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42nd Annual Report

2013 -14

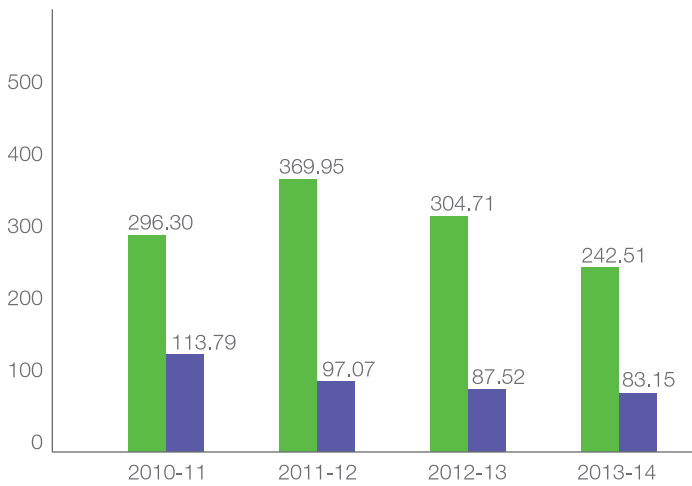
Manugraph India Ltd.

Standalone

₹ in crores

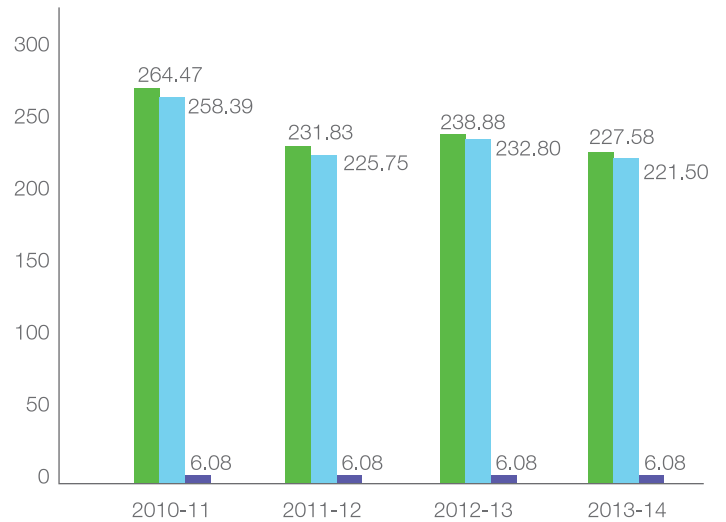
Sales

Net Sales Exports



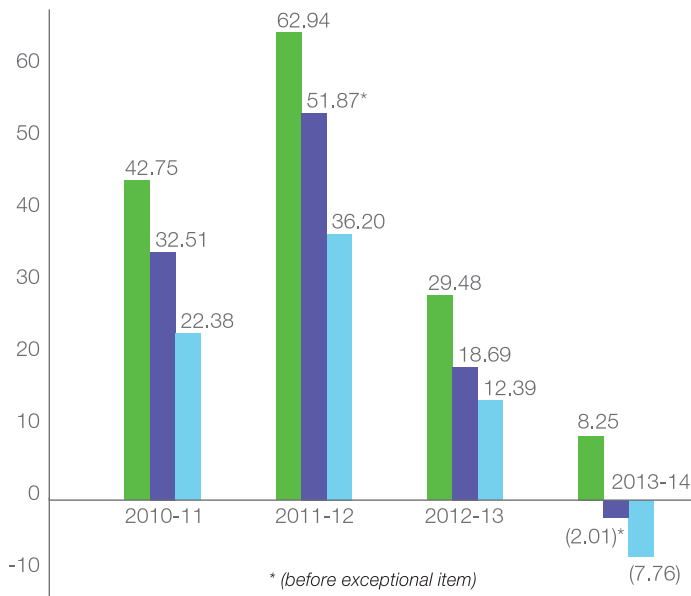
Net Worth

Net Worth Reserves Equity



Profitability

Gross Profit Pre-Tax Profit Post-Tax Profit



Distribution of Income

Materials	56.70 %
Expenses	21.47 %
Manpower	22.31 %
Depreciation	3.66 %
Interest	0.43 %
Taxes	(1.62) %
Dividend	1.08 %
Retained Earnings	(4.03) %

MANUGRAPH INDIA LIMITED

BOARD OF DIRECTORS

CHAIRMAN	Mr. Sanat M. Shah	
VICE-CHAIRMAN & MANAGING DIRECTOR	Mr. Sanjay S. Shah	
MANAGING DIRECTOR	Mr. Pradeep S. Shah	
DIRECTORS	Mr. Hiten C. Timbadia	} <i>Independent Non-Executive Directors</i>
	Mr. Amit N. Dalal	
	Mr. Perses M. Bilimoria	
	Mr. Abhay J. Mehrotra	
	Mr. Jai S. Diwanji	
	Mr. Bhupal B. Nandgave	} <i>Whole-time Director (Works)</i>

COMPANY SECRETARY	Mr. Ravindra V. Joshi
CHIEF FINANCIAL OFFICER	Mr. Suresh Narayan
AUDITORS	Messers Natvarlal Vepari & Co. <i>Chartered Accountants</i>
BANKERS	State Bank of India State Bank of Bikaner & Jaipur Standard Chartered Bank
REGISTERED OFFICE	Sidhwa House, 1st Floor, N. A. Sawant Marg, Colaba, Mumbai 400 005.

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42nd Annual General Meeting on Wednesday, the 27th August, 2014 at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001 at 3.00 p.m.

MANUGRAPH INDIA LIMITED

CIN: L29290MH1972PLC015772

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

Email: sharegrievances@manugraph.com • Website: www.manugraph.com

Tel: 022-22852256/57/58 • Fax: 022-22870702

NOTICE

NOTICE is hereby given that the forty-second Annual General Meeting of Members of MANUGRAPH INDIA LIMITED will be held on Wednesday, the 27th August, 2014 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 audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended 31st March, 2014 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. Hiten C. Timbadia (DIN 00210210) who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint a Director in place of Mr. Jai S. Diwanji (DIN 00910410) who retires by rotation and being eligible offers himself for re-appointment;
5. To re-appoint the auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting and to fix their remuneration and to pass the following as an Ordinary Resolution:

RESOLVED THAT, pursuant to the provisions of Section 139, of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s Natvarlal Vepari & Co., Chartered Accountants Mumbai, (Firm Registration No. 106971W) be and hereby are re-appointed as the auditors of the company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the fifth consecutive Annual General Meeting (subject to ratification of appointment by the members at every Annual General Meeting held after this Annual General Meeting) and the Board of Directors be and hereby authorised to fix such remuneration as may be determined by the audit committee in consideration with the auditors.

By Order of the Board of Directors

Sanjay S. Shah
Vice Chairman & Managing Director

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

Date: 27th May, 2014

NOTES:

1. 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. A person can act as proxy on behalf of members not exceeding fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. 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. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
2. 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 said registrar and share transfer agents at their above address.
3. Members/Proxies are requested to bring a copy of the Annual Report and attendance slip duly filled in.
4. 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.
5. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
6. 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. SH-13 annexed to this report, duly filled in to Link Intime India Private Limited.
7. 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 15 (Fifteen) days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
8. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, the 16th August, 2014 to Wednesday, the 27th August, 2014, both days inclusive.
9. 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 14th August, 2014.

Unclaimed Dividends:

The details of dividends paid by the Company and their respective due dates for the mandatory transfer to Investor Education and Protection 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 for the mandatory transfer to the Central Government
(1)	(2)	(3)	(4)
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
27.09.2011	31.03.2011	1.50	29.11.2018
01.08.2012	31.03.2012	2.50	04.10.2019
01.08.2013	31.03.2013	1.50	04.10.2020

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.

10. In respect of appointment/re-appointment of Directors, a statement containing details of the concerned Directors is annexed as Annexure A to this notice.
11. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19th August, 2014 (10.00 a. m.) and ends on 21st August, 2014 (5.30 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 18th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

- (iii) Click on “Shareholders” tab.
- (iv) Now, select the “MANUGRAPH INDIA LIMITED” from the drop down menu and click on “SUBMIT”.
- (v) Now Enter your User ID:
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account/folio number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant MANUGRAPH INDIA LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors

Sanjay S. Shah
Vice Chairman & Managing Director

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

Date: 27th May, 2014

IMPORTANT COMMUNICATION TO MEMBERS IN CONNECTION WITH GREEN INITIATIVE

The Ministry of Corporate Affairs, Government of India vide various circulars has undertaken a "Green Initiative in Corporate Governance" by allowing Companies to send official communication and documents to its Members through electronic mode.

Accordingly, the Company can send all documents/official communications including notice of general meeting, annual reports etc., through E-mail to the Members whose E-mail IDs are registered with the Depository Participant/Company.

Members desirous of getting all the documents/official communications from the company as stated above are requested to E-mail to the Company to that effect on our E-mail ID sharegrievances@manugraph.com and also requested to update their preferred E-mail ID with their Depository Participant/Company which can be used for sending official documents through E-mail. Members who have not registered their E-mail ID so far, in respect of their electronic holdings are requested to register their E-mail ID with their Depository Participants. Members who hold shares in physical form are requested to register their latest E-mail IDs by sending E-mail to that effect on the Company's E-mail ID viz: sharegrievances@manugraph.com at the earliest.

ANNEXURE A

Details of directors seeking re-appointment at the forthcoming Annual General Meeting as required under clause 49 of the listing agreement with the stock exchanges are given below:

Particulars	Details of the Directors	
Name of the Director	Mr. Hiten C. Timbadia	Mr. Jai S. Diwanji
Date of Birth	26-02-1964	04-02-1973
Date of appointment	30-03-2001	30-05-2012
Qualification	B.Com., LL.B(G), F.C.A.	Law degree from Downing College, Cambridge University, U.K and has B.S.M. degree from Tulane University, New Orleans, U.S.A.
Expertise in specific functional areas	He possesses vast experience and sound background in Accounts, Finance, Audit, Taxation, Banking and other related activities	Partner with the law firm Desai & Diwanji and specialises in Corporate Law.
List of other Directorships	Dosti Reality Ltd.	1. Elecon Engineering Ltd. 2. Nesco Ltd. 3. Pardi Investments Pvt. Ltd. 4. Myanmar Ventures (India) Pvt. Ltd.
Membership/Chairmanship of the committees of other Companies	1	2
Shareholding in the Company	3500	Nil
Relationship between directors inter-se	Nil	Nil

DIRECTORS' REPORT*Including Management Discussion and Analysis Report*

Dear Shareholders,

Your Directors have pleasure in presenting the forty-second Annual Report and audited accounts for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

Particulars	April to March 2013-2014 (Rs. in Lakhs)	April to March 2012-2013 (Rs. in Lakhs)
Profit for the year	825.28	2,947.98
Less: Depreciation	1,026.31	1,079.08
Profit/(Loss) before exceptional item	(201.03)	1,868.90
Less: Exceptional item	1,079.12	—
Profit/(Loss) before tax	(1,280.15)	1,868.90
Less: Tax	(503.89)	630.39
Profit/(Loss) after tax	(776.26)	1,238.51
Add: Balance in profit and loss account	11,600.96	11,021.22
	10,824.70	12,259.73
Less: Appropriations		
Proposed dividend	304.15	456.23
Tax on proposed dividend	49.33	77.54
Transfer to general reserve	—	125.00
Closing balance	10,471.22	11,600.96

DIVIDEND

Your Directors recommend dividend of Re. 1/- per equity share of Rs. 2/- each (Previous year Rs. 1.50 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**

The turnover has come down due to restricted market share in India and also due to uncertainty of government policies. A further impact is due to competitors pricing and other costs. However, margins have been impacted due to one-time Voluntary Retirement Scheme and Wage Agreement signed. We expect both Indian Economy and Export Outlook to improve in the current year.

Outlook

For the current year 2014-15, we have sold our Press to the US market. We have developed and strengthened on-going new markets in South America, CIS countries and Africa. The operations of the US subsidiary continues to be satisfactory. A new model of machine will be introduced in July/August this year.

Risks and Concerns

We have signed a Wage Agreement valid till March 2016 and this will have severe impact on ERE cost due to unreasonable demand put up by the Workers.

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

	April to March 2013-2014 (Rs. in Lakhs)	April to March 2012-2013 (Rs. in Lakhs)
Net sales	24,251.21	30,470.70
Operating income	1,342.85	753.28
Other income	459.40	428.06
Profit before interest, depreciation and tax	945.01	3,011.90
Interest	119.73	63.92
Depreciation	1,026.31	1,079.08
Profit/(Loss) before exceptional item	(201.03)	1,868.90
Exceptional item	1,079.12	—
Tax	(503.89)	630.39
Net profit after exceptional item	(776.26)	1,238.51
Earnings per share before exceptional item (in Rs.)	(0.08)	4.07
Earning per share after exceptional item (in Rs.)	(2.55)	4.07

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

Sales

Total income from operations was Rs. 25,594.06 lakhs including export sales of Rs. 8,315.10 lakhs as compared to income from operations of Rs. 31,223.98 lakhs including export sales of Rs. 8,752.40 lakhs for the last year.

Other income

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

Finance costs including interest

The Company is continuing its efforts to bring down the finance costs wherever possible.

Income-tax

As required by Accounting Standard AS-22, issued by the Institute of Chartered Accountants of India, deferred tax reversal of Rs. 503.89 lakhs has been adjusted in the profit and loss Account.

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 1110 nos. (previous year 1228).

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, 2014 was Nil.

INSURANCE

The buildings, plant and machinery, stock in trade and standing charges have been adequately and appropriately insured.

CAPITAL EXPENDITURE

Your Company incurred Rs. 179.53 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 2014-15 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. and Manugraph Americas Inc., for the year ended 31st March, 2014 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 27th May, 2014 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 Americas 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 with 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 Company 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. Hiten C. Timbadia and Mr. Jai S. Diwanji retire by rotation and are eligible for re-appointment. The Board recommends their re-appointment.

Brief profiles of Mr. Hiten C. Timbadia and Mr. Jai S. Diwanji proposed to be re-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, Mumbai, Firm Registration No. 106971W, 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.

COST AUDITORS

Pursuant to the requirements of Ministry of Corporate Affairs (MCA), New Delhi, the Board of Directors, has accorded its approval for the re-appointment of Mr. Chandrashekhar Adawadkar, Cost Accountant, Pune, having Membership No. 22758 subject to the necessary approval of MCA, if required, for Cost Audit for the year 2014-15.

The due date for filing of the Cost Audit Reports for the financial year 2012-13 was 26th September, 2013. The Company had filed the Reports with the Ministry of Corporate Affairs on 26th September, 2013.

The due date for filing of the Cost Audit Report for the financial year 2013-14 is 26th September, 2014. The Company will file the Cost Audit Report for the financial year 2013-14 with the Ministry of Corporate Affairs on or before the said date.

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 alongwith 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, 2014 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

S. M. SHAH
Chairman

Mumbai
Dated 27th May, 2014

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. Compliance of various activities, which are outcome of last year's energy audit.
2. Replacement of old, high energy consumption air conditioner system of Machine shop gear grinding section with high energy efficient new technology package air conditioning system.
3. Energy conservation through replacement of old technology high consumption window type air conditioning system with new generation energy efficient split air conditioning system at various locations.
4. Replacement of high power capacity spindle motor (10.5 KW) of D5 machine with low power consumption motor (4.8 KW).
5. Use of compressed Bio Gas in place of LPG for cooking purpose in canteen resulted in 20% cost saving.
6. Replacement of 250 Watts Metal Halide lamps with 150Watts energy efficient Magnetic induction lamps qty. 1 No at machine shop development cell.
7. Installation of Pipe light system to avoid the day time use of lighting electricity at CMM room- qty. 2 Nos and Machine shop Wall cell-qty. 1 No. & also at Unit 2 where 400W MV lamps are used in day time.
8. Power factor of plant is maintained to unity resulting in optimum utilization of power.
9. Installation of common change over switch to avail option of electrical power throughout the Company premises with single Generator set in view of saving in diesel consumption.
10. Use of energy efficient LED tube light luminaries -28 Nos. while electrification of new cabins.
11. Use of 150W Magnetic induction type street light luminary in place of 250W conventional metal halide street light.
12. Replaced 40 watts tube light luminaries with 28 Watt energy efficient T5 luminaries -25 Nos at Main stores.
13. Replaced closed type tube light luminaries with open type tube light luminaries -18 Nos at Maintenance dept. in view of better light intensity with same power consumption.
14. Replacement of 14W CFL type spot lights with 7W energy efficient LED type spot lamps at canteen dining hall. Qty. 15 No.
15. Replaced the high consumption type indication lamps of EOT cranes with energy efficient LED indication lamps-36 Nos.
16. 35W LED Tube light -04 nos. used for street light in place of ordinary 60W tube fixtures at Unit 2.
17. 18W LED Tube lights installed at Schaudt m/c cabin against 28W tube lights and at Store against 40W ordinary tube lights at Unit 2.

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. Thrust is also given to enhance the infrastructure by adding high speed computer workstations and Design/Project documents control through Customised ERP.

The new machines and main features under development/developed are:

- I. Dreamline Pressline covering Printing Towers, Double wide Paster for 50,000 CPH.
- II. Compact Newspaper Pressline covering Compact Tower, Autopaster and F1:2 Folder.
- III. 2C printing unit as Add-on in existing Hiline Y printing units for 4x4 printing.
- IV. Folder for Book printing (F122 BK) in different cut-offs.
- V. Cityline Express MAX Tower with Printing speed 40,000 CPH.
- VI. Heavy duty integrated Paster suitable for 50" Reel diameter for speed 40,000 CPH.
- VII. Flying Paster for 4x1 Pressline with speeds up to 80000 CPH and high Automation level.

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

- I. New products developed.
- II. More automation on existing products.
- III. Cost reduction and space saving on machines.
- IV. Performance improvement.
- V. Shorter time to market for new products.
- VI. Expanding domestic & Export market
- VII. Import substitution.

3. Expenditure on R&D:

	(Rs. in Lakhs)
I. Capital	10.34
II. Recurring	264.98
III. Total	275.32
IV. Total R&D expenditure as a percentage of net sales	1.14

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports; Initiatives taken to increase exports, development of new export markets for products and services; and export plans;

During the year under review, the Company is continuously exploring 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 note numbers 31, 32, 33 and 34.

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. Sanat M. Shah, Mr. Sanjay S. Shah and Mr. Pradeep S. Shah. Mr. Sanat M. Shah is Non-Executive Chairman of the Company. Mr. Sanjay S. Shah is Vice Chairman and Managing Director and Mr. Pradeep S. Shah is Managing Director of the Company. Mr. Bhupal B. Nandgave is Whole-time Director(Works). Mr. Hiten C. Timbadia, Mr. Amit N. Dalal, Mr. Perses M. Bilimoria, Mr. Abhay J. Mehrotra and Mr. Jai S. Diwanji are other five non-executive independent directors.

During the financial year 2013 - 2014, four Board Meetings were held on 29th May, 2013, 12th August, 2013, 8th November, 2013, and 12th February, 2014.

The attendance at board meetings held during the financial year 2013-2014 and at the last Annual General Meeting (AGM), the number of other directorships and committee memberships/ chairmanships of directors as on 31st March, 2014, 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	4	Yes
2	Mr. Sanjay S. Shah	Vice Chairman & Managing Director (Promoter)	7	Nil	Nil	4	Yes
3	Mr. Pradeep S. Shah	Managing Director (Promoter)	9	Nil	Nil	3	Yes
4	Mr. Bhupal B. Nandgave	Whole-time Director (Works) Executive - Non-Independent	Nil	Nil	Nil	2	Yes
5	Mr. Hiten C. Timbadia	Independent Non-Executive Director	1	1	Nil	4	Yes
6	Mr. Amit N. Dalal	Independent Non-Executive Director	9	1	6	3	Yes
7	Mr. Perses M. Bilimoria	Independent Non-Executive Director	4	Nil	Nil	3	Yes
8	Mr. Abhay J. Mehrotra	Independent Non-Executive Director	4	Nil	Nil	3	Yes
9	Mr. Jai S. Diwanji	Independent Non-Executive Director	4	Nil	2	2	Yes

* Includes private Companies and foreign Company directorship.

3. Audit Committee

Your Company has an Audit Committee comprising of three non-executive independent directors viz. Mr. Hiten C. Timbadia, Mr. Perses M. Bilimoria and Mr. Abhay J. Mehrotra. 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, four audit committee meetings were held on 29th May, 2013, 12th August, 2013, 8th November, 2013 and 12th February, 2014.

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	4	4
2	Mr. Perses M. Bilimoria	4	3
3	Mr. Abhay J. Mehrotra	4	3

The chairman of the Audit Committee along with two other members of the audit committee were present at the last Annual General Meeting held on 1st August, 2013.

4. Nomination and 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 Nomination and Remuneration Committee consists of Mr. Hiten C. Timbadia, 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, one Nomination and Remuneration Committee meeting was held on 29th May, 2013.

Attendance at the remuneration committee meeting:

Sr. No.	Name of the director	No. of meetings held	No. of meetings attended
1	Mr. Hiten C. Timbadia	1	1
2	Mr. Perses M. Bilimoria	1	1
3	Mr. Abhay J. Mehrotra	1	Nil

The details of remuneration paid to the directors of the Company during the financial year 2013 – 2014 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	1,00,43,270.66	N. A.
2	Mr. Pradeep S. Shah	1,00,43,867.00	N. A.
3	Mr. Bhupal B. Nandgave	17,28,589.20	N. A.
4	Mr. Sanat M. Shah	N. A.	40,000.00
5	Mr. Hiten C. Timbadia	N. A.	74,000.00
6	Mr. Amit N. Dalal	N. A.	30,000.00
7	Mr. Perses M. Bilimoria	N. A.	58,000.00
8	Mr. Abhay J. Mehrotra	N. A.	48,000.00
9	Mr. Jai S. Diwanji	N. A.	20,000.00

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	1-4-2013 to 31-3-2016	Three Months	Nil
2	Mr. Pradeep S. Shah – Managing Director	1-4-2013 to 31-3-2016	Three Months	Nil
3	Mr. Bhupal B. Nandgave – Whole-time Director (Works)	10-12-2012 to 9-12-2015	Three Months	Nil

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. Stakeholders Grievance Committee

The Company has Stakeholders Grievance Committee comprising of Mr. Perses M. Bilimoria and Mr. Sanjay S. Shah. Mr. Perses M. Bilimoria is the Chairman of the committee.

The Stakeholders Grievance Committee looks into the shareholders' and investors' grievances. The Company Secretary acted as the Compliance Officer and Secretary to the Stakeholders 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, 2014.

During the year under review, the Company received 12 complaints from shareholders relating to non-receipt of dividend, 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, 2014.

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

Investors' Grievances pending as on 1.4.2013	Nil
Add : Investors' Grievances received during the year	12
Less : Investors' Grievances redressed during the year	12
Investors' Grievances pending as on 31.3.2014	Nil

6. General Body Meetings

Financial year	2012-2013 41st AGM	2011-2012 40th AGM	2010-2011 39th 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	Thursday	Wednesday	Tuesday
Date	1st August, 2013	1st August, 2012	27th September, 2011
Time	3.15 p.m.	2.30 p.m.	3.00 p.m.
No. of Special Resolution(s) passed	Two	Nil	One

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 affirmation 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, alongwith 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, 2014 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

K. N. Padmanabhan
Partner
M. No. 36410

Mumbai

Dated : May 27, 2014

GENERAL SHAREHOLDER INFORMATION

i. Annual general meeting

Date and Time : 27th August, 2014 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 : Second week of August, 2014
 Half-yearly results : Second week of November, 2014
 Third quarter results : Second week of February, 2015
 Fourth quarter results : Last week of May, 2015

iii. Dates of book closure

: From : Saturday, the 16th August, 2014
 : To : Wednesday, the 27th August, 2014 (both days inclusive)

iv. Dividend payment date

: On or before 24th September, 2014

v. Listing of Equity shares on Stock Exchanges

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

vi. ISIN Number

: INE-867A 01022

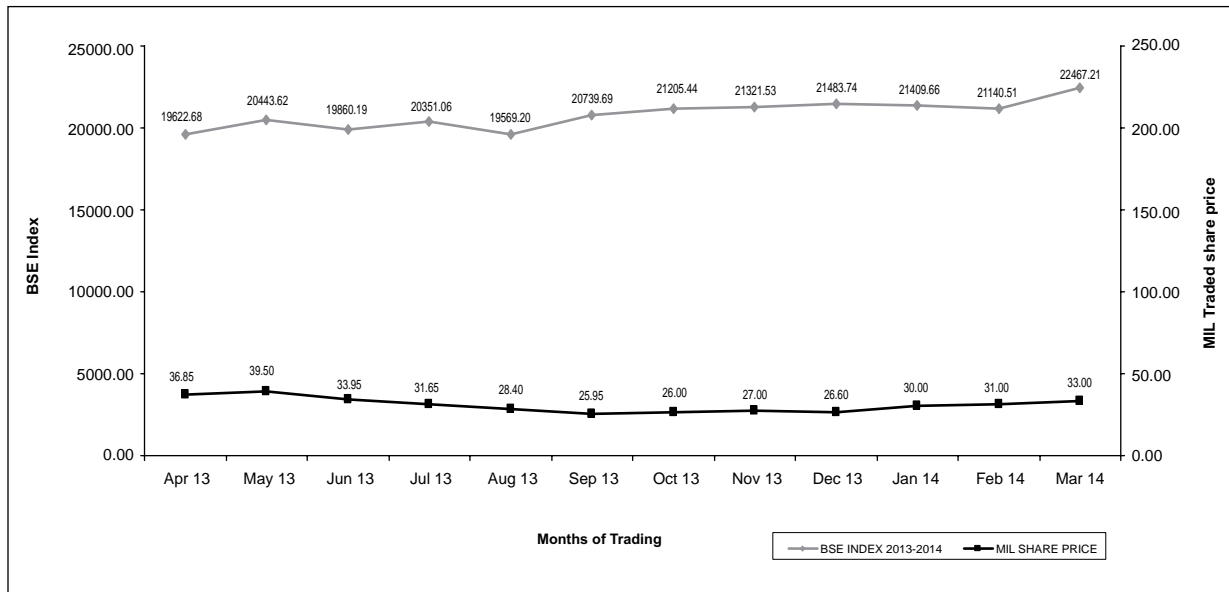
The Company has paid listing fee to both the Stock Exchanges upto the financial year 2014-2015.

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 2013-2014:

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, 2013	36.85	31.30	37.20	27.25
May, 2013	39.50	31.15	38.75	31.00
June, 2013	33.95	27.75	34.90	27.50
July, 2013	31.65	25.35	31.10	27.50
August, 2013	28.40	22.35	28.20	23.05
September, 2013	25.95	22.05	29.80	20.15
October, 2013	26.00	22.60	26.95	21.10
November, 2013	27.00	24.00	27.00	25.10
December, 2013	26.60	23.50	29.90	23.90
January, 2014	30.00	25.00	31.10	23.35
February, 2014	31.00	23.50	30.00	23.40
March, 2014	33.00	26.00	32.40	25.30

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: 022 25946970
Fax: 022 25946969
Email: rnt.helpdesk@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, 2014:

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	9537	77.90	1576007	5.18
501 – 1000	1320	10.78	1054289	3.47
1001 – 2000	779	6.36	1163411	3.83
2001 – 3000	227	1.86	572735	1.88
3001 – 4000	93	0.76	329228	1.08
4001 – 5000	70	0.57	324959	1.07
5001 – 10000	106	0.87	734388	2.41
10001 and above	110	0.90	24660044	81.08
Total	12242	100.00	30415061	100.00

xii. Shareholding pattern as on 31st March, 2014:

Category	No. of shares held	% of shareholding
A. Promoters' Holding	17385792	57.16
Sub-Total (A):	17385792	57.16
B. Non-promoters' holding		
1 Institutional Investors		
a. Mutual Funds/UTI	1833108	6.03
b. Banks	250	0.00
c. Insurance Companies	1134352	3.73
Sub-Total (B):	2967710	9.76
2. Others		
a. Corporate Bodies	1958798	6.44
b. Indian Public	7662578	25.20
c. Directors and their relatives	58285	0.19
d. Non-Resident Individuals	188564	0.62
e. Foreign Companies	250	0.00
f. Foreign Nationals	3620	0.01
g. Any other (Clearing Members)	189464	0.62
Sub-Total (C):	10061559	33.08
Grand Total [A+B+C]:	30415061	100.00

xiii. Dematerialisation of shares and liquidity:

96.40 per cent of the Company's paid-up equity share capital has been dematerialised upto 31st March, 2014.

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: 022 22852256/57/58 • Fax: 022 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, 2014.

For Manugraph India Limited

Sanjay S. Shah
Vice Chairman & Managing Director

Mumbai,
27th May, 2014

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Manugraph India Limited

Report on Financial Statements

We have audited the accompanying Financial Statements of **Manugraph India Limited** ("the Company"), which comprises the Balance sheet as at 31st March, 2014 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated 4th April 2014 with respect to the Financial Statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- a. We draw attention to note no. 23(b) regarding payment of managerial remuneration to the Managing Directors as approved by the members in general meeting dated 1st August 2013 which is in excess of the limits prescribed under the Companies Act 1956/2013 by Rs. 104.87 lacs for which the application is made to the Central Government but approval is pending. Our opinion is not qualified on this account.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 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.
2. As required by Section 227(3) of the Companies Act 1956, 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated 4th April 2014 with respect to the Financial Statements.
 - (v) On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.

For **NATVARLAL VEPARI & CO.**

Chartered Accountants
Firm Registration No. 106971W

N. Jayendran

Partner
M. No. 040441

Mumbai,
Dated: May 27, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at reasonable intervals and any material discrepancies noticed on such verification have been properly dealt with in the books of account;
- (c) The Company has not disposed off any substantial part of fixed assets during the year.
- (ii) (a) Stock of finished goods, stores, spare parts and raw materials has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The valuation of stock has been done on the basis of physically verified quantity. Therefore Shortage/Excess automatically get adjusted and the same is properly dealt in the books of accounts.
- (iii) (a) The Company has granted interest free unsecured loans to one wholly owned subsidiary company covered in the register maintained u/s 301 of the Companies Act 1956. In respect of the said loans, the maximum outstanding at any time during the year is Rs. 3.50 lakhs and the year end balance Rs. 3.50 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 the 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 explanation 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 there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purpose of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not come across any major weaknesses or continuing failure to correct any major weaknesses in the internal control system of the Company in respect of these areas.
- (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 register 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) The Company has not accepted any deposits from the public during the period under review, and consequently the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable. There is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- (vii) In our opinion the Company has an Internal Audit system commensurate with the size of the company and the nature of its business.
- (viii) According to the information and explanation given to us, the cost records as prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 have been made and maintained by the Company but no detailed examination of such records and accounts has been carried out by us.
- (ix) (a) The Company is generally regular in depositing undisputed statutory dues of provident fund, ESIC, Tax deducted at source, VAT, Excise and service tax with the appropriate authorities.
- (b) There are no arrears of outstanding statutory dues as at the last day of the period for a period of more than six months from the date they became payable except for the service tax payable of Rs. 1.61 lacs.
- (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 any accumulated losses and has not incurred cash losses in current year and the previous year.
- (xi) In our Opinion and according to the information and explanation given to us by the Management, the Company has not defaulted in repayment of dues to a financial institution or bank. There are no debentures issued by the Company.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society and accordingly the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (xiv) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (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) The Company has not taken any term loans during the year from Banks/Financial Institutions and hence clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
- (xvii) According to the information and explanation given to us, on an overall examination of the Balance Sheet and Cash Flow of the company and the necessary representations from the management, we report that no short-term funds have been applied by the company towards any long-term purposes.

- (xviii) 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 and therefore the provisions of clause 4(xviii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (xix) The company did not issue any debentures during the period and therefore the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (xx) The Company has not raised any money by public issues during the year and accordingly clause 4(xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the period.

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

N. Jayendran
Partner
M. No. 040441

Mumbai,
Dated: May 27, 2014

Statement Of Statutory Dues Outstanding On Account Of Disputes, As On 31st March, 2014, 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
Income Tax Act, 1961	Additions during Assessments	33.20	Assessment year 2008-2009	The Income tax Appellate Tribunal 'K' Bench Mumbai
Income Tax Act, 1961	Additions during Assessments	321.78	Assessment year 2009-2010	Commissioner of Income Tax (Appeals) – 15, Mumbai
Customs Act, 1962	Customs duty on two dryers	28.78	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	0.55	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

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 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 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
Central Excise Act, 1944	Duty Drawback on exported goods	3.90	01.09.2010 to 30.09.2010	The Dy. Commissioner (tech.) Central Excise, Kolhapur
Central Excise Act, 1944	Duty Drawback on exported goods	1.25	01.01.2011 to 31.10.2011	The Dy. Commissioner (tech.) Central Excise, Kolhapur
Central Excise Act, 1944	Reversal of Cenvat Credit	11.38	01.05.2008 to 28.02.2010	Customs, Excise & Service tax Appellate Tribunal, West Zonal Bench, Mumbai
Central Excise Act, 1944	Duty Drawback on exported goods	14.69	01.12.2010 to 31.12.2010	The Joint Secretary Government of India Ministry of Finance Dept., of Revenue, New Delhi.
Finance Act, 1994	Service Tax credit of services received outside India.	1.24	01.06.2013 to 31.10.2013	The Dy. Commissioner, Central Excise, Kolhapur-II
Finance Act, 1994	Manpower Services received from various contractors	0.76	01.04.2012 to 31.03.2013	The Dy. Commissioner, Central Excise, Kolhapur-I
Finance Act, 1994	Service Tax on input service distributor.	15.12	01.04.2008 to 31.03.2013	The Superintendent of Central Excise, Kolhapur-I
Total		459.70		

Balance Sheet as at 31st March, 2014

Particulars	Note Ref.	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	608.30	608.30
(b) Reserves & Surplus	2	22,149.86	23,279.60
(c) Money Received against Share Warrants		—	—
		22,758.16	23,887.90
2. Share Application Money Pending Allotment			
		—	—
3. Non-Current Liabilities			
(a) Long-Term Borrowings	5	—	—
(b) Deferred Tax Liabilities (net)	12	—	262.83
(c) Other Long Term Liabilities	3	8.12	5.79
(d) Long Term Provisions	4	226.52	204.80
		234.64	473.42
4. Current Liabilities			
(a) Short-Term Borrowings	5	—	—
(b) Trade Payables	6	2,333.25	3,351.54
(c) Other Current Liabilities	3	5,343.91	3,501.20
(d) Short-Term Provisions	4	1,244.22	1,367.68
		8,921.38	8,220.42
Total		31,914.18	32,581.74
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	4,563.22	5,453.98
(ii) Intangible Assets	8	59.41	48.08
(iii) Capital Work-in-Progress	9	0.55	1.05
(iv) Intangible Assets Under Development	10	14.90	—
		4,638.08	5,503.11
(b) Non-Current Investments	11	7,244.53	7,244.53
(c) Deferred Tax Assets	12	241.05	—
(d) Long-Term Loans & Advances	13	1,194.29	704.85
(e) Other Non-Current Assets	14	2,303.36	1,852.82
		10,983.23	9,802.20
2. Current Assets			
(a) Current Investments	15	3,580.47	3,557.28
(b) Inventories	16	7,887.89	8,736.63
(c) Trade Receivables	17	1,825.94	2,461.90
(d) Cash and Bank Balances	18	2,273.26	1,430.95
(e) Short-term Loans and Advances	13	270.83	533.16
(f) Other Current Assets	14	454.48	556.51
		16,292.87	17,276.43
Total		31,914.18	32,581.74

The accompanying Statement of Significant Accounting Policies and Notes to Financial Statements form an integral part of the Financial Statements

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, Date: 27th May, 2014

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 27th May, 2014

Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note Ref.	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Revenue from Operations (Gross):	19	26,201.83	33,196.41
Less: Excise Duty		1,950.62	2,725.71
Revenue from Operations (Net):		24,251.21	30,470.70
Other Operating Revenue	20	1,342.85	753.28
Other Income	21	459.40	428.06
A. Total Revenue		26,053.46	31,652.04
Expenses:			
Cost of Materials Consumed	22	14,630.56	17,591.69
Purchase of Stock-in-Trade		–	226.58
Changes in Inventories of finished goods work-in-progress and Stock-in-Trade	23	894.81	498.14
Employee Benefit Expenses	24	5,167.76	5,257.61
Finance Cost	25	119.73	63.92
Depreciation & Amortisation	26	1,026.31	1,079.08
Other Expenses	27	4,415.32	5,066.12
B. Total Expenses		26,254.49	29,783.14
Profit Before exceptional and extraordinary items and Tax (A-B)		(201.03)	1,868.90
Exceptional Item			
Compensation towards Voluntary Retirement Scheme	39	1,079.12	–
Profit Before extraordinary items and tax		(1,280.15)	1,868.90
Extraordinary Items		–	–
Profit Before Tax		(1,280.15)	1,868.90
1. Current Tax	28	–	782.35
2. Deferred Tax	12	(503.89)	(151.96)
Tax Expense		(503.89)	630.39
Profit for the period from Continuing Operations		(776.26)	1,238.51
Discontinued Operations		–	–
Profit for the period		(776.26)	1,238.51
Earning per Equity Share			
– Before Exceptional Item	29		
– Basic and Diluted		(0.08)	4.07
– After Exceptional Item	29		
– Basic and Diluted		(2.55)	4.07
Par Value		2.00	2.00

The accompanying Statement of Significant Accounting Policies and Notes to Financial Statements form an integral part of the Financial Statements

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, Date: 27th May, 2014

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 27th May, 2014



Cash Flow Statement for the year ended 31st March, 2014

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	(1,280.15)	1,868.90
Add: Depreciation	1,026.31	1,079.08
Interest	76.02	41.96
Fixed assets written off / scrapped	2.47	13.45
Loss / (profit) on sale of assets	(5.52)	(27.80)
Provision for gratuity	205.92	106.47
Provision for interest on income tax	-	5.97
Provision for wealth tax	2.11	2.70
Provision for earned leave wages	28.18	33.01
Provision for diminution in current invest.	-	(4.70)
Dividend	(63.77)	(124.45)
Profit on sale of investments	(173.61)	(40.92)
Interest received on deposits	(188.00)	(108.35)
Project expenses Written off	-	83.42
	910.10	1,059.84
Operating Profit before working Capital Changes	(370.05)	2,928.74
Working Capital Changes		
Trade payable and Other Liabilities	830.84	(3,983.02)
Inventory changes	848.74	1,749.19
Trade and other receivables	542.94	2,222.51
	301.64	(1,932.19)
Cash generated from operations	1,852.46	996.55
Deduct: Direct taxes	636.39	1,094.42
Net Cash from Operating Activities	1,216.07	(97.87)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including CWIP	(194.17)	(430.80)
Purchase of investments	(4,413.73)	(3,329.39)
Sale of fixed assets	35.13	70.55
Sale of investments	4,564.15	3,499.13
Dividend received	63.77	124.45
Other bank balances	7.04	157.86
Interest Received	188.00	250.20
	108.35	200.15
Net cash flow from Investing Activities	250.20	200.15

Cash Flow Statement for the year ended 31st March, 2014 (contd.)

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(75.82)	(41.96)
Dividend paid including dividend tax	(541.10)	(883.27)
Net Cash flow from Financing Activities	(616.91)	(925.23)
Net Cash flow from Operating, Investing and Financing Activity	849.35	(822.95)
Opening Cash and Cash Equivalents	507.17	1,330.12
Closing Cash and Cash Equivalents	1,356.52	507.17

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, Date: 27th May, 2014

R. V. Joshi

Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 27th May, 2014

Statement of Significant Accounting Policies and Other Explanatory Notes

A. BACKGROUND

Manugraph India Ltd, was established in the year 1972. The company is the largest manufacturer of single width web-offset printing presses in India and has a significant share of the world market for its products. The manufacturing facilities are located at Kolhapur in India and through its wholly owned subsidiary in Millersburg – USA. The company has its in-house R&D facilities with a combined strength of over 50 engineers at both locations. The Indian R&D facilities are recognized by Department of Scientific and Industrial Research – Ministry of Science and Technology, Government of India.

B. ACCOUNTING POLICIES

(a) Basis of preparation

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 and Companies Act 2013 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated 4th April 2014 with respect to the Financial Statements. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956.

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known.

(c) Inflation

Assets and liabilities are shown at historical cost. No adjustments are made for changes in purchasing power of money.

(d) Fixed Assets

- i. Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.
- ii. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use.
- iii. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(e) Depreciation and Amortisation

Depreciation on all assets of the Company is charged on straight line method over the useful life of assets estimated by the management in the manner provided in Schedule XIV of the Companies Act, 1956 for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Statement of Significant Accounting Policies and Other Explanatory Notes

(f) Impairment of assets

Cash generating unit / fixed assets / Investments 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 statement of profit and loss. Impairment loss in respect of assets sold / scrapped are reversed and consequent profit or loss on such sale is accounted. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Depreciation charged on assets impaired is adjusted in future period over its remaining useful life.

(g) 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.

- | | | |
|------|--|--|
| i. | Raw Material & Components | Raw materials and components, stores and spares are stated at lower of cost and net realisable value. |
| ii. | Consumable Tools | Consumable tools are stated at cost or below cost. |
| iii. | Work-in-progress and manufactured components | Work-in-progress and manufactured components are valued at lower of cost and net realisable value computed including Material, Labour and Overheads related to the manufacturing operations. |
| iv. | Finished Goods | Finished products are valued at lower of cost and net realisable value Cost is computed including Material, Labour and Overheads related to the manufacturing operations. |

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

(h) Investment

- i. 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.
- ii. Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

(i) Employee Benefits

- i. Provident fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss 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 Statement of profit and loss in the year when the contributions accrue. The scheme is funded with an insurance company in the form of a qualifying insurance policy and other permissible securities.
- iii. The company has a defined benefit gratuity scheme. For the defined benefit scheme, actuarial valuations are being carried out on a projected unit credit method at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss 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.

(j) Research and Development

Revenue expenditure on research and development is charged to statement of profit and loss 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.

(k) CENVAT Credit / Service Tax Credit

- i. CENVAT credit utilised during the year is accounted in excise duty and unutilised CENVAT balance at the year end is considered as advance excise duty.
- ii. Service tax credit utilised during the year towards excise liability is accounted in excise duty and unutilised service tax credit at the year-end is considered as advance Service Tax.

Statement of Significant Accounting Policies and Other Explanatory Notes

(l) Revenue Recognition

- i. Sales comprise of sale of goods and spare parts and are net of trade discount and sales returns. Sales include excise duty but exclude sales tax and value added tax. Sales are recognised when the goods are dispatched and all risks and rewards are transferred to the buyer. Income from Installation and commissioning is recognised after the service is rendered.
- ii. Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- iii. Dividend income is accounted when the right to receive the same is established by the Balance sheet date.

(m) 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.

(n) Foreign Exchange Transactions

- i. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain / loss on settlement / negotiation during the year is recognised in the Statement of Profit and Loss.
- ii. Foreign currency transactions remaining unsettled at the end of the year are converted at year-end rates. Gain or loss arising on account of transactions covered by forward contract is recognised over the period of contracts.
- iii. Monetary assets and liabilities at the end of the year are converted at the year end rate and the resultant gain or loss is accounted for in the Profit and Loss Account.
- iv. 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.

(o) Taxation

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. 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(p) Earnings per share

- i. Basic and diluted earnings per share are calculated by dividing the net profit for the year / period attributed to equity shareholders by the weighted average number of equity shares outstanding during the year / period.
- ii. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Statement of Significant Accounting Policies and Notes to Financial Statements

(q) 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 possible obligations which will be confirmed only by future events not wholly within the control of the company or 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.

(r) 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.

C. NOTES TO FINANCIAL STATEMENTS

1. Share Capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Authorised Capital:				
Equity shares of Rs. 2 each	98,500,000	1,970.00	98,500,000	1,970.00
Preference shares of Rs. 100 each	10,000	10.00	10,000	10.00
Unclassified shares of Rs. 100 each	20,000	20.00	20,000	20.00
Redeemable preference shares of Rs. 100 each	350,000	350.00	350,000	350.00
Total		2,350.00		2,350.00

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Issued, Subscribed And Paid up Capital:				
Equity shares of Rs. 2 each fully paid up	30,415,061	608.30	30,415,061	608.30
Total	30,415,061	608.30	30,415,061	608.30

(a) The Company has not issued any bonus shares during the last five years.

(b) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	%	Number of shares held	%
Multigraph Machinery Co. Ltd.	5,955,027	19.58	5,955,027	19.58
Sanat Manilal Shah	2,562,610	8.43	2,562,610	8.43
Pradeep Sanat Shah	1,634,545	5.37	1,634,545	5.37
Santsu Finance & Investment Pvt. Ltd.	1,905,500	6.26	1,905,500	6.26
Manu Enterprises Ltd.	1,955,375	6.43	1,955,375	6.43
Reliance Capital Trustee Co. Ltd.	1,830,853	6.02	1,830,853	6.02
Total	15,843,910	52.09	15,843,910	52.09

Statement of Significant Accounting Policies and Notes to Financial Statements

(c) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	%	Number	%
At the beginning of the year	30,415,061	608.30	30,415,061	608.30
Issued during the period	—	—	—	—
Outstanding at the end of the year	30,415,061	608.30	30,415,061	608.30

(d) The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share.

(e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. Reserves & Surplus

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
i. Capital Reserve		70.00		70.00
ii. Capital Reserve – On Amalgamation		128.00		128.00
iii. Capital Redemption Reserve		110.58		110.58
iv. Securities Premium Account		2,145.06		2,145.06
Other Reserves				
v. General Reserve:				
Balance per last Balance Sheet		9,225.00		9,100.00
Add:				
Transferred from surplus		—		125.00
		9,225.00		9,225.00
vi. Surplus in Profit and Loss Account				
Balance as per last Balance Sheet		11,600.96		11,021.22
Add:				
Profit for the year		(776.26)		1,238.51
Sub Total		(776.26)		1,238.51
Less:				
Transfer to General Reserve		—		125.00
Proposed Dividend		304.15		456.23
Tax on Proposed Dividend		49.33		77.54
Sub Total		353.48		658.77
		10,471.22		11,600.96
Total Reserves & Surplus (i+ii+iii+iv+v+vi)		22,149.86		23,279.60

a) The General Reserve has been created in accordance with the requirements of the Companies (Transfer of Profits to Reserve) Rules, 1975.

Statement of Significant Accounting Policies and Notes to Financial Statements

3. Other Liabilities

Particulars	Non-Current		Current	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
Advances from Customers	–	–	4,141.10	2,933.52
Unclaimed dividends	–	–	58.05	65.38
Other Liabilities	1.35	–	1,121.60	483.06
Interest accrued but not due	–	–	0.20	–
Duties & Taxes Payable	–	–	22.16	19.24
Security deposits	6.77	5.79	0.80	–
Total	8.12	5.79	5,343.91	3,501.20

Unclaimed dividends: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

4. Provisions

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
For employee benefits				
Provision for earned leave wages	226.52	204.80	37.05	30.59
Provision for Gratuity	–	–	716.37	510.45
Others				
Proposed Dividend	–	–	304.15	456.23
Corporate Tax on Dividend	–	–	49.33	77.54
Provision for Warranty	–	–	137.32	140.36
Provision for taxation net of taxes paid	–	–	–	152.51
Total	226.52	204.80	1,244.22	1,367.68

Disclosure under Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets (2013-14)

Particulars	(A)	(B)	(C)	(A+B-C)
	Opening Balance	Additions during the year	Amt. Paid Reversed during the year	Closing Balance
Warranty Expenses	140.37	193.12	196.16	137.32
(Previous Year)	(139.93)	(156.63)	(156.19)	(140.37)

Statement of Significant Accounting Policies and Notes to Financial Statements

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.

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Present value of obligation at the beginning of the year	1,671.17	1,433.91
Interest cost	133.69	114.71
Current service cost	69.25	61.25
Benefits paid	(256.24)	(65.59)
Actuarial (gain)/loss on obligation	91.63	126.88
Present value of obligation at the end of the year	1,709.50	1,671.17
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,160.72	1,029.93
Expected return on plan assets	86.99	93.77
Contributions	1.67	102.60
Benefits paid	(256.24)	(65.59)
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	993.14	1,160.72
Amount recognised in Balance Sheet		
Fair value of plan assets as at the end of the year	993.14	1,160.72
Present value of obligation as at the end of the year	1,709.50	1,671.17
Asset/(liability) recognised in the Balance Sheet	(716.37)	(510.45)
Expense recognised in the Statement of Profit and Loss		
Interest cost	133.69	114.71
Current service cost	69.25	61.25
Expected return on plan assets	(86.99)	(93.77)
Net actuarial (gain)/loss recognised in the year	91.63	126.88
Net cost	207.59	209.07
Break-up of Plan Assets		
Category of assets as at the end of the year		
Insurer Managed Funds	100%	100%
(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
Assumptions		
Discount rate	8%	8%
Salary escalation rate (annual)	4%	4%

Note:- Experience adjustment information is not available and hence not disclosed.

Statement of Significant Accounting Policies and Notes to Financial Statements

5. Borrowings

The borrowings of the Company are analysed as follows:

Particulars	Non-Current / Long Term		Current / Short Term	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
Secured Loans:				
Cash credit account	–	–	–	–
Unsecured Loans:	–	–	–	–
Total Loans	–	–	–	–

Secured by hypothecation of stock-in-trade, stores, book-debts and other receivables and second charge on the company's moveable and immoveable properties.

6. Trade Payables – Current

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
Trade Payables		
– Subsidiary company	–	64.07
– Micro Small and Medium Enterprises	11.46	43.31
– Others	2,321.79	3,244.16
Total	2,333.25	3,351.54

Disclosure in accordance with Section 22 of Micro Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
a. Principal amount remaining unpaid to any supplier	11.46	41.46
b. Interest Due and unpaid during the year	–	1.85
c. The amount of principal paid beyond the appointed date	8.00	103.80
d. The amount of interest paid beyond the appointed date	1.85	2.27
e. Amount of interest due and payable on delayed payments	–	1.85
f. Total outstanding dues of micro, small and medium enterprises	11.46	43.31

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.

Statement of Significant Accounting Policies and Notes to Financial Statements

7. Tangible assets

(Rs. in lakhs)

	Research and Development										Total	
	Freehold land	Leasehold land	Buildings	Plant, Machinery & Equipment	Computers	Other Equipments	Furniture & fittings	Vehicles	Gauges & Instruments	Computers		Prototype Machine
Cost												
As at 1st April, 2012	14.69	7.64	2,255.70	10,721.24	404.80	283.26	483.83	369.43	42.10	23.62	549.92	15,156.22
Additions	-	-	3.84	163.37	20.55	34.56	13.89	140.17	-	2.83	-	379.20
Disposals	-	-	-	143.78	6.07	11.40	1.16	59.61	-	-	-	222.02
As at 31st March, 2013	14.69	7.64	2,259.54	10,740.83	419.28	306.42	496.56	449.99	42.10	26.45	549.92	15,313.40
Additions	-	-	8.54	112.14	16.19	5.94	2.08	5.97	-	1.69	-	152.56
Disposals	-	-	0.89	161.48	-	14.19	1.62	35.76	-	-	-	213.94
As at 31st March, 2014	14.69	7.64	2,267.19	10,691.49	435.47	298.17	497.02	420.20	42.10	28.14	549.92	15,252.02
Depreciation/ Amortisation												
As at 1st April, 2012	-	-	708.79	7,171.93	327.42	125.30	339.32	116.96	27.58	17.14	132.88	8,967.32
Charge for the year	-	-	65.07	781.13	25.64	13.05	16.90	39.22	4.35	2.62	109.98	1,057.96
Disposals	-	-	-	129.90	6.07	7.09	0.59	22.16	-	-	-	165.81
As at 31st March, 2013	-	-	773.86	7,823.16	346.99	131.26	355.63	134.02	31.93	19.76	242.86	9,859.47
Charge for the year	-	-	61.40	739.73	23.03	13.16	15.98	41.49	4.35	2.10	109.98	1,011.22
Disposals	-	-	0.60	159.30	-	8.20	1.32	12.45	-	-	-	181.86
As at 31st March, 2014	-	-	834.66	8,403.59	370.02	136.22	370.29	163.06	36.28	21.86	352.84	10,688.83
Net Block												
As at 31st March, 2013	14.69	7.64	1,485.70	2,917.67	72.28	175.15	140.94	315.98	10.17	6.69	307.05	5,453.98
As at 31st March, 2014	14.69	7.64	1,432.55	2,287.90	65.45	161.95	126.73	257.14	5.82	6.28	197.07	4,563.22

Statement of Significant Accounting Policies and Notes to Financial Statements

8. Intangible assets

(Rs. in Lacs)

	Technical Documentation & Know How	Computer Software	R & D Software	Total
Cost				
As at 1st April, 2012	220.74	127.04	89.89	437.66
Additions	–	14.93	14.14	29.06
As at 31st March, 2013	220.74	141.97	104.03	466.72
Additions	–	17.67	8.74	26.42
As at 31st March, 2014	220.74	159.64	112.77	493.14
Depreciation / Amortization				
As at 1st April, 2012	220.74	119.01	57.77	397.52
Charge for the year	–	7.87	13.25	21.13
As at 31st March, 2013	220.74	126.88	71.02	418.65
Charge for the year	–	5.41	9.69	15.09
As at 31st March, 2014	220.74	132.29	80.71	433.74
Net Block				
As at 31st March, 2013	–	15.08	33.01	48.08
As at 31st March, 2014	–	27.34	32.06	59.41

9. Capital Work-in-Progress

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
Capital Work In Progress	0.55	1.05
Total	0.55	1.05

a) CWIP represents Work in Progress for the following

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
On account of Plant & machinery	0.55	0.55
On account of Building	–	0.50
Total	0.55	1.05

10. Intangible Assets Under Development

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
Intangible Assets Under Development	14.90	–
Total	14.90	–

Intangible assets under development includes of software development in progress of Rs. 14.90 lacs.

Statement of Significant Accounting Policies and Notes to Financial Statements

11. Non-Current Investments

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
Trade Investments				
Manugraph Securities and Finance Private Limited (unquoted)	250	0.03	250	0.03
Other Investments				
Investment in Government securities (unquoted)				
6 years National Savings Certificates – VIII issue		0.10		0.10
Investment in subsidiary companies (unquoted)				
Constrad Agencies (Bombay) Private Ltd. (shares of Rs. 100/- each)	5,000	177.16	5,000	177.16
Manugraph Americas, Inc, USA (shares of US\$ 0.01 each)	3,88,290	9,197.51	3,88,290	9,197.51
Manugraph Americas, Inc, USA – Preferred Stock (shares of US\$ 0.01 each)	1,00,000	3,869.23	1,00,000	3,869.23
Others (unquoted)				
Shree Warna Sahakari Bank Limited (shares of Rs. 25/- each)	2,000	0.50	2,000	0.50
		13,244.53		13,244.53
Less -				
Provision for diminution in value of investment (in respect of Equity Investment in Manugraph Americas, Inc formerly called Manugraph DGM, Inc)		6,000.00		6,000.00
Total		7,244.53		7,244.53

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)		(Rs. in lakhs)	
a. Aggregate value of quoted investments				
– Book Value		–		–
– Market Value		–		–
b. Aggregate value of unquoted investments		7,244.53		7,244.53
i. 6 years National Savings Certificates – VIII Issue of the face value of Rs. 10,000 (previous year: Rs. 10,000) have been deposited with the sales-tax authorities.				
ii. The investment in Manugraph Americas Inc. (Formerly Manugraph DGM Inc.) includes 116,698 equity shares which have been pledged with the bankers for credit facilities availed by the subsidiary Manugraph Americas, Inc.				

12. Deferred Tax Assets/(Liability)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Deferred tax liability on account of				
Difference between book and tax depreciation		356.98		(516.34)
Less:				
Deferred tax Assets on account of				
Provision for leave encashment	85.52		80.01	
Provision for gratuity	232.42		173.50	
Compensation under VRS	280.10		–	
Total Deferred Tax Asset		598.04		253.51
Net Deferred Tax Asset/(Liability)		241.05		(262.83)

Statement of Significant Accounting Policies and Notes to Financial Statements

13. Loans and Advances

(unsecured considered good unless otherwise stated)

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
Loan to subsidiary company	3.50	3.50	–	–
Staff Loans	310.80	293.64	107.99	103.36
Advances Recoverable in Cash or in kind	2.98	3.22	76.22	117.84
Advances to Suppliers	–	–	85.62	310.26
Capital Advance	0.80	11.01	–	–
Sundry Deposits	54.42	53.49	1.00	1.70
Taxes paid net of provisions	821.79	339.98	–	–
Total	1,194.29	704.84	270.83	533.16

Loan to Subsidiary represents loan to Constrad Agencies (Bombay) Pvt. Ltd.

14. Other Assets

(unsecured considered good unless otherwise stated)

Particulars	Non-Current / Long Term		Current / Short Term	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
Claims and Refunds receivable	2,303.36	1,852.22	329.55	448.90
Balances with Revenue Authorities	–	0.60	124.93	107.61
Total	2,303.36	1,852.82	454.48	556.51

15. Current Investments

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
Investments in Mutual Funds (unless otherwise specified) (quoted)				
Templeton India Low Duration Fund Qtr. Dividend	–	–	4,154,557	428.90
Birla Sun Life Savings Fund Growth Plan	89,143	200.00	–	–
Templeton India Treasury Management – Account Super Institutional Plan-Direct	40,732	407.75	–	–
HDFC Liquid Fund Div. Re-Investment	6,950,365	708.81	–	–
ICICI Prudential Savings Fund-Reg Plan-DDR	505,019	506.16	–	–
Birla Sun Life Cash Plus Daily Div. Re-Investment	500,872	501.85	–	–
Birla Sunlife Dynamic Bond Fund Regular Growth	–	–	1,574,225	300.00
Birla Sunlife Dynamic Bond Fund Direct Growth	–	–	1,524,336	300.00
TATA Short Term Bond Fund Growth	2,133,306	500.00	–	–
Templeton India Short Term Income Retail Monthly	38,645	452.30	–	–
Templeton India Cash Management Account – Dividend Reinvestment (unquoted)	35,935	3.60	33,810	3.38
HDFC FMP 400D February 2012 (1) Growth	–	–	2,000,000	200.00
HDFC FMP 392D March 2012 (1) Growth	–	–	5,000,000	500.00
Birla Sunlife Fixed Term Plan Sr. FC – Growth	–	–	2,000,000	200.00
IDFC SSIF Short Term Plan A Growth	–	–	2,153,390	500.00
DWS Premier Bond Fund Regular Plan – Growth	–	–	2,126,506	400.00
Templeton India Short Term Plan Growth	13,276	300.00	13,276	300.00
HDFC Short Term Plan – Growth	–	–	1,376,065	300.00
HDFC Income Fund – Growth	–	–	483,692	125.00
		3,580.47		3,557.28
Less: Provision for diminution in value of investment		–		–
Total		3,580.47		3,557.28
Particulars	As at 31st March, 2014 (Rs. in lakhs)		As at 31st March, 2013 (Rs. in lakhs)	
a. Aggregate of quoted investments				
– Book Value		3,576.87		3,553.90
– Market Value		3,641.80		3,722.27
b. Aggregate Book Value of unquoted investments		3.60		3.38

Statement of Significant Accounting Policies and Notes to Financial Statements

16. Inventories

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)		(Rs. in lakhs)	
Raw Material (incl. Goods in transit Rs. 27.83 lakhs, (previous year Rs. 69.01 lakhs)	2,210.92		2,155.69	
Work In Progress	2,947.80		3,231.12	
Finished Goods	-		-	
Stores & Spares	130.31		136.19	
Loose Tools (Consumable)	69.21		72.50	
Manufactured components	2,303.07		2,914.56	
Traded Goods	226.58		226.58	
Total	7,887.89		8,736.63	

Valuation methodology

- | | |
|---|--|
| i. Raw Material & Components, Stores & Spares | Raw materials and components, stores and spares are stated at lower of cost and net realisable value. |
| ii. Consumable Tools | Consumable tools are stated at cost or below cost. |
| iii. Work-in-progress and manufactured components | Work-in-progress and manufactured components are valued at lower of cost and net realisable value. |
| iv. Finished Goods including traded goods | Finished products are valued at lower of cost and net realisable value. Excise duty is included in the value of finished products inventory. |

17. Trade receivables – Current

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)		(Rs. in lakhs)	
(Unsecured)				
Outstanding for over six months old				
– Considered good	1,482.93		1,352.30	
– Considered doubtful	-		-	
	<u>1,482.93</u>		<u>1,352.30</u>	
Less: Provision for doubtful debts	-		-	
	<u>1,482.93</u>		1,352.30	
Others				
– Considered good	343.01		1,109.60	
Total	1,825.94		2,461.90	

18. Cash and Bank Balances

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)		(Rs. in lakhs)	
Cash & Cash Equivalents				
Bank balances				
With Scheduled Banks	1,341.36		491.68	
	<u>1,341.36</u>		491.68	
Cheques, Drafts on hand	0.38		1.34	
Cash Balances	14.78		14.15	
	<u>1,356.52</u>		<u>507.17</u>	
Other Bank Balances				
In fixed deposit accounts (as margin money)	690.69		858.40	
In fixed deposit accounts	168.00		-	
In unclaimed dividend accounts	58.05		65.38	
	<u>916.74</u>		<u>923.78</u>	
Total	2,273.26		1,430.95	

Statement of Significant Accounting Policies and Notes to Financial Statements

19. Revenue from Operations (Gross)

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Sale of Products		
Sales of Finished Goods & spares (Domestic)	17,886.73	24,444.01
Sales of Finished Goods & spares (Export)	8,315.10	8,752.40
Net of Sales Return Rs. 9.81 lakhs (previous year Rs. 3.54 lakhs)		
Total	26,201.83	33,196.41
Less: Excise Duty	1,950.62	2,725.71
Sales Net of Excise Duty	24,251.21	30,470.70

Sale of Products

Sale of Finished Goods & Spares (Net of excise duty)

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Printing units	22,590.10	28,701.17
Spares and accessories	1,661.11	1,769.53
Total	24,251.21	30,470.70

20. Other Operating Revenue

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Service and erection charges received	992.30	526.00
Miscellaneous receipts	120.44	98.41
Export Incentives	206.14	126.67
Sundry credit balances appropriated	23.97	0.58
Excess Provision for doubtful debts & advances	-	1.62
Total	1,342.85	753.28

21. Other Income

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Dividend from Current Investment	63.72	124.39
Dividend from Non-current Investment	0.05	0.06
Rent (gross)	28.50	28.98
Profit on sale of Assets (Net)	5.52	27.80
Profit on sale of Investment - Current	173.61	40.92
Exchange gain (Net)	-	92.86
Excess Provision of Diminution in value of Investment	-	4.70
Interest received on deposits, debts etc.	188.00	108.35
Total	459.40	428.06

Statement of Significant Accounting Policies and Notes to Financial Statements

22. Cost of Materials Consumed:

Particulars	2013-14		2012-13	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Raw Materials Consumed				
Opening Stock	2,155.69		3,169.82	
Add: Purchases (Including components processing charges Rs. 684.60 lakhs – previous year: Rs. 801.61 lakhs)	14,691.53		16,584.05	
		16,847.22		19,753.87
Less: RMC Capitalised	5.74		6.49	
Closing Stock	2,210.92		2,155.69	
		2,216.66		2,162.18
Total		14,630.56		17,591.69

i) Raw Materials Consumed:

Particulars	2013-14		2012-13	
	(Rs. in lakhs)	%	(Rs. in lakhs)	%
Steel and other metals	677.13	4.63	1,033.61	5.88
Castings	1,060.21	7.25	1,321.24	7.51
Electrical parts	2,956.61	20.21	3,738.70	21.25
Components	9,936.61	67.92	11,498.14	65.36
Total	14,630.56	100.00	17,591.69	100.00

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

Particulars	2013-14		2012-13	
	(Rs. in lakhs)	%	(Rs. in lakhs)	%
Raw materials:				
Imported	2,983.13	20.39	3,037.37	17.27
Indigenous	11,647.43	79.61	14,554.33	82.73
Total	14,630.56	100.00	17,591.69	100.00

In giving the above information, the company has taken the view that spares and components as referred to in clause 5(VIII)(c) of Schedule VI cover only such items as go directly into production.

Statement of Significant Accounting Policies and Notes to Financial Statements

23. Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	2013-14		2012-13	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Inventory Adjustments – WIP				
Work-in-progress at Opening	3,231.12		1,459.83	
Work-in-progress at Closing	2,947.80		3,231.12	
		283.32		(1,771.29)
Inventory Adjustments – FG				
Stock at Commencement	–		2,170.10	
Less: Stock at Closing	–		–	
		–		2,170.10
Inventory Adjustments – Manufactured components				
Stock at Commencement	2,914.56		3,437.28	
Less: Stock at Closing	2,303.07		2,914.56	
		611.49		522.72
Inventory Adjustments – Trading				
Stock at Commencement	226.58		–	
Less: Stock at Closing	226.58		226.58	
		–		(226.58)
Excise duty on closing stock of finished products	–		–	
Less: Provision for excise duty on opening stock of finished products	–		196.81	
		–		(196.81)
Total		894.81		498.14

Opening stock of Finished Goods

Particulars	2013-14 (Rs. In lakhs)	2012-13 (Rs. In lakhs)
Printing units	–	2,170.10
Total	–	2,170.10

Closing stock of Finished Goods

Particulars	2013-14 (Rs. In lakhs)	2012-13 (Rs. In lakhs)
Printing units	–	–
Total	–	–

Statement of Significant Accounting Policies and Notes to Financial Statements

24. Employee Benefit Expenses

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Salary, Wages, bonus and allowances	4,285.88	4,397.63
Welfare expenses	270.63	294.41
Contribution to provident & other funds	315.35	331.07
Provision for earned leave wages	96.05	33.01
Contribution to Employees Group Gratuity Scheme	207.59	209.07
	5,175.50	5,265.19
Less Wages Capitalised	7.74	7.58
Total	5,167.76	5,257.61

- a) The Company has introduced a Voluntary Retirement Scheme, 2013 which was accepted by various employees. The Cost in connection therewith of Rs. 1079.12 lacs has been shown as an exceptional item. (refer note 39).
- b) The Managerial Remuneration paid during the year of Rs. 218.16 lacs in accordance with the approval of the members in general meeting dated 1st August 2013 is in excess of the limits specified by Section 198 of the Companies Act 1956 by an amount of Rs. 104.87 lacs. The Company has made an application to the Central Government for approval of the same which is pending as of the Balance Sheet date.

25. Finance Cost

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Interest paid	76.02	41.96
Interest on Income Tax	–	6.89
Other Borrowing Costs	43.71	15.07
Total	119.73	63.92

26. Depreciation & Amortisation

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Depreciation	1,011.22	1,057.96
Amortisation	15.09	21.13
Total	1,026.31	1,079.09

Statement of Significant Accounting Policies and Notes to Financial Statements

27. Other Expenses

Particulars	2013-14		2012-13	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Consumption of stores and Consumables		353.07		427.46
Power & Fuel		217.14		253.25
Rent		38.35		38.58
Rates & Taxes		12.72		13.97
Repairs to Buildings		63.18		89.93
Repairs to Machinery		62.60		95.37
Insurance		29.78		30.09
Travelling and conveyance		736.29		648.46
Commission on sales		1,045.45		1,197.14
Bank Charges		43.13		92.23
Other repairs		88.86		128.59
Advertisement and sales promotion expenses		39.41		434.59
Sundry debit balances written off		211.78		5.96
Fixed assets scrapped		2.47		13.45
Exchange Loss (Net)		128.10		–
Warranty expenses		193.12		156.63
Research and development expenses		264.98		270.77
Donations		34.00		6.42
Short provision and adjustments relating to previous years (Net)		13.84		257.69
Freight And Handling Charges		27.47		52.77
Packing And Forwarding Charges		248.17		259.86
Project Expenses Written off		–		83.42
Excise Duty & Other Taxes paid		0.44		–
Directors' Fees		2.70		3.78
Remuneration to Auditors				
Audit fees	18.25		16.75	
Other Services	3.50		3.31	
Out of Pocket	0.05	21.80	–	20.06
Miscellaneous Expenses (None of which individually forms more than 1% of the Operating Revenue.)		564.18		513.91
		4,443.03		5,094.38
Less: Expenditure transferred to capital accounts.				
Overheads capitalised		27.71		28.26
Total		4,415.32		5,066.12

Note: Advertisement and Sales promotion during the previous year includes the cost of participation in Drupa 2012 exhibition of Rs. 329.65 lakhs

Statement of Significant Accounting Policies and Notes to Financial Statements

a) Research and development expenses

Particulars	2013-14		2012-13	
	In Recognised Units	In other Units	In Recognised Units	In other Units
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Material	21.21	–	–	–
Personnel costs	209.48	33.56	220.82	46.84
Other Costs	0.72	0.01	2.56	0.55
Total Revenue Costs	231.41	33.57	223.38	47.39
Capex Costs	10.34	–	16.96	–

28. Current Taxation

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Current tax	–	782.00
Income tax pertaining to previous year	–	0.35
Total	–	782.35

29. Earning Per Share

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Net profit after tax available for equity shareholders before Exceptional Items	(24.58)	1,238.51
Net profit after tax available for equity shareholders after Exceptional Items	(776.26)	1,238.51
Weighted average number of equity shares of Rs. 2 each outstanding during the year	30,415,061	30,415,061
Earning Per Share before Exceptional Items Basic and diluted earnings per share (Rs.)	(0.08)	4.07
Earning Per Share after Exceptional Items Basic and diluted earnings per share (Rs.)	(2.55)	4.07

The earning per share before exceptional item has been computed without considering the current and deferred tax effect on the exceptional item.

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

Particulars	31.03.2014		31.03.2013	
	Currency type	Amount	Currency type	Amount
Trade Receivable and Other Receivables	USD	2,804,968	USD	3,403,982
	EURO	76,800	EURO	490,160
	GBP	1,670	GBP	1,684
Trade Payable and Other Payables	USD	1,470,275	USD	1,223,015
	EURO	54,015	EURO	14,317
	GBP	741	GBP	741
Outstanding forward contracts for future transaction/Firm Commitments	USD	–	USD	–

Statement of Significant Accounting Policies and Notes to Financial Statements

31. CIF Value of Imports

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Components	2,334.96	2,174.46
Stores, Spares and tools	49.39	31.16
Traded Goods	–	170.06
Total	2,384.35	2,375.68

32. Earnings in Foreign Exchange

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Exports of Printing Units calculated on F.O.B. basis	8,315.10	8,752.40
Service and Erection charges	342.52	82.95
Total	8,657.62	8,835.35

33. Expenditure in foreign currency

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Professional fees	–	6.13
Commission	277.38	176.94
Payments on other accounts	165.49	375.11
Total	442.87	558.18

34. 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:

Particulars	2013-14	2012-13
Number of non-resident shareholders	5	6
Number of equity shares of Rs. 2 each held by them	56,830	62,260
Amount of dividend remitted (Rs.)	85,245	155,650

Statement of Significant Accounting Policies and Notes to Financial Statements

35. Disclosure pursuant to Clause 32 of the Listing Agreement

Particulars	2013-14		2012-13	
	As at 31.3.14	Maximum outstanding	As at 31.3.13	Maximum outstanding
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Name of Loanees				
Amount of Loans/advances in nature of loan outstanding with no repayment schedule	–	–	–	–
Advances in nature of loan carrying Nil rate of interest				
Constrad Agencies (Bombay) Private Limited	3.50	3.50	3.50	3.50
Note: None of the Loanees have, per se, made investments in the shares of the company.				
Employee loans where repayment is beyond 7 years	374.06	395.44	344.65	349.33

36. Disclosure as required by Accounting Standard – AS 18 "Related Parties" of the Companies (Accounting Standards) Rules, 2006

I. Relationships:

Subsidiaries

Constrad Agencies (Bombay) Private Limited
Manugraph Americas, Inc. USA. (formerly known as Manugraph DGM, Inc)

Entities where significant influence exists

Multigraph Machinery Company Limited
Manubhai Sons and Company
Mercongraphic FZC,
Multigraph Machinery Kenya Limited.

Key Management Personnel

Mr. Sanjay S. Shah — Vice Chairman and Managing Director
Mr. Pradeep S. Shah — Managing Director
Mr S. M. Mordekar — Whole-time Director (Works) upto 8th January, 2013
Mr. B. B. Nandgave — Whole-time Director (Works) w.e.f 10th December, 2012

Relatives of Key Management Personnel

Mr. Sanat M. Shah
Mrs. Sudha S. Shah
Mr. Kushal Shah (upto 30.11.2013)

Statement of Significant Accounting Policies and Notes to Financial Statements

II. The Related party transactions are detailed as required by AS-18 are as under

(Rs. in lakhs)

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Purchase of goods:					
Manugraph Americas Inc.	38.72				38.72
	(43.32)				(43.32)
	38.72				38.72
	(43.32)				(43.32)
Sale of goods:					
Multigraph Machinery Kenya Ltd.		30.00			30.00
		(24.49)			(24.49)
Manugraph Americas Inc.	10.87				10.87
	(13.11)				(13.11)
Mercongraphic FZC		5,979.27			5,979.27
		(5,626.20)			(5,626.20)
	10.87	6,009.26			6,020.14
	(13.11)	(5,650.69)			(5,663.80)
Finance given:					
Constrad Agencies (Bombay) Private Limited	-				-
	(0.50)				(0.50)
	(0.50)				(0.50)
Service Charges received:					
Multigraph Machinery Kenya Ltd.		21.26			21.26
		(17.29)			(17.29)
Mercongraphic FZC		181.94			181.94
		(49.43)			(49.43)
	-	203.19			203.19
	-	(66.73)			(66.73)
Commission paid:					
Multigraph Machinery Kenya Ltd.		6.62			6.62
		(-)			(-)
Manugraph Americas Inc.	99.33				99.33
	(175.04)				(175.04)
Multigraph Machinery Co. Ltd.		742.43			742.43
		(1020.20)			(1020.20)
	99.33	749.05			848.38
	(175.04)	(1,020.20)			(1,195.24)
Rent received:					
Multigraph Machinery Co. Ltd.		27.06			27.06
		(27.54)			(27.54)
Manubhai Sons and Company		1.44			1.44
		(1.44)			(1.44)
		28.50			28.50
		(28.98)			(28.98)

Statement of Significant Accounting Policies and Notes to Financial Statements

(Rs. in lakhs)

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Rent paid:					
Multigraph Machinery Co. Ltd.		1.69 (3.37)			1.69 (3.37)
Sanjay S. Shah			11.88 (11.07)		11.88 (11.07)
Pradeep S. Shah			11.88 (11.07)		11.88 (11.07)
Sudha S. Shah				2.64 (2.46)	2.64 (2.46)
		<u>1.69</u> (3.37)	<u>23.76</u> (22.14)	<u>2.64</u> (2.46)	<u>28.09</u> (27.97)
Managerial remuneration paid:					
Sanjay S. Shah			100.43 (89.98)		100.43 (89.98)
Pradeep S. Shah			100.44 (89.87)		100.44 (89.87)
S. M. Mordekar			– (14.22)		– (14.22)
B. B. Nandgave			17.29 (5.70)		17.29 (5.70)
			<u>218.16</u> (199.77)		<u>218.16</u> (199.77)
Directors' fees:					
Sanat M. Shah				0.40 (0.40)	0.40 (0.40)
				<u>0.40</u> (0.40)	<u>0.40</u> (0.40)
Salaries and allowances:					
Kushal S. Shah				5.77 (6.81)	5.77 (6.81)
				<u>5.77</u> (6.81)	<u>5.77</u> (6.81)
Debit Balances written off:					
(Interest)					
Manugraph Americas Inc.		197.53 (–)			197.53 (–)
		<u>197.53</u> (–)			<u>197.53</u> (–)
Sale of Asset:					
Multigraph Machinery Co. Ltd.		16.90 (–)			16.90 (–)
		<u>16.90</u> (–)			<u>16.90</u> (–)

Statement of Significant Accounting Policies and Notes to Financial Statements

(Rs. in lakhs)

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Reimbursement of expenses received:					
Manugraph Americas Inc.	25.40				25.40
	(15.77)				(15.77)
	<u>25.40</u>				<u>25.40</u>
	(15.77)				(15.77)
Outstanding Receivables:					
Multigraph Machinery Kenya Ltd.		6.72			6.72
		(20.00)			(20.00)
Manugraph Americas Inc.	-				-
	(264.33)				(264.33)
Mercongraphic FZC		1,274.27			1,274.27
		(1,101.21)			(1,101.21)
Constrad Agencies (Bombay) Private Limited	3.50				3.50
	(3.50)				(3.50)
	<u>3.50</u>	<u>1,280.99</u>			<u>1,284.49</u>
	(267.83)	(1,121.21)			(1,389.04)
Advance From Customers:					
Manugraph Americas Inc.	180.30				180.30
	(-)				(-)
Mercongraphic FZC		62.73			62.73
		(56.77)			(56.77)
	<u>180.30</u>	<u>62.73</u>			<u>243.03</u>
	(-)	(56.77)			(56.77)
Outstanding Payables:					
Manugraph Americas Inc.	-				-
	(64.07)				(64.07)
Multigraph Machinery Co. Ltd.		19.72			19.72
		(271.08)			(271.08)
	-	19.72			19.72
	(64.07)	(271.08)			(335.15)
Guarantees given to banker for credit facilities:					
Manugraph Americas Inc.	2,554.24				2,554.24
	(2,311.55)				(2,311.55)
	<u>2,554.24</u>				<u>2,554.24</u>
	(2,311.55)				(2,311.55)

Statement of Significant Accounting Policies and Notes to Financial Statements

37. Contingent liabilities and commitments

Description	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
I. Contingent liabilities		
(a) Claims against the company not acknowledged as debt;	21.31	37.12
(b) Guarantees;		
On account of guarantees executed by the company's bankers:	8.29	8.29
On account of the guarantee given by the Company bankers for the value of USD 4.25 million (PY USD 4.25 million) in favour of subsidiary's banker for credit facilities availed by the subsidiary Manugraph Americas Inc. from them	2,554.24	2,311.55
(c) Other money for which the company is contingently liable		
Income-tax, sales tax, customs duty, excise duty and service tax demands against which the company has preferred appeals / made representation	1,027.95	806.33
On account of undertakings given by the company in favour of Customs Authority:	870.00	1,005.00
Total	4,481.79	4,168.29
II. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	1.40	25.87
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature).	-	-
Total	1.40	25.87

38. In the opinion of the Board of Directors, all the assets other than fixed assets and non current investments have value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

39. Exceptional item represents the payments towards the Voluntary Retirement Scheme, 2013 introduced by the Company and opted by the employees during the year of Rs. 1,079.12 lacs. The deferred tax effect thereon of Rs. 280.10 lacs has been included as part of deferred tax under Tax Expense.

40. Previous year figures are regrouped and re-arranged wherever necessary with those of the current year to make them comparable.

41. Segment Reporting as required by AS - 17

The operation of the company represents one primary segment of activity relating to "Production of Printing Machines" and the entire production operations are located in India and therefore there are no separate reportable segments as per AS -17 'Segment Reporting'.

42. Explanatory notes 1 to 42 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

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, Date: 27th May, 2014

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 27th May, 2014

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Manugraph India Limited

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Manugraph India Limited ('MIL' or 'the Company') and its subsidiaries (MIL Group), which comprise the consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 "MIL GROUP" as at 31st March, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss of the "MIL GROUP" for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the net cash flows of the "MIL GROUP" for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs.7,885.19 lakhs as at March 31, 2014, total income of Rs. 5,089.65 lakhs for the year then ended;

The above mentioned financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

For Natvarlal Vepari & Co.
 Firm Registration Number:106971W
 Chartered Accountants

N Jayendran
 M. No. 040441
 Partner

Mumbai, Dated : May 27, 2014

Consolidated Balance Sheet as at 31st March, 2014

Particulars	Note Ref.	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March 2013 (Rs. in lakhs)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	608.30	608.30
(b) Reserves & Surplus	2	19,904.21	20,621.82
(c) Money Received against Share Warrants		—	—
		20,512.51	21,230.12
2. Share Application Money Pending Allotment			
		—	—
3. Non-Current Liabilities			
(a) Long-Term Borrowings	6	—	—
(b) Deferred Tax Liabilities (Net)	3	—	262.83
(c) Other Long Term Liabilities	4	13.66	5.79
(d) Long Term Provisions	5	226.52	204.80
		240.18	473.42
4. Current Liabilities			
(a) Short-Term Borrowings	6	1,496.41	1,781.32
(b) Trade Payables	7	2,666.00	3,562.75
(c) Other Current Liabilities	4	6,045.69	4,149.78
(d) Short-Term Provisions	5	1,324.31	1,406.94
		11,532.41	10,900.79
Total		32,285.10	32,604.33
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	6,037.63	6,896.70
(ii) Intangible Assets	9	59.41	48.08
(iii) Capital Work-in-Progress	10	0.55	1.05
(iv) Intangible Assets Under Development	11	14.90	—
		6,112.49	6,945.83
(b) Goodwill on Consolidation	12	331.38	331.38
(c) Non-Current Investments	13	0.63	0.63
(d) Deferred Tax Assets (Net)	14	4,025.77	3,533.88
(e) Long-Term Loans & Advances	15	1,190.78	701.35
(f) Other Non-Current Assets	16	2,321.99	1,885.56
		7,870.55	6,452.80
2. Current Assets			
(a) Current Investments	17	3,580.47	3,557.28
(b) Inventories	18	9,425.35	10,639.52
(c) Trade Receivables	19	2,209.90	2,720.89
(d) Cash and Bank Balances	20	2,338.86	1,431.59
(e) Short-term Loans and Advances	15	290.35	595.49
(f) Other Current Assets	16	457.13	260.93
		18,302.06	19,205.70
Total		32,285.10	32,604.33

The accompanying Statement of Significant Accounting Policies and Notes to Financial Statements form an integral part of the Financial Statements

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, Date: 27th May, 2014

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 27th May, 2014

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note Ref.	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Revenue from Operations (Gross):	21	30,595.29	38,449.09
Less: Excise Duty		<u>1,950.62</u>	<u>2,725.71</u>
Revenue from Operations (Net):		28,644.67	35,723.38
Other Operating Revenue	22	1,941.28	1,462.34
Other Income	23	459.40	428.06
A Total Revenue		31,045.35	37,613.78
Expenses:			
Cost of Materials Consumed	24	17,153.88	21,145.73
Purchase of Stock-in-Trade		–	226.58
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	25	1,023.70	604.24
Employee Benefit Expenses	26	6,521.87	6,793.10
Finance Cost	27	199.33	145.92
Depreciation & Amortisation	28	1,179.03	1,217.43
Other Expenses	29	5,068.50	5,753.73
B Total Expenses		31,146.31	35,886.73
Profit Before exceptional and extraordinary items and Tax (A-B)		(100.96)	1,727.05
Exceptional Item			
Compensation towards Voluntary Retirement Scheme	35	1,079.12	–
Profit Before extraordinary items and tax		(1,180.08)	1,727.05
Extraordinary Items		–	–
Profit Before Tax		(1,180.08)	1,727.05
1. Current Tax	30	7.23	782.35
2. Deferred Tax		(383.69)	(151.96)
Tax Expense		(376.46)	630.39
Profit for the period from Continuing Operations		(803.62)	1,096.65
Discontinued Operations		–	–
Profit for the period		(803.62)	1,096.65
Earning per Equity Share	31		
– Before Exceptional Item			
– Basic and Diluted		(0.17)	3.61
– After Exceptional Item	31		
– Basic and Diluted		(2.64)	3.61
Par Value		2.00	2.00

The accompanying Statement of Significant Accounting Policies and Notes to Financial Statements form an integral part of the Financial Statements

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, Date: 27th May, 2014

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 27th May, 2014



Consolidated Cash Flow Statement for the year ended 31st March, 2014

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	(1,180.08)	1,727.05
Add: Depreciation	1,179.03	1,217.43
Interest	155.62	115.96
Fixed assets written off/scrapped	2.47	13.45
Loss/(profit) on sale of assets	(5.52)	(27.80)
Provision for gratuity	205.92	106.47
Provision for interest on income tax	–	5.97
Provision for wealth tax	2.11	2.70
Provision for earned leave wages	28.18	33.01
Provision for diminution in current investment	–	(4.70)
Dividend	(63.77)	(124.45)
Profit on sale of investments	(173.61)	(40.92)
Interest received on deposits	(188.00)	(108.35)
Project expenses written off	–	83.42
	1,142.41	1,272.19
Operating Profit Before Working Capital Changes	(37.67)	2,999.23
Working Capital Changes		
Trade payable and Other Liabilities	1,027.78	(5,155.24)
Inventory changes	1,214.17	1,871.01
Trade and other receivables	175.87	1,185.04
	2,417.81	(2,099.19)
Cash generated from operations	2,380.14	900.04
Deduct: Direct taxes	(636.46)	1,094.34
Net Cash from Operating Activities	1,743.68	(194.30)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(226.67)	(438.20)
Purchase of investments	(4,413.73)	(3,329.39)
Sale of fixed assets	35.23	70.68
Sale of investments	4,564.15	3,499.14
Dividend received	63.77	124.45
Other bank balances	7.04	157.85
Interest received	188.00	108.35
	217.80	192.88
Net Cash Flow from Investing Activities	217.80	192.88

Consolidated Cash Flow Statement for the year ended 31st March, 2014 (contd.)

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Movements in Foreign Currency Translation reserve and Capital reserve	(82.69)	(42.19)
Capital Lease - current maturity	12.99	-
Borrowings (Net)	(284.91)	220.31
Interest paid	(151.47)	(115.96)
Dividend paid including dividend tax	(541.10)	(883.27)
Net Cash Flow from Financing Activities	(1,047.17)	(821.11)
Net Cash Flow from Operating, Investing and Financing Activity	914.31	(822.57)
Opening Cash and Cash Equivalents	507.81	1,330.38
Closing Cash and Cash Equivalents	1,422.12	507.81

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, Date: 27th May, 2014

R. V. Joshi
Company Secretary

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

Mumbai, Date: 27th May, 2014

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

A. BACKGROUND

Manugraph India Ltd, was established in the year 1972. The company is the largest manufacturer of single width web-offset printing presses in India and has a significant share of the world market for its products. The manufacturing facilities are located at Kolhapur in India and through its wholly owned subsidiary in Millersburg – USA. The company has its in-house R&D facilities with a combined strength of over 50 engineers at both locations. The Indian R&D facilities are recognized by Department of Scientific and Industrial Research – Ministry of Science and Technology, Government of India.

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 as per Companies (Accounting Standards) Rules, 2006, as amended.

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 upto the same reporting date as that of the company i.e. 31st March 2014.

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
1. Constrad Agencies (Bombay) Private Limited	India	100%
2. Manugraph Americas Inc.	USA	100%
3. Offset Services, Inc. (100% equity is held by Manugraph Americas, Inc.)	USA	100%

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.

B. ACCOUNTING POLICIES

(a) Basis of preparation

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 and Companies Act, 2013 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated 4th April 2014 with respect to the Financial Statements. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act, 1956.

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known.

(c) Inflation

Assets and liabilities are shown at historical cost. No adjustments are made for changes in purchasing power of money.

(d) Fixed Assets

- i. Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.
- ii. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use.
- iii. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(e) Depreciation and Amortisation

Manugraph India Limited

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.

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

Amortisation of Intangible assets is done over the economic life of the asset.

Manugraph Americas, Inc.

Depreciation is provided on the straight line method over the estimated useful life of the assets.

Constrad Agencies (Bombay) Pvt. Ltd.

Depreciation on immovable property is not provided.

(f) Impairment of assets

Cash generating unit/ fixed assets/Investments 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 statement of profit and loss. Impairment loss in respect of assets sold / scrapped are reversed and consequent profit or loss on such sale is accounted. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Depreciation charged on assets impaired is adjusted in future period over its remaining useful life.

(g) 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.

- | | |
|---|---|
| i. Raw Material & Components | Raw materials and components, stores and spares are stated at lower of cost and net realisable value. |
| ii. Consumable Tools | Consumable tools are stated at cost or below cost. |
| iii. Work-in-progress and manufactured components | Work-in-progress and manufactured components are valued at lower of cost and net realisable value computed including Material, Labour and Overheads related to the manufacturing operations |
| iv. Finished Goods | Finished products are valued at lower of cost and net realisable value. Cost is computed including Material, Labour and Overheads related to the manufacturing operations. |

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

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

(h) Investment

- i. 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.
- ii. Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

(i) Employee Benefits

- i. Provident fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss 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 Statement of profit and loss in the year when the contributions accrue. The scheme is funded with an insurance company in the form of a qualifying insurance policy and other permissible securities.
- iii. The company has a defined benefit gratuity scheme. For the defined benefit scheme, actuarial valuations are being carried out on a projected unit credit method at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss 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.

(j) Research and Development

Revenue expenditure on research and development is charged to statement of profit and loss 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.

(k) CENVAT Credit/Service Tax Credit

- i. CENVAT credit utilised during the year is accounted in excise duty and unutilised CENVAT balance at the year end is considered as advance excise duty.
- ii. Service tax credit utilised during the year towards excise liability is accounted in excise duty and unutilised service tax credit at the year-end is considered as advance Service Tax.

(l) Revenue Recognition

Manugraph India Limited

- i. Sales comprise of sale of goods and spare parts and are net of trade discount and sales returns. Sales include excise duty but exclude sales tax and value added tax. Sales are recognised when the goods are dispatched and all risks and rewards are transferred to the buyer. Income from Installation and commissioning is recognised after the service is rendered.
- ii. Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- iii. Dividend income is accounted when the right to receive the same is established by the Balance sheet date.

Manugraph Americas, 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.

(m) 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.

(n) Foreign Exchange Transactions

- i. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement / negotiation during the year is recognised in the Statement of Profit and Loss.
- ii. Foreign currency transactions remaining unsettled at the end of the year are converted at year-end rates. Gain or loss arising on account of transactions covered by forward contract is recognised over the period of contracts.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

- iii. Monetary assets and liabilities at the end of the year are converted at the year end rate and the resultant gain or loss is accounted for in the Profit and Loss Account.
- iv. 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.

(o) Taxation

Manugraph India Limited

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. 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Manugraph Americas, Inc.

The deferred tax asset resulted primarily from additional cost being capitalised in inventory for tax purposes that are expensed for book purpose, the establishment of uncollectible accounts receivable, warranty and inventory reserves and the effect of net operating loss carry forwards. Deferred Tax Liabilities result primarily from differences in bases of property and equipment, prepaid expenses and commissions. Valuation allowances are established when necessary to reduce deferred tax asset to the amount expected to be realized. Income Tax expense or credit is the tax payable or refundable for the period plus or minus the change during the year in deferred assets and liabilities.

(p) Earnings per share

- i. Basic and diluted earnings per share are calculated by dividing the net profit for the year/period attributed to equity shareholders by the weighted average number of equity shares outstanding during the year/period.
- ii. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions, Contingent Liabilities and Contingent Assets

- i. 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.
- ii. Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the company or 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.
- iii. Contingent assets are neither recognized nor disclosed in the financial statements.

(r) 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.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

C. NOTES TO FINANCIAL STATEMENTS

1. Share Capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Authorised Capital:				
Equity shares of Rs. 2 each	9,85,00,000	1,970.00	9,85,00,000	1,970.00
Preference shares of Rs. 100 each	10,000	10.00	10,000	10.00
Unclassified shares of Rs. 100 each	20,000	20.00	20,000	20.00
Redeemable preference shares of Rs. 100 each	3,50,000	350.00	3,50,000	350.00
Total		2,350.00		2,350.00

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Issued, Subscribed and Paid-up Capital:				
Equity shares of Rs. 2 each fully paid-up	3,04,15,061	608.30	3,04,15,061	608.30
Total	3,04,15,061	608.30	3,04,15,061	608.30

(a) The Company has not issued any bonus shares during the last five years.

(b) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	%	Number of shares held	%
Multigraph Machinery Co. Ltd.	59,55,027	19.58	59,55,027	19.58
Sanat Manilal Shah	25,62,610	8.43	25,62,610	8.43
Pradeep Sanat Shah	16,34,545	5.37	16,34,545	5.37
Santsu Finance & Investment Pvt. Ltd.	19,05,500	6.26	19,05,500	6.26
Manu Enterprises Ltd.	19,55,375	6.43	19,55,375	6.43
Reliance Capital Trustee Co. Ltd.	18,30,853	6.02	18,30,853	6.02
Total	1,58,43,910	52.09	1,58,43,910	52.09

(c) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
At the beginning of the year	3,04,15,061	608.30	3,04,15,061	608.30
Issued during the period	–	–	–	–
Total	3,04,15,061	608.30	3,04,15,061	608.30

(d) The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share.

(e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

2. Reserves & Surplus

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
i. Capital Reserve		72.00		72.00
ii. Capital Reserve – On Amalgamation		128.00		128.00
iii. Capital Redemption Reserve		110.58		110.58
iv. Securities Premium Account		2,145.06		2,145.06
Other Reserves				
v. General Reserve:				
Balance per last Balance Sheet		9,225.00		9,100.00
Add: Transferred from surplus		–		125.00
		9,225.00		9,225.00
vi. Foreign Currency Translation Reserve		1,293.74		854.21
vii. Surplus in Profit and Loss Account				
Balance as per last Balance Sheet		8,086.93		7,649.09
Add:				
Profit for the year		(803.62)		1,096.65
Sub Total		(803.62)		1,096.65
Less:				
Transfer to General Reserve		–		125.00
Proposed Dividend		304.15		456.23
Tax on Proposed Dividend		49.33		77.54
Sub Total		353.48		658.77
		6,929.83		8,086.97
Total Reserves & Surplus (i+ii+iii+iv+v+vi)		19,904.21		20,621.82

- (a) The General Reserve has been created in accordance with the requirements of the Companies (Transfer of Profits to Reserve) Rules, 1975.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

3. Deferred Tax Liabilities

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Deferred tax liability on account of				
Difference between book and tax depreciation		–		516.34
Less:				
Deferred tax Assets on account of				
Provision for leave encashment	–		80.01	
Provision for gratuity	–		173.50	
Compensation under VRS	–		–	
Total Deferred Tax Asset		–		253.51
Net Deferred Tax Liability		–		262.83

4. Other Liabilities

Particulars	Non-Current		Current	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
Current Maturities of Long Term Loan				
Current Maturities on capital lease	–	–	12.99	–
Others				
Advances from Customers	–	–	4,654.97	3,420.16
Unclaimed dividends	–	–	58.05	65.38
Other Liabilities	6.89	–	1,215.50	664.24
Interest accrued but not due	–	–	4.15	–
Duties & Taxes Payable	–	–	99.23	–
Security deposits	6.77	5.79	0.80	–
Total	13.66	5.79	6,045.69	4,149.78

(a) **Unclaimed dividends:** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

5. Provisions

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
For employee benefits				
Provision for earned leave wages	226.52	204.80	37.05	30.59
Provision for Gratuity	–	–	716.37	510.45
Others				
Proposed Dividend	–	–	304.15	456.23
Corporate Tax on Dividend	–	–	49.33	77.54
Provision for Warranty	–	–	210.18	179.62
Provision for taxation net of taxes paid	–	–	7.23	152.51
Total	226.52	204.80	1,324.31	1,406.94

Disclosure under Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets (2013-14)

Particulars	(A)	(B)	(C)	(A+B-C)
	Opening Balance	Additions during the year	Amt. Paid Reversed during the year	Closing Balance
Warranty Expenses	179.62	225.03	194.47	210.18
(Previous Year)	(166.20)	(255.31)	(241.89)	(179.62)

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

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.

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Present value of obligation at the beginning of the year	1,671.17	1,433.91
Interest cost	133.69	114.71
Current service cost	69.25	61.25
Benefits paid	(256.24)	(65.59)
Actuarial (gain)/loss on obligation	91.63	126.88
Present value of obligation at the end of the year	1,709.50	1,671.16
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,160.72	1,029.93
Expected return on plan assets	86.99	93.77
Contributions	1.67	102.60
Benefits paid	(256.24)	(65.59)
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	993.14	1,160.71
Amount recognised in Balance Sheet		
Fair value of plan assets as at the end of the year	993.14	1,160.72
Present value of obligation as at the end of the year	1,709.50	1,671.17
Asset/(liability) recognised in the Balance Sheet	(716.37)	(510.45)
Expense recognised in the Statement of Profit and Loss		
Interest cost	133.69	114.71
Current service cost	69.25	61.25
Expected return on plan assets	(86.99)	(93.77)
Net actuarial (gain)/loss recognised in the year	91.63	126.88
Net cost	207.59	209.07
Break-up of Plan Assets		
Category of assets as at the end of the year		
Insurer Managed Funds	100%	100%
(Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)		
Assumptions		
Discount rate	8%	8%
Salary escalation rate (annual)	4%	4%

The Disclosure of AS-15 is only of the Parent Company.

Note: Experience adjustment information is not available and hence not disclosed.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

6. Borrowings

The borrowings of the Company are analysed as follows:

Particulars	Long Term		Short Term	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
Secured Loans:				
State Bank of India	–	–	–	–
PNC Bank WCDL	–	–	1,496.41	1,769.75
PNC Bank – Bank Overdraft	–	–	–	11.57
Unsecured Loans:	–	–	–	–
Total Loans	–	–	1,496.41	1,781.32

Secured by hypothecation of stock-in-trade, stores, book-debts and other receivables and second charge on the Company's moveable and immoveable properties.

The lines of credit are secured by substantially all of the assets of Manugraph Americas Inc. The lines of credit are also secured by the first priority perfected lien on the real property of Manugraph Americas Inc. and letter of credit USD 4.25 million issued by the Bankers of the Parent Company.

7. Trade Payables – Current

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Trade Payables				
– Micro, Small and Medium Enterprises	–	11.46	–	43.31
– Others	–	2,654.54	–	3,519.44
Total	–	2,666.00	–	3,562.75

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

9. Intangible assets

(Rs. in Lakhs)

	Goodwill	Technical Documentation & Know-how	Computer Software	R & D Software	Total
Cost					
As at 1st April, 2012	–	220.74	137.01	79.92	437.66
Additions	–	–	14.93	14.14	29.06
Disposals	–	–	–	–	–
Exchange Differences	–	–	–	–	–
As at 31st March, 2013	–	220.74	151.94	94.05	466.73
Additions	–	–	17.67	8.74	26.42
Disposals	–	–	–	–	–
Exchange Differences	–	–	–	–	–
As at 31st March, 2014	–	220.74	169.61	102.80	493.14
Amortization					
As at 1st April, 2012	–	220.74	119.01	57.77	397.52
Charge for the year	–	–	7.87	13.25	21.13
Disposals	–	–	–	–	–
Exchange Differences	–	–	–	–	–
As at 31st March, 2013	–	220.74	126.89	71.02	418.64
Charge for the year	–	–	5.41	9.69	15.09
Disposals	–	–	–	–	–
Exchange Differences	–	–	–	–	–
As at 31st March, 2014	–	220.74	132.29	80.71	433.74
Net Block					
As at 31st March, 2013	–	–	25.05	23.03	48.08
As at 31st March, 2014	–	–	37.32	22.09	59.41

10. Capital Work-in-Progress

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
Capital Work In Progress	0.55	1.05
Total	0.55	1.05

a) CWIP represents work in progress for the following

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
On account of Plant & machinery	0.55	0.55
On account of Building	–	0.50
Total	0.55	1.05

11. Intangible Assets Under Development

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
Intangible Assets Under Development	14.90	–
Total	14.90	–

Intangible assets under development includes of software development in progress of Rs 14.90 lakhs.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

12. Goodwill on Consolidation

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)		(Rs. in lakhs)	
Goodwill on Consolidation	6,331.38		6,331.38	
Less: Provision for diminution in value of Goodwill arising out of Investment in Manugraph Americas Inc. (Formerly Manugraph DGM Inc.)	(6,000.00)		(6,000.00)	
Total	331.38		331.38	

- a) Goodwill on Consolidation amounting to Rs. 6,331.38 lakhs has arisen on consolidation between the Company and Manugraph Americas Rs. 6,159.22 lakhs and between the Company and Constrad Agencies (Bombay) Private Limited Rs. 172.16 lakhs. This Goodwill represents difference between the cost to Company of its Investment in the Subsidiary Companies and the Equity Value on the date of acquisition.

13. Non-Current Investments

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
Trade Investments				
Manugraph Securities and Finance Private Limited (unquoted)	250	0.03	250	0.03
Other Investments				
Investment in Government securities (unquoted) 6 years National Savings Certificates – VIII issue		0.10		0.10
Others (unquoted)				
Shree Warna Sahakari Bank Limited (shares of Rs. 25/- each)	2,000	0.50	2,000	0.50
Total		0.63		0.63

14. Deferred Tax Asset

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Deferred tax Liability on account of				
Difference between book and tax depreciation		356.98		–
Less:-				
Deferred tax Assets on account of				
Provision for leave encashment	85.52		–	
Provision for gratuity	232.42		–	
Compensation under VRS	280.10		–	
Total Deferred Tax Asset		598.04		–
Arising out of accumulated carry forward losses (foreign subsidiary)		3,784.71		3,533.88
Net Deferred Tax Asset		4,025.77		3,533.88

The deferred Tax Asset of the foreign subsidiary is as per the audited financial statements after effecting necessary adjustments and is created as per the tax and other laws of the relevant country.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

15. Loans and Advances

(unsecured considered good unless otherwise stated)

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
Staff Loans	310.80	293.64	107.99	103.36
Advances Recoverable in Cash or in kind	2.98	3.22	95.72	145.35
Advances to Suppliers	–	–	85.62	310.26
Capital Advance	0.80	11.01	–	–
Sundry Deposits	54.41	53.49	1.02	36.52
Taxes paid net of provisions	821.79	339.98	–	–
Total	1,190.78	701.34	290.35	595.49

16. Other Assets

(unsecured considered good unless otherwise stated)

Particulars	Non-Current/Long Term		Current/Short Term	
	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)	31.03.2014 (Rs. in lakhs)	31.03.2013 (Rs. in lakhs)
Claims and Refunds receivable	2,303.36	1,852.22	329.55	131.61
Balances with Revenue Authorities	–	0.60	124.93	107.61
Other Assets	18.63	32.74	2.65	21.71
Total	2,321.99	1,885.56	457.13	260.93

17. Current Investments

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Nos.	(Rs. in lakhs)	Nos.	(Rs. in lakhs)
Investments in Mutual Funds (Unless otherwise specified) (Quoted)				
Templeton India Low Duration Fund Qtr. Dividend	–	–	41,54,557	428.90
Birla Sun Life Savings Fund Growth Plan	89,143	200.00	–	–
Templeton India Treasury Management – Account Super Institutional Plan-Direct	40,732	407.75	–	–
HDFC Liquid Fund Div. Re-Investment	69,50,365	708.81	–	–
ICICI Prudential Savings Fund-Reg Plan-DDR	5,05,019	506.16	–	–
Birla Sun Life Cash Plus Daily Div. Re-Investment	5,00,872	501.85	–	–
Birla Sunlife Dynamic Bond Fund Regular Growth	–	–	15,74,225	300.00
Birla Sunlife Dynamic Bond Fund Direct Growth	–	–	15,24,336	300.00
TATA Short Term Bond Fund Growth	21,33,306	500.00	–	–
Templeton India Short Term Income Retail Monthly	38,645	452.30	–	–
Templeton India Cash Management Account – Dividend Reinvestment (unquoted)	35,935	3.60	33,810	3.38
HDFC FMP 400D February 2012 (1) Growth	–	–	20,00,000	200.00
HDFC FMP 392D March 2012 (1) Growth	–	–	50,00,000	500.00
Birla Sunlife Fixed Term Plan Sr. FC – Growth	–	–	20,00,000	200.00
IDFC SSIF Short Term Plan A Growth	–	–	21,53,390	500.00
DWS Premier Bond Fund Regular Plan – Growth	–	–	21,26,506	400.00
Templeton India Short Term Plan – Growth	13,276	300.00	13,276	300.00
HDFC Short Term Plan – Growth	–	–	13,76,065	300.00
HDFC Income Fund – Growth	–	–	4,83,692	125.00
		3,580.47		3,557.28
Less: Prov. for diminution in value of investment		–		–
Total		3,580.47		3,557.28

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

18. Inventories

Particulars	As at 31st March, 2014 (Rs. in lakhs)	As at 31st March, 2013 (Rs. in lakhs)
Raw Material (incl Goods in transit Rs. 27.83 lakhs, – previous year Rs. 69.01 lakhs)	3,180.40	3,361.70
Work In Progress	3,262.72	3,627.32
Finished Goods	225.37	284.83
Stores & Spares	130.31	136.19
Loose Tools (Consumable)	69.21	72.50
Manufactured components	2,330.76	2,930.40
Traded Goods	226.58	226.58
Total	9,425.35	10,639.52

19. Trade receivables – Current (Unsecured)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
– Considered good	2,209.90		2,720.89	
– Considered doubtful	–		70.83	
	2,209.90		2,791.72	
Less: Provision for doubtful debts	–		70.83	
		2,209.90		2,720.89
Total		2,209.90		2,720.89

20. Cash and Bank Balances

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Cash & Cash Equivalents				
Bank balances				
With Scheduled Banks	1,341.76		492.23	
		1,341.76		492.23
Cheques, Drafts on hand		0.38		1.35
Cash Balances		79.98		14.23
		1,422.12		507.81
Other Bank Balances				
In fixed deposit accounts (as margin money)		690.69		858.40
In fixed deposit accounts		168.00		
In unclaimed dividend accounts		58.05		65.38
		916.74		923.78
Total		2,338.86		1,431.59

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

21. Revenue from Operations (Gross)

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Sale of Products		
Sales of Finished Goods & spares (net of sales return)	30,595.29	38,449.09
Total	30,595.29	38,449.09

22. Other Operating Revenue

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Agency Fees	4.63	6.46
Service and erection charges received	1,534.94	1,148.44
Miscellaneous receipts	171.60	178.57
Export Incentives	206.14	126.67
Sundry credit balances appropriated	23.97	0.58
Excess provision for doubtful debts & advances	–	1.62
Total	1,941.28	1,462.34

23. Other Income

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Dividend from Current Investment	63.72	124.39
Dividend from Non-current Investment	0.05	0.06
Rent (gross)	28.50	28.98
Profit on sale of Assets (Net)	5.52	27.80
Profit on sale of Investment - Current	173.61	40.92
Exchange gain (Net)	–	92.86
Excess Provision of Diminution in value of Investment	–	4.70
Interest received on deposits, debts etc.	188.00	108.35
Total	459.40	428.06

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

24. Cost of Materials Consumed:

Particulars	2013-14		2012-13	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Raw Materials Consumed				
Opening Stock	3,361.70		4,391.54	
Add: Purchases (Including components processing charges Rs. 684.60 lakhs – previous year: Rs. 792.95 lakhs)	16,978.32		20,122.38	
		20,340.02		24,513.92
Less: RMC Capitalised	5.74		6.49	
Closing Stock	3,180.40		3,361.70	
		3,186.14		3,368.19
Total		17,153.88		21,145.73

25. Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade

Particulars	2013-14		2012-13	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Inventory Adjustments – WIP				
Work-in-progress at Opening	3,627.32		1,911.61	
Work-in-progress at Closing	3,262.72		3,627.32	
		364.60		(1,715.71)
Inventory Adjustments – FG				
Stock at Commencement	284.83		2,502.94	
Less: Stock at Closing	225.37		284.83	
		59.46		2,218.11
Inventory Adjustments – Manufactured components				
Stock at Commencement	2,930.40		3,455.64	
Less: Stock at Closing	2,330.76		2,930.40	
		599.64		525.24
Inventory Adjustments – Trading				
Stock at Commencement	226.58		–	
Less: Stock at Closing	226.58		226.58	
		–		(226.58)
Excise duty on closing stock of finished products	–		–	–
Less: Provision for excise duty on opening stock of finished products	–		196.81	
		–		(196.81)
Total		1,023.70		604.24

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

26. Employee Benefits Expenses

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Salary, Wages, bonus and allowances	5,354.16	5,613.90
Welfare expenses	456.00	485.56
Contribution to provident & other funds	415.81	459.14
Provision for earned leave wages	96.05	33.01
Contribution to Employees Group Gratuity Scheme	207.59	209.07
	<u>6,529.61</u>	<u>6,800.68</u>
Less: Wages Capitalised	7.74	7.58
Total	<u>6,521.87</u>	<u>6,793.10</u>

- (a) The Company has introduced a Voluntary Retirement Scheme, 2013 which was accepted by various employees. The Cost in connection therewith of Rs. 1,079.12 lakhs has been shown as an exceptional item. (refer note 35.)
- (b) The Managerial Remuneration paid during the year of Rs. 218.16 lakhs in accordance with the approval of the members in general meeting dated 1st August 2013 is in excess of the limits specified by Section 198 of the Companies Act, 1956 by an amount of Rs. 104.87 lakhs. The Company has made an application to the Central Government for approval of the same which is pending as of the Balance Sheet date.

27. Finance Cost

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Interest paid	155.62	115.96
Interest on Income Tax	–	6.90
Other Borrowing Costs	43.71	23.06
Total	<u>199.33</u>	<u>145.92</u>

28. Depreciation & Amortisation

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Depreciation	1,163.94	1,196.30
Amortisation	15.09	21.13
Total	<u>1,179.03</u>	<u>1,217.43</u>

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements**29. Other Expenses**

Particulars	2013-14		2012-13	
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Consumption of stores and Consumables		429.25		505.99
Power & Fuel		276.20		302.70
Rent		48.58		63.08
Rates & Taxes		39.46		40.26
Repairs to Buildings		74.00		102.72
Repairs to Machinery		76.30		119.18
Insurance		104.57		95.42
Travelling and conveyance		771.82		695.33
Commission on sales		983.59		1,063.46
Bank Charges		77.86		121.56
Other repairs		118.77		164.96
Advertisement and sales promotion expenses		55.88		462.57
Sundry debit balances written off		14.25		5.96
Bad debts		126.50		28.22
Loss on Patent Impairment		17.72		
Fixed assets scrapped		2.47		13.45
Exchange Loss (net)		128.10		–
Warranty expenses		225.03		255.31
Research and development expenses		356.34		346.52
Donations		34.61		6.42
Short provision and adjustments relating to previous years (Net)		13.84		257.69
Freight and Handling Charges		124.74		110.58
Packing and Forwarding Charges		248.17		259.86
Project Expenses W/off		–		83.42
Excise Duty & Other Taxes paid		0.44		–
Directors' Fees		2.70		3.78
Remuneration to Auditors				
Audit fees	18.25		16.75	
Other Services	3.50		3.31	
Out of Pocket	0.05	21.80	–	20.06
Miscellaneous Expenses (None of which individually forms more than 1% of the Operating Revenue.)		723.22		653.49
		5,096.21		5,781.99
Less: Expenditure transferred to capital accounts.				
Overheads capitalised		27.71		28.26
Total		5,068.50		5,753.73

Note: Advertisement and Sales promotion during the previous year includes the cost of participation in Drupa 2012 exhibition of Rs. 329.65 lakhs.

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

30. Current Taxation

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Current tax	7.23	782.00
Income tax pertaining to previous year	–	0.35
Total	7.23	782.35

31. Earning Per Share

Particulars	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Net profit after tax available for equity shareholders before Exceptional Items	(51.92)	1,096.65
Net profit after tax available for equity shareholders after Exceptional Items	(803.62)	1,096.65
Weighted average number of equity shares of Rs. 2 each outstanding during the year	30,415,061	30,415,061
Earning Per Share before Exceptional Items Basic and diluted earnings per share (Rs.)	(0.17)	3.61
Earning Per Share after Exceptional Items Basic and diluted earnings per share (Rs.)	(2.64)	3.61

The earning per share before exceptional item has been computed without considering the current and deferred tax effect on the exceptional item.

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

Particulars	31.03.2014		31.03.2013	
	Currency type	Amount	Currency type	Amount
Trade Receivable and Other Receivables	USD	2,804,968	USD	3,403,982
	EURO	76,800	EURO	490,160
	GBP	1,670	GBP	1,684
Trade Payable and Other Payables	USD	1,470,275	USD	1,223,015
	EURO	54,015	EURO	14,317
	GBP	741	GBP	741
Outstanding forward contracts for future transaction/Firm Commitments	USD	–	USD	–

33. Disclosure as required by Accounting Standard – AS 18 “Related Parties” of the Companies (Accounting Standard) Rules, 2006

I. Relationships:

Entities where significant influence exists

Multigraph Machinery Company Limited
 Manubhai Sons and Company
 Mercongraphic FZC,
 Multigraph Machinery Kenya Ltd.

Key Management Personnel

Mr. Sanjay S. Shah — Vice Chairman and Managing Director
 Mr. Pradeep S. Shah — Managing Director
 Mr S. M. Mordekar — Whole Time Director (Works) upto 8.1.2013
 Mr. B. B. Nandgave — Whole Time Director (Works) w.e.f 10.12.2012

Relatives of key management personnel

Mr. Sanat M. Shah
 Mrs. Sudha S. Shah
 Mr. Kushal Shah (upto 30.11.2013)

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

II. The Related Party transactions are detailed as required by AS-18 are as under:

(Rs. in lakhs)

	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Sale of goods:				
Multigraph Machinery Kenya Ltd.	30.00 (24.49)			30.00 (24.49)
Mercongraphic FZC	5,979.27 (5,626.20)			5,979.27 (5,626.20)
	6,009.26 (5,650.69)			6,009.26 (5,650.69)
Service Charges received:				
Multigraph Machinery Kenya Ltd.	21.26 (17.29)			21.26 (17.29)
Mercongraphic FZC	181.94 (49.43)			181.94 (49.43)
	203.19 (66.72)			203.19 (66.72)
Commission paid:				
Multigraph Machinery Kenya Ltd.	6.62 -			6.62 -
Multigraph Machinery Co. Ltd.	742.43 (1,020.20)			742.43 (1,020.20)
	749.05 (1,020.20)			749.05 (1,020.20)
Rent received:				
Multigraph Machinery Co. Ltd.	27.06 (27.54)			27.06 (27.54)
Manubhai Sons and Company	1.44 (1.44)			1.44 (1.44)
	28.50 (28.98)			28.50 (28.98)
Rent paid:				
Multigraph Machinery Co. Ltd.	1.69 (3.37)			1.69 (3.37)
Sanjay S. Shah		11.88 (11.07)		11.88 (11.07)
Pradeep S. Shah		11.88 (11.07)		11.88 (11.07)
Sudha S. Shah			2.64 (2.46)	2.64 (2.46)
	1.69 (3.37)	23.76 (22.14)	2.64 (2.46)	28.09 (27.97)

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

The Related Party transactions are detailed as required by AS-18 (contd.)

(Rs. in lakhs)

	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Managerial remuneration paid:				
Sanjay S. Shah		100.43		100.43
		(89.98)		(89.98)
Pradeep S. Shah		100.44		100.44
		(89.87)		(89.87)
S. M. Mordekar		-		-
		(14.22)		(14.22)
B. B. Nandgave		17.29		17.29
		(5.70)		(5.70)
		218.16		218.16
		(199.77)		(199.77)
Directors' fees:				
Sanat M. Shah			0.40	0.40
			(0.40)	(0.40)
			0.40	0.40
			(0.40)	(0.40)
Salaries and allowances:				
Kushal S. Shah			5.77	5.77
			(6.81)	(6.81)
			5.77	5.77
			(6.81)	(6.81)
Sale of Asset:				
Multigraph Machinery Co. Ltd.	16.90			16.90
	(-)			(-)
	16.90			16.90
	(-)			(-)
Outstanding Receivables				
Multigraph Machinery Kenya Ltd.	6.72			6.72
	(20.00)			(20.00)
Mercongraphic FZC	1,274.27			1,274.27
	(1,101.21)			(1,101.21)
	1,280.99			1,280.99
	(1,121.21)			(1,121.21)
Advance from Customers				
Mercongraphic FZC	62.73			62.73
	(56.77)			(56.77)
	62.73			62.73
	(56.77)			(56.77)
Outstanding Payables				
Multigraph Machinery Co. Ltd.	19.72			19.72
	(271.08)			(271.08)
	19.72			19.72
	(271.08)			(271.08)

Statement of Significant Accounting Policies and Notes to Consolidated Financial Statements

34. Contingent liabilities and commitments

Description	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
I. Contingent liabilities		
(a) Claims against the Company not acknowledged as debt:	21.31	37.12
(b) Guarantees; On account of guarantees executed by the Company's bankers:	8.29	8.29
(c) Other money for which the Company is contingently liable: Income-tax, sales-tax, customs duty, excise duty and service tax demands against which the Company has preferred appeals/made representation:	1,027.95	806.33
On account of undertakings given by the Company in favour of Customs Authority:	870.00	1,005.00
Total	1,927.55	1,856.74
II. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	1.40	25.87
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature).	-	-
Total	1.40	25.87

35. Exceptional items represents the payments towards the Voluntary Retirement Scheme, 2013 introduced by the Company and opted by the employees during the year of Rs 1,079.12 lakhs. The deferred tax effect thereon of Rs 280.10 lakhs has been included as part of deferred tax under Tax Expense.

36. Previous year figures are regrouped and re-arranged wherever necessary with those of the current year to make them comparable.

37. Segment Reporting as required by AS-17.

The operation of the company represents one primary segment of activity relating to "Production of Printing Machines" and the entire production operations are located in India and therefore there are no separate reportable segments as per AS-17 'Segment Reporting'.

38. The Company is obligated under various operating leases for office equipment, CNC equipment and vehicles at it's U.S.A. subsidiary. The future rent payments under all operating leases are as follows:

Financial Year	Rs in Lakhs
2014-2015	10.69
2015-2016	2.09

39. Explanatory notes 1 to 39 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

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, Date: 27th May, 2014

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

R. V. Joshi

Company Secretary

Mumbai, Date: 27th May, 2014

The details of subsidiaries in terms of General Circular No. 2/2011 dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs Under Section 212(8) of the Companies Act, 1956 are as under:

(Rs. in lakhs)

		Indian subsidiary	Foreign subsidiary
		Constrad Agencies (Bombay) Pvt. Limited	Manugraph Americas Inc. USA
(a)	Share capital	5.00	6076.41
(b)	Reserves	(0.69)	(1413.82)
(c)	Total assets	7.91	7459.37
(d)	Total liabilities	7.91	7459.37
(e)	Details of investment (except in case of investment in the subsidiary)	-	-
(f)	Turnover	-	4443.05
(g)	Profit before taxation	(0.14)	100.24
(h)	Provision for taxation	-	127.43
(i)	Profit after tax	(0.14)	(27.19)

Note in respect of foreign subsidiary -

- (i) Item no. a to d are translated at exchange rate as on closing date of the year of USD 1 = Rs. 60.0998
- (ii) Item no. f to i are translated at average rate of USD 1 = Rs. 60.3580

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
2.	Name of the Subsidiary Company	:	Constrad Agencies (Bombay) Private Limited	Manugraph Americas Inc. (Formerly Manugraph DGM Inc. USA)
3.	Financial year of the subsidiary ended on	:	31.03.2014	31.03.2014
4.	Holding Company's interest in the subsidiary	:	5,000 Equity shares of Rs.100/- each (100% as on 31.03.2014)	3,88,290 equity shares of US\$ 0.01 each and 1,00,000 preferred stock (shares of US\$ 0.01 each) (100% as on 31.03.2014)
5.	Currency	:	Rs.	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. (13,680.00)	US\$ (44,499.00) Rs. (27.19) lakhs
	(b) For the previous financial year of the subsidiary Company.	:	Rs. (17,297.00)	US\$ (2,61,129) Rs. (141.71) 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
	(b) For the previous financial year of the subsidiary Company.	:	NIL	NIL

For and on behalf of the Board of Directors

S. M. Shah Chairman

Sanjay S. Shah Vice Chairman and Managing Director

Pradeep S. Shah Managing Director

R. V. Joshi
Company Secretary

Mumbai, Date: 27th May, 2014

MANUGRAPH INDIA LTD.
FINANCIAL HIGHLIGHTS – Standalone

(Rs. in crores)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
PROFIT & LOSS ACCOUNT SUMMARY											
Turnover – Total	242.51	304.71	369.95	296.30	201.94	392.11	422.99	368.84	321.50	247.96	
Total Income	260.53	316.52	389.84	304.91	209.77	405.86	454.67	381.17	333.23	254.39	
EBIDTA	9.45	30.12	64.19	45.65	30.46	67.41	106.15	80.94	94.31	51.39	
Depreciation	10.26	10.79	11.08	10.24	7.83	9.27	8.29	7.42	6.05	5.82	
Interest	1.20	0.64	1.24	2.90	3.21	3.59	4.11	3.11	0.92	0.66	
Profit before Exceptional Items	(2.01)	18.69	51.87	32.51	19.42	54.55	93.75	70.41	87.34	44.91	
Exceptional Items (note 2)	10.79		60.00						(4.45)		
Profit before Taxation	(12.80)	18.69	(8.13)	32.51	19.42	54.55	93.75	70.41	91.79	44.91	
Provision for Taxation	(5.04)	6.30	15.67	10.13	6.12	17.66	31.69	23.00	29.95	15.38	
Profit after Taxation	(7.76)	12.39	(23.80)	22.38	13.30	36.89	62.06	47.41	61.84	29.53	
BALANCE SHEET SUMMARY											
Assets Employed											
Fixed Assets – Gross	157.45	157.81	156.54	155.09	147.64	142.41	134.02	119.27	99.97	89.58	
Fixed Assets – Net	46.38	55.03	62.91	71.26	73.39	77.60	73.38	59.54	51.86	43.68	
Investments	108.25	108.02	109.26	126.45	141.51	124.88	138.07	165.50	26.54	8.21	
Current Assets – Net	70.54	78.46	63.81	93.78	87.95	107.07	78.26	43.82	57.16	56.51	
Total Assets	225.17	241.51	235.98	291.49	302.85	309.55	289.71	268.86	135.56	108.40	
Financed By											
Share Capital (note 1)	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.00	6.00	
Reserves & Surplus	221.50	232.80	225.75	258.39	241.31	231.94	202.17	154.51	109.33	60.80	
Shareholders' Funds	227.58	238.88	231.83	264.47	247.39	238.02	208.25	160.59	115.33	66.80	
Borrowings	–	–	–	21.30	50.02	66.27	76.21	105.40	17.61	39.39	
Deferred Tax Liability	(2.41)	2.63	4.15	5.72	5.44	5.26	5.15	2.87	2.62	2.21	
Total Liabilities	225.17	241.51	235.98	291.49	302.85	309.55	289.61	268.86	135.56	108.40	
OTHER INVESTOR INFORMATION											
Earnings per share (before exceptional items)	Rs.	(0.08)	4.07	11.90	7.36	4.37	12.13	20.39	15.73	19.60	49.18
Earnings per share (after exceptional items)	Rs.	(2.55)	4.07	(7.83)	7.36	4.37	12.13	20.39	15.73	20.60	49.18
Dividend	%	50	75	125	75	50	100	200	150	200	100
Book Value per share	Rs.	74.83	78.54	76.22	86.95	81.34	78.26	68.47	52.80	38.42	111.27
Market Price: High	Rs.	39.50	61.00	65.50	76.35	68.00	114.00	192.00	259.00	318.25	1,000.00
Low	Rs.	22.05	29.30	43.10	43.50	29.10	24.50	24.50	104.25	175.00	150.15
Shareholders	Nos.	12,242	12,685	13,590	14,289	15,480	14,320	13,669	11,515	9,329	7,908
Employees	Nos.	1,110	1,228	1,217	1,217	1,222	1,327	1,341	1,313	1,330	1,321

Notes:

1. Equity share of Rs. 10/- upto FY 2005 and Rs. 2/- from FY 2006.
2. Exceptional Items
 - FY 2006 - Surplus on prepayment of Sales-tax deferral loans.
 - FY 2012 - Provision for diminution in value of investment in subsidiary.
 - FY 2014 - Compensation under VRS.

Form No. SH-13-Nomination Form
[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules, 2014]

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: 022 25946970/Fax: 022 25946969
 E-mail: rnt.helpdesk@linkintime.co.in

I/We _____

residing at _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) Particulars of Nominee

Name: _____	Date of Birth: ____/____/____		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> Please affix recent passport size photograph of the Nominee signed across </div>
Father's/ Mother's/ Spouse's name: _____	Occupation: _____	Nationality: _____	
E-mail id: _____			
Phone No: _____	Relationship with the security holder: _____		
Address: _____ _____ Pin code _____			
			Signature of the Nominee

3) In case Nominee is a Minor

Date of birth: ____/____/____	Date of attaining Majority ____/____/____	Name of guardian: _____
Address of guardian: _____ _____ _____ Pin code _____		

Name of the Security Holder(s)	Signature
1. _____	
2. _____	
3. _____	
Name of witness	Signature of Witness with date
Address of witness: _____ _____ _____ Pin code _____	
Place: _____	

Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination can be made by individual's only holdings shares singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder[s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per Section 72 of Companies Act, 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in **"duplicate"** should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. LINK INTIME INDIA PVT. LTD.**, C-13 Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup West, Mumbai - 400078. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
8. Nomination stands cancelled whenever the shares in the given folio are transferred/dematerialized. Also in case of change in folio due to consolidation/transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the company before the death of the registered holder[s] of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. Affixing photograph of the Nominee is not mandatory and if affixed the nominee should sign across the photograph.

FOR OFFICE USE ONLY		
Nomination Registration No.	Date of Registration	Signature of Employee with Code No.

Form No. SH-14-Cancellation or Variation of Nomination
[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the
Companies (Share Capital and Debentures) Rules, 2014]

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: 022 25946970/Fax: 022 25946969
 E-mail: rnt.helpdesk@linkintime.co.in

I/We hereby _____
 residing at _____
 cancel the nomination(s) made by me/us in favour of _____
 residing at _____
 _____ in respect of the below mentioned securities.

Or

I/We hereby _____ residing at _____
 _____ nominate
 the following person in place of _____ residing at _____
 _____ as nominee in respect of the
 below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being cancelled/varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) (a) Particulars of Nominee/s

Name: _____	Date of Birth: ____/____/____		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> Please affix recent passport size photograph of the Nominee signed across </div>
Father's/ Mother's/ Spouse's name: _____	Nationality: _____	Phone No: _____	
E-mail id: _____			
Relationship with the security holder: _____			
Address: _____ _____ Pin code _____			Signature of the Nominee

(b) In case Nominee is a Minor

Date of birth: ____/____/____	Date of attaining Majority ____/____/____	Name of guardian: _____
Address of guardian: _____ _____ _____ Pin code _____		

Name of the Security Holder(s).	1.	2.	3.
Signature of the Security Holder(s)	1.	2.	3.

Name of witness _____	Signature of Witness with date	
Address of witness: _____ _____ _____ Pin code _____		
Place: _____	Date: ____/____/____	

Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination made earlier can be cancelled and new nomination can made either singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder[s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per sub-section (3) of Section 72 of Companies Act, 2013, if the shares are held by more than one person jointly, the joint holders may together nominate a person to whom all the rights in the securities of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in "duplicate" should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. LINK INTIME INDIA PVT. LTD.**, C-13 Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup West, Mumbai - 400078. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
8. Nomination stands cancelled whenever the shares in the given folio are transferred/dematerialized. Also in case of change in folio due to consolidation/transmission a new nomination has to be filed.
9. Kindly note that the nomination being a legal document the same should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
10. Affixing photograph of New Nominee is not mandatory and if affixed the nominee should sign across the photograph.

FOR OFFICE USE ONLY		
Nomination Registration No.	Date of Registration	Signature of Employee with Code No.

Manugraph's Corporate Social Responsibility.

Manugraph India Ltd. is actively involved in Corporate Social Responsibility programmes to partner communities in Education, Health, Family Welfare, Environment & Sports. Social concerns like empowerment of women, providing portable water & sanitation for marginalized groups has also been an important focus in the last couple of years. Given below are a few images of the company's CSR activities undertaken across the region of Kolhapur, Maharashtra.

Blood donation camps conducted at Unit 2



Help to the handicapped.



Planting of trees for a greener environment



Sponsors of the Lokmat KPL Football Championship.



Notebook Distribution at Kendra School, Kodoli

Letterpress, the beginning of print.



Manugraph India Ltd.

Corporate Office:

Sidhwa House, N. A. Sawant Marg Colaba, Mumbai - 400 005, India.

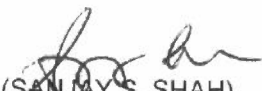

Tel: +91-22-2287 4815 / 0620 Fax: +91-22-2287 0702

Web: www.manugraph.com

CIN: L29290MH1972PLC015772



Form A
[As per clause 31 (a) of the Listing Agreement]

1.	Name of the company	Manugraph India Limited
2.	Annual financial statements for the year ended	31 st March, 2014.
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable.
5.	To be signed by-	
	<ul style="list-style-type: none"> • CEO/ Managing Director 	 (SANJAY S. SHAH)
	<ul style="list-style-type: none"> • CFO 	 (SURESH NARAYAN)
	<ul style="list-style-type: none"> • Auditor of the company 	For NATVARLAL VEPARI & CO. Chartered Accountants Firm Registration No.106971W  K. N. Padmanabhan Partner M. No.36410
	<ul style="list-style-type: none"> • Audit Committee Chairman 	 (HITEN C. TIMBADIA)

Place : Mumbai

Date : 21 JUL 2014