction as income or expenditure over the life of the contract.

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

2010 - 2011 (Rs. in lakhs)	2009 - 2010 (Rs. in lakhs)
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Transactions not covered by forward contracts are accounted for in the following manner:

- (i) Export sales and import purchases are accounted for at exchange rates prevailing at the time of the transactions.
- (ii) Gains / losses arising out of the foreign currency transactions are recognised in the profit and loss account.
- (iii) Other assets and liabilities are restated at the rates ruling at the year-end and the differences on such retranslation are recognised in the profit and loss account.

The company has not used any derivative instrument except forward contracts which have been used for hedging its foreign currency exposure. The company does not undertake any speculative or trading activity through derivative instruments.

Fixed assets

Fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets.

The fixed assets manufactured by the company are stated at manufacturing cost. Fixed assets are shown net of accumulated depreciation.

Impairment of assets

Cash generating unit / assets are assessed for possible impairment at balance sheet date based on external and internal sources of information. Impairment losses, if any, are recognised as an expense in the profit and loss account.

Investments

Long term investments are stated at cost less provision for diminution other than temporary in nature, if any. Current investments are stated at lower of cost and fair value, determined on a portfolio basis.

Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

Inventories

Cost of inventories is ascertained on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares are stated at lower of cost and net realisable value.

Consumable tools are stated at cost or below cost.

Work-in-progress and manufactured components are valued at cost.

Finished products are valued at lower of cost and net realisable value.

Excise duty is included in the value of finished products inventory.

Provision for doubtful debts / advances

Sundry debtors / advances are stated after making adequate provision for doubtful debts / advances.

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	2010 - 2011 (Rs. in lakhs)	2009 - 2010 (Rs. in lakhs)
Cash and Cash Equivalents		
Cash and cash equivalents in the balance sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.		
Tax Expense		
Tax expense comprises of current and deferred taxes.		
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.		
Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years after considering the tax holiday period as required by the Accounting Standard Interpretation issued by the Institute of Chartered Accountants of India. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.		
Provisions, contingent liabilities and contingent assets		
Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for:		
<ul style="list-style-type: none"> (i) possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements. 		
2. Contingent Liabilities		
(i) Claims against the company not acknowledged as debts:	102.40	63.32
(ii) Income-tax, sales tax, customs duty, excise duty and service tax demands against which the company has preferred appeal / made representation	66.94	55.21
(iii) Unexpired letters of credit opened by banks amount to:	-	214.58
(iv) On account of guarantees executed by the company's bankers:	1152.19	3398.55
(v) On account of undertakings given by the company in favour of Customs Authority:	2175.70	3504.20
(vi) On account of the guarantee given by the company in respect of credit facilities availed by its subsidiary Manugraph DGM, Inc. from their bankers : Undertaking in the form of Support Agreement in favour of subsidiary's bankers and Bank guarantee for the value of USD 5 million.	2556.21	3266.67
3. Estimated amount of contracts remaining to be executed on capital account and not provided for was:	8.48	3.37

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

4. The particulars of investments purchased and sold during the year are as under.

Name of the Mutual Fund	2010 - 2011 (Rs. in lakhs)		2009 - 2010 (Rs. in lakhs)	
	Nos.	Purchase Cost	Nos.	Purchase Cost
i IDFC Money Manager Treasury Plan Weekly Div. Re Invest	-	-	1443595.44	145.53
ii TATA Short Terms Bond Fund Dividend	-	-	1667722.89	200.00
iii DWS Twin Advantage Fund Regular Monthly Dividend	-	-	2305337.32	250.00
iv ICICI Prudential Long Term Floating Rate Plan - C	5082373.96	508.48	-	-
v HDFC FMP 100 D October 2010(1) Series XIV Div. Pay	5000000.00	500.00	-	-
vi IDFC FMP Quarterly Series 60 - Dividend Pay	5000000.00	500.00	-	-
vii Templeton India Cash Management Account - Dividend Reinvestment (Unquoted)	3016452.65	301.64	-	-
			2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)

5. In the opinion of the Board, the current assets, loans and advances are approximately at the value stated, if realised in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

6. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

The Company has amounts due to suppliers under MSMED as at 31st March, 2011. The disclosure pursuant to the said Act is as under:

(a) (i) Principal amount remaining unpaid to any supplier	-	30.81
(ii) Interest on (a)(i) above	-	0.51
(b) (i) The amount of principal paid beyond the appointed date	1040.85	894.84
(ii) The amount of interest paid beyond the appointed date	24.05	-
(c) Amount of interest due and payable on delayed payments	7.40	23.54
(d) Amount of interest accrued and due as at 31st March, 2011	7.40	24.05
(e) Total outstanding dues of micro, small and medium enterprises	66.93	160.15

The information has been given in respect of such vendors to the extent they could be identified as 'micro and small enterprises' on the basis of information available with the company. This has been relied upon by the auditor.

7. Confirmations from some of the creditors were not received by the company and therefore their balances are as per books of account only.

8. Disclosure under Accounting Standard - 29, for Provisions, Contingent Liabilities and Contingent Assets

Particulars	(Rs. in Lakhs)			
	As at 1st April, 2010	Net Provision made during the Year	Net Amounts Reversed during the year	As at 31st March, 2011
Warranty expenses	48.53 (75.76)	72.09 -	- (27.23)	120.63 (48.53)

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

9. Expenditure on research and development activities:

(Rs. in Lakhs)

	REVENUE				CAPEX
	Material	Personnel	Other Cost	Total	
– In recognised Units	0.61	143.78	1.66	146.05	560.92
	(6.59)	(129.73)	(0.85)	(137.17)	(0.07)
– In other Units	5.81	40.93	1.63	48.37	–
	(4.33)	(40.19)	(1.54)	(46.06)	–
TOTAL	6.42	184.71	3.29	194.42	560.92
	(10.92)	(169.92)	(2.39)	(183.23)	(0.07)

2010-2011	2009-2010
(Rs. in lakhs)	(Rs. in lakhs)

10. The company has during the year obtained waiver from payment of deferred payment liability of Rs. 315.81 lakhs due towards balance consideration payable for purchase of shares of subsidiary Manugraph DGM Inc. The company has adjusted the said amount against the value of investment in subsidiary Manugraph DGM Inc.

11. Unhedged foreign currency exposures as at the year end:

Debtors and receivables	USD 13,332,775	USD 7,891,321
	EUR 189,748	–
	GBP 15,673	–
	JPY 438,611	–
 Creditors and payables	USD 6,212,045	USD 10,709,661
	EUR 291,372	EUR 109,157
	JPY 27,664	–
 Outstanding forward contracts for future transaction / Firm Commitments	USD 5,000,000	USD 3,500,000

12. Remuneration to Auditors :

Audit fees	13.75	13.75
In other capacities		
– Tax audit:	–	1.80
– Other services:	0.12	4.83
– Reimbursement of travelling and out of pocket expenses:	–	0.13
	13.87	20.51

13. (a) Managerial remuneration under Section 198 of the Companies Act, 1956 (for Managing Directors and Whole-Time Director)

Salary	99.03	75.92
Rent allowance	53.64	25.58
Commission	150.00	50.00
Perquisites	15.66	15.58
Company's contributions to provident and other funds	12.24	10.33
	330.57	177.41

(b) Computation of net profit for commission payable to Managing Directors.

Profit before taxation per profit and loss account	3,251.03	1942.07
Add : Managing and other directors' remuneration and commission	330.57	177.41
Depreciation charged in accounts	1024.06	783.46
Loss on sale of assets	61.55	2.12
Fixed assets written off	6.41	4.23
Directors' fees	4.24	3.96



SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
Provision for doubtful debts and advances	1.39	-
	1,428.22	971.18
	(A) 4,679.25	2913.25
Less: Depreciation under section 350 of the Companies Act, 1956	1024.06	783.46
Profit on sale of investments	7.87	70.58
Excess provision for doubtful debts and advances	-	1.21
Excess provision for diminution in value of current investments	-	15.78
	(B) 1,031.93	871.03
Net profit per Section 309(5) of the Companies Act, 1956 (A - B)	3,647.32	2,042.22
Maximum managerial remuneration to two Managing Directors 10% of the Net profit as per Section 309(5)	364.73	204.22
Managerial remuneration restricted to	330.57	177.41
14. The company provides gratuity to all employees. The benefit is in the form of lumpsum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of service. The company makes annual contributions to fund administered by trustees and managed by Life Insurance Corporation of India, for amounts notified by it. The gratuity benefit is a defined benefit plan.		
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Present value of obligation as at April 1, 2010	903.77	867.59
Interest cost	72.30	69.41
Current service cost	38.24	38.85
Benefits paid	(27.13)	(78.57)
Actuarial (gain) / loss on obligation	238.82	6.50
Present value of obligation as at March 31, 2011	1226.00	903.77
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at April 1, 2010	773.60	723.96
Expected return on plan assets	71.54	63.15
Contributions	78.32	65.06
Benefits paid	(27.13)	(78.57)
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets as at March 31, 2011	896.33	773.60
Amount recognised in Balance Sheet		
Fair value of plan assets as at the end of the year	896.33	773.60
Present value of obligation as at the end of the year	1226.00	903.77
Asset / (liability) recognised in the Balance Sheet	(329.67)	(130.17)
Expense recognised in the Profit and Loss account		
Interest cost	72.30	69.41
Current service cost	38.24	38.85
Expected return on plan assets	(71.54)	(63.15)
Net actuarial (gain) / loss recognised in the year	238.82	6.50
Net cost	277.82	51.61
Assumptions		
Discount rate	8%	8%
Salary escalation rate (annual)	4%	4%

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

15. The operation of the company represents wholly one segment of activity relating to production of printing machines and the entire production operations are located in India as per AS -17 'Segment Reporting'. Accordingly all earnings, assets and liabilities relate to this activity only.

16. Licensed capacity, installed capacity and production:

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
	Licensed Capacity Nos.	Installed Capacity * Nos.
Printing units	N.A (N.A)	960 (960)
		Production Nos.
		481 (253)

* Installed capacities are as certified by the whole-time director, but not verified by the auditors, being a technical matter.

17. Turnover, Closing and Opening stocks of products manufactured.

Turnover	Quantity (Nos.)		Amount (Rs. In Lakhs)	
	2010-2011	2009-2010	2010-2011	2009-2010
Printing units	440	376	28,235.56	19,362.54
Spares and accessories:			1,394.71	831.26
			29,630.27	20,193.80

Closing and Opening Stock:

	Closing stock		Opening stock	
	Quantity (Nos.)	Amount (Rs. in Lakhs)	Quantity (Nos.)	Amount (Rs. in Lakhs)
Printing units: Current Year	69	3,076.44	28	1,472.17
Previous Year	28	1,472.17	151	6,193.24

18. Raw materials and components consumed:

Items	Unit	Quantity		Amount (Rs. In Lakhs)	
		2010-2011	2009-2010	2010-2011	2009-2010
Steel and other metals	Kgs.	1106759	223888	1,193.03	683.34
Castings	Kgs.	2178577	740151	1,354.96	433.30
Electrical parts				4,932.36	1,967.97
Components				13,847.89	5,033.16
				21,328.24	8,117.77

Note:

The consumption in value has been ascertained on the basis of opening stock plus purchases less closing stock as adjusted on account of excesses and shortages as ascertained on physical count and write off of obsolete and unserviceable components.

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

19. Value of imports (Calculated on C.I.F basis):

	Amount (Rs. In Lakhs)	
	2010-2011	2009-2010
Components	4,844.41	934.64
Capital goods	4.75	-
Stores, Spares and tools	34.61	20.29
	<u>4,883.77</u>	<u>954.93</u>

20. Expenditure in foreign currencies:

	Amount (Rs. In Lakhs)	
	2010-2011	2009-2010
Professional fees	18.80	25.60
Interest	59.78	136.47
Payments on other accounts	207.38	168.40
	<u>285.96</u>	<u>330.47</u>

21. Remittances in foreign currency for dividend:

The company has remitted during the year dividend in foreign currency to non-resident shareholders. The particulars of dividend paid during the year are as under :

	2010-2011	2009-2010
Number of non-resident shareholders	9	9
Number of equity shares of Rs. 2 each held by them	1,30,154	1,30,154
Amount of dividend remitted (Rs.)	1,30,154	2,60,308

22. Value of imported and indigenous raw materials and components consumed and the percentage of each to the total consumption:

	Amount (Rs. In Lakhs)		Percentage	
	2010-2011	2009-2010	2010-2011	2009-2010
Imported - C.I.F., custom duty and other charges	6,455.52	780.56	30%	10%
Indigenously obtained	14,872.72	7,337.21	70%	90%
	<u>21,328.24</u>	<u>8,117.77</u>	<u>100%</u>	<u>100%</u>

Note:

In giving the above information, the company has taken the view that spares and components as referred to in clause 4D(c) of part II of Schedule VI cover only such items as go directly into production.

23. Earnings in foreign exchange:

	Amount (Rs. In Lakhs)	
	2010-2011	2009-2010
Export of printing units (calculated on F.O.B. basis):	11,379.07	5,410.50
Interest	92.42	59.25
	<u>11,471.49</u>	<u>5,469.75</u>

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

24. Earnings per share

	2010-2011	2009-2010
(a) Net profit after tax available for equity shareholders (Rs. In lakhs)	2,237.74	1,330.27
(b) Weighted average number of equity shares of Rs. 2 each outstanding during the year (No. of shares)	30,415,061	30,415,061
(c) Basic and diluted earnings per share (Rs.) (a/b)	7.36	4.37

25. Disclosure pursuant to Clause 32 of the Listing Agreement

Name of Loanees

	As at		Maximum amount Outstanding during	
	31.03.2011	31.03.2010	2010-2011	2009-2010
	(Rs. In Lakhs)		(Rs. In Lakhs)	
Amount of Loans/advances in nature of loan outstanding with no repayment schedule				
Subsidiary Companies Manugraph DGM Inc.	3,654.47	2,981.93	3,654.47	2,981.93
Advances in nature of loan carrying Nil rate of interest				
Constrad Agencies (Bombay) Private Limited	3.00	3.00	3.00	3.00
Note: None of the Loanees have, per se, made investments in the shares of the company.				
Employee loans where repayment is beyond 7 years	168.20	145.75	180.89	177.71

26. Related parties disclosure (as identified by the management)

Related party relationships

(a) Subsidiary companies	Constrad Agencies (Bombay) Private Limited Manugraph Kenya Limited Manugraph DGM Inc. USA
(b) Entities where significant influence exists	Multigraph Machinery Company Limited Manubhai Sons and Company Mercongraphic FZC, (w.e.f. 02.11.2010)
(c) Key management personnel	Mr. Sanjay S. Shah, Vice-Chairman and Managing Director Mr. Pradeep S. Shah, Managing Director Mr. Mohan R Harshe (Upto 15.11.2010) Mr. Arun K. Puri (01.08.2010 to 01.11.2010) Mr S. M. Mordekar (w.e.f. 29.10.2010)
(d) Relatives of key management personnel	Mr. Sanat M. Shah (Father of Messrs. Sanjay and Pradeep Shah) Mrs. Sudha S. Shah (Mother of Messrs Sanjay Shah & Pradeep Shah) Mr. Kushal Shah (Son of Mr. Sanjay S. Shah)

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

Related Party Transactions:

Previous year figures are given in Parenthesis

Transaction	Subsidiaries	Entities Where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Purchase of goods					
Manugraph DGM Inc.	111.43	-	-	-	111.43
	(348.63)	-	-	-	(348.63)
	111.43	-	-	-	111.43
	(348.63)	-	-	-	(348.63)
Sale of goods					
Manugraph Kenya Limited	222.14	-	-	-	222.14
	(225.19)	-	-	-	(225.19)
Mercongraphic FZC	-	582.85	-	-	582.85
	-	-	-	-	-
Others	2.14	-	-	-	2.14
	(5.92)	-	-	-	(5.92)
	224.28	582.85	-	-	807.13
	(231.11)	-	-	-	(231.11)
Finance given					
Manugraph DGM Inc.	585.86	-	-	-	585.86
	(2,156.37)	-	-	-	(2,156.37)
	585.86	-	-	-	585.86
	(2,156.37)	-	-	-	(2,156.37)
Interest received					
Manugraph DGM Inc.	92.42	-	-	-	92.42
	(57.02)	-	-	-	(57.02)
Others	-	-	-	-	-
	(2.23)	-	-	-	(2.23)
	92.42	-	-	-	92.42
	(59.25)	-	-	-	(59.25)
Expenditure on other services					
Manugraph Kenya Limited	8.24	-	-	-	8.24
	(6.16)	-	-	-	(6.16)
	8.24	-	-	-	8.24
	(6.16)	-	-	-	(6.16)
Commission paid					
Manugraph DGM Inc.	163.46	-	-	-	163.46
	(40.24)	-	-	-	(40.24)
Multigraph Machinery Co. Ltd.	-	829.44	-	-	829.44
	-	(638.08)	-	-	(638.08)
	163.46	829.44	-	-	992.90
	(40.24)	(638.08)	-	-	(678.32)
Rent received					
Multigraph Machinery Co. Ltd.	-	27.54	-	-	27.54
	-	(27.54)	-	-	(27.54)
Others	-	1.44	-	-	1.44
	-	(1.44)	-	-	(1.44)
	-	28.98	-	-	28.98
	-	(28.98)	-	-	(28.98)



**SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011**

Transaction	Subsidiaries	Entities Where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Rent paid					
Multigraph Machinery Co. Ltd.	-	3.75	-	-	3.75
	-	(1.29)	-	-	(1.29)
Sanjay S. Shah	-	-	10.80	-	10.80
	-	-	-	-	-
Pradeep S. Shah	-	-	10.80	-	10.80
	-	-	-	-	-
Sudha S. Shah	-	-	-	2.40	2.40
	-	-	-	-	-
Other	-	-	-	-	-
	-	(0.31)	-	-	(0.31)
	-	3.75	21.60	2.40	27.75
	-	(1.60)	-	-	(1.60)
Expenditure on other services					
Mercongraphic FZC	-	2.51	-	-	2.51
	-	-	-	-	-
	-	2.51	-	-	2.51
	-	-	-	-	-
Managerial remuneration paid					
Sanjay S. Shah	-	-	149.29	-	149.29
	-	-	(81.39)	-	(81.39)
Pradeep S. Shah	-	-	149.23	-	149.23
	-	-	(81.41)	-	(81.41)
Others	-	-	32.05	-	32.05
	-	-	(14.61)	-	(14.61)
	-	-	330.57	-	330.57
	-	-	(177.41)	-	(177.41)
Directors fees					
Sanat M. Shah	-	-	-	0.50	0.50
	-	-	-	(0.50)	(0.50)
	-	-	-	0.50	0.50
	-	-	-	(0.50)	(0.50)
Salaries and allowances					
Kushal S. Shah	-	-	-	4.75	4.75
	-	-	-	-	-
	-	-	-	4.75	4.75
	-	-	-	-	-
Outstanding Receivables					
Manugraph Kenya Limited	146.44	-	-	-	146.44
	(196.73)	-	-	-	(196.73)
Mercongraphic FZC	-	2.98	-	-	2.98
	-	-	-	-	-
Manugraph DGM Inc.	3,682.29	-	-	-	3,682.29
	(2,984.42)	-	-	-	(2,984.42)
Other	3.00	-	-	-	3.00
	(3.00)	-	-	-	(3.00)
	3,831.73	2.98	-	-	3,834.71
	(3,184.15)	-	-	-	(3,184.15)

**SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011**

Transaction	Subsidiaries	Entities Where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Outstanding Payables					
Manugraph DGM Inc.	50.40	-	-	-	50.40
	(50.50)	-	-	-	(50.50)
Multigraph Machinery Co. Ltd.	-	292.15	-	-	292.15
	-	(121.29)	-	-	(121.29)
	50.40	292.15	-	-	342.55
	(50.50)	(121.29)	-	-	(171.79)
Guarantees given to banker for Credit Facilities					
Manugraph DGM Inc.	2,556.21	-	-	-	2,556.21
	(3,266.67)	-	-	-	(3,266.67)
	2,556.21	-	-	-	2,556.21
	(3,266.67)	-	-	-	(3,266.67)

In respect of above parties, there is no provision for doubtful debts as on 31st March, 2011 and no amount has been written off or written back during the year in respect of debts dues from / to them.

27. Figures of the previous year have been re-grouped and re-arranged wherever necessary to make them comparable with the figures of the current year.
28. Figures in parenthesis are in respect of the previous year.
29. Figures have been rounded off to the nearest thousand and shown in rupees lakhs.

As per our Report of even date attached

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M. No. 040441

Mumbai, Dated : 11th August, 2011

For and on behalf of the Board of Directors

S. M. Shah Chairman
S. S. Shah Vice-Chairman and Managing Director
P. S. Shah Managing Director

R. V. Joshi
Company Secretary

Mumbai, Dated : 11th August, 2011

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

30. Additional information as required under part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile:

I. Registration details :

Registration No. :	L29290MH1972PLC015772
State Code :	11
Balance Sheet Date :	31.03.2011

II. Capital raised during the year

(Amount in Rs. thousands)

Public issue	NIL
Rights issue	NIL
Bonus issue	NIL
Private placement	NIL

III. Position of mobilisation and deployment of funds

(Amount in Rs. thousands)

Total liabilities	4302209
Total assets	4302209

Sources of funds

Paid-up capital	60830
Reserves and surplus	2644717
Secured loans	213045
Unsecured loans	NIL
Deferred payment liability	NIL
Deferred tax liability	57168

Application of funds

Net fixed assets	712654
Investments	1264473
Net current assets	937803
Miscellaneous expenditure	NIL
Accumulated losses	NIL

IV. Performance of the Company :

Turnover (Gross Revenue)	3049180
Total Expenditure	2724077
Profit before tax	325103
Profit after tax	223774
Earning per share - basic Rs.	7.36
Dividend rate %	75%

V. Generic names of two principal products

Item Code No. (I.T.C. Code)	844312
Product Description:	Sheetfed offset printing units
Item Code No. (I.T.C. Code)	844321
Product Description:	Web offset printing units



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
MANUGRAPH INDIA LIMITED

We have audited the attached consolidated balance sheet of Manugraph India Limited, and its subsidiaries as at 31st March, 2011, the consolidated profit and loss account for the year ended on that date and consolidated cash flow statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the management of Manugraph India Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of any of the subsidiaries, whose financial statement reflect total assets of the Rs. 6982.48 lacs as at 31st March, 2011 and total revenue of Rs. 3195.56 lacs for the year then ended. This financial statement and other financial information have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far as it related to the amount included in respect of these subsidiaries, is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of the Accounting Standards 21 - Consolidated Financial Statements, as notified under the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of the separate audit reports on individual audited financial statements of Manugraph India Limited and its aforesaid subsidiaries, in our opinion and to the best of information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Manugraph Group as at 31 March, 2011;
- (b) in the case of the consolidated profit and loss account, of the profit of the Manugraph Group for the year ended on that date; and
- (c) in the case of the consolidated cash flows statement, of the cash flows of the Manugraph Group for the year ended on that date.

For **NATVARLAL VEPARI & CO.**
Chartered Accountants
(Firm Registration No. 106971W)

N. JAYENDRAN
Partner
Membership No. 40441

Mumbai,
11Th August, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

		As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	608.30	608.30
Reserves and surplus	B	<u>23,170.17</u>	<u>21,811.31</u>
		23,778.47	22,419.61
LOAN FUNDS			
Secured loans	C	3,912.59	5,102.14
Unsecured loans	D	-	1,500.00
Deferred Payment liability	E	<u>-</u>	<u>360.84</u>
		3,912.59	6,962.98
DEFERRED TAX LIABILITIES	F1	572.00	544.40
TOTAL FUNDS EMPLOYED		<u>28,263.06</u>	<u>29,926.99</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	G	18,731.90	18,023.89
Less: Depreciation		<u>10,112.40</u>	<u>9,072.94</u>
Net block		8,619.50	8,950.95
Capital work-in-progress		<u>10.56</u>	<u>64.75</u>
		8,630.06	9,015.70
GOODWILL ON CONSOLIDATION (Refer Schedule T - Note 7)		6,331.38	6,644.09
INVESTMENTS	H	3,247.40	4,440.87
DEFERRED TAX ASSETS	F2	2,901.08	2,420.04
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	I	14,908.27	10,788.76
Sundry debtors	J	2,724.09	1,577.26
Cash and bank balances	K	1,916.80	4,430.87
Loans and advances	L	<u>2,464.61</u>	<u>2,027.09</u>
		22,013.77	18,823.98
Less:			
CURRENT LIABILITIES AND PROVISIONS			
Liabilities	M	13,599.89	10,537.31
Provisions	N	<u>1,260.74</u>	<u>880.38</u>
		14,860.63	11,417.69
NET CURRENT ASSETS		7,153.14	7,406.29
TOTAL ASSETS (NET)		<u>28,263.06</u>	<u>29,926.99</u>
NOTES TO ACCOUNTS	T		

As per our Report of even date attached

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M. No. 040441

Mumbai, Dated : 11th August, 2011

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman
S. S. Shah Vice-Chairman and Managing Director
P. S. Shah Managing Director

Mumbai, Dated : 11th August, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
INCOME			
Sales (gross) (Excluding sales return Rs 20.28 lakhs - previous year Rs 16.73 lakhs)		33,807.13	25,868.49
Less : Excise duty		2,012.49	1,412.39
Net Sales		31,794.64	24,456.10
Operating income	O	978.17	948.72
Other income	P	323.06	370.75
		33,095.87	25,775.57
EXPENDITURE			
Materials	Q	18,479.16	14,976.34
Other expenses	R	10,681.11	9,312.22
Depreciation		1,185.88	1,107.00
Interest	S	358.15	435.47
		30,704.30	25,831.03
Less: Expenditure transferred to capital accounts		50.11	28.64
TOTAL EXPENDITURE		30,654.19	25,802.39
PROFIT BEFORE TAX		2,441.68	(26.82)
Less: Provision for taxation			
Current tax		995.77	621.04
Deferred tax		(453.44)	(644.51)
		542.33	(23.47)
Provision for wealth tax		2.20	2.66
		544.53	(20.81)
PROFIT AFTER TAX		1,897.15	(6.01)
Less : Income tax pertaining to previous year		0.35	38.40
		1,896.80	(44.41)
Add : Balance brought forward from last year		523.39	2,122.46
AMOUNT AVAILABLE FOR APPROPRIATIONS		2,420.19	2,078.05
APPROPRIATIONS			
Proposed dividend		456.23	304.15
Tax on proposed dividend		74.01	50.51
General reserve		300.00	1,200.00
		830.24	1,554.66
BALANCE CARRIED TO BALANCE SHEET		1,589.95	523.39
Earning Per Share - Basic and Diluted (Rs.)		6.24	(0.02)

NOTES TO ACCOUNTS

T

As per our Report of even date attached

For and on behalf of the Board of Directors

For Natvarlal Vepari & Co.

Chartered Accountants

Firm Registration No. 106971W

S. M. Shah Chairman

S. S. Shah Vice-Chairman and Managing Director

P. S. Shah Managing Director

N. Jayendran

Partner

M. No. 040441

R. V. Joshi

Company Secretary

Mumbai, Dated : 11th August, 2011

Mumbai, Dated : 11th August, 2011



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	2,441.68	(26.82)
Add: Depreciation	1,185.88	1,107.00
Interest	358.15	435.47
Fixed assets written off	6.41	4.23
Loss on sale of assets	61.55	32.20
Provision for gratuity	199.50	-
Provision for warranty expenses	34.40	-
	1,845.89	1,578.90
	4,287.57	1,552.08
Deduct : Dividend received	188.55	136.69
Excess provision for diminution in value of investments	-	15.78
Excess prov. for earned leave wages	19.18	3.26
Excess prov. for warranty expenses	-	300.26
Excess prov. for gratuity	-	13.46
Rent received	28.98	28.98
Profit on sale of investments	7.87	70.58
Interest received	87.16	123.74
Exchange gain on deferred payment	3.11	-
	334.85	692.75
Operating profit before working capital changes	3,952.72	859.33
Add : Increase in trade payables and other liabilities	3,068.10	-
Decrease in trade and other receivables	-	1,905.41
Decrease in inventories	-	6,225.77
	3,068.10	8,131.18
	7,020.82	8,990.51
Deduct : Increase in inventories	4,119.51	-
Increase in trade and other receivables	1,414.41	-
Decrease in trade payable and other liabilities	-	2,176.90
	5,533.92	2,176.90
Cash generated from operations	1,486.90	6,813.61
Deduct : Direct taxes	1,178.19	1,055.60
Net Cash inflow in course of operating activities	308.71	5,758.01



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Outflow :		
Purchase of fixed assets	935.94	386.08
Purchase of investments	<u>5,056.47</u>	<u>5,081.21</u>
	5,992.41	5,467.29
Inflow :		
Sale of fixed assets	67.73	585.10
Sale of investments	6,257.82	3,504.24
Dividend received	188.55	136.69
Rent received	28.98	28.98
Interest received	<u>87.16</u>	<u>123.74</u>
	6,630.24	4,378.75
Net cash outflow in course of investing activities	<u>637.83</u>	<u>(1,088.54)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Capital reserve and foreign currency translation reserve on consolidation	(7.69)	113.27
Borrowings (Net)	<u>(2,734.58)</u>	<u>(2,626.82)</u>
	(2,742.27)	(2,513.55)
Less:		
Interest paid (Net)	365.64	447.74
Dividend paid	302.18	602.43
Tax on dividend	<u>50.52</u>	<u>103.38</u>
	718.34	1,153.55
Net cash inflow / outflow in course of financing activities	<u>(3,460.61)</u>	<u>(3,667.10)</u>
Net decrease / increase in cash / cash equivalents [B - (A + B)]	<u>(2,514.07)</u>	1,002.37
Add : Opening cash / cash equivalents	<u>4,430.87</u>	<u>3,428.50</u>
Cash / cash equivalents at the close of the year	<u><u>1,916.80</u></u>	<u><u>4,430.87</u></u>

As per our Report of even date attached

For Natvarlal Vepari & Co.

Chartered Accountants

Firm Registration No. 106971W

N. Jayendran

Partner

M. No. 040441

Mumbai, Dated : 11th August, 2011

R. V. Joshi

Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

S. S. Shah Vice-Chairman and Managing Director

P. S. Shah Managing Director

Mumbai, Dated : 11th August, 2011



**SCHEDULE FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2011**

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED :		
9,85,00,000 equity shares of Rs. 2 each	1,970.00	1,970.00
10,000 preference shares of Rs. 100 each	10.00	10.00
20,000 unclassified shares of Rs. 100 each	20.00	20.00
3,50,000 redeemable preference shares of Rs. 100 each	350.00	350.00
	<u>2,350.00</u>	<u>2,350.00</u>
ISSUED		
3,04,15,061 (previous year 3,04,15,061) equity shares of Rs. 2 each	<u>608.30</u>	<u>608.30</u>
SUBSCRIBED		
3,04,15,061 (previous year 3,04,15,061) equity shares of Rs. 2 each, fully paid-up	608.30	608.30
OF THE ABOVE EQUITY SHARES,		
2,21,840 equity shares of Rs.10 each, fully paid-up, allotted (at premium of Rs. 10 per share) on conversion of part of the face value (i.e.Rs. 40) of each 14 per cent secured redeemable convertible debenture of Rs. 140.		
20,28,822 equity shares of Rs.10 each, fully paid-up, allotted (at premium of Rs. 35 per share) on conversion of each zero per cent interest secured fully convertible debenture of Rs. 90.		
3,20,000 equity shares of Rs.10 each, fully paid-up, allotted (at premium of Rs. 35 per share) on conversion of each zero per cent interest secured fully convertible debenture of Rs. 90 issued to non-residents of Indian nationality / origin and Overseas Corporate Bodies.		
10,40,000 equity shares of Rs.10 each allotted to shareholders of erstwhile Manuweb International Limited in the ratio of one equity share of Rs. 10 each credited as fully paid-up in exchange for one equity share of Rs. 10 each fully paid up held in the erstwhile Manuweb International Limited pursuant to Mumbai High Court's Order.		
During the year ended 31st March, 2002, the company bought-back and cancelled 11,05,825 equity shares of Rs. 10 each under the scheme of buy-back of the shares at Rs. 30 per share. Accordingly, the issued and subscribed share capital was reduced from Rs. 7,10,91,760 to Rs. 6,00,33,510.		
The equity shares of Rs. 10 each have been sub-divided into 5 equity shares of Rs. 2 each pursuant to the resolution passed by the shareholders at the extraordinary general meeting held on 19th September, 2005.		
3,98,306 equity shares of Rs. 2 each, fully paid-up, allotted to 9 foreign nationals at a premium of Rs. 246 per share on 20th December, 2006. Accordingly, the issued and subscribed share capital increased from Rs. 6,00,33,510 to Rs. 6,08,30,122.		
TOTAL	<u>608.30</u>	<u>608.30</u>

**SCHEDULE FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2011**

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE `B`		
RESERVES AND SURPLUS		
Capital Reserve		
Balance per last balance sheet	72.00	72.00
Capital Reserve on consolidation	37.33	37.33
Amalgamation capital reserve:		
Surplus on amalgamation	128.00	128.00
Share premium		
Balance per last balance sheet	2,145.06	2,145.06
Capital redemption reserve:		
Balance per last balance sheet	110.58	110.58
General reserve:		
Balance per last balance sheet	18,400.00	17,200.00
Add: Amount transferred from profit and loss account	<u>300.00</u>	<u>1,200.00</u>
	18,700.00	18,400.00
Foreign currency translation reserve	387.25	394.95
Profit and loss account		
Balance carried forward	<u>1,589.95</u>	<u>523.39</u>
TOTAL	<u>23,170.17</u>	<u>21,811.31</u>
SCHEDULE `C`		
SECURED LOANS		
From Export-Import Bank of India		
Term loans under production equipment finance programme Secured by first charge by way of hypothecation of moveable fixed assets, present and future and mortgage of land and other immoveable properties, present and future of the company (Repayable within one year Rs. 597.14 lakhs previous year Rs. 1083.88 lakhs).	597.14	1,686.47
Cash credit account		
State Bank of India		
Secured by hypothecation of stock-in-trade, stores, book-debts and other receivables and second charge on the company's moveable and immoveable properties, save and except property situated at Panhala, Kolhapur.	1,533.30	1,500.00
PNC Bank N. A., USA		
The lines of credit are secured by substantially all of the assets of the subsidiary company and are subject to financial ratios and general covenants. The lines of credit are also secured by first priority perfected lien on the real property of the subsidiary company and letter of credit of USD 5 million and support agreement from the parent company.	1,782.15	1,915.67
TOTAL	<u>3,912.59</u>	<u>5,102.14</u>

**SCHEDULE FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2011**

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE `D`		
UNSECURED LOANS		
Export – Import Bank of India		
Short term loan	–	1,500.00
TOTAL	<u>–</u>	<u>1,500.00</u>
SCHEDULE `E`		
DEFERRED PAYMENT LIABILITY		
Due for balance purchase consideration payable for acquisition of shares of subsidiary Manugraph DGM Inc. (Refer Schedule T - Note No. 6)	–	315.81
Due for balance purchase consideration payable for acquisition of shares of stepdown subsidiary Offset Services Inc.	–	45.03
TOTAL	<u>–</u>	<u>360.84</u>
SCHEDULE `F`		
DEFERRED TAX LIABILITY : F1		
Deferred tax liability : (arising from India)		
Arising on account of		
difference between book and tax depreciation	745.00	677.15
accelerated capital allowances	0.32	0.46
	<u>745.32</u>	<u>677.61</u>
Deferred tax assets :		
Arising on account of		
provision for leave encashment	62.85	70.71
provision for transitional gratuity liability	106.96	43.24
provision for warranty expenses	–	16.12
provision for doubtful debts and advances	3.51	3.14
	<u>173.32</u>	<u>133.21</u>
TOTAL	<u>572.00</u>	<u>544.40</u>
DEFERRED TAX ASSET : F2		
Arising out of accumulated carry forward losses	2,901.08	2,420.04
	<u>2,901.08</u>	<u>2,420.04</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 'G' FIXED ASSETS

(Rs. in lakhs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK					
	Original Cost as at 31st March, 2010	Additions during the year	Deductions during the year	Adjustment During the year	Exchange Difference	Original Cost as at 31st March, 2011	Total up to 31st March 2010	Provided during the year	On Deductions/ Adjustments	Adjustment During the year	Exchange Difference	Up to 31st March, 2011	Book Value as at 31st March, 2011	Book Value as at 31st March, 2010
Goodwill	67.55	-	-	-	0.57	66.98	-	-	-	-	-	66.98	67.55	67.55
Free Hold Land	73.88	-	-	-	0.50	73.38	-	-	-	-	-	73.38	73.88	73.88
Lease Hold Land	7.64	-	-	-	-	7.64	-	-	-	-	-	7.64	7.64	7.64
Land Improvements	56.75	-	-	-	0.48	56.27	17.77	1.32	-	(0.90)	0.14	18.05	38.22	38.98
Building	3,105.25	38.92	-	0.01	11.33	3,132.85	719.27	93.94	-	-	1.99	811.22	2,321.63	2,385.98
Office Premises	455.71	-	-	-	-	455.71	89.39	7.30	-	-	-	96.69	359.02	366.32
Plant and Machinery	9,495.94	135.80	40.86	(336.77)	7.00	9,247.11	5,223.47	742.19	37.21	(334.45)	4.31	5,589.69	3,657.42	4,272.47
Jigs and Fixtures	1,021.34	66.84	12.18	-	-	1,076.00	600.09	82.84	7.04	-	-	675.89	400.11	421.25
Dies and Patterns	628.09	24.09	0.98	(39.64)	1.61	609.95	457.67	46.64	0.75	(39.00)	1.34	463.22	146.73	170.42
Gauges and Instruments	387.72	18.45	10.76	-	-	395.41	303.54	22.57	9.69	-	-	316.42	78.99	84.18
Electrical Installations	362.59	0.62	-	-	-	363.21	110.40	15.37	-	-	-	125.77	237.44	252.19
Furniture and Fixtures & Equipments	1,528.58	46.54	16.47	376.25	6.45	1,928.45	1,109.09	88.28	13.90	373.89	5.86	1,551.50	376.95	419.49
Vehicles	483.50	126.32	200.87	0.14	0.43	408.66	159.23	42.67	64.03	0.46	0.16	138.17	270.49	324.27
Technical Documentation	60.09	-	-	-	-	60.09	60.09	-	-	-	-	60.09	-	-
Technical Knowhow	160.65	-	-	-	-	160.65	159.86	0.79	-	-	-	160.65	-	0.79
R & D Assets														
Gauges & Instruments	42.10	-	-	-	-	42.10	18.87	4.35	-	-	-	23.22	18.88	23.23
Computers	86.52	11.00	-	-	-	97.52	44.21	14.71	-	-	-	58.92	38.60	42.31
Prototype Machine -Smartline	-	549.92	-	-	-	549.92	-	22.90	-	-	-	22.90	527.02	-
Total	18,023.90	1,018.50	282.12	(0.00)	28.37	18,731.90	9,072.95	1,185.87	132.62	0.00	13.80	10,112.40	8,619.50	8,950.95
Capital Work In Progress	64.75	32.77	86.96	-	-	10.56	-	-	-	-	-	-	10.56	64.75
TOTAL	18,088.65	1,051.27	369.08	-	28.37	18,742.46	9,072.95	1,185.87	132.62	-	13.80	10,112.40	8,630.06	9,015.70
Previous year	19,166.94	594.37	1,244.42	-	428.25	18,088.65	8,808.78	1,107.00	670.65	-	172.19	9,072.95	9,015.70	-

Note : Office premises include Rs. 100/- being cost of 1 share in Anand Chambers Owners' Association.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)		As at 31st March, 2010 (Rs. in lakhs)	
SCHEDULE 'H'				
INVESTMENTS				
LONG TERM INVESTMENTS (AT COST)				
In Government securities (unquoted)	Nos.	Cost	Nos.	Cost
6 years National Savings Certificates - VIII issue	-	0.52	-	0.52
Equity shares of Rs. 10/- each (fully paid-up (unless otherwise specified))				
Trade Investments				
Manugraph Securities and Finance Private Limited (unquoted)	250	0.03	250	0.03
Other Investments				
Shree Warna Sahakari Bank Limited (unquoted) (Shares of Rs. 25/- each)	2000	0.50	2000	0.50
Investments in Mutual Funds				
Units of the face value of Rs. 10/- each (unless otherwise specified) (quoted)				
Birla Sun Life Short Term Fund - Instl.	-	-	5000000	525.52
TOTAL - LONG TERM INVESTMENTS		1.05		526.57
CURRENT INVESTMENTS (AT COST)				
Investments in Mutual Funds				
Units of the face value of Rs. 10/- each (unless otherwise specified) (quoted)				
Birla Dynamic Bond Fund - Retail	-	-	3024416	314.77
HDFC Short Term Plan	-	-	11340960	1,170.54
Reliance Short Term Fund	-	-	1948523	207.21
Templeton India Short Term Income Plan (Rs. 1000/- each)	-	-	38658	415.36
Birla Sun Life MIP II - Saving 5 Plan	-	-	2703539	306.42
IDFC Money Manager Treasury Plan - Div.	-	-	4981221	500.00
LIC MF Income Plus - Dividend	-	-	4998950	500.00
Pru. ICICI Short Term Plan	-	-	4266102	500.00
UTI Dynamic Bond Fund - Dividend Payout	3081401	309.70	-	-
IDFC FMP IP Plan B Weekly Dividend	5049194	507.85	-	-
Templeton India Low Duration Fund Qtr. Dividend	3948728	407.92	-	-
HDFC Cash Management Fund Treasury Advantage	6540803	655.94	-	-
Birla Sun Life Short Term FMP Series 8 Dividend	3000000	300.00	-	-
HDFC FMP 370D March 2011 (1) Growth XVI	5000000	500.00	-	-
BSL Fixed Term Plan Series CU - Growth	2000000	200.00	-	-
BSL Cash Management - Inst. Plan Weekly Dividend	3006747	300.88	-	-
Templeton India Cash Management Account - Dividend Reinvestment (unquoted)	640572	64.06	-	-
TOTAL - CURRENT INVESTMENTS		3,246.35		3,914.30
TOTAL		3,247.40		4,440.87

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE `I` INVENTORIES		
Per inventory taken, valued and certified by the management		
Stores and spares	144.70	120.33
Consumable tools	59.74	60.78
Finished products	3,614.82	1,798.18
Work-in-progress	2,997.85	1,292.26
Manufactured components	3,539.83	2,609.63
Raw materials and components	4,551.33	4,907.58
TOTAL	<u>14,908.27</u>	<u>10,788.76</u>
SCHEDULE `J` SUNDRY DEBTORS		
Over six months old (unsecured)		
Considered good	221.98	227.71
Considered doubtful	10.83	9.44
	<u>232.81</u>	<u>237.15</u>
Less: Provision for doubtful debts	10.83	9.44
	<u>221.98</u>	<u>227.71</u>
Others (unsecured)		
Considered good	2,502.11	1,349.55
TOTAL	<u>2,724.09</u>	<u>1,577.26</u>
SCHEDULE `K` CASH AND BANK BALANCES		
Cash balance on hand	14.52	15.81
Bank balances:		
In current accounts	817.27	1,363.89
In cash credit accounts	56.11	2,029.08
In fixed deposit accounts (as margin money)	963.43	958.58
In unclaimed dividend accounts	65.47	63.51
	<u>1,902.28</u>	<u>4,415.06</u>
TOTAL	<u>1,916.80</u>	<u>4,430.87</u>
SCHEDULE `L` LOANS AND ADVANCES		
Unsecured - considered good except otherwise stated		
Advances recoverable in cash or in kind or for value to be received (Considered good)	1,540.55	1,478.64
Taxes paid net of provisions	596.47	426.53
Balances with Central Excise Collectorate	327.59	121.92
TOTAL	<u>2,464.61</u>	<u>2,027.09</u>



**SCHEDULE FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2011**

	As at 31st March, 2011 (Rs. in lakhs)	As at 31st March, 2010 (Rs. in lakhs)
SCHEDULE 'M'		
LIABILITIES		
Sundry creditors		
Micro, Small and Medium Enterprises	66.93	160.15
Others	5,865.24	3,942.60
	5,932.17	4,102.75
Advances received from customers	7,591.89	6,343.99
Unclaimed dividends *	65.47	63.51
Interest accrued but not due on loans	4.49	11.98
Unclaimed hire purchase interest income	5.87	15.08
TOTAL	13,599.89	10,537.31

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

SCHEDULE 'N'**PROVISIONS**

Provision for taxation	2.21	12.15
Proposed dividend	456.23	304.15
Provision for tax on proposed dividend	74.01	50.51
Other provisions		
Gratuity	329.67	130.17
Earned Leave Wages	193.70	212.88
Warranty Expenses	204.92	170.52
	728.29	513.57
TOTAL	1,260.74	880.38

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
SCHEDULE 'O'		
OPERATING INCOME :		
Service and erection charges received	768.39	720.77
Agency fees	93.63	61.04
Commission received	-	1.41
Miscellaneous receipts	94.91	147.06
Profit on sale of assets	1.42	-
Sundry credit balances appropriated	0.64	1.45
Excess provision for earned leave wages	19.18	-
Excess provision for doubtful debts and advances	-	1.21
Excess provision for diminution in value of investments	-	15.78
TOTAL	978.17	948.72
SCHEDULE 'P'		
OTHER INCOME :		
Dividend	188.55	136.69
Rent	28.98	28.98
Profit on sale of investments	7.87	70.58
Interest received	87.16	123.74
Hire purchase financing activity	10.50	10.76
TOTAL	323.06	370.75
SCHEDULE 'Q'		
MATERIALS :		
A. Consumption of raw materials and boughtout components :		
Opening stock	4,907.58	5,370.45
Add : Purchases (Including components processing charges Rs. 877.66 lakhs - previous year: Rs. 324.18 lakhs)	23,024.83	9,054.82
	27,932.41	14,425.27
Less : RMC Capitalised	561.55	13.20
	27,370.86	14,412.07
Less : Closing stock Consumption	4,551.33	4,907.58
	22,819.53	9,504.49
B Excise duty on closing stock of finished products	211.96	99.90
Less : Provision for excise duty on opening stock of finished products	99.90	343.85
	112.06	(243.95)
C Increase / decrease in stock of finished products, work-in-progress and manufactured components		
Closing stock :		
Finished products	3,614.82	1,798.18
Work-in-progress	2,997.85	1,292.26
Manufactured components	3,539.83	2,609.63
	10,152.50	5,700.07
Less : Opening stock :		
Finished products	1,798.18	7,004.72
Work-in-progress	1,292.26	1,948.81
Manufactured components	2,609.63	2,462.34
	5,700.07	11,415.87
	(4,452.43)	5,715.80
TOTAL	18,479.16	14,976.34



**SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
SCHEDULE `R`		
OTHER EXPENSES :		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
Salaries,wages, bonus & allowances	4,733.29	4,353.27
Company's contributions to provident and others funds	360.11	358.79
Gratuity Paid	0.08	-
Company's contributions to Employees Group Gratuity Scheme	277.82	51.61
Welfare expenses	382.20	394.31
	5,753.50	5,157.98
OPERATION AND OTHER EXPENSES		
Stores and tools consumed	456.86	256.72
Electricity charges	257.32	150.67
Repairs to machinery	93.05	42.05
Repairs to buildings	57.83	19.92
Other repairs	106.53	99.31
Rent	42.08	275.28
Rates and taxes	38.47	41.92
Insurance charges	80.97	43.60
Travelling and conveyance	791.29	320.16
Advertisement and sales promotion expenses	155.01	118.38
Commission on sales	928.01	778.33
Bank and finance charges	189.31	239.07
Bad debts	23.12	108.83
Sundry debit balances written off	1.14	0.38
Loss on sale of assets	61.55	32.20
Fixed assets scrapped	6.41	4.23
Goodwill impairment	-	278.19
Warranty expenses	148.48	17.92
Research and development expenses	262.61	256.31
Donations	7.95	10.20
Exchange loss (Net)	50.47	58.54
Legal and professional fees	319.22	319.54
Remuneration to auditors	13.87	20.51
Miscellaneous expenses	468.77	477.48
Short provision and adjustments relating to previous years	89.35	123.00
	4,649.67	4,092.74
FREIGHT AND HANDLING CHARGES	102.33	51.40
PACKING AND FORWARDING CHARGES	169.99	6.14
DIRECTORS' FEES	4.24	3.96
PROVISION FOR DOUBTFUL DEBTS AND ADVANCES	1.38	-
TOTAL	10,681.11	9,312.22
SCHEDULE `S`		
INTEREST:		
On Fixed period loans	50.71	136.47
On cash credit accounts	233.83	259.16
Others	73.61	39.84
TOTAL	358.15	435.47



SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

2010 - 2011	2009 - 2010
(Rs. in lakhs)	(Rs. in lakhs)

SCHEDULE 'T'

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011.

1. Principles of consolidation

The consolidated financial statements relate to Manugraph India Limited (the company) and its subsidiary companies.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in un-realized profits or losses per Accounting Standard AS – 21 – Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- In case of foreign subsidiaries, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains or losses on conversion arising on consolidation are recognized under foreign currency translation reserve.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the company i.e. 31st March, 2011.
- The difference between cost to the company of its investments in the subsidiary companies and the equity value as at the acquisition date is recognised in the financial statements as goodwill or capital reserve.
- The list of subsidiary companies which are included in the consolidation and the company's holdings therein are as under:

Name of the subsidiary companies

Country of Incorporation	Percentage of Holdings
India	100%
Kenya	100%
USA	100%
USA	100%

Constrad Agencies (Bombay) Private Limited

Manugraph Kenya Limited

Manugraph DGM Inc.

Offset Services, Inc.

(100% equity is held by Manugraph DGM, Inc.)

2. Significant accounting policies and notes to these consolidated financial statements are intended to serve as means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognising this purpose, the company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which, in the opinion of the management, could be better viewed when referred from the individual financial statements.

3. Accounting policies:

Basis for preparation of accounts

The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies discussed more fully below, are consistent with those used in the previous year.

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

	2010 - 2011 (Rs. in lakhs)	2009 - 2010 (Rs. in lakhs)
Revenue recognition		
Manugraph India Limited		
Sales comprise of sale of goods and spare parts and are net of trade discount and sales returns. Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.		
Dividend income is accounted when the right to receive the same is established.		
Manugraph Kenya Limited		
Revenue is measured at the fair value of the consideration received/receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.		
Sales of goods are recognised when goods are delivered and title has passed.		
Hire purchase interest income is accrued on a time basis by reference to the principal amount outstanding and at the effective interest rate applicable.		
The operating expenses are apportioned to the hire purchase financing activity using the ratio of the gross hire purchase interest income to the total of trading income and gross hire purchase income.		
Manugraph DGM, Inc.		
The company generally recognises revenue upon shipment and passage of title to customers, or if applicable the installation of its products, or when a service is completed.		
Employee benefits		
(i) Provident fund is a defined contribution scheme established under a State Plan. The contributions to the Scheme are charged to the profit and loss account in the year in which the contributions to the fund are accrued.		
(ii) Superannuation fund is a defined contribution scheme and contributions to the scheme are charged to the profit and loss account in the year when the contributions accrue. The scheme is funded with an insurance company in the form of a qualifying insurance policy.		
(iii) The company has a defined benefit gratuity scheme. For the defined benefit scheme, actuarial valuations are being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account in the period in which they occur.		
(iv) Leave encashment benefit is provided on the basis of actuarial valuation done at the end of the year. The aforesaid leave liability is not funded.		
Research and development		
Revenue expenditure on research and development is charged to profit and loss account in the year in which it is incurred. Capital expenditure on research and development is included in additions to fixed assets under appropriate heads. Self manufactured R&D assets are carried at cost of manufacture.		
Depreciation		
Manugraph India Limited		
Depreciation on fixed assets is provided on straight line method at the applicable rates over the estimated useful lives of assets.		
Amortisation of R&D assets (being prototype) is being done over a useful life of 5 years.		
Manugraph Kenya Limited		
Depreciation is calculated on the reducing balance basis to write down the cost of each asset to its residual value over its estimated useful lives. The rates of depreciation are as follows;		
Furniture, fittings and equipments	- 12.50%	
Motor vehicles	- 25.00%	
Computer equipment	- 30.00%	
Manugraph DGM, Inc.		

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

2010 - 2011	2009 - 2010
(Rs. in lakhs)	(Rs. in lakhs)

Depreciation is calculated at rates based on the useful life of the assets.

Constrad Agencies (Bombay) Pvt. Ltd.

Depreciation on Immoveable property is not provided.

Transactions in foreign currencies

Transactions in foreign currencies are accounted for in the following manner:

Transactions covered by forward contracts are accounted for by recognising the difference between the forward rate and the exchange rate on the date of the transaction as income or expenditure over the life of the contract.

Transactions not covered by forward contracts are accounted for in the following manner:

- (i) Export sales and import purchases are accounted for at exchange rates prevailing at the time of the transactions
- (ii) Gains/losses arising out of the foreign currency transactions are recognised in the profit and loss account.
- (iii) Other assets and liabilities are restated at the rates ruling at the year-end and the differences on such retranslation are recognized in the profit and loss account.

The company has not used any derivative instrument except forward contracts which have been used for hedging its foreign currency exposure. The company does not undertake any speculative or trading activity through derivative instruments.

Fixed assets

Fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets.

The fixed assets manufactured by the company are stated at manufacturing cost. Fixed assets are shown net of accumulated depreciation.

Impairment of assets

Cash generating unit/assets are assessed for possible impairment at balance sheet date based on external and internal sources of information. Impairment losses, if any, are recognised as an expense in the profit and loss account.

Investments

Long term investments are stated at cost less provision for diminution other than temporary in nature, if any. Current investments are stated at lower of cost and fair value, determined on a portfolio basis.

Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

Inventories

Manugraph India Limited

Cost of inventories is ascertained on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares are stated at lower of cost and net realisable value.

Consumable tools are stated at cost or below cost.

Work-in-progress and manufactured components are valued at cost.

Finished products are valued at lower of cost and net realizable value

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

	2010 - 2011 (Rs. in lakhs)	2009 - 2010 (Rs. in lakhs)
Excise duty is included in the value of finished products inventory.		
Manugraph Kenya Limited		
Inventories are stated at lower of cost and net realizable value. Cost is determined by the first-in-first out (FIFO) method. Net realizable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses. The inventories are stated at the value certified by the directors.		
Manugraph DGM, Inc.		
Inventory is stated at the lower of cost or market. The average cost method is used for materials and parts. Work-in-process and finished press inventory also include actual direct labour and an allocation of overhead costs. Used equipment is carried using specific cost methodology.		
Provision for doubtful debts/advances		
Sundry debtors/advances are stated after making adequate provision for doubtful debts/advances.		
Cash and Cash Equivalents		
Cash and cash equivalents in the balance sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.		
Tax expense		
Tax expense comprises of current and deferred taxes.		
Current income tax is measured at the amount expected to be paid to the tax authorities.		
Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years after considering the tax holiday period as required by the Accounting Standard Interpretation issued by the Institute of Chartered Accountants of India. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.		
Provisions, contingent liabilities and contingent assets		
Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for:		
(i) possible obligations which will be confirmed only by future events not wholly within the control of the company or		
(ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.		
4. Contingent Liabilities		
(i) Claims against the company not acknowledged as debts	102.40	63.32
(ii) Income-tax, sales tax, customs duty, excise duty and service tax demands against which the company has preferred appeals/made representations.	66.94	55.21
(iii) Unexpired letters of credit opened by banks amount to	-	214.58
(iv) On account of guarantees executed by the company's Bankers	1152.19	3398.55
(v) On account of undertakings given by the company in favour of Customs Authority	2175.70	3504.20
5. Estimated amount of contracts remaining to be executed on capital account and not provided for was Rs. 8.48 lakhs (previous year Rs. 3.37 lakhs).		

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

	2010 - 2011 (Rs. in lakhs)	2009 - 2010 (Rs. in lakhs)
6. During the year the parent company obtained waiver of deferred payment liability of Rs. 315.81 lakhs towards balance consideration for purchase of shares of subsidiary company Manugraph DGM Inc. The company has adjusted the said amount against the Goodwill on consolidation arising on acquisition of subsidiary Manugraph DGM Inc.		
7. Goodwill amounting to Rs.6331.38 lakhs (previous year Rs. 6644.09 lakhs) after adjustment of deferred payment liability (net of exchange gain amounting to Rs. 3.10 lakhs) has arisen on consolidation of accounts between the company and its wholly owned subsidiaries - Constrad Agencies (Bombay) Private Limited Rs.172.16 lakhs and Manugraph DGM, Inc. Rs. 6159.22 lakhs (previous year Rs. 6471.93 lakhs). Capital reserve amounting to Rs. 37.33 lakhs has arisen on consolidation of accounts between the company and its wholly owned subsidiary - Manugraph Kenya Limited. These goodwill and capital reserve represent difference between cost to company of its investments in the subsidiary companies and the equity value on the date of acquisition.		
8. In respect of goodwill arising from acquisition of Manugraph DGM Inc., the management is of the view that the said goodwill has been tested for impairment and no impairment is considered necessary as the performance of the subsidiary company is expected to improve after restructuring the operations and improvement in the market scenario.		
9. The company provides gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of service. The company makes annual contributions to fund administered by trustees and managed by Life Insurance Corporation of India, for amounts notified by it. The gratuity benefit is a defined benefit plan.		
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Present value of obligation as at April 1, 2010	903.77	867.59
Interest cost	72.30	69.41
Current service cost	38.24	38.85
Benefits paid	(27.13)	(78.57)
Actuarial (gain)/loss on obligation	238.82	6.50
Present value of obligation as at March 31, 2011	1226.00	903.77
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets as at April 1, 2010	773.60	723.96
Expected return on plan assets	71.54	63.15
Contributions	78.32	65.06
Benefits paid	(27.13)	(78.57)
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at March 31, 2011	896.33	773.60
Amount recognised in Balance Sheet		
Fair value of plan assets as at the end of the year	896.33	773.60
Present value of obligation as at the end of the year	1226.00	903.77
Asset/(liability) recognised in the Balance Sheet	(329.67)	(130.17)
Expense recognised in the Profit and Loss Account		
Interest cost	72.30	69.41
Current service cost	38.24	38.85
Expected return on plan assets	(71.54)	(63.15)
Net actuarial (gain)/loss recognised in the year	238.82	6.50
Net cost	277.82	51.61

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

	2010 - 2011 (Rs. in lakhs)	2009 - 2010 (Rs. in lakhs)
Assumptions		
Discount rate	8%	8%
Salary escalation rate (annual)	4%	4%
10. Earnings per Share		
(a) Net profit after tax available for equity shareholders (Rs. in Lakhs)	1896.80	(6.01)
(b) Weighted average number of equity shares of Rs. 2 each outstanding during the year	30415061	304150161
(c) Basic and diluted earnings per share (Rs.)(a/b)	6.24	(0.02)

11. Related parties disclosure (as identified by the management)

Related party relationships

(a) Entities where significant influence exists	Multigraph Machinery Company Limited Manubhai Sons and Company Mercongraphic FZC, (w.e.f. 02.11.2010)
(b) Key management personnel	Mr. Sanjay S. Shah, Vice-Chairman and Managing Director Mr. Pradeep S. Shah, Managing Director Mr. Mohan R Harshe (Upto 15.11.2010) Mr. Arun K Puri (01.08.2010 to 01.11.2010) Mr S. M Mordekar (w.e.f. 29.10.2010)
(c) Relatives of key management personnel	Mr. Sanat M. Shah, (Father of Messrs. Sanjay and Pradeep Shah) Mrs. Sudha S. Shah (Mother of Messrs. Sanjay and Pradeep Shah) Mr. Kushal Shah (Son of Mr. Sanjay S. Shah)

Transactions with related parties

In respect of above parties, there is no provision for doubtful debts as on 31st March 2011 and no amount has been written off or written back during the year in respect of debts dues from / to them.

Related Party Transactions:

Transaction	Entities Where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Sale of goods				
Mercongraphic FZC	582.85	-	-	582.85
	-	-	-	-
	582.85	-	-	582.85
	-	-	-	-
Commission paid				
Multigraph Machinery Co. Ltd.	829.44	-	-	829.44
	(638.08)	-	-	(638.08)
	829.44	-	-	829.44
	(638.08)	-	-	(638.08)
Rent received				
Multigraph Machinery Co. Ltd.	27.54	-	-	27.54
	(27.54)	-	-	(27.54)
Others	1.44	-	-	1.44
	(1.44)	-	-	(1.44)
	28.98	-	-	28.98
	(28.98)	-	-	(28.98)

**SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2011**

Transaction	Entities Where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Rent paid				
Multigraph Machinery Co. Ltd.	3.75	-	-	3.75
	(1.29)	-	-	(1.29)
Sanjay S.Shah	-	10.80	-	10.80
	-	-	-	-
Pradeep S.Shah	-	10.80	-	10.80
	-	-	-	-
Sudha S. Shah	-	-	2.40	2.40
	-	-	-	-
Other	-	-	-	-
	(0.31)	-	-	(0.31)
	3.75	21.60	2.40	27.75
	(1.60)	-	-	(1.60)
Expenditure on other services				
Mercongraphic FZC	2.51	-	-	2.51
	-	-	-	-
	2.51	-	-	2.51
	-	-	-	-
Managerial remuneration paid				
Sanjay S. Shah	-	149.29	-	149.29
	-	(81.39)	-	(81.39)
Pradeep S. Shah	-	149.23	-	149.23
	-	(81.41)	-	(81.41)
Others	-	32.05	-	32.05
	-	(14.61)	-	(14.61)
	-	330.57	-	330.57
	-	(177.41)	-	(177.41)
Directors fees				
Sanat M. Shah	-	-	0.50	0.50
	-	-	(0.50)	(0.50)
	-	-	0.50	0.50
	-	-	(0.50)	(0.50)
Salaries and allowances				
Kushal S. Shah	-	-	4.75	4.75
	-	-	-	-
	-	-	4.75	4.75
Outstanding Receivables				
Mercongraphic FZC	2.98	-	-	2.98
	-	-	-	-
	2.98	-	-	2.98
	-	-	-	-
Outstanding Payables				
Multigraph Machinery Co. Ltd.	292.15	-	-	292.15
	(121.29)	-	-	(121.29)
	292.15	-	-	292.15
	(121.29)	-	-	(121.29)

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

12. In the opinion of the Board, the current assets, loans and advances are approximately at the value stated, if realised in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
13. Confirmations from some of the creditors were not received by the company and therefore their balances are as per books of account only.
14. Disclosure under Accounting Standard-29, for Provisions, Contingent Liabilities and Contingent Assets

Particulars	As at 1st April, 2010	Net Provision made during the Year	Net Amounts Reversed during the year	As at 31st March, 2011
	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
Warranty expenses	170.52 (470.78)	99.77 (17.92)	65.37 (318.18)	204.92 (170.52)

- | | | |
|---|-----------------------|----------------|
| | 2010 - 2011 | 2009 - 2010 |
| | (Rs. in lakhs) | (Rs. in lakhs) |
| 15. Revenue expenses on research and development activities as certified by the management have been debited to the profit and loss account, as per past practice of the Company. | 262.61 | 256.31 |
16. The Company is obligated under various operating leases for office equipment, CNC equipment and vehicles at its U.S.A. subsidiary. The future rent payments under all operating leases are as follows;

Financial Year	Rs. (In lakhs)
2011 -12	34.47
2012 -13	24.13
2013 -14	10.05

17. Figures of the previous year have been regrouped and re-arranged wherever necessary to make them comparable with the figures of the current year.
18. Figures in parenthesis are in respect of the previous year.
19. Figures have been rounded off to the nearest thousand and shown in rupees lakhs.

As per our Report of even date attached

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N. Jayendran
Partner
M. No. 040441

Mumbai, Dated : 11th August, 2011

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman
S. S. Shah Vice-Chairman and Managing Director
P. S. Shah Managing Director

Mumbai, Dated : 11th August, 2011

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1. Name of the Company	:	Manugraph India Limited	Manugraph India Limited	Manugraph India Limited
2. Name of the Subsidiary Company	:	Constrad Agencies (Bombay) Private Limited	Manugraph Kenya Limited	Manugraph DGM Inc. USA
3. Financial year of the subsidiary ended on	:	31.03.2011	31.03.2011	31.03.2011
4. Holding Company's interest in the subsidiary	:	5,000 Equity Shares of Rs.100/- each (100% as on 31.03.2011)	22,500 Equity Shares of Kshs.100 each (100% as on 31.03.2011)	3,88,290 Equity Shares of US\$ 0.01 each (100% as on 31.03.2011)
5. Currency	:	Rs.	Kshs.	US\$
6. Net aggregate amount of the profits/(loss) of the subsidiary NOT dealt with in the holding company's accounts.				
a) For the financial year of the subsidiary Company.	:	Rs. (7,323.00)	Kshs. 55,31,628 Rs.32.11 lakhs	US\$ (758,931) Rs.(373.00) lakhs
b) For the previous financial year of the subsidiary Company.		Rs. (12,159.00)	Kshs. 12,406,024 Rs. 74.64 lakhs	US\$ (2,409,332) Rs.(1,410.81) lakhs
7. Net aggregate amount of the profits/(loss) of the subsidiary dealt with in the holding Company's accounts.				
a) For the financial year of the subsidiary Company.	:	NIL	NIL	NIL
b) For the previous financial year of the subsidiary Company.	:	NIL	NIL	NIL

Details of Subsidiary Companies for 2010-11

(Rs. In lakhs)

		Indian subsidiary	Foreign subsidiaries	
		Constrad Agencies (Bombay) Pvt. Limited	Manugraph Kenya Limited	Manugraph DGM Inc.
(a)	Share capital	5.00	14.14	2,207.18
(b)	Reserves	2.00	190.10	(2,034.97)
(c)	Total assets	7.00	204.57	1,954.36
(d)	Total liabilities	7.00	204.57	1,954.36
(e)	Details of investment (except in case of investment in the subsidiary)	-	-	-
(f)	Turnover	-	185.93	2,477.60
(g)	Profit before taxation	(0.07)	44.75	(854.04)
(h)	Provision for taxation	-	12.64	(481.04)
(i)	Profit after tax	(0.07)	32.11	(373.00)
(j)	Proposed dividend	-	16.02	-

Note: In respect of foreign subsidiaries -

i) Item nos. (a) to (d) and (h) are translated at exchange rate as on 31st March 2011 of Kenyan Sh. 1 = Rs.0.5339 and USD 1 = Rs.44.65

ii) Item nos. (f), (g) and (i) are translated at annual average rate of Kenyan Sh. 1 = Rs.0.5648 and USD 1 = Rs.45.55

For and on behalf of the Board of Directors

S. M. Shah Chairman

R. V. Joshi
Company SecretaryS. S. Shah Vice-Chairman and Managing Director
P. S. Shah Managing Director

Mumbai, Dated : 11th August, 2011

MANUGRAPH INDIA LTD.

FINANCIAL HIGHLIGHTS - Standalone

(Rs. in Crores)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
PROFIT & LOSS ACCOUNT SUMMARY											
Turnover - Domestic	76.95	71.70	143.39	188.25	218.03	246.14	281.70	272.83	147.83	182.51	
- Export	48.39	42.47	59.20	59.71	103.47	122.70	141.26	119.28	54.11	113.79	
- Total Net Sales	125.34	114.17	202.59	247.96	321.50	368.84	422.96	392.11	201.94	296.30	
Operating Income	1.99	2.07	2.93	4.41	6.42	9.51	21.22	8.82	3.70	4.62	
Other Income	0.00	0.08	0.30	2.02	5.31	2.82	10.46	4.93	4.13	3.99	
	127.33	116.32	205.82	254.39	333.23	381.17	454.64	405.86	209.77	304.91	
Costs & Expenses											
Materials Cost	63.87	67.31	126.14	143.04	173.61	224.95	262.43	229.70	120.73	172.68	
Personnel Expenses	19.34	18.62	20.71	24.45	28.63	27.91	40.19	41.13	31.75	44.80	
Operating and Other Expenses	28.88	19.48	28.16	35.51	36.68	47.37	45.90	67.62	26.83	41.78	
Depreciation	5.34	5.20	6.01	5.82	6.05	7.42	8.29	9.27	7.83	10.24	
Interest Expense	2.40	1.93	1.17	0.66	0.92	3.11	4.11	3.59	3.21	2.90	
	119.83	112.54	182.19	209.48	245.89	310.76	360.92	351.31	190.35	272.40	
Profit before Extra-ordinary Items	7.50	3.78	23.63	44.91	87.34	70.41	93.72	54.55	19.42	32.51	
Compensation under V.R.S.	0.47	1.45	6.05								
Surplus on pre-payment of Sales-tax (deferral) loans					4.45						
Profit before Taxation	7.03	2.33	17.58	44.91	91.79	70.41	93.72	54.55	19.42	32.51	
Provision for Taxation	1.24	1.07	4.89	15.38	29.95	23.00	31.69	17.66	6.12	10.13	
Profit after Taxation	5.79	1.26	12.69	29.53	61.84	47.41	62.03	36.89	13.30	22.38	
BALANCE SHEET SUMMARY											
Assets Employed											
Fixed Assets (Gross)	67.09	71.16	78.90	89.58	99.97	119.27	134.02	142.41	147.64	155.09	
Fixed Assets (Net)	31.14	31.25	33.94	43.68	51.86	59.54	73.28	77.60	73.39	71.26	
Investments	1.50	2.52	2.97	8.21	26.54	165.50	138.07	124.88	141.51	126.45	
Current Assets (Net)	45.98	41.95	45.58	56.51	57.16	43.82	78.26	107.07	87.95	93.78	
Miscellaneous Expenditure (to the extent not written off or adjusted)	1.47	8.08									
	80.09	83.80	82.49	108.40	135.56	268.86	289.61	309.55	302.85	291.49	
Financed by											
Share Capital	6.00	6.00	6.00	6.00	6.00	6.08	6.08	6.08	6.08	6.08	
Reserves and Surplus	30.06	30.23	37.82	60.80	109.33	154.51	202.17	231.94	241.31	258.39	
Shareholders' Funds	36.06	36.23	43.82	66.80	115.33	160.59	208.25	238.02	247.39	264.47	
Borrowings	39.58	42.78	36.79	39.39	17.61	105.40	76.21	66.27	50.02	21.30	
Deferred Tax Liability	4.45	4.79	1.88	2.21	2.62	2.87	5.15	5.26	5.44	5.72	
	80.09	83.80	82.49	108.40	135.56	268.86	289.61	309.55	302.85	291.49	
OTHER INVESTOR INFORMATION											
Earnings per share	Rs.	8.38	2.10	21.13	49.18	20.60	15.73	20.39	12.13	4.37	7.36
Dividend	%	18	12	40	100	200	150	200	100	50	75
Book value per share	Rs.	60.07	60.36	73.00	111.27	38.42	52.80	68.47	78.26	81.34	86.95
Market value of share	High Rs.	42.00	75.00	206.00	1000.00	318.25	259.00	192.00	114.00	68.00	76.35
	Low Rs.	20.05	18.05	40.00	150.15	175.00	104.25	24.50	24.50	29.10	43.50
No. of Shareholders		8916	8608	7867	7908	9239	11515	13669	14320	15480	14289
No. of Employees		1571	1337	1324	1321	1330	1313	1341	1327	1222	1217
Equity share of Rs. 10/- upto 2004-05 and Rs. 2/- from 2005-06.											





MANUGRAPH INDIA LIMITED

Regd. Office : Sidhwa House, N. A. Sawant Marg, Colaba, Mumbai - 400 005

ATTENDANCE SLIP

39th Annual General Meeting - 27th September, 2011 at 3.00 p.m.

Regd. Folio No. _____

No. of Shares _____

Client Id No. _____

DP ID No. _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.

I hereby record my presence at the 39th Annual General Meeting of the company at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001 on 27th September, 2011.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL.

TEAR HERE



MANUGRAPH INDIA LIMITED

Regd. Office : Sidhwa House, N. A. Sawant Marg, Colaba, Mumbai - 400 005

FORM OF PROXY

I/We _____ of
in the District of _____
being a member(s) of the above-named company hereby appoint _____
of _____ in the district of _____
or failing him _____ of _____ in the
district of _____ as my/our proxy to vote for me/us on my/our behalf at
the 39th ANNUAL GENERAL MEETING of the company to be held on 27th September, 2011, and at any adjournment thereof.

Signed this _____ day _____ 2011.

Regd. Folio No. _____ Signature _____

Client ID No. _____

DP ID No. _____

Affix
Re. 1
Revenue
Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company, not less than 48 hours before the time for holding the meeting.

Proxy need not be a member of the company.

FORM 2B (NOMINATION)
(To be filled in by individual(s))

To, Manugraph India Limited C/o. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078. Phone : 25963838 / Fax : 25946969 E-mail : mumbai@linkintime.co.in	Name of shareholder and address From _____ _____ Folio No. _____ No. of shares _____
---	--

I am/we are holder(s) of shares of the company as mentioned above. I/We nominate the following person in whom all rights of transfer and/or amount payable in respect of equity shares shall vest in the event of my/our death.

Nominee's name													Age						
To be furnished in case the nominee is a minor										Date of Birth									
Guardian's name & address*																			
Occupation of Nominee Tick (✓)	1	Service		2	Business		3	Student		4	Household								
	5	Professional		6	Farmer		7	Others											
Nominee's Address																			
	Pin Code																		
Telephone No.																			Fax No.
E-mail Address	STD Code																		
Specimen signature of nominee / guardian (in case nominee is minor)																			

*To be filled in case nominee is a minor

Kindly take the aforesaid details on record.

Thanking you.

Yours faithfully,

Date.....

Name and address of equity shareholder (as appearing on the certificate(s))	Signature (as per specimen with company)
Sole/1st holder (address)	
2nd holder	
3rd holder	
4th holder	

Witness (two)		
	Name and Address	Signature & Date
1.		
2.		

INSTRUCTIONS :

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, karta of hindu undivided family and holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders shall sign (as per the specimen signature registered with the company) the nomination form.
3. A minor can be nominated by a holder of shares and in that event the name and address of the guardian shall be given by the holder.
4. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of shares in favour of a nominee and repayment of amount to nominee shall be a valid discharge by a company against the legal heir.
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled; else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the company) and (b) the nominee.
9. Whenever the shares in the given folio are entirely transferred or dematerialized, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the registrars and transfer agent of the company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
13. The intention regarding nomination / nomination form shall be filed in duplicate with the registrars and transfer agents of the company who will return one copy thereof to the shareholders.
14. For shares held in dematerialised mode, nomination is required to be filed with Depository Participant in their prescribed form.

FOR OFFICE USE ONLY	
Nomination registration number	
Date of registration	
Checked by (name and signature)	

One of a series of Blood Donation camps in association with The CPR Blood Bank



Mineral water distribution to devotees during the Navratri Festival at Mahalakshmi Temple Kolhapur



Across the world, Manugraphers are pursuing new ideas, challenging old ways of thinking, and asking the vital question about what else they can do to improve, not just machine productivity, but the quality of life in the communities we live in.

In cooperation with others like customers and suppliers, new ideas are being tested, best practices are being implemented, and ways to maximise Manugraph's positive impact in the world are being sought.



Career guidance program conducted in association with Chh. Shahu Institute



Premier League - Football Tournament conducted yearly at Kolhapur



UNIT 1 & UNIT 2 AT KOLHAPUR



MANUGRAPH

Technology in Print

MANUGRAPH INDIA LTD.

CORPORATE OFFICE: SIDHWA HOUSE, 2ND FLOOR, N. A. SAWANT MARG, COLABA, MUMBAI - 400 005.

www.manugraph.com