



MANUGRAPH

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43rd Annual Report

2014 - 15

Manugraph Americas Inc.

Plant located in
Elizabethville, PA, USA.



The 20-Unit M360 installed at Paxton Media, North Carolina, U.S.A.

Manugraph Americas Inc. sold its first M360 press manufactured by Manugraph India, in the US Market in 2014 to Paxton Media Group, in North Carolina, U.S.A.

MANUGRAPH INDIA LIMITED

CIN: L29290MH1972PLC015772

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

Phone: +91-22-2285 2256 / 57 / 58, Fax: +91-22-2284 0672 • Website: www.manugraph.com

BOARD OF DIRECTORSMr. Sanat M. Shah *Chairman, Non-Executive Director***Executive Directors**Mr. Sanjay S. Shah *Vice Chairman & Managing Director*Mr. Pradeep S. Shah *Managing Director*Mr. Bhupal B. Nandgave *Whole Time Director (Works)***Non-Executive Directors, Independent**

Mr. Hiten C. Timbadia

Mr. Amit N. Dalal

Mr. Perses M. Billimoria

Mr. Abhay J. Mehrotra

Mr. Jai S. Diwanji

Mrs. Sohni H. Daswani, (w.e.f. 26.03.2015)

Chief Financial Officer

Mr. Suresh Narayan

Company Secretary

Mr. Mihir Mehta

Statutory Auditors**M/s. Natvarlal Vepari & Co.**Oricon House, 4th Floor, 12, K. Dubhash Marg,
Mumbai – 400 023, India**Bankers**

State Bank of India

State Bank of Bikaner & Jaipur

Standard Chartered Bank

Audit CommitteeMr. Hiten C. Timbadia, *Chairman*

Mr. Perses M. Billimoria

Mr. Abhay J. Mehrotra

Nomination & Remuneration CommitteeMr. Hiten C. Timbadia, *Chairman*

Mr. Perses M. Billimoria

Mr. Abhay J. Mehrotra

Stakeholders Grievance CommitteeMr. Perses M. Billimoria, *Chairman*

Mr. Sanjay S. Shah

CSR CommitteeMr. Pradeep S. Shah, *Chairman*

Mr. Bhupal B. Nandgave

Mr. Abhay J. Mehrotra

**Registrar & Share Transfer Agents
Link Intime India Pvt. Ltd.**C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078, Maharashtra, India.

Phone: +91-22-2596 3838

Fax: +91-22-2594 6969

Investor Grievance E-Mail Id

sharegrievances@manugraph.com

43rd ANNUAL GENERAL MEETING**Date:** August 13, 2015**Day:** Thursday**Time:** 4.00 p.m.**Place:** M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, Maharashtra, India**CONTENTS**

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NOTICE

NOTICE is hereby given that the Forty Third Annual General Meeting of the members of the Company will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, India, on Thursday, August 13, 2015 at 4.00 p.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. Sanjay S. Shah (DIN: 00248592), who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, and resolution passed by the members for appointment of M/s. Natvarlal Vepari & Co., Chartered Accountants, (Firm Registration No. 106971W) for a period of 5 (Five) years commencing from the conclusion of Forty Second Annual General Meeting, the appointment of M/s. Natvarlal Vepari & Co., Chartered Accountants, (Firm Registration No. 106971W) is ratified for the period concluding from the Forty Third Annual General Meeting till the conclusion of next Annual General Meeting on such remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee and reimbursement of all out of pocket expenses in connection with the audit for the year ending March 31, 2016.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Sohni Harish Daswani (DIN: 01933506), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to August 12, 2020.”

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

“RESOLVED THAT pursuant to the provisions of Section 197, Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Sanjay S. Shah (DIN: 00248592) as Vice Chairman & Managing Director for a period of 3 (Three) years commencing from April 1, 2016 on the following terms of remuneration:

- 1) Basic Salary per month: ` 5,50,000/- with such annual increment upto 20% as the Nomination & Remuneration Committee of the Board may decide;
- 2) HRA: 60% of the Basic Salary;
- 3) Perquisites like insurance, security charges, maintenance and repairs of house, servants’ salaries, society charges, property

tax, furniture, fixtures & electrical appliances, expenditure incurred on gas, electricity, water, medical benefits, club membership fees (2 clubs) and personal accident insurance, medical insurance: 20% of the Basic Salary;

- 4) Other perquisites like reimbursement of communication expenses, conveyance expenses, Company's car alongwith chauffeur, insurance, petrol / diesel costs, cost of repairs, overhauling, maintenance & garage rent, entertainment, travelling and other incidental expenses - Perquisites value evaluated as per Income-tax rules wherever applicable and otherwise at actual cost to the Company;
- 5) Other benefits as per Company's HR Policies like Leaves, Leave Travel Concessions, Leave Encashment, Provident Fund, Superannuation Fund, Annuity Scheme, Gratuity, Bonus, etc.

Provided that the total remuneration not to exceed the limits specified under section 197 of the Companies Act, 2013 read with Schedule V of the Act including any modification, amendment, re-enactment thereof."

"RESOLVED FURTHER THAT in the event of no profits / inadequacy of profits, Mr. Sanjay S. Shah, Vice Chairman & Managing Director shall be paid above remuneration as minimum remuneration."

"RESOLVED FURTHER THAT Mr. Sanjay S. Shah, Vice Chairman & Managing Director shall, in addition to the above mentioned salary & perquisites, be paid commission on the annual net profits (whenever applicable) at such rate as may be fixed by the Board of Directors of the Company upon recommendation of the Nomination & Remuneration Committee of the Board and/or in accordance with the Remuneration Policy of the Company and subject to the overall ceiling laid down under the Companies Act, 2013, Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other applicable rules, if any, including any statutory amendment, modification, re-enactment from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment / remuneration as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and / or officer(s) of the Company to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 197, Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Pradeep S. Shah (DIN: 00248692) as the Managing Director for a period of 3 (Three) years commencing from April 1, 2016 on the following terms of remuneration:

- 1) Basic Salary per month: ` 5,50,000/- with such annual increment upto 20% as the Nomination & Remuneration Committee of the Board may decide;
- 2) HRA: 60% of the Basic Salary;
- 3) Perquisites like insurance, security charges, maintenance and repairs of house, servants' salaries, society charges, property tax, furniture, fixtures & electrical appliances, expenditure incurred on gas, electricity, water, medical benefits, club membership fees (2 clubs) and personal accident insurance, medical insurance: 20% of the Basic Salary;
- 4) Other perquisites like reimbursement of communication expenses, conveyance expenses, Company's car alongwith chauffeur, insurance, petrol / diesel costs, cost of repairs, overhauling, maintenance & garage rent, entertainment, travelling and other incidental expenses - Perquisites value evaluated as per Income-tax rules wherever applicable and otherwise at actual cost to the Company;
- 5) Other benefits as per Company's HR Policies like Leaves, Leave Travel Concessions, Leave Encashment, Provident Fund, Superannuation Fund, Annuity Scheme, Gratuity, Bonus, etc.

Provided that the total remuneration not to exceed the limits specified under section 197 of the Companies Act, 2013 read with Schedule V of the Act including any modification, amendment, re-enactment thereof."

"RESOLVED FURTHER THAT in the event of no profits / inadequacy of profits, Mr. Pradeep S. Shah, Managing Director shall be paid above remuneration as minimum remuneration."

"RESOLVED FURTHER THAT Mr. Pradeep S. Shah, Managing Director shall, in addition to the above mentioned salary & perquisites, be paid commission on the annual net profits (whenever applicable) at such rate as may be fixed by the

Board of Directors of the Company upon recommendation of the Nomination & Remuneration Committee of the Board and/or in accordance with the Remuneration Policy of the Company and subject to the overall ceiling laid down under the Companies Act, 2013, Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other applicable rules, if any, including any statutory amendment, modification, re-enactment from time to time.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment / remuneration as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and / or officer(s) of the Company to give effect to this Resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Bhupal B. Nandgave (DIN: 06447544) as Whole Time Director (Works) for a period of 3 (Three) years commencing from December 10, 2015 on the following terms of remuneration:

- 1) Basic Salary per month: ` 86,000/- with such annual increment upto 20% as the Nomination & Remuneration Committee of the Board may decide;
- 2) Perquisites & Allowances per month: ` 93,000/- with such annual increment upto 20% as the Nomination & Remuneration Committee of the Board as may decide
- 3) Variable Pay: As the Nomination & Remuneration Committee of the Board may decide

“**RESOLVED FURTHER THAT** Mr. Bhupal B. Nandgave, Whole time Director (Works) shall also be eligible for Provident Fund, Superannuation Fund, Gratuity Scheme, Annuity Scheme, Leave, Leave Travel Concessions, Leave Encashment in accordance with the Company’s Schemes & Rules as may be applicable from time to time.”

“**RESOLVED FURTHER THAT** in the event of no profits / inadequacy of profits, Mr. Bhupal B. Nandgave, Whole time Director (Works) shall be paid above remuneration as minimum remuneration.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment / remuneration as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and / or officer(s) of the Company to give effect to this Resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration of ` 3,50,000/- (Rupees Three Lakh Fifty Thousand only) per annum.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Mihir Mehta

Company Secretary

Registered Office:

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

Dated: May 27, 2015

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM or the Meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of himself / herself and the proxy need not be a Member of the Company. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, 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 shall not act as proxy for any other person or Member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not later than forty-eight hours before the commencement of the Meeting. A proxy form for the AGM is enclosed.
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. In terms of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, the Company is providing the e-voting facility to its Members holding shares in physical or dematerialized form, as on the cut-off date, being Thursday, August 6, 2015, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice (the "Remote e-voting"). The Remote e-voting commences on Monday, August 10, 2015 (10:00 A.M.) and ends on Wednesday, August 12, 2015 (5:00 P.M.). Detail of the process and manner of Remote e-voting along with the User ID and Password is being sent to all the Members along with the Notice.
4. In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014 with respect to the Voting through electronic means, the Company is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date being Thursday, August 6, 2015.
5. Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
6. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
8. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
10. The Company has notified closure of Register of Members and Share Transfer Books from Friday, August 7, 2015 to Thursday, August 13, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
11. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between August 14, 2015 and August 20, 2015 to those members who hold shares:
 - a. In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Friday, August 7, 2015.
 - b. In physical mode, if their names appear in the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Company and its Registrar and Transfer Agents before Friday, August 7, 2015.
12. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Link Intime India Private Limited ("Link") cannot act on any request received directly from the members holding shares in electronic

form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Link.
14. The Members, desiring any information relating to the accounts, are requested to write to the Company at an early date, so as to enable the management to keep the information ready.
15. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

16. E VOTING PROCEDURE

- i. The voting period begins from August 10, 2015 (from 10.00 A.M.) to August 12, 2015 (up to 5.00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 6, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The members should log on to the e-voting website www.evotingindia.com.
- iv. Click on 'Shareholders'.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. 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 dematerialized 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 dematerialized form and physical form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated 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#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <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 as mentioned in instruction (iv).

- 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 dematerialized 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 dematerialized 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 Company <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 a dematerialized account holder has forgotten the password then enter the user ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- xix. Note for non – individual members and custodians
 - Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to www.evotingindia.com 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 a compliance user should be created using the admin login and password. The compliance user 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 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESS:

Item No. 5:

The Board of Directors at its meeting held on March 26, 2015 appointed Mrs. Sohni Harish Daswani as an Additional Director of the Company with effect from March 26, 2015.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Mrs. Sohni Harish Daswani holds office upto the date of the ensuing Annual General Meeting. Further, in accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mrs. Sohni Harish Daswani be appointed as an Independent Director of the Company.

The appointment of Mrs. Sohni Harish Daswani shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Sohni Harish Daswani for the office of Director of the Company.

Mrs. Sohni Harish Daswani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a declaration from Mrs. Sohni Harish Daswani that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mrs. Sohni Harish Daswani fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Sohni Harish Daswani is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Mrs. Sohni Harish Daswani is as follows:

Mrs. Daswani completed her General Certificate of Education (GCE) Advanced Level from Godolphin & Latymer School, Hammersmith, London and Bachelor in Law (LLB) from University College, London. Mrs. Daswani also completed Solicitors Final Examination from College of Law, Guildford, U.K.

Mrs. Daswani moved to Mumbai, India in 1989 and worked with Crawford Bailey Law Firm to grasp practical aspects of laws in India.

Presently, Mrs. Daswani is a non executive Director of Daswani Estates Private Limited owning a retail brand 'Charagh Din'. Mrs. Daswani is not a member in any Committee of the Board of the Company or any other Company.

A homemaker, Mrs. Daswani likes to do yoga, to read and likes to travel.

She does not hold any shares of the Company in her name. Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Sohni Harish Daswani is appointed as an Independent Director of the Company.

Copy of the draft letter for appointment of Mrs. Sohni Harish Daswani as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mrs. Sohni Harish Daswani and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6:

The Board of Directors at their meeting held on May 27, 2015 based on the recommendation of Nomination & Remuneration Committee, had approved the re-appointment and revision in remuneration of Mr. Sanjay S. Shah, Vice Chairman and Managing Director with effect from April 1, 2016.

Mr. Sanjay S. Shah's current tenure as approved by the Members of the Company is valid upto March 31, 2016.

Under the able leadership and guidance of Mr. Sanjay S. Shah, the Company has managed to maintain its Numero Uno position despite negative growth in the Industry.

Considering the highly satisfactory performance achieved by the Company till date under Mr. Sanjay Shah's leadership, the Board of Directors at their meeting held on May 27, 2015 based on the recommendation of Nomination & Remuneration Committee (N&RC), have decided to recommend his re-appointment as Vice Chairman & Managing Director with effect from April 1, 2016 for a period of 3 years to the Members of the Company for approval.

While the current tenure of appointment of Mr. Sanjay S. Shah as Vice Chairman & Managing Director is upto March 31, 2016, the Board has decided to recommend his re-appointment well in advance and also extend the term, in order to bring about certainty to the Members on the leadership of the Company, which would in turn promote good corporate governance. The early initiation of the process of re-appointment would also enable the Company to implement its long term growth plans.

Further, based on the recommendation of the N&RC and in line with the Compensation Policy of the Company, the Board has recommended the following remuneration to Mr. Sanjay S. Shah, Vice Chairman & Managing Director for the period of three years beginning from April 1, 2016:

- 1) Basic Salary per month: ` 5,50,000/- with such annual increment upto 20% as the Nomination & Remuneration Committee of the Board may decide;
- 2) HRA: 60% of the Basic Salary;
- 3) Perquisites like insurance, security charges, maintenance and repairs of house, servants' salaries, society charges, property tax, furniture, fixtures & electrical appliances, expenditure incurred on gas, electricity, water, medical benefits, club membership fees (2 clubs) and personal accident insurance, medical insurance: 20% of the Basic Salary;
- 4) Other perquisites like reimbursement of communication expenses, conveyance expenses, Company's car alongwith chauffer, insurance, petrol / diesel costs, cost of repairs, overhauling, maintenance & garage rent, entertainment, travelling and other incidental expenses - Perquisites value evaluated as per Income-tax rules wherever applicable and otherwise at actual cost to the Company;
- 5) Other benefits as per Company's HR Policies like Leaves, Leave Travel Concessions, Leave Encashment, Provident Fund, Superannuation Fund, Annuity Scheme, Gratuity, Bonus, etc.

Provided that the total remuneration not to exceed the limits specified under section 197 of the Companies Act, 2013 read with Schedule V of the Act including any modification, amendment, re-enactment thereof.

The information as required under Schedule V of the Companies Act, 2013 and Clause 49 of the Listing Agreement is provided as an Annexure to this Notice.

Accordingly, your Directors recommend the passing of Resolution(s), as set forth in Item No. 6 of this Notice, for approval by the Members of the Company.

Save and except Mr. Sanjay S. Shah, Mr. Sanat M. Shah and Mr. Pradeep S. Shah, none of the other Directors or Key Managerial Personnel or their relatives, in any way, are concerned or interested in the above Resolutions.

Item No. 7:

The Board of Directors at their meeting held on May 27, 2015 based on the recommendation of Nomination & Remuneration Committee, had approved the re-appointment and revision in remuneration of Mr. Pradeep S. Shah, Managing Director with effect from April 1, 2016.

Mr. Pradeep S. Shah's current tenure as approved by the Members of the Company is valid upto March 31, 2016.

Under the able leadership and guidance of Mr. Pradeep S. Shah, the Company has managed to maintain its Numero Uno position despite negative growth in the Industry.

Considering the highly satisfactory performance achieved by the Company till date under Mr. Pradeep Shah's leadership, the Board of Directors at their meeting held on May 27, 2015 based on the recommendation of Nomination & Remuneration Committee (N&RC), have decided to recommend his re-appointment as Managing Director with effect from April 1, 2016 for a period of 3 years to the Members of the Company for approval.

While the current tenure of appointment of Mr. Pradeep S. Shah as Managing Director is upto March 31, 2016, the Board has decided to recommend his re-appointment well in advance and also extend the term, in order to bring about certainty to the Members on the leadership of the Company, which would in turn promote good corporate governance. The early initiation of the process of re-appointment would also enable the Company to implement its long term growth plans.

Further, based on the recommendation of the N&RC and in line with the Compensation Policy of the Company, the Board has recommended the following remuneration to Mr. Pradeep S. Shah, Managing Director for the period of three years beginning from April 1, 2016:

- 1) Basic Salary per month: ` 5,50,000/- with such annual increment upto 20% as the Nomination & Remuneration Committee of the Board may decide;
- 2) HRA: 60% of the Basic Salary;
- 3) Perquisites like insurance, security charges, maintenance and repairs of house, servants' salaries, society charges, property tax, furniture, fixtures & electrical appliances, expenditure incurred on gas, electricity, water, medical benefits, club membership fees (2 clubs) and personal accident insurance, medical insurance: 20% of the Basic Salary;
- 4) Other perquisites like reimbursement of communication expenses, conveyance expenses, Company's car alongwith chauffer, insurance, petrol / diesel costs, cost of repairs, overhauling, maintenance & garage rent, entertainment, travelling and other incidental expenses - Perquisites value evaluated as per Income-tax rules wherever applicable and otherwise at actual cost to the Company;
- 5) Other benefits as per Company's HR Policies like Leaves, Leave Travel Concessions, Leave Encashment, Provident Fund, Superannuation Fund, Annuity Scheme, Gratuity, Bonus, etc.

Provided that the total remuneration not to exceed the limits specified under section 197 of the Companies Act, 2013 read with Schedule V of the Act including any modification, amendment, re-enactment thereof.

The information as required under Schedule V of the Companies Act, 2013 and Clause 49 of the Listing Agreement is provided as an Annexure to this Notice.

Accordingly, your Directors recommend the passing of Resolution(s), as set forth in Item No. 7 of this Notice, for approval by the Members of the Company.

Save and except Mr. Sanjay S. Shah, Mr. Sanat M. Shah and Mr. Pradeep S. Shah, none of the other Directors or Key Managerial Personnel or their relatives, in any way, are concerned or interested in the above Resolutions.

Item No. 8:

The Board of Directors at their meeting held on May 27, 2015 based on the recommendation of Nomination & Remuneration Committee, had approved the re-appointment and revision in remuneration of Mr. Bhupal B. Nandgave, Whole Time Director (Works) with effect from December 10, 2015.

Mr. Bhupal B. Nandgave's current tenure as approved by the Members of the Company is valid upto December 9, 2015.

Mr. Bhupal B. Nandgave has a Diploma in Mechanical Engineering and has extensive background and vast experience in manufacturing, material management and operations.

Considering the experience of Mr. Bhupal B. Nandgave, the Board of Directors at their meeting held on May 27, 2015 based on the recommendation of Nomination & Remuneration Committee (N&RC), have decided to recommend his re-appointment as Whole Time Director (Works) with effect from December 10, 2015 for a period of 3 years to the Members of the Company for approval.

While the current tenure of appointment of Mr. Bhupal B. Nandgave as Whole Time Director (Works) is upto December 9, 2015, the Board has decided to recommend his re-appointment well in advance and also extend the term, in order to bring about certainty to the Members on the leadership of the Company, which would in turn promote good corporate governance. The early initiation of the process of re-appointment would also enable the Company to implement its long term growth plans.

Further, based on the recommendation of the N&RC and in line with the Compensation Policy of the Company, the Board has recommended the following remuneration to Mr. Bhupal B. Nandgave, Whole Time Director (Works) for the period of three years beginning from December 10, 2015:

- 1) Basic Salary per month: ` 86,000/- with such annual increment upto 20% as the Nomination & Remuneration Committee of the Board may decide;

- 2) Perquisites & Allowances per month: ₹ 93,000/- with such annual increment upto 20% as the Nomination & Remuneration Committee of the Board as may decide
- 3) Variable Pay: As the Nomination & Remuneration Committee of the Board may decide

The information as required under Schedule V of the Companies Act, 2013 and Clause 49 of the Listing Agreement is provided as an Annexure to this Notice.

Accordingly, your Directors recommend the passing of Resolution(s), as set forth in Item No. 8 of this Notice, for approval by the Members of the Company.

Save and except Mr. Bhupal B. Nandgave, none of the other Directors or Key Managerial Personnel or their relatives, in any way, are concerned or interested in the above Resolutions.

Item No. 9:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule V of the Companies Act, 2013, for payment of Remuneration to Managing / Executive Director in excess of limits specified in case of inadequate profits.

The information required in terms of Schedule V of the Companies Act, 2013 is as under:

I General Information					
1.	Nature of Industry	Manufacturing of Printing Machinery			
2.	Date or expected date of commencement of commercial production	The Company is an existing company and is in operation since 1973. (Amt. in ` Crores)			
3.	Financial performance based on given indicators	Particulars	31.03.2015	31.03.2014	31.03.2013
		Total Income	221.91	260.53	316.52
		Profit Before Tax	-11.33	-12.80	18.69
		Profit After Tax	-10.74	-7.76	12.39
4.	Export performance and net foreign exchange collaborations	Particulars	31.03.2015	31.03.2014	31.03.2013
		FOB value of Exports	55.76	83.15	87.52
		Income in Foreign Exchange	57.98	86.58	88.35
5.	Foreign investments or collaborators, if any	The total equity shares held by Foreign Companies, Foreign Nationals and Non Resident Indians are 210912 equity shares of face value of ` 2/- each. The Company does not have any foreign collaboration.			

1. For Mr. Sanjay S. Shah, Vice Chairman & Managing Director

I Information about the Appointee			
(1)	Background details	Mr. Sanjay S. Shah: Mr. Sanjay S. Shah has rich experience in multifarious areas of Accounting, Financial Management, Labour, Industrial Relation and administrative functions encompassing over two decades.	
(2)	Past Remuneration details	Mr. Sanjay S. Shah	
		Sr. No.	Financial Year
		1	2014-15
		2	2013-14
3	2012-13	Remuneration (In ` Lakhs)	97.19
2	2013-14	93.95	
3	2012-13	83.49	
(3)	Recognition or awards	N. A.	
(4)	Job profile and his suitability	Mr. Sanjay S. Shah is responsible for ensuring profitable growth of the Company with adequate control on costs, investments in current and fixed assets and maintaining over all financial discipline throughout the organization. Mr. Sanjay S. Shah has rich experience in multifarious areas of Accounting, Financial Management, Labour, Industrial Relation and administrative functions encompassing over two decades.	
(5)	Remuneration proposed	The terms of remuneration to Mr. Sanjay S. Shah is detailed in Explanatory Statement to item No. 6 herein above.	
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is reasonable when compared to the exigencies of the global stature & complexity of business of the Company and commensurate with the similar industry (manufacturing), operating in India and the profile of the position.	
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Sanjay S. Shah, Vice Chairman & Managing Director is one of the promoters holds 4.32% in the equity share capital of the Company. Mr. Sanjay S. Shah is the son of Mr. Sanat M. Shah, Chairman of the Company and brother of Mr. Pradeep S. Shah, Managing Director of the Company. Mr. Sanjay S. Shah has no relationship with any other managerial personnel.	

II. Other Information:		
(1)	Reasons of loss or inadequate profits	Due to economic slow down, high interest rates and currency depreciation, our customers are either delaying or postponing the setting up of new capacities. This negative sentiment has impacted the company's operations. Though the company has made different strategies to deal with the situation, the profitability may not be as per the planned projections due to the uncertain scenario.
(2)	Steps taken or proposed to be taken for improvement	The Company's R & D Centre is pursuing opportunities for manufacturing other engineering products which largely needs similar infrastructure and skill sets.
(3)	Expected increase in productivity and profits in measurable terms	The Company's tight control on costs and higher asset productivity will help in reducing overall costs and increase profits.
III. Disclosures		
1.	Remuneration package of the managerial person: Fully described in the respective explanatory statement as stated above	
2.	Disclosures in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual report of the Company	
3.	Information as required under Clause 49 of the Listing Agreement:	
	a) Specialised expertise: Please read 'information about the appointee' above. b) No. of shares held: 1314575 c) Directorships in other Companies: i) Earthmaster Equipment Private Limited ii) Manu Enterprises Limited iii) Multigraph Enterprises Limited iv) Multigraph Machinery Company Limited v) Santsu Finance And Investment Private Limited. d) Committee positions held: Member of Stakeholders Grievances Committee of the Board	

2. For Mr. Pradeep S. Shah, Managing Director

I Information about the Appointee			
(1)	Background details	Mr. Pradeep S. Shah: Mr. Pradeep S. Shah is responsible for product design & development, industrial engineering, production planning, developing new printing machinery, installing production systems and training personnel and achieving production target and has vast experience and knowledge in these fields encompassing over two decades.	
(2)	Past Remuneration details	Mr. Pradeep S. Shah	
		Sr. No.	Financial Year
		1	2014-15
		2	2013-14
		3	2012-13
		Remuneration (In ` Lakhs)	
			97.19
			93.95
			83.39
(3)	Recognition or awards	N. A.	
(4)	Job profile and his suitability	Mr. Pradeep S. Shah is the Managing Director of the Company. He will have substantial powers of management and shall exercise the same subject to the superintendence, control and direction of the Board. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.	
(5)	Remuneration proposed	The terms of remuneration to Mr. Pradeep S. Shah is detailed in Explanatory Statement to item No. 7 hereinabove.	

	(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is reasonable when compared to the exigencies of the global stature & complexity of business of the Company and commensurate with the similar industry (manufacturing), operating in India and the profile of the position.
	(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Pradeep S. Shah, Managing Director is one of the promoter holds 5.37% in the equity share capital of the Company. Mr. Pradeep S. Shah is son of Mr. Sanat M. Shah, Chairman of the Company and brother of Mr. Sanjay S. Shah, Vice Chairman & Managing Director of the Company. Mr. Pradeep S. Shah has no relationship with any other managerial personnel.
II.	Other Information:		
	(1)	Reasons of loss or inadequate profits	Due to economic slow down, high interest rates and currency depreciation, our customers are either delaying or postponing the setting up of new capacities. This negative sentiment has impacted the company's operations. Though the company has made different strategies to deal with the situation, the profitability may not be as per the planned projections due to the uncertain scenario
	(2)	Steps taken or proposed to be taken for improvement	The Company's R & D Centre is pursuing opportunities for manufacturing other engineering products which largely needs similar infrastructure and skill sets.
	(3)	Expected increase in productivity and profits in measurable terms	The Company's tight control on costs and higher asset productivity will help in reducing overall costs and increase profits.
III.	Disclosures		
	1.	Remuneration package of the managerial person: Fully described in the respective explanatory statement as stated above	
	2.	Disclosures in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual report of the Company	
	3.	Information as required under Clause 49 of the Listing Agreement:	
		a) Specialised expertise: Please read 'information about the appointee' above.	
		b) No. of shares held: 1634545	
		c) Directorships in other Companies:	
		i) Manu Enterprises Limited	
		ii) Multigraph Enterprises Limited	
		iii) Multigraph Machinery Company Limited	
		iv) Gar Apparel India Private Limited	
		v) Santsu Finance And Investment Private Limited.	
		vi) Hindusthan Safety Glass Industries Limited	
		d) Committee positions held: Chairman of CSR Committee of the Board.	

3. For Mr. Bhupal B. Nandgave, Whole Time Director (Works)

I	Information about the Appointee														
	(1)	Background details	Mr. Bhupal B. Nandgave: Mr. Bhupal B. Nandgave has Diploma in Mechanical Engineering and has extensive background and vast experience in manufacturing, material management and operations.												
	(2)	Past Remuneration details	Mr. Bhupal B. Nandgave												
			<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Financial Year</th> <th>Remuneration (In ` Lakhs)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2014-15</td> <td>20.41</td> </tr> <tr> <td>2</td> <td>2013-14</td> <td>14.98</td> </tr> <tr> <td>3</td> <td>2012-13</td> <td>4.96</td> </tr> </tbody> </table>	Sr. No.	Financial Year	Remuneration (In ` Lakhs)	1	2014-15	20.41	2	2013-14	14.98	3	2012-13	4.96
Sr. No.	Financial Year	Remuneration (In ` Lakhs)													
1	2014-15	20.41													
2	2013-14	14.98													
3	2012-13	4.96													

(3)	Recognition or awards	N. A.
(4)	Job profile and his suitability	Mr. Bhupal B. Nandgave is responsible for managing Operations of both the Units located at Kolhapur including various departments like Research & Development, Customer Support, Production, Human Resources, Supply chain management and such other duties as may be assigned by the Board from time to time.
(5)	Remuneration proposed	The terms of remuneration to Mr. Bhupal B. Nandgave is detailed in Explanatory Statement to item No. 8 herein above.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is reasonable when compared to the exigencies of the global stature & complexity of business of the Company and commensurate with the similar industry (manufacturing), operating in India and the profile of the position.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Bhupal B. Nandgave is not related to any other Director, Promoter or Key Managerial Person.
II. Other Information:		
(1)	Reasons of loss or inadequate profits	Due to economic slow down, high interest rates and currency depreciation, our customers are either delaying or postponing the setting up of new capacities. This negative sentiment has impacted the company's operations. Though the company has made different strategies to deal with the situation, the profitability may not be as per the planned projections due to the uncertain scenario
(2)	Steps taken or proposed to be taken for improvement	The Company's R & D Centre is pursuing opportunities for manufacturing other engineering products which largely needs similar infrastructure and skill sets.
(3)	Expected increase in productivity and profits in measurable terms	The Company's tight control on costs and higher asset productivity will help in reducing overall costs and increase profits.
III. Disclosures		
1.	Remuneration package of the managerial person: Fully described in the respective explanatory statement as stated above.	
2.	Disclosures in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual report of the Company.	
3.	Information as required under Clause 49 of the Listing Agreement:	
	a) Specialised expertise: Please read 'information about the appointee' above.	
	b) No. of shares held: 1200	
	c) Directorships in other Companies: None	
	d) Committee positions held: Member of CSR Committee of the Board	

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting this Forty Third Directors' Report together with the audited Annual Accounts of the Company for the financial year ended March 31, 2015.

FINANCIAL PERFORMANCE

The highlights of the financial position for the year under review as compared to the corresponding period in the previous year are given below:

(` in lakhs)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Total Income	22190.82	26053.45	26565.08	31045.34
Total Expenses	23323.66	26254.49	27519.09	31146.31
Profit before Taxation	(1132.84)	(1280.16)	(954.01)	(1180.08)
Tax Expense	(58.79)	(503.89)	39.03	(376.46)
Profit after Taxation	(1074.05)	(776.27)	(993.04)	(803.62)
Earnings Per Share (in `) (basic & considering exceptional items)	(3.53)	(2.55)	(3.26)	(2.64)

DIVIDEND

Despite the Company's decreasing sales and losses, and considering the dividend payment track record, your Directors are pleased to recommend **Dividend at 25% (` 0.50/- per Equity Share of ` 2/- each) on equity shares for the year ended March 31, 2015**, subject to the approval of shareholders at the ensuing annual general meeting of the Company. The Dividend distribution would result in cash outflow of ` 183.04 Lakhs (including Dividend Distribution Tax).

OPERATIONS AND FINANCE

Your directors have analyzed Company's operations and financials in detail in Management's Discussion and Analysis.

PRINTING INDUSTRY

The Printing Industry is divided into several sectors such as newspaper publishing, book printing, commercial printing, package printing, etc. The advent of electronic and digital technology have impacted the circulation of large newspapers especially in developed continents of the world such as America and Europe. Unfortunately very surprisingly, these newspapers while printing over 200 pages were relying heavily on printing advertisements. The revenues were largely generated out of advertisements and not readership.

The severe market crash of 2007 adversely affected the American and European newspaper industry. Besides above, the internet and television have to some extent influenced the readership of newspaper.

It was once visualized that demand for printing books, novels and magazines will deplete with onset of electronic publishing. However, it has been noticed that the demand for printed books increased substantially and also number of magazines and periodicals have grown manifold.

Due to reduction in demand for newspaper machines of large value, overall production reduced substantially worldwide. In developing countries, the demand for medium size machines is showing improvement due to decentralization of printing jobs.

With the general economic conditions improving in developing countries like Africa, South East Asia including India, we expect demand of medium size printing machines will increase in the near future.

COMPANY

Our Company manufactures machines of various sizes catering to small, medium and large customers based on its requirements. The Company has invested heavily both in manpower and capital.

The Company is also considering diversifying into other related areas such as packaging either by developing In-house technology or through joint ventures. Until such time, the Company's performance would be under pressure. The Company is also making efforts to reduce cost thereby minimizing losses and earning profits.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In terms of the provisions of Clause 49 of the Listing Agreement, the management's discussion and analysis is set out in this Annual Report.

PUBLIC / FIXED DEPOSITS

Your Company has not accepted any public / fixed deposits during the year and as such no amount of interest and principal deposit was outstanding as on the balance sheet date.

SUBSIDIARIES

During the year under review, Company's subsidiary has performed well despite slowdown in the global economies.

Performance of the wholly owned subsidiary company Manugraph Americas Inc. has been very satisfactory during the year. We achieved a break-through in introducing Indian manufactured presses in the North American market during the year. The company earned positive EBIDTA and Net profit during the year as a result of a combination of revenue enhancement and cost control measures.

A report on the performance and financial position of each of the subsidiaries, associates and joint ventures as per the Companies Act, 2013 is provided after Consolidated Financial Statements. The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website viz. www.manugraph.com.

BOARD OF DIRECTORS

The members of the Company vide resolutions passed through Postal Ballot (including E-Voting) appointed the existing Independent Directors viz. Mr. Hiten C. Timbadia, Mr. Amit N. Dalal, Mr. Perses M. Bilimoria, Mr. Abhay J. Mehrotra and Mr. Jai S. Diwanji as Independent Directors each for a period of 5 years w.e.f. March 2, 2015.

The Board of Directors on the recommendation of the Nomination & Remuneration Company, appointed Mrs. Sohni H. Daswani as an Additional Independent Director of the Company w.e.f. March 26, 2015.

Mrs. Sohni holds office only upto the date of the forthcoming AGM and a Notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mrs. Sohni's appointment as a Director.

Necessary declaration has been received from Mrs. Sohni H. Daswani that she meets the criteria of Independence prescribed under Section 149(6) of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement.

Your Directors recommend the appointment of Mrs. Sohni H. Daswani as an Independent Director for a period of 5 years, not liable to retire by rotation.

In accordance with the provisions of the Companies Act, 2013 and Company's Articles of Association, Mr. Sanjay S. Shah retires by rotation and is eligible for re-appointment. The Board recommends his re-appointment.

Brief profiles of Mrs. Sohni H. Daswani and Mr. Sanjay S. Shah proposed to be re-appointed as Directors of the Company are provided in the notice convening the ensuing Annual General Meeting.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

Independent Directors also reviewed the performance of non-independent Directors and the Board as a whole in line with the Company's policy on Board Evaluation.

Appointment & Remuneration Policy

During the year, the Board of Directors adopted Policy for Appointment of Directors and Senior Management and Evaluation of Directors' Performance, annexed as 'Annexure A'

Non Executive Directors

The Non Executive Directors are paid remuneration by way of Sitting Fees. During the year, the Company paid sitting fees of ₹ 10,000/- per meeting to the NEDs for attending meetings of the Board & Nomination & Remuneration Committee and ₹ 6,000/- per meeting to the NEDs for attending Audit Committee meeting.

Executive Directors

Executive Directors are paid remuneration by way of salary, perquisites, allowances and commission. Salary is paid within the range fixed by the members of the Company.

Management Staff

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his annual performance etc.

DISCLOSURES:

Meetings of the Board

During the financial year, the Board met 5 times. The meetings were held on May 27, 2014, August 11, 2014, October 31, 2014, February 2, 2015 and March 26, 2015.

Board Committees

Audit Committee

Mr. Hiten C. Timbadia, Chairman
Mr. Perses M. Bilimoria
Mr. Abhay J. Mehrotra

Stakeholders Grievance Committee

Mr. Perses M. Bilimoria, Chairman
Mr. Sanjay S. Shah

Nomination & Remuneration Committee

Mr. Hiten C. Timbadia, Chairman
Mr. Perses M. Bilimoria
Mr. Abhay J. Mehrotra

CSR Committee

Mr. Pradeep S. Shah, Chairman
Mr. Bhupal B. Nandgave
Mr. Abhay J. Mehrotra

The details of various functions / role are provided separately under Corporate Governance Report of this Annual Report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons or entities which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Attention of members is drawn

to the disclosure of transactions with related parties set out in Note No. 35 of Standalone Financial Statements, forming part of the Annual Report.

The policy on Related Party Transactions as approved by the Board is available on website of the Company viz.: www.manugraph.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company needs to spend atleast 2% of its average net profits of the preceding three financial years in pursuance of Corporate Social Responsibility Policy.

The Company appreciates the endeavor of the Indian Government on commitment towards Corporate Social Responsibility. The Company provides education and other loans at a nominal rate to employees which enable their children for higher education. The Annual Report on our CSR Activities is appended as 'Annexure B' to this report.

In view of losses for the past two financial years, the Company could not meet its entire obligation towards CSR activities. However, the Company would strive to pursue its CSR activities in the coming years.

EXTRACTS OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as 'Annexure C'.

AUDITORS

The members of the Company at its Annual General Meeting held on August 27, 2014 have appointed M/s. Natvarlal Vepari & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office upto the conclusion of the fifth consecutive annual general meeting of the Company.

In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. Natvarlal Vepari & Co. as statutory auditors of the Company is placed for ratification by the shareholders.

M/s. Natvarlal Vepari & Co. has confirmed their eligibility for re-appointment as Statutory Auditors. M/s. Natvarlal Vepari & Co. has also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Your directors recommend reappointment of M/s. Natvarlal Vepari & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2015-16. A resolution to the effect is placed for your consideration and approval.

Members' attention is invited to the observation made by the Auditors under 'Emphasis of Matter' appearing in the Auditors Reports.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual financial statements have been prepared on a going concern basis;
- (v) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company's philosophy is based on the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company adheres to corporate culture of integrity and consciousness. Corporate Governance is a journey for constantly improving sustainable value creation.

As required under the provisions of Clause 49 of the Listing Agreement, a separate report on Corporate Governance forms part of this Annual Report, together with a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance.

HUMAN RESOURCES

The Human Resource function of your organization is actively pursuing the agenda of supporting the organization in its strategic objectives. Key HR processes and practices have been strengthened and streamlined in order to support the global scale of the organization.

Human Resource Development practices in your Company are guided by the principles of relevance, consistency and fairness based on the premise that what is done in the Human Resource Development is as critical as how it is done. Taken together, these initiatives and processes are making a positive impact on talent attraction, retention and commitment.

The approach to progressive employee relations characterised by the core principles of trusteeship, fairness and equity, industrial democracy and partnership with enlightened trade unions, has stood the test of time in your Company. Your Company continues to set a fine record of industrial harmony.

The Company had a total of 1089 permanent employees as on March 31, 2015.

Particulars of Employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as 'Annexure D'.

The Company states that there are no employees (other than Managing Directors) employed throughout the financial year 2014-15 and drawing a salary of ` 60 Lakhs per annum or more or employed for part of the year and in receipt of remuneration of ` 5 Lakhs or more per month as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details of salary paid to the Managing Directors are part of the Corporate Governance Report, forming part of this Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Aashish K. Bhatt & Associates, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as 'Annexure E'.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RISK MANAGEMENT

The Company manages and monitors principal risks and uncertainties that can impact the ability of the Company to achieve its targets / objectives. Timely reports are placed before the board for considering various risks involved in the Company business / operations. The Board evaluates these reports and necessary / corrective actions are then implemented.

A brief report on risk evaluation and management is provided under Management's Discussion and Analysis Report forming part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy (the “WB Policy”) with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. The WB Policy also states that this mechanism should also provide for adequate safeguards against victimization of Director(s) / Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been posted on the website of the Company viz. <http://www.manugraph.com/frmFinancialReport.aspx> and the details of the same are explained in the Report on Corporate Governance forming part of this Annual Report.

DISCLOSURE IN TERMS OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company takes all necessary measures to ensure a harassment-free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. During the year, there were no complaints relating to sexual harassment.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed as ‘Annexure F’.

APPRECIATIONS

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the company. The Board places on record its appreciation for the dedication and commitment of the employees at all levels, which has continued to be our major strength.

For and on behalf of the Board

Sd/-

Sanat Shah

Chairman

Place: Mumbai

Date: 27-05-2015

POLICY FOR APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND EVALUATION OF DIRECTORS' PERFORMANCE

1. INTRODUCTION

This policy on nomination of Directors, Key Managerial Personnel and Senior Management has been formulated by Nomination and Remuneration Committee and approved by the Board of Directors.

2. OBJECTIVES OF THE POLICY

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Formulate of criteria for evaluation of Independent Directors and the Board.
- iii. Identify persons who are qualified to become Directors and persons who may be appointed in Senior Management positions in accordance with the criteria laid down in this Policy.
- iv. Recommend to the Board, appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.

3. DEFINITIONS

"Act" means the Companies Act, 2013

"Board of Directors" or **"Board"** means the collective body of the Board of Directors of the Company, as constituted from time to time.

"Director" means any Director on the Board of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as Constituted or reconstituted by the Board, from time to time.

"Independent Director" means a Director as defined in Clause 49 of the Listing Agreement and Section 149(6) of the Act,

"Senior Management" - means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

4. KEY MANAGERIAL PERSONNEL

Key Managerial Personnel (KMP) as defined in Section 2(51) of the Act means-

- (i) The Chief Executive Officer or the Managing Director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-Time Director;
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed under relevant provision of the Act and Rules framed thereunder

5. APPLICABILITY

The Policy is applicable to

- (i) Directors (Executive and Non Executive)
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

6. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- i. The Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

A. Managing Director/Whole-time Director (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

B. Independent Director:

An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

C. Performance Evaluation:

The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated).

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent Directors and members of management.

The Independent Directors in the meeting shall:

- i. Review the performance of non-independent Directors and the Board as a whole.
- ii. Review the performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors.

D. Removal:

Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations framed thereunder.

E. Retirement:

The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain any Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, if the said retention is in the interest of the Company.

7. CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

(A) EXECUTIVE DIRECTORS

The performance of the Managing Director, Chief Executive Officer and other Executive Directors, if any, shall be evaluated on the basis of achievement of performance targets / criteria given to them by the Board from time to time.

(B) NON EXECUTIVE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The performance of Non Executive Directors including Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence;
- (f) Inform the Board immediately when they lose their independence ;
- (g) Assist the Company in implementing the best corporate governance practices;
- (h) Strive to attend all meetings of the Board of Directors and its Committees of which they are chairpersons or members
- (i) Participate constructively and actively in the Committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) Does not unfairly obstruct the functioning of an otherwise proper Board meeting or Committee meeting of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest ;
- (n) Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including Code of Conduct, Insider Trading Code etc.

8. DISCLOSURE

The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee, in its Annual Report.

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15

1. Brief outline of the Company's CSR Policy:

Recognising that the business enterprises are economic organs of the society and draw on societal resources, Manugraph India Limited ('the Company') believes in sustainability of environment replenishment, economic development and well-being of the communities and employees.

The Company's CSR activities, amongst others, will focus on:

- Hunger, Poverty, Malnutrition and Health / Health Care
- Education
- Rural Development
- Gender Equality and empowerment of Women
- Environmental sustainability

The Company undertakes its CSR activities approved by the CSR Committee either by the Company's personnel or through such other institutions / organisations as approved by the CSR Committee from time to time.

2. Composition of CSR Committee:

Mr. Pradeep S. Shah, Chairman of the Committee

Mr. Bhupal B. Nandgave, Member

Mr. Abhay J. Mehrotra, Member

3. Average Net profits of the Company for the last three financial years – ` 1,736.72 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as above) – ` 34.73 Lakhs

5. Details of CSR spent during the financial year:

Total Amount spent for the financial year – ` 9.50 Lakhs

Amount unspent, if any – ` 25.28 Lakhs

Manner in which amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Projects or Programs (1) Local Area or other District where project or program was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
1.	Dr. Balabhai Nanavati Hospital	Health & Health Care Mumbai, Maharashtra	100000	100000	100000	Direct
2.	Chief Ministers Relief Fund (J&K)	Environmental Sustainability Jammu & Kashmir	600000	600000	600000	Direct

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Sr. No.	CSR Project or activity identified	Projects or Programs (1) Local Area or other District where project or program was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
3.	Round Table India Trust	Education & Rural development Chennai	100000	100000	100000	Donation to Trust towards financial help for education of poor children
4.	Save Life Foundation	Malnutrition	150000	150000	150000	Donation to Trust for support to underprivileged elderly people
			950000	950000	950000	

In view of cash losses, the Company could not spend the entire allocated amount on its CSR activities.

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

‘The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.’

Sd/-

Sanjay S. Shah

Vice Chairman & Managing Director

Sd/-

Pradeep S. Shah

Chairman of the CSR Committee

Form MGT - 9
Extracts of Annual Return
As on the financial year ended March 31, 2015

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014)

I. Registration and Other details						
i)	CIN	L29290MH1972PLC015772				
ii)	Registration date	25-04-1972				
iii)	Name of the Company	Manugraph India Limited				
iv)	Category / Sub Category of the Company	Public Company, limited by shares				
v)	Address of the Registered Office and contact details	Sidhwa House, 1st Floor, N.A. Sawant Marg, Colaba, Mumbai - 400 005 Tel.: +91 22 2285 2256 / 57 / 58				
vi)	Whether listed company	Yes				
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai - 400078. Website: www.linkintime.co.in Phone: +91 22 25963838 Fax: +91 22 25946969				
II. Principal business activities of the Company		Manufacturer of Printing Machinery				
III. Particulars of Holding, Subsidiary and Associate Companies						
Sr. No.	Name of the Company	Address	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1)	Manugraph Americas Inc.	P.O. Box 573, Elizabethville, PA 17023 USA	NA	Subsidiary	100%	2(87)(ii)
2)	Constrad Agencies (Bombay) Pvt. Ltd.	Sidhwa House, 1st Floor, N.A. Sawant Marg, Colaba, Mumbai - 400 005	U51100MH1986PTC039336	Subsidiary	100%	2(87)(ii)
IV. Shareholding pattern (Equity share capital breakup as percentage of Total Capital)						
i)	Category wise share holding	Annexure 1				
ii)	Shareholding of promoters	Annexure 2				
iii)	Change in promoters' shareholding	Annexure 3				
iv)	Shareholding pattern of top 10 shareholders (other than Directors, Promoters and Holders of GD and AD)	Annexure 4				
v)	Shareholding of Directors and Key Managerial Personnel	Annexure 5				
V. Indebtedness						
	Indebtedness of the Company including interest outstanding / accrued but not due for payment	Annexure 6				
VI. Remuneration of Directors and Key Managerial Personnel						
	- Remuneration to Managing Director, Whole Time Director and/or Manager	Annexure 7				
	- Remuneration to Other Directors					
	- Remuneration to Key Managerial Personnel other than MD / Manager / WTD					
VII. Penalties / Punishment / Compounding of Offences						
		Annexure 8				

Annexure 1

Shareholding pattern (Equity share capital breakup as percentage of Total Capital)

i) Category wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	7569890	0	7569890	24.89	7569890	0	7569890	24.89	0.0000
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.0000
c) Bodies Corporates	9815902		9815902	32.27	9815902	0	9815902	32.27	0.0000
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.0000
e) Any other	0	0	0	0.00	0	0	0	0.00	0.0000
Sub Total: (A) (1)	17385792	0	17385792	57.16	17385792	0	17385792	57.16	0.0000
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.0000
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.0000
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.0000
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.0000
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.0000
Sub Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.0000
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	17385792	0	17385792	57.16	17385792	0	17385792	57.16	0.0000
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	1831103	2005	1833108	6.03	1718328	2005	1720333	5.66	-0.3708
b) Banks/FI	250	0	250	0.00	250	0	250	0.00	0.0000
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.0000
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.0000
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.0000
f) Insurance Companies	1134352	0	1134352	3.73	1134352	0	1134352	3.73	0.0000
g) FII/ S	0	0	0	0.00	0	0	0	0.00	0.0000
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.0000
i) Unit Trust of India	0	0	0	0.00	0	0	0	0.00	0.0000

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub Total (B)(1):	2965705	2005	2967710	9.76	2852930	2005	2854935	9.39	-0.3708
(2) Non Institutions									
a) Bodies corporates									
i) Indian	1921258	37540	1958798	6.44	1691304	37540	1728844	5.68	-0.7561
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.0000
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 Lakhs	5335814	1036321	6372135	20.95	5205439	997996	6203435	20.40	-0.5547
ii) Individuals shareholders holding nominal share capital in excess of ` 1 Lakhs	1290443	0	1290443	4.24	1869366	0	1869366	6.15	1.9034
c) Others (specify)									
i) Non Resident Indians (Repat)	127815	18020	145835	0.48	102149	2444	120169	0.40	-0.0844
ii) Non Resident Indians (Non Repat)	42729	0	42729	0.14	86873	0	86873	0.29	0.1451
iii) Foreign Companies	0	250	250	0.00	0	250	250	0.00	0.0000
iv) Clearing Member	189464	0	189464	0.62	103492	0	103492	0.34	-0.2827
v) Foreign Nationals	3620	0	3620	0.01	3620	0	3620	0.01	0.0000
vi) HUF	0	0	0	0.00	0	0	0	0.00	0.0000
vii) Directors / Relatives	57535	750	58285	0.19	57535	750	58285	0.19	0.0000
viii) Trusts	0	0	0	0.00	0	0	0	0.00	0.0000
Sub Total (B)(2):	8968678	1092881	10061559	33.08	9119778	1038980	10174334	33.45	0.3708
Total Public Shareholding (B) = (B)(1) + (B)(2)	11934383	1094886	13029269	42.84	11972708	1056561	13029269	42.84	0.0000
C. Shares held by Custodian for GD& ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	29320175	1094886	30415061	100.00	29358500	1056561	30415061	100.00	0.0000

Shareholding pattern (Equity share capital breakup as percentage of Total Capital)

ii) Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year (As on April 1, 2014 i.e. on the basis of shareholding pattern of March 31, 2014)		Shareholding at the end of the year (As on March 31, 2015 i.e. on the basis of shareholding pattern of March 31, 2015)		% change during the year
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
1)	Multigraph Machinery Co. Ltd.	5955027	19.58	5955027	19.58	0.00
2)	Sanat Mamtil Shah	2562610	8.43	2562610	8.43	0.00
3)	Manu Enterprises Limited	1955375	6.43	1955375	6.43	0.00
4)	Santsu Finance and Investment Pvt. Ltd.	1905500	6.26	1905500	6.26	0.00
5)	Pradeep S. Shah	1634545	5.37	1634545	5.37	0.00
6)	Sudha S. Shah	1491570	4.90	1491570	4.90	0.00
7)	Sanjay S. Shah	1314575	4.32	1314575	4.32	0.00
8)	Ameeta S. Shah	349450	1.15	349450	1.15	0.00
9)	Aditya S. Shah	116475	0.38	116475	0.38	0.00
10)	Rupalli P. Shah	87165	0.29	87165	0.29	0.00
11)	Kushal S. Shah	13500	0.04	13500	0.04	0.00
		17385792	57.16	17385792	57.16	0.00

(*) The term encumbrance has the same meaning as assigned to it in Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Shareholding pattern (Equity share capital breakup as percentage of Total Capital)

iii) Change in Promoters' shareholding

Sr. No.	Shareholding at the beginning of the year (As on April 1, 2014 i.e. on the basis of shareholding pattern of March 31, 2014)	Cumulative shareholding during the year	
		No. of Shares	% of the total shares of the Company
		17385792	57.18
	At the beginning of the year	17385792	57.18
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	--	--
	At the end of the year	17385792	57.18

Shareholding pattern (Equity share capital breakup as percentage of Total Capital)

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the beginning of the year		Increase / Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease	Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Co Ltd - A/C Reliance Mid & Small Cap Fund	1830853	6.02%	16-Jan-15	-36800	Transfer	1794053	5.90%		
				23-Jan-15	-28000	Transfer	1766053	5.81%		
				6-Mar-15	-22975	Transfer	1743078	5.73%		
				20-Mar-15	-25000	Transfer	1718078	5.65%	1718078	5.65%
2	Life Insurance Corporation of India	839867	2.76%	Nil	0	--	839867	2.76%	839867	2.76%
3	East India Securities Limited	467586	1.54%	23-May-14	-2921	Transfer	464665	1.53%	464665	1.53%
4	Minal Bharat Patel	0	0.00%	21-Nov-14	300000	Transfer	300000	0.99%	300000	0.99%
5	General Insurance Corporation of India	294485	0.97%	Nil	0	--	294485	0.97%	294485	0.97%
6	S. Shyam	0	0.00%	30-Jan-15	25913	Transfer	25913	0.09%		
				6-Feb-15	95416	Transfer	121329	0.40%		
				13-Feb-15	50788	Transfer	172117	0.57%		
				20-Feb-15	24800	Transfer	196917	0.65%		
				27-Feb-15	10392	Transfer	207309	0.68%		
				6-Mar-15	18975	Transfer	226284	0.74%	226284	0.74%
7	Vijaya S.	0	0.00%	14-Nov-14	8386	Transfer	8386	0.03%		
				21-Nov-14	60234	Transfer	68620	0.23%		
				28-Nov-14	22298	Transfer	90918	0.30%		
				5-Dec-14	58520	Transfer	149438	0.49%		
				12-Dec-14	23855	Transfer	173293	0.57%		
				31-Dec-14	11844	Transfer	185137	0.61%		
				2-Jan-15	16880	Transfer	202017	0.66%		
				9-Jan-15	6373	Transfer	208390	0.69%		
				13-Feb-15	16525	Transfer	224915	0.74%	224915	0.74%

Sr. No.	Name	Shareholding at the beginning of the year		Increase / Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease	Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	JNJ Holdings Private Limited	362000	1.19%	28-Nov-14	-60340	Transfer	301660	0.99%		
				5-Dec-15	-34300	Transfer	267360	0.88%		
				12-Dec-14	-651	Transfer	266709	0.88%		
				19-Dec-14	-5310	Transfer	261399	0.86%		
				31-Dec-14	-14024	Transfer	247375	0.81%		
				2-Jan-15	-10000	Transfer	237375	0.78%		
				16-Jan-15	-22042	Transfer	215333	0.71%		
				27-Mar-15	-333	Transfer	215000	0.71%	215000	0.71%
9	Barclays Wealth Trustees India Private Limited	215000	0.71%	Nil	0	--			215000	0.71%
10	Bharat Jayantilal Patel	185757	0.61%	11-Apr-14	300000	Transfer	485757	1.60%		
				21-Nov-14	-300000	Transfer	185757	0.61%	185757	0.61%
11	Hardik Bharatbhai Patel	150000	0.49%	Nil	0	--			150000	0.49%
12	Sekhar Shyam	0	0.00%	31-Dec-14	12051	Transfer	12051	0.04%		
				23-Jan-15	33384	Transfer	45435	0.15%		
				30-Jan-15	21016	Transfer	66451	0.22%		
				13-Feb-15	2824	Transfer	69275	0.23%		
				20-Mar-15	53101	Transfer	122376	0.40%	122376	0.40%
13	Vikas Aganwal	0	0.00%	9-Jan-15	114449	Transfer	114449	0.38%	114449	0.38%
14	Sushila Aganwal	96398	0.32%	Nil	0	--			96398	0.32%
15	Raviraj Developers Ltd.	15822	0.05%	23-May-14	-15822	Transfer	0	0.00%		
				6-Jun-14	13173	Transfer	13173	0.04%		
				13-Jun-14	5983	Transfer	19156	0.06%		
				20-Jun-14	2980	Transfer	22136	0.07%		
				30-Jun-14	2225	Transfer	24361	0.08%		
				18-Jul-14	23449	Transfer	47810	0.16%		
				8-Aug-14	2500	Transfer	50310	0.17%		
				19-Sep-14	5000	Transfer	55310	0.18%		
				30-Sep-14	6856	Transfer	62166	0.20%		
				17-Oct-14	1500	Transfer	63666	0.21%		

Sr. No.	Name	Shareholding at the beginning of the year		Increase / Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease	Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
				7-Nov-14	100	Transfer	63766	0.21%		
				16-Jan-15	6130	Transfer	69896	0.23%		
				30-Jan-15	-2702	Transfer	67194	0.22%		
				6-Feb-15	-3000	Transfer	64194	0.21%		
				20-Mar-15	6380	Transfer	70574	0.23%		
				27-Mar-15	8557	Transfer	79131	0.26%	79131	0.26%
16	Lakshendra Kr. Agarwal	77176	0.25%	Nil	0	--	77176	0.25%	77176	0.25%
17	Smart Value Equisearch Pvt. Ltd.	0	0.00%	6-Mar-15	15003	Transfer	15003	0.05%		
				13-Mar-15	9499	Transfer	24502	0.08%		
				20-Mar-15	20000	Transfer	44502	0.15%		
				27-Mar-15	18343	Transfer	62845	0.21%		
				31-Mar-15	14223	Transfer	77068	0.25%	77068	0.25%
18	Uma Shankar Agarwal	71768	0.24%	Nil	0	--	71768	0.24%	71768	0.24%
19	Monika Agarwal	69426	0.23%	Nil	0	--	69426	0.23%	69426	0.23%
20	Manoj Bhupatrai Shah	76800	0.25%	6-Feb-15	-12000	Transfer	64800	0.21%	64800	0.21%

Note: Top 10 shareholders as on April 1, 2014 and March 31, 2015 and any change in their shareholding

Shareholding pattern (Equity share capital breakup as percentage of Total Capital)

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at the beginning of the year		Increase / Decrease in Shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
(1)	Sanat M. Shah, Chairman	2562610	8.43	--	--	2562610	8.43
(2)	Sanjay S. Shah, Vice Chairman & Managing Director	1314575	4.32	--	--	1314575	4.32
(3)	Pradeep S. Shah, Managing Director	1634545	5.37	--	--	1634545	5.37
(4)	Hiten C. Timbadia, Independent Director	3500	0.01	--	--	3500	0.01
(5)	Amit N. Dalal, Independent Director	--	--	--	--	--	--
(6)	Perses M. Bilimoria, Independent Director	--	--	--	--	--	--
(7)	Abhay J. Mehrotra, Independent Director	--	--	--	--	--	--
(8)	Jai S. Diwanji, Independent Director	--	--	--	--	--	--
(9)	Sohni H. Daswani, Independent Director	--	--	--	--	--	--
(10)	Bhupal B. Nandgave, Whole Time Director (Works)	1200	0.00	--	--	1200	0.00
(11)	Suresh Narayan, Chief Financial Officer	--	--	--	--	--	--
(12)	Mihir Mehta, Company Secretary	--	--	--	--	--	--

Annexure 6

Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ` Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on April 1, 2014)				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
Addition	2155.74	--	--	2155.74
Reduction	1545.05	--	--	1545.05
Exchange difference	--	--	--	--
Net Change	610.69	--	--	610.69
Indebtedness at the end of the financial year (As on March 31, 2015)				
i) Principal Amount	610.69	--	--	610.69
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	610.69	--	--	610.69

Annexure 7

Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Directors, Whole Time Directors and / or Manager

(Amount in ` Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Sanjay S. Shah	Pradeep S. Shah	Bhupal B. Nandgave	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	87.59	89.69	20.41	197.69
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	9.60	7.50	--	17.10
	(c) Profits in lieu of Salary u/s. 17(3) of the Income Tax Act, 1961	--	--	--	
2.	Stock Options	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission				
	As % of Profits	--	--	--	--
	Others, specify	--	--	--	--
5.	Others	--	--	--	--
	Total	97.19	97.19	20.41	214.79
	Ceiling as per the Act	` 120 Lakhs for each of the Managing / Whole Time Director			

B. Remuneration to other Directors

(Amount in ` Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Hiten C. Timbadia	Amit N. Dalal	Perses M. Bilimoria	Abhay J. Mehrotra	Jai S. Diwanji	Sohni H. Daswani	Sanat M. Shah	
1.	Independent Directors								
	(a) Fee for attending Board / Committee Meetings	1.20	0.60	0.78	1.20	0.40	0.10	--	4.28
	(b) Commission	--	--	--	--	--	--	--	--
	(c) Others	--	--	--	--	--	--	--	--
	Total - 1	1.20	0.60	0.78	1.20	0.40	0.10	--	4.28
2.	Other Non-Executive Directors								
	(a) Fee for attending Board / Committee Meetings							0.50	0.50
	(b) Commission							--	--
	(c) Others							--	--
	Total - 2	--	--	--	--	--	--	0.50	0.50
3.	Total B (1 + 2)	1.20	0.60	0.78	1.20	0.40	0.10	0.50	4.78
	Total Managerial Remuneration*								219.57 Lakhs
	Overall Ceiling as per the Act								

* Total remuneration to Managing Directors, Whole Time Director and Other Directors (being the total of A and B)

* Total remuneration to Managing Directors, Whole Time Director and Other Directors (being the total of A and B)

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in ` Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO (Suresh Narayan)	Company Secretary (Ravindra V. Joshi) (upto 17.11.2014) (w.e.f. 18.11.2014)	
1.	Gross Salary		28.00	9.49	42.10
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		--	--	--
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961		--	--	--
	(c) Profits in lieu of Salary u/s. 17(3) of the Income Tax Act, 1961		--	--	--
2.	Stock Options	Not Applicable	--	--	--
3.	Sweat Equity		--	--	--
4.	Commission		--	--	--
	- As % of Profits		--	--	--
	- Others, specify		--	--	--
5.	Others		--	--	--
	Total		28.00	9.49	42.10

Annexure 8

Penalties / Punishment / Compounding of Offences

Type	Section of the Companies Act	Brief description	Details of penalties / punishment / compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of the Director	Title	Remuneration in FY 2014-15 (₹ in Lakhs)	% Increase in Remuneration in FY 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
Sanjay S. Shah	Vice Chairman & Managing Director	97.19	3.45%	26.99	N.A.
Pradeep S. Shah	Managing Director	97.19	3.45%	26.99	
Sanat M. Shah	Chairman	0.50	Non-Executive Directors are not paid any remuneration / commission save and except the sitting fees.	0.14	
Hiten C. Timbadia	Independent Director	1.20		0.36	
Amit N. Dalal	Independent Director	0.60		0.14	
Perses M. Bilimoria	Independent Director	0.78		0.22	
Abhay J. Mehrotra	Independent Director	1.20		0.33	
Jai S. Diwanji	Independent Director	0.40		0.11	
Sohni H. Daswani	Independent Director	0.10		0.03	
Bhupal B. Nandgave	Whole Time Director (Works)	20.41		36.23%	
Suresh Narayan	Chief Financial Officer	28.00	3.02%	NA	Not Applicable as the Company made Net Loss of ₹ 1074.05 Lakhs during the year 2014-15
Ravindra V. Joshi (upto. 17.11.2014),	Company Secretary	9.49	NA	NA	
Mihir Mehta (from 18.11.2014)	Company Secretary	4.61	NA	NA	

- The median remuneration of employees of the Company during the financial year was ₹ 3.60 Lakhs.
- In the financial year, there was an increase of 31.53% in the median remuneration of employees.
- There were 1089 permanent employees on the rolls of Company as on March 31, 2015.
- Relationship between average increase in remuneration and company performance:-
During the financial year ended March 31, 2015, the Company made a net loss of ₹ 1,074.05 Lakhs whereas the increase in median remuneration was 31.53%. The average increase in median remuneration was due to wage settlement in line with Company's remuneration policy and industry practice.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration to KMP for the financial year ended March 31, 2015 was ₹ 261.68 Lakhs as against ₹ 246.66 Lakhs, an increase by 6.09% whereas the Company incurred net loss of ₹ 1,074.50 Lakhs for the financial year ended March 31, 2015 as against loss of ₹ 776.26 Lakhs in the previous financial year.
- Variations in the market capitalisation of the Company:
The market capitalisation as on March 31, 2015 was ₹ 10,036.97 Lakhs (₹ 9,550.33 Lakhs as on March 31, 2014)
Price Earnings ratio of the Company was -9.39 as at March 31, 2015 and was -12.35 as at March 31, 2014
- Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year.

The Company's maiden IPO was made in the year 1973-74. The shares were issued at par i.e. at a face value of ` 10/- each. The shares were listed on the recognized stock exchange on 20-05-1974. In the financial year 2005-2006, 1 (one) equity share of the face value of ` 10/- was sub divided into 5 (five) equity shares of face value of ` 2/- each. As on March 31, 2015, the closing market price of the Company's share was ` 33.00/- and market capitalization was ` 10036.97 Lakhs.

- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was approx. 2 % whereas the increase in the managerial remuneration for the same financial year was 6.09%.
- The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- During the year, no employee received remuneration in excess of highest-paid Director; and
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(ii) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Employee Name	Mr. Sanjay S. Shah	Mr. Pradeep S. Shah
Designation	Vice Chairman & Managing Director	Managing Director
Educational Qualification	B.Com	DME
Age	55	54
Experience (in years)	31	30
Date of joining	11-08-1989	11-08-1989
Gross Remuneration (` Lakhs)	97.19	97.19
Previous employment	NA	NA

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

for the financial year ended 31st March, 2015

To
The Board of Directors,
Manugraph India Limited
Mumbai

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions as agreed and the adherence to good corporate governance practice by Manugraph India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; Overseas Direct Investment;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act') are applicable :-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

Following regulations and guidelines as prescribed under the SEBI Act were not applicable to the Company during the financial year under report:-

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- h) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

We have also examined compliances with applicable clauses of:

- vi. Secretarial Standards issued by the Institute of the Company Secretaries of India - Not notified hence not applicable to the Company during the audit period;
- vii. The Listing Agreement entered by the Company with Stock Exchanges.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes may have been given to all Directors to schedule the Board Meetings at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We have relied on the representation made by the Company and its Officers for adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws.

We further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- (i) Appointment of Independent and other Directors;
- (ii) Resignation and Appointment of KMP(s);
- (iii) Constitution / Reconstitution of various Committees;
- (iv) Approval of mortgage/creation of security under Section 180(1)(a) of the Act;
- (v) Approval of borrowing limits under Section 180(1)(c) of the Act;
- (vi) Declaration of Dividend.

For **Aashish K. Bhatt & Associates**
Company Secretaries

Aashish Bhatt
Proprietor

ACS No.: 19639

COP No.: 7023

Place: Mumbai

Dated: 27-05-2015

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

Apart from implementing systematically the energy conservation measures mentioned in the earlier report, 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. Replaced the old, very high energy consumption chilling water type air conditioner system of Mezzanine floor with high energy efficient, new technology package air conditioning system.
3. Replaced the very old high power consuming mono block water pumps with energy efficient open well submersible pumps at Gate No.1.
4. Replaced the conventional 40W tube light luminaries with energy efficient LED tube light luminaries -10Nos. at Electrical Assembly department Unit-1 and 06 Nos. at Stores department Unit-2.
5. 5W, LED fixtures installed at CMM cabin Unit-2 against ordinary 18W PL lamp fixtures- 02 Nos.
6. Installed Wind Ventilators-total 18 nos. at Main Stores and Development cell (Tool Room) to exhaust heat at various locations, which causes reduction in room temperature and so minimizes the use of Industrial fans, which were in use for 24 hrs. Moreover used these ventilators with transparent FRP sheets which causes increase in light intensity at working area and resulted in minimize the use of light fixtures at day time.
7. Replacement of 250Watts Metal Halide lamps with 150Watts energy efficient Magnetic induction lamps qty.2No. At machine shop development cell. It improves the light intensity and reduced the Maintenance cost also.
8. Up gradation of STP plant has been done. The domestic and industrial waste water is collected, treated with tertiary treatment followed by anaerobic filter and entire treated water @ 30 Cu.M. per day is being used for gardening purpose. It produces the better hygienic, green and eco- friendly atmosphere.
9. Energy conservation through replacement of old technology high consumption window type air conditioning system with new generation energy efficient split air conditioning system at Reception conference hall.
10. Replacement of old outdated technology Electrical Bus Panels (B3, B4 & B38) in Machine shop with new technology panels resulting in drastic reduction in Energy Losses.
11. Power factor of plant is maintained to unity resulting in optimum utilization of power.
12. Use of energy efficient LED tube light luminaries -10Nos. while electrification of new cabins in Electrical Assembly.
13. Use of compressed Bio Gas in place of LPG for cooking purpose in canteen resulted in 20% cost saving.

B. TECHNOLOGY ABSORPTION: -

1. Efforts made in technology absorption:

The focus on improvement in existing products and development of new products was maintained throughout the year. Thrust is given on strengthening of manpower infrastructure in application of Computer Aided Design and Engineering software to meet the diverse customer requirements for different types of presslines. Efforts are taken to enhance ERP system to facilitate improving design cycle. New software development wing is established in R&D Department for software development required for printing machines.

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

- I. Ecoline - Compact Newspaper Pressline covering Compact Tower, Autopaster and F1:2 Folder.
- II. Development of Ecoline Pressline covering Compact Tower, Autopaster AP2542 and F1:2 Folder in 578 Cut-off and 915mm web width.

- III. Development of Cityline Express Pressline in 630mm cut off and 965mm web width covering aggregates like Printing Tower and F222 Folder.
 - IV. Dreamline Pressline prototype is completed. Tested thoroughly and is ready to roll out.
 - V. MIL Product interfacing (Design support) with other make presslines.
 - VI. Technology adoption and manufacturing of highly automated flying splicer MP22 to be offered with Smartline Pressline.
2. Benefits derived as a result of the above R&D:
- a. New products developed.
 - b. More automation on existing products.
 - c. Cost reduction and space saving on machines.
 - d. Performance improvement.
 - e. Shorter time to market for new products.
 - f. Expanding domestic & Export market.
 - g. Import substitution.
3. Expenditure on R&D: ([₹] In Lakhs)
- | | |
|---|--------|
| a. Capital | 5.24 |
| b. Recurring | 308.08 |
| c. Total | 313.33 |
| d. Total R&D expenditure as a percentage of net sales | 1.54% |

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 of Standalone Financial Statements.

MANAGEMENT'S DISCUSSION & ANALYSIS

Economic Overview FY 2014 – 15

The financial year 2014-15 witnessed weakening of oil prices, increased domestic demand, investments and controlled inflation putting the Indian economy on the road to accelerated fiscal growth, however, the Industry also witnessed lower growth in some manufacturing sectors due to high interest rate and uncertain government policies.

In order to boost the Indian Economy further and with the aim of sustained infrastructure investment in the manufacturing sector, the Prime Minister announced the 'Make in India' campaign. The programme facilitates investment, nurtures innovation & skill development, protects intellectual property and aims to build the best in manufacturing infrastructure. The initiative also highlights the challenges faced by the manufacturing sector.

Printing Industry:

The Indian Printing Industry has undergone many revolutionary changes in the past 25 years. India in the year 1991 initiated a process of reforms which aimed at shedding protectionism and embracing liberalization of the economy. Privatization was encouraged with the aim of integrating the Indian economy with the world economy. This drastic change in the country's economic policy opened the doors for the Indian Print Industry to modernize, by investing in the latest of technology and machinery.

The Indian Printing Industry is one of the largest in the world and the country is counted among the top seven publishing nations. There has been an increased number of printers who are adopting newer modern technologies. The growths in these organizations indicate that recession is nothing but a changing trend towards adoption of new style of working. Progressive Printers are equipped with latest computer controlled printing machines and digital technologies are being used in pre-press. In today's era, modern style of business has turned into a buyers' market. Business owners ensure that they give optimum quality products at bare minimum price to the customers.

Probably in all areas of life consumers are getting products at most competitive prices, which is definitely lower than yesterday's prices and the printing industry is no exception. To meet this challenge, people in the printing industry have to find the solutions and not fret because of decline in prices.

Company overview

Despite continuing shrinking demand for Printing Machinery, uncertainty in government policies and restricted market development, Your Company still managed to maintain its leadership position of being the largest manufacturer of Web Offset Presses in India.

On a Standalone basis, Company recorded sales of ` 20,420.01 Lakhs as compared to ` 24,251.20 Lakhs in the previous financial year. The EBIDTA for the financial year ended March 31, 2015 is ` -290 Lakhs as compared to ` 945 Lakhs in the previous financial year ended March 31, 2014. During the year, the Company incurred net loss of ` 1,074 Lakhs as compared to loss of ` 776 Lakhs in the previous year.

The Company expects the domestic economy and international markets to reflect positive growth in the current financial year.

Volatility in international markets and increasing competition has forced the Company to take steps to manufacture units at a competitive price by adopting innovative operating practices. The Company also added a new product line in order to maintain its market share and competitive edge over others.

Opportunities:

Recovery in the global and Indian market is anticipated. With our Government taking adequate steps to revive the economy, resulting in improvement of a macro environment and consumer sentiment, the economy and the sector is expected to bounce back.

Technology continues to be the prime focus for your company. With strong in-house R & D activities, your company is in a position to introduce technologically superior products at competitive prices.

India is expected to maintain its leadership position as a low cost nation for quality engineering capabilities.

Threats:

Unprecedented currency depreciation in certain key export markets is dampening demand from international markets. Electronic media continues to gain growth and competes with print media. However, expansion in market size and regionalization of printing is partly compensating this negative trend.

Commodity Prices fluctuations may lead to increase in operating costs. Though commodity prices have generally fallen, but the depreciating rupee has resulted in increased import cost. However, your company continues to pursue cost reduction initiatives and work towards improving operating margins.

Changes in the tax laws, Government policies may impact your company's business

Outlook

India is expected to regain its economic momentum and growth is expected to recover gradually to its high long term potential. The key challenges for the Indian economy this year would be to fast track infrastructure projects, improve electricity generation and increase industrial production. We can relatively be sure of this growth due to the fact that the government will push harder for reforms to keep the Indian growth story alive.

Risk and concerns

The Company has signed a Wage Agreement with workers which is valid till March 31, 2016. This has severe impact on ERE costs due to unreasonable demands put up by the workers.

Internal Control System

The Internal Control system of the company is mainly responsible for safeguarding the company's assets' ensuring compliances to the management policies and shareholders value. Your company has appointed an Independent Internal Audit team for conducting regular internal audits of the systems and procedures of financial reporting and operations of the Company. In addition, the Audit Committee periodically reviews the Internal Audit plans, significant findings and relevant corrective actions are taken.

REPORT ON CORPORATE GOVERNANCE

This chapter reports on Company's compliance with Clause 49 of the Listing Agreement with the Stock Exchanges.

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.

In addition, the Company has a strong sense of participation in community development. Its established systems encourage and recognize employee participation in environmental and social initiatives that contribute to organizational sustainability, conservation of energy, and promotion of safety and health.

The entire governance structure is actively supervised by a Board of Directors, who oversee management activities and ensures their effectiveness in delivering member value. To implement this, MIL has always strived to promote an informed Board that functions independently.

2. Board of Directors

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The principal role of the board of directors – as representatives of the shareholders, is to oversee the function of the organization and ensure that the Company continues to operate in the best interests of all stakeholders.

An active, well informed and independent Board is necessary to ensure high level of corporate governance.

A. Composition of the Board of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that at least 50% of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director or if the Chairman is a promoter of the Company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board.

The Board comprises of 10 Directors of which 6 (Six) Directors are Independent, 1 (One) Director is Non Executive and 3 (Three) Directors are Executive.

The Composition of Board and category of Directors are as follows:

Category	Name of the Director
<u>Executive Directors</u>	
Promoter Directors	Mr. Sanjay S. Shah Mr. Pradeep S. Shah
Non Promoter Director	Mr. B.B. Nandgave
<u>Non Executive Directors</u>	
Promoter Director	Mr. Sanat M. Shah
Independent	Mr. Hiten C. Timbadia Mr. Amit N. Dalal Mr. Perses M. Bilimoria Mr. Abhay J. Mehrotra Mr. Jai S. Diwanji Mrs. Sohni H. Daswani*

* Mrs. Sohni H. Daswani joined the Board w.e.f. March 26, 2015.

Mr. Sanjay S. Shah, Vice Chairman & Managing Director and Mr. Pradeep S. Shah, Managing Director are related to Mr. Sanat M. Shah, Chairman.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

As mandated under the existing Clause 49 of the Listing Agreement, the Independent Directors on the Board of the Company:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management or its Holding Company, Subsidiaries and Associates which may affect independence as a Director;
- Are not related to Promoters or persons occupying management positions at the Board level or at one level below the Board;
- Have not been executive(s) of the Company in the immediately preceding three financial years;
- Are not partner(s) or executive(s) or were not partner(s) or executive(s) during the preceding three years, of any of the following:
 - Statutory audit firm or the internal audit firm that is associated with the Company
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material supplier(s), service provider(s) or customer(s) or lessor(s) or lessee(s) of the Company, which may affect independence of the Director;
- Are not substantial shareholders of the Company i.e. do not own two per cent or more of the block of voting shares;
- Are not less than 21 years of age.

B. Board Independence

Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013 provides the criteria of Independence of a Director. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than the Chairman are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013.

C. Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy, functioning of foreign subsidiaries, foreign exchange exposures and strategy apart from other Board business.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Vice Chairman and Managing Director of the Company. The Agenda is circulated with appropriate time prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Further, the Board also periodically reviews the compliance reports of applicable laws to the Company as well as steps taken to rectify instances of non compliances.

During the financial year 2014 - 2015, the Board met five times. The meetings were held on May 27, 2014, August 11, 2014, October 31, 2014, February 2, 2015 and March 26, 2015.

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

D. Independent Directors' Meetings

The Independent Directors met once during the financial year 2014-15, without the presence of Executive Directors or Management representatives. The issues and concerns, if any, of the meeting were then discussed with the Non-Executive Chairman.

E. Directors' attendance record and details of Directorships/Committee Positions held

As provided under Clause 49 of the Listing Agreement, none of the Directors on Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such Companies in which he/she is a Director.

The following table provides the attendance record at the Board Meeting and Annual General Meeting of the Company during the financial year 2014-15 and directorships, memberships and chairmanships in other companies:

Sr. No.	Name of the Director	Category	Board membership in other companies (*)	Committee chairmanship in other companies	Committee membership in other companies	No. of Board Meetings of MIL attended	Attendance at the last AGM (Yes/No)
1.	Mr. Sanat M. Shah	Non-Executive Chairman (Promoter)	6	Nil	Nil	5	Yes
2.	Mr. Sanjay S. Shah	Vice Chairman & Managing Director (Promoter)	6	Nil	Nil	5	Yes
3.	Mr. Pradeep S. Shah	Managing Director (Promoter)	10	Nil	Nil	4	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	5	1	Nil	5	Yes
6.	Mr. Amit N. Dalal	Independent Non-Executive Director	9	1	2	5	No
7.	Mr. Perses M. Bilimoria	Independent Non-Executive Director	1	Nil	Nil	3	Yes
8.	Mr. Abhay J. Mehrotra	Independent Non-Executive Director	4	Nil	Nil	5	No
9.	Mr. Jai S. Diwanji	Independent Non-Executive Director	5	Nil	2	3	Yes
10.	Mrs. Sohni H. Daswani#	Independent Non-Executive Director	1	Nil	Nil	1	No

* Includes private Companies and foreign Company directorship.

Appointed as an Additional Director with effect from 26.03.2015

3. Audit Committee

The Company's Audit Committee comprises three Independent Directors. The Audit Committee is headed by Mr. Hiten C. Timbadia and has Mr. P.M. Bilimoria and Mr. Abhay J. Mehrotra as its members. All the members of the Committee have relevant experience in financial matters.

The Audit Committee of the Company is entrusted with the responsibility as provided under Clause 49 of the Listing Agreement and Sec. 177 of the Companies Act, 2013, gist of which are as follows:

- to supervise the Company's internal controls and financial reporting process;
- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services;
- reviewing with management the quarterly and annual financial results before submission to the Board;
- reviewing with management the annual financial statements of the subsidiary companies;
- reviewing the adequacy of internal control systems with the management, external auditors and internal auditor;

- reviewing the adequacy of internal audit function;
- discussing with internal auditor any significant findings and reviewing the progress of corrective actions on such issues;
- reviewing the findings of any internal investigations by the internal auditor in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and then reporting such matters to the Board;
- discussing with external auditors, before the audit commences, the nature and scope of audit as well as having post-audit discussions to ascertain areas of concern, if any;
- recommending the appointment and removal of cost auditors;
- reviewing the Company's financial and risk management policies;
- examining reasons for substantial default in the payment to Members (in case of non-payment of declared dividends) and creditors, if any;

The Audit Committee also reviews various functions, business risk assessment, controls and critical IT applications with implications of security and internal audit reports of all the major divisions of the Company. The Audit Committee also reviews the functioning of Whistle Blower Policy of the Company.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board. The Audit Committee also meets the internal and external auditors separately, without the presence of Management representatives.

The Audit Committee met five times during the year on May 27, 2014, August 11, 2014, October 31, 2014, February 2, 2015 and March 26, 2015.

The details of attendance at the Audit committee are as follows:

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Mr. Hiten C. Timbadia	5	5
2	Mr. Perses M. Bilimoria	5	3
3	Mr. Abhay J. Mehrotra	5	5

The Chairman of the Audit Committee attended the Annual General Meeting of the Company held during the year under review.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 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 the members of the Committee are non-executive independent directors.

The role of Nomination and Remuneration Committee is as follows:

- determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
- evaluating performance of each Director and performance of the Board as a whole;

The Nomination and Remuneration Committee met three times on May 27, 2014, February 2, 2015 and March 26, 2015.

Attendance at the remuneration committee meetings:

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

The details of remuneration paid to the Directors of the Company during the financial year 2014 – 2015 are given below:

(Amount in ` Lakhs)

Sr. No.	Name of the Director	Salary and perquisites*	Commission	Sitting fee for Board and Committee meetings	Total
1	Mr. Sanjay S. Shah	97.19	--	--	97.19
2	Mr. Pradeep S. Shah	97.20	--	--	97.20
3	Mr. Bhupal B. Nandgave	20.41	--	--	20.41
4	Mr. Sanat M. Shah	--	--	0.50	0.50
5	Mr. Hiten C. Timbadia	--	--	1.20	1.20
6	Mr. Amit N. Dalal	--	--	0.60	0.60
7	Mr. Perses M. Bilimoria	--	--	0.78	0.78
8	Mr. Abhay J. Mehrotra	--	--	1.20	1.20
9	Mr. Jai S. Diwanji	--	--	0.40	0.40
10	Mrs. Sohni H. Daswani	--	--	0.10	0.10

*Excluding Provident & Other Funds

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 Stakeholders' Grievance Committee looks into the shareholders' and investors' grievances, cases of transfers, transmissions, issue of duplicate share certificates, etc.

Name of the Director	Category	Position	No. of meetings attended	
			held	attended
Mr. Perses M. Bilimoria	Independent Director	Chairman	8	8
Mr. Sanjay S. Shah	Vice Chairman & Managing Director	Member	8	8

During the year under review, the Company received 14 complaints from shareholders relating to non-receipt of dividend, and non-receipt of shares sent for transfers which were duly redressed within time.

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

Investors' Grievances pending as on April 1, 2014	Nil
Investors' Grievances received during the year	14
Investors' Grievances redressed during the year	14
Investors' Grievances pending as on March 31, 2015	Nil

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises Mr. Pradeep S. Shah as the Chairman and Mr. B.B. Nandgave and Mr. Abhay J. Mehrotra as members of the Committee.

The role of Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board Corporate Social Responsibility Policy and the activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on the activities undertaken;

- reviewing the performance of the Company in the area of Corporate Social Responsibility;
- providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- monitoring Corporate Social Responsibility Policy of the Company from time to time.

The CSR Committee met once during the financial year 2014-15 on May 27, 2014.

7. General Body Meetings

Financial year	2013-2014 42 nd AGM	2012-2013 41 st AGM	2011-2012 40 th 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	Wednesday	Thursday	Wednesday
Date	27th August, 2014	1st August, 2013	1st August, 2012
Time	3.00 p. m.	3.15 p. m.	2.30 p. m.
No. of Special Resolution(s) passed	Nil	Two	Nil

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

During the year, two special resolutions were passed through postal ballot. The Board had appointed Mr. Aashish K. Bhatt & Associates, Company Secretary in Practice as the Scrutinizer to conduct Postal Ballot process. The results of the postal ballot were declared on March 3, 2015. The details of voting pattern are as under:

Special Resolution No. 1: Authority to Board to Borrow under Section 180(1)(c) of the Companies Act, 2013

Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100
Promoter and Promoter Group	17385792	17385792	100.00	17385792	0	100.00	0.00
Public – Institutional holders	2934780	2088538	71.17	2088538	0	100.00	0.00
Public-Others	10094489	94236	0.93	68880	7841	73.09	8.32
Total	30415061	19568566	64.34	19543210	7841	99.87	0.00

Invalid Votes: 17516

Special Resolution No. 2: Authority to Board to create Charge / Mortgage / Hypothecate the properties of the Companies

under Section 180(1)(a) of the Companies Act, 2013

Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)= [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100
Promoter and Promoter Group	17385792	17385792	100.00	17385792	0	100.00	0.00
Public – Institutional holders	2934780	2088538	71.17	2088538	0	100.00	0.00
Public-Others	10094489	94236	0.93	68570	8571	72.76	9.10
Total	30415061	19568566	64.34	19542900	8571	99.87	0.00

Invalid votes: 17096

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a resolution through Postal Ballot.

8. 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 under 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 all the requirements of regulatory authorities on matters relating to capital markets and no penalties / strictures have been imposed on the Company by the Stock Exchange or SEBI.

Whistle Blower Policy:

The Company encourages an open door policy where employees have access to the Head of the Business / Function. In terms of Manugraph India Limited's Code of Conduct, any instance of non-adherence to the Code or any other observed / unethical behavior is to be brought to the attention of the immediate reporting authority, who is required to report the same to Head of Corporate Human Resource.

9. Means of Communication

The Company publishes its quarterly, half-yearly and yearly financial results in leading English and Marathi newspapers. The results are also posted on the Company's website viz. www.manugraph.com and websites of the stock exchange. Information relating to shareholding pattern and compliance on corporate governance norms are also posted on the Company's website.

All price sensitive information are immediately informed to Stock Exchange before the same is communicated to general public through press releases, if any.

10. 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 leading English and Marathi newspapers.

- c) Postal Ballot

As and when the occasion arises, the Company will seek shareholders' approval through postal ballot in respect of such resolutions required under the Listing Agreement and provisions of the Companies Act, 2013 and Rules, Regulations made thereunder.

General Shareholder Information

(i) 43rd Annual General Meeting

Day & date	Thursday, August 13, 2015
Time	04.00 p.m.
Venue	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001

- (ii) **Financial Year** : April to March

- (iii) **Dates of book closure** : August 7, 2015 – August 13, 2015 (both days inclusive)

- (iv) **Dividend payment date** : Credit/dispatch of dividend warrants between August 14, 2015 and August 20, 2015.

(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
Demat ISIN in NSDL & CDSL	INE878E01013

(vi) Financial Calendar:

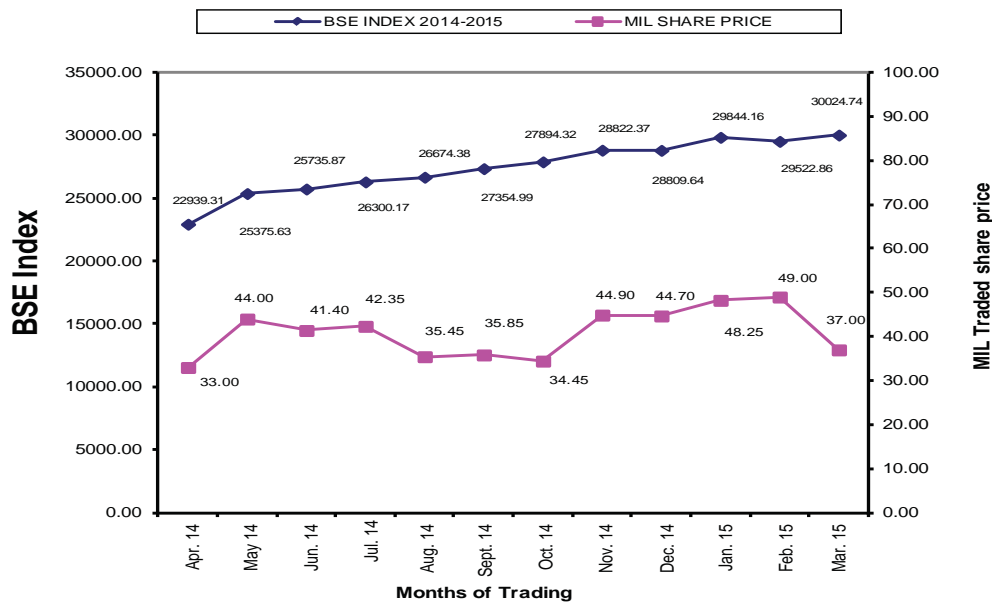
The Board of Director of the Company approves unaudited results for each quarter within such number of days as may be prescribed under Listing Agreement from time to time.

(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 2014 - 2015:

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, 2014	33.00	27.00	34.00	30.00
May, 2014	44.00	29.50	44.75	29.00
June, 2014	41.40	32.30	41.50	31.40
July, 2014	42.35	32.50	41.50	32.50
August, 2014	35.45	27.65	35.65	27.65
September, 2014	35.85	27.75	36.10	28.05
October, 2014	34.45	29.15	34.55	29.25
November, 2014	44.90	32.00	45.00	31.70
December, 2014	44.70	36.15	44.60	35.70
January, 2015	48.25	36.25	48.25	37.05
February, 2015	49.00	35.00	50.00	35.00
March, 2015	37.00	30.35	37.95	30.05

(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, India
 Phone : 022 25946970
 Fax : 022 25946969
 Email : rnt.helpdesk@linkintime.co.in.

(x) Share transfer system

Shareholders are requested to communicate with Link Intime India Private Limited, Company's Registrar and Share Transfer Agents for matters related to share transfers in physical form, dividend, share certificates, change of address, etc.

The Company ensures that the Registrar process all the requests received from shareholders within maximum three weeks from the date of receipt provided the documents are in order. The Registrar also updates the Company on action status.

The shares held in dematerialized form are electronically traded in the depository and the Registrar & Share Transfer Agents receives from Depositories, periodical details of beneficiary holdings to update their records and registers.

The Stakeholders' Grievance Committee of Board of Directors of the Company take note of status of investor's grievances / correspondences received during the quarter and also ratifies transfers effected during the quarter.

(xi) Distribution of shareholdings as on 31st March, 2015 :

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 – 500	8926	76.84	1505039	4.95
501 – 1000	1282	11.03	1024883	3.37
1001 – 2000	771	6.64	1165887	3.83
2001 – 3000	253	2.18	637814	2.10
3001 – 4000	103	0.89	363857	1.20
4001 – 5000	70	0.60	325255	1.07
5001 – 10000	102	0.87	725043	2.38
10001 and above	110	0.95	24667283	81.10
Total	11617	100.00	30415061	100.00

(xii) Shareholding pattern as on 31st March, 2015:

	Category	No. of shares held	% of shareholding
A	Promoter's Holding	17385792	57.16
	Sub-Total (A):-	17385792	57.16
	Non-promoter's holding		
B	1. Institutional Investors		
	a. Mutual Funds / UTI	1720333	5.66
	b. Banks	250	0.00
	c. Insurance Companies	1134352	3.73
	Sub-Total (B):-	2854935	9.39
C	2. Others		
	a. Corporate Bodies	1728844	5.68
	b. Indian Public	8072801	26.55

	Category	No. of shares held	% of shareholding
	c. Directors and their relatives	58285	0.19
	d. Non-Resident Individuals	207042	0.68
	e. Foreign Companies	250	0.00
	f. Foreign Nationals	3620	0.01
	g. Any other (Clearing Members)	103492	0.34
	Sub-Total (C):-	10174334	33.45
	Grand Total [A+B+C]:-	30415061	100.00

(xiii) Top 10 Shareholders as on 31st March, 2015 (other than Promoters):

Sr. No	Shareholder's Name	Shares	Percentage
1.	Reliance Capital Trustee Co Ltd - A/C Reliance Mid & Small Cap Fund	1718078	5.64
2.	Life Insurance Corporation of India	839867	2.76
3.	East India Securities Limited	464665	1.53
4.	Minal Bharat Patel	300000	0.98
5.	General Insurance Corporation of India	294485	0.96
6.	S. Shyam	226284	0.74
7.	Vijaya S. j/w. Shyam S. and Koushik S.	224915	0.74
8.	JNJ Holdings Private Limited	215000	0.70
9.	Barclays Wealth Trustees India Private Limited	215000	0.70
10.	Bharat Jayantilal Patel	185797	0.61

(xiv) Bifurcation of shares held in physical and demat form as on March 31, 2015:

Particulars	No. of Shares	%
Physical Segment	1056561	3.47%
Demat Segment:		
NSDL	26291292	86.45%
CDSL	3067208	10.08%
Total	30415061	100.00%

(xv) Outstanding GDR/Warrants or convertible bonds, conversion dates and likely impact on equity

Not applicable

(xvi) Plant Locations:

Plant 1: Plot No. D -1, MIDC Shirol Industrial Area, Pune - Bangalore Road, Shirol, Kolhapur, Maharashtra.

Plant 2: Warananagar, Kodoli, Tal. Panhala, Dist. Kolhapur, Maharashtra,

(xvii) Address for correspondence:

The members are requested to write to Link Intime India Private Limited for any query related to share transfers, dematerialization, transmissions, change of address, non receipt of dividend or any other related queries.

The address of Link Intime India Private Limited is as follows:

Unit: Manugraph India Limited
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078

The members can also send their grievances, if any, to the Company Secretary, Manugraph India Limited, Sidhwa House, 1st Floor, N. A. Sawant Marg, Colaba, Mumbai - 400 005 or email at sharegrievances@manugraph.com.

(xviii) Other useful information for shareholders:

Dividend: Electronic Clearing Services (ECS)/ National Electronic Clearing Services (NECS) facility. The dividend remittances to shareholders will happen through ECS/NECS as per the locations approved by RBI from time to time. If you are located at any of the ECS/ NECS centers and have not registered your ECS/NECS, please arrange to forward your ECS/NECS mandate to your depository participant if the shares are held in demat form, or to the Company/Registrars, if the shares are held in physical form, immediately.

Due dates for Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF) are as under:

Financial Year	Date of declaration of Dividend	Due date of transfer to IEPF
2007-08	28-08-2008	02-10-2015
2008-09	29-09-2009	03-11-2016
2009-10	27-09-2010	31-10-2017
2010-11	27-09-2011	31-10-2018
2011-12	01-08-2012	06-09-2019
2012-13	01-08-2013	06-09-2020
2013-14	27-08-2014	02-10-2021

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 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 March 31, 2015.

For **Manugraph India Limited**

Sd/-
Sanjay S. Shah
Vice Chairman & Managing Director

Mumbai
27th May, 2015

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, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

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

N Jayendran
Partner
M. No. 040441

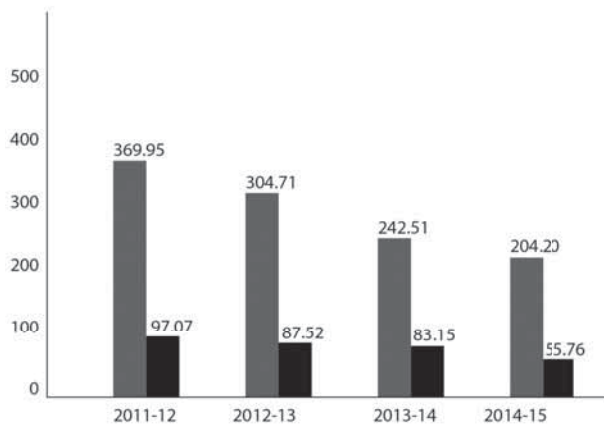
Mumbai, Dated : May 27, 2015

Standalone performance chart for the last 4 financial years

₹ in crores

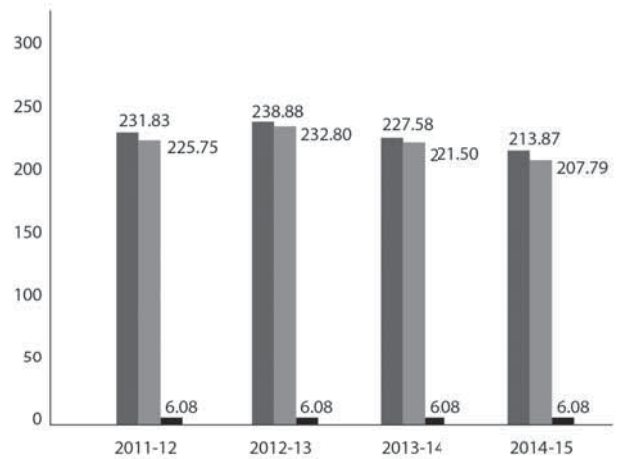
Sales

■ Net Sales ■ Exports



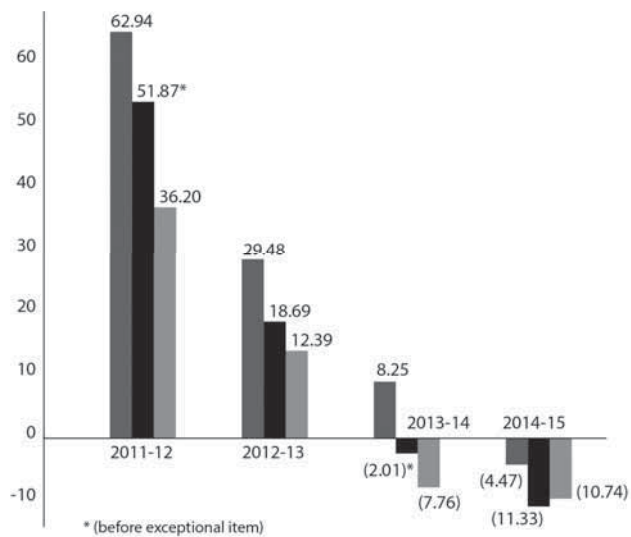
Net Worth

■ Net Worth ■ Reserves ■ Equity



Profitability

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



Distribution of Income

Materials	56.90 %
Expenses	20.28 %
Manpower	24.04 %
Depreciation	2.86 %
Interest	0.65 %
Taxes	(0.12) %
Dividend	0.64 %
Retained Earnings	(5.25) %

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Manugraph India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Manugraph India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 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 standalone 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, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note no. 24(b) in the Explanatory Notes to the financial statements regarding the Company's application for managerial remuneration paid in excess of limits prescribed under Section 198 of the erstwhile Companies Act, 1956 aggregating to ₹ 98.39 lakhs for the accounting year 2014-15 is pending for approval by Central Government. No adjustments are made in the financial statements pending receipt of the approval. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note 36 (c) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no delays in payment of amounts to the Investor Education and Protection Fund during the year.

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

N Jayendran
Partner
Membership No. 40441

Mumbai,
Dated : May 27, 2015

ANNEXURE TO THE AUDITOR'S REPORT

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year other than inventory lying with third parties, where certificates confirming stocks have been received in respect of substantial portion of stock held.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to book records.
- (iii) (a) The Company has granted interest free unsecured loan to its wholly owned subsidiary company covered in the register maintained u/s 189 of the Companies Act, 2013.
- (b) The Loan is not due for repayment presently and therefore there is no default in its repayment and there is no overdue.
- (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 purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. Therefore, the provisions of clause 3(v) of the Companies (Auditors Report) Order 2015 are not applicable to the Company. As informed to us, 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.
- (vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) (a) The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable, except for service tax payable of ₹ 0.06 lakhs.
- (b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax or Cess which have not been deposited on account of any dispute except as given in the statement attached herewith.
- (c) The amounts to be transferred to the Investor Education and Protection Fund have been transferred on time as required by the extant laws.
- (viii) The Company does not have accumulated losses. It has however incurred cash losses in the current financial year and also in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of dues to any Financial Institution or Bank. Further, the company has not obtained any borrowings by way of debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given bank guarantee and has pledged its investments for loan taken by its wholly owned subsidiary from bank are not prima facie prejudicial to the interest of the company.
- (xi) The company did not take any term loans during the year and hence clause 3(xi) of Companies (Auditors Report) Order 2015 is not applicable.
- (xii) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

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

N Jayendran
Partner
Membership No. 40441

Mumbai,
Dated : May 27, 2015

Statement of Statutory Dues Outstanding on Account of disputes, as on 31st March, 2015, referred to in Para (vii)(b) of the Annexure to Auditors' Report

Name of statute	Nature of dues	Amount (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Additions during Assessments	321.78	Assessment year 2009-2010	The Income Tax Appellate Tribunal, 'K' Bench, Mumbai
Customs Act, 1962	Customs duty on two dryers	29.59	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
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

Name of statute	Nature of dues	Amount (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
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	10.76	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.	16.49	01.04.2008 to 31.03.2013	The Superintendent of Central Excise, Kolhapur-I
Finance Act, 1994	Service Tax on input service distributor.	1.39	01.04.2014 to 31.3.2015	The Dy. Commissioner, Central Excise, Kolhapur-II
Finance Act, 1994	Service Tax on technical testing services	2.76	01.04.2012 to 31.3.2013	The Dy. Commissioner, Central Excise, Kolhapur-II
Finance Act, 1994	Service Tax credit on outward freight	0.83	01.06.2012 to 31.10.2014	The Dy. Commissioner, Central Excise, Kolhapur-II
Total		429.73		

Balance Sheet as at 31st March, 2015

Particulars	Note Ref.	As at March 31, 2015 (` in lakhs)	As at March 31, 2014 (` in lakhs)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	608.30	608.30
(b) Reserves & Surplus	2	20,779.27	22,149.86
(c) Money Received against Share Warrants		-	-
		<u>21,387.57</u>	<u>22,758.16</u>
2. Share Application Money Pending Allotment		-	-
3. Non-Current Liabilities			
(a) Long-Term Borrowings	5	-	-
(b) Other Long Term Liabilities	3	9.65	8.12
(c) Long Term Provisions	4	257.72	226.52
		<u>267.37</u>	<u>234.64</u>
4. Current Liabilities			
(a) Short-Term Borrowings	5	610.69	-
(b) Trade Payables	6	3,398.21	2,712.66
(c) Other Current Liabilities	3	3,336.81	4,964.50
(d) Short-Term Provisions	4	1,327.28	1,244.22
		<u>8,672.99</u>	<u>8,921.38</u>
Total		<u><u>30,327.93</u></u>	<u><u>31,914.18</u></u>
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	3,917.91	4,563.22
(ii) Intangible Assets	8	205.23	59.41
(iii) Capital Work-in-Progress	9	-	0.55
(iv) Intangible Assets Under Development	10	-	14.90
		<u>4,123.14</u>	<u>4,638.08</u>
(b) Non-Current Investments	11	7,244.53	7,244.53
(c) Deferred Tax Assets (net)	12	354.37	241.05
(d) Long-Term Loans & Advances	13	1,363.44	1,194.29
(e) Other Non-Current Assets	14	2,845.69	2,303.36
		<u>11,808.03</u>	<u>10,983.23</u>
2. Current Assets			
(a) Current Investments	15	2,482.35	3,580.47
(b) Inventories	16	7,323.43	7,887.89
(c) Trade Receivables	17	2,610.33	1,825.94
(d) Cash and Bank Balances	18	1,403.76	2,273.26
(e) Short-term loans and advances	13	269.74	270.83
(f) Other current assets	14	307.15	454.48
		<u>14,396.76</u>	<u>16,292.87</u>
Total		<u><u>30,327.93</u></u>	<u><u>31,914.18</u></u>

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. 40441

Mumbai, Date: 27th May, 2015

For and on behalf of the Board of Directors
Sanjay S. Shah Vice Chairman and Managing Director
DIN : 00248592

Pradeep S. Shah Managing Director
DIN : 00248692

Mihir V. Mehta
Company Secretary

Suresh Narayan
Chief Financial Officer

Mumbai, Date: 27th May, 2015

Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note Ref.	2014-15 (` in lakhs)	2013-14 (` in lakhs)
Revenue from Operations (Gross):	19	22,168.64	26,201.82
Less : Excise Duty		1,748.63	1,950.62
Revenue from Operations (Net):		20,420.01	24,251.20
Other Operating Revenue	20	1,131.75	1,342.85
Other Income:	21	639.06	459.40
A. Total Revenue		22,190.82	26,053.45
Expenses:			
Cost of Materials Consumed	22	13,383.77	14,630.56
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	(134.44)	894.81
Employee Benefit Expenses	24	5,754.57	5,167.76
Finance Cost	25	156.69	119.73
Depreciation & Amortisation	26	685.76	1,026.31
Other Expenses	27	3,477.31	4,415.32
B. Total Expenses		23,323.66	26,254.49
Profit Before exceptional and extraordinary items and Tax (A-B)		(1,132.84)	(201.04)
Exceptional Item			
Compensation towards Voluntary Retirement Scheme		-	1,079.12
Profit Before extraordinary items and tax		(1,132.84)	(1,280.16)
Extraordinary Items		-	-
Profit Before Tax		(1,132.84)	(1,280.16)
1. Current Tax		-	-
2. Deferred Tax		(58.79)	(503.89)
Tax Expense		(58.79)	(503.89)
Profit for the period from Continuing Operations		(1,074.05)	(776.27)
Discontinued Operations		-	-
Profit for the period		(1,074.05)	(776.27)
Earning per Equity Share	28		
- Before Exceptional Item			
- Basic and Diluted		(3.53)	(0.08)
- After Exceptional Item			
- Basic and Diluted		(3.53)	(2.55)
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. 40441

Mumbai, Date: 27th May, 2015

For and on behalf of the Board of Directors

Sanjay S. Shah
DIN : 00248592

Vice Chairman and Managing Director

Pradeep S. Shah
DIN : 00248692

Managing Director

Mihir V. Mehta
Company Secretary

Suresh Narayan
Chief Financial Officer

Mumbai, Date: 27th May, 2015

Cash Flow Statement for the year ended 31st March, 2015

Particulars	2014-15 (` in lakhs)	2013-14 (` in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	(1,132.84)	(1,280.16)
Add: Depreciation	685.76	1,026.31
Interest	108.04	76.02
Fixed assets written off/scrapped	3.30	2.47
Loss / (profit) on sale of assets	(14.91)	(5.52)
Provision for gratuity	306.16	205.92
Provision for wealth tax	1.79	2.11
Provision for earned leave wages	34.18	28.18
Dividend	(103.19)	(63.77)
Profit on sale of investments	(244.69)	(173.61)
Interest received on deposits	(177.49)	(188.00)
	598.95	910.10
Operating Profit before working capital Changes	(533.89)	(370.06)
Working Capital Changes		
Trade payable and Other Liabilities	(989.84)	830.84
Inventory Changes	564.46	848.74
Trade and other receivables	(1,269.64)	542.94
	(1,695.02)	2,222.52
Cash generated from operations	(2,228.91)	1,852.46
Deduct : Direct taxes	78.93	636.39
Net Cash from Operating activities	(2,307.84)	1,216.07
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including CWIP	(350.00)	(194.17)
Purchase of investments	(4,503.14)	(4,413.73)
Sale of fixed assets	22.08	35.13
Sale of investments	5,845.96	4,564.15
Dividend received	103.19	63.77
Other bank balances	(9.66)	7.04
Interest Received	177.49	188.00
	1,285.92	250.20
Net cash flow from Investing Activities	1,285.92	250.20

Cash Flow Statement for the year ended 31st March, 2015 (Contd...)

Particulars	2014-15 (` in lakhs)	2013-14 (` in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(108.24)	(75.82)
Dividend paid including dividend tax	(359.69)	(541.10)
Short Term Borrowings	610.69	-
Net Cash flow from Financing Activities	142.76	(616.92)
Net Cash flow from Operating, Investing and financing activity	(879.16)	849.34
Opening Cash and Cash Equivalents	1,356.52	507.17
Closing Cash and Cash Equivalents	477.36	1,356.52

As per our report of even date attached

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Date: 27th May, 2015

For and on behalf of the Board of Directors

Sanjay S. Shah Vice Chairman and Managing Director
DIN : 00248592

Pradeep S. Shah Managing Director
DIN : 00248692

Mihir V. Mehta
Company Secretary

Suresh Narayan
Chief Financial Officer

Mumbai, Date: 27th May, 2015

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 (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. 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 the Schedule III of the Companies Act, 2013.

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. Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible asset. Any subsequent expenses related to a tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- ii. Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready for use.
- iii. Intangible assets are stated at cost of construction less accumulated amortised amount and accumulated impairment losses, if any.

Statement of Significant Accounting policies and Other Explanatory Notes

(e) Depreciation and Amortisation

- i. Depreciation on all assets of the Company is charged on straight line method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act, 2013 for the proportionate period of use during the year.
- ii. The useful life of the intangible asset being computer software is determined at five years.

(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.

On annual basis, the company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. 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.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(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.

Statement of Significant Accounting policies and Other Explanatory Notes

(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

- i. Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. Sales include excise duty but exclude sales tax and value added tax.
- ii. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit.
- iii. Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
- iv. Interest income is recognised on time proportion method basis taking into account the amount outstanding and the rate applicable.
- v. Dividend income is accounted when the right to receive the same is established.

(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 Other Explanatory Notes

- 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 Statement of Profit and Loss.
- 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.

(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) Operating Lease:

Leases where the lessor effectively retains substantially all risks and benefits of ownership for the leased term are classified as operating leases. Operating lease payments are recognized as expense in the statement of profit and loss account on a straight line basis over the lease term.

(s) 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 Financial Statements

C. NOTES TO FINANCIAL STATEMENTS

1. Share Capital

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	(` In lakhs)	Number	(` In lakhs)
Authorised Capital:				
Equity shares of ` 2 each	9,85,00,000	1,970.00	9,85,00,000	1,970.00
Preference shares of ` 100 each	10,000	10.00	10,000	10.00
Unclassified shares of ` 100 each	20,000	20.00	20,000	20.00
Redeemable preference shares of ` 100 each	3,50,000	350.00	3,50,000	350.00
Total		<u>2,350.00</u>		<u>2,350.00</u>

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	(` In lakhs)	Number	(` In lakhs)
Issued, Subscribed And Fully Paid up Capital:				
Equity shares of ` 2 each	3,04,15,061	608.30	3,04,15,061	608.30
Total	<u>3,04,15,061</u>	<u>608.30</u>	<u>3,04,15,061</u>	<u>608.30</u>

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, 2015		As at 31st March, 2014	
	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.	17,18,078	5.65	18,30,853	6.02
Total	<u>1,57,31,135</u>	<u>51.72</u>	<u>1,58,43,910</u>	<u>52.09</u>

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, 2015		As at 31st March, 2014	
	Number	(` In lakhs)	Number	(` In lakhs)
Issued, Subscribed And Paid up Capital:				
At the beginning of the year	3,04,15,061	608.30	3,04,15,061	608.30
Issued during the period	-	-	-	-
Outstanding at the end of the year	<u>3,04,15,061</u>	<u>608.30</u>	<u>3,04,15,061</u>	<u>608.30</u>

- d. The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of ` 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, 2015		As at 31st March, 2014	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` 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 as per last Balance Sheet	9,225.00		9,225.00	
Add :				
Transferred from surplus	-		-	
		9,225.00		9,225.00
vi. Surplus in Profit and Loss Account				
Balance as per last Balance Sheet		10,471.22		11,600.96
Add :				
Profit for the year	(1,074.05)		(776.26)	
Sub Total		(1,074.05)		(776.26)
Less:				
Depreciation on assets whose useful life has completed as per Schedule II as on 1.4.2014	168.01		-	
Deferred Tax effect thereon	(54.51)		-	
Transfer to General Reserve	-		-	
Proposed Dividend	152.08		304.15	
Tax on Proposed Dividend	30.96		49.33	
Sub Total		296.54		353.48
		<u>9,100.63</u>		<u>10,471.22</u>
Total Reserves & Surplus (i+ii+iii+iv+v+vi)		<u>20,779.27</u>		<u>22,149.86</u>

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

Statement of Significant Accounting policies and Notes to Financial Statements

3. Other Liabilities

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current	Current	Non-current	Current
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Advances from Customers	-	2,781.61	-	4,141.10
Unclaimed dividends	-	51.83	-	58.05
Other Liabilities	0.86	466.60	1.35	742.19
Interest accrued but not due	-	-	-	0.20
Duties & Taxes Payable	-	36.77	-	22.16
Security Deposit	8.79	-	6.77	0.80
Total	9.65	3,336.81	8.12	4,964.50

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

4. Provisions

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current	Current	Non-current	Current
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
For employees benefits				
Provision for earned leave wages	257.72	40.03	226.52	37.05
Provision for Gratuity	-	1,022.53	-	716.37
Others				
Proposed Dividend	-	152.08	-	304.15
Corporate Tax on Dividend	-	30.96	-	49.33
Provision for Warranty	-	81.68	-	137.32
Total	257.72	1,327.28	226.52	1,244.22

a. Disclosure under Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets (2014-15)

Particulars	(A)	(B)	(C)	(A+B-C)
	Opening Balance	Additions during the year	Amt. Paid/ Reversed during the year	Closing Balance
Warranty Expenses	137.32	18.85	74.49	81.68
(Previous year)	(140.36)	(193.12)	(196.16)	(137.32)

Statement of Significant Accounting policies and Notes to Financial Statements

- b. 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, 2015 (` In lakhs)	As at 31st March, 2014 (` 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	1,709.50	1,671.17
Interest cost	136.76	133.69
Current service cost	66.65	69.25
Benefits paid	(58.93)	(256.24)
Actuarial (gain)/loss on obligation	307.35	91.63
Present value of obligation at the end of the year	2,161.33	1,709.50
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	993.14	1,160.72
Expected return on plan assets	97.59	86.99
Contributions	107.00	1.67
Benefits paid	(58.93)	(256.24)
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	1,138.80	993.14
Amount recognised in Balance Sheet		
Fair value of plan assets as at the end of the year	1,138.80	993.14
Present value of obligation as at the end of the year	2,161.33	1,709.50
Asset/(liability) recognised in the Balance Sheet	(1,022.53)	(716.37)
Expense recognised in the Statement of Profit and Loss		
Interest cost	136.76	133.69
Current service cost	66.65	69.25
Expected return on plan assets	(97.59)	(86.99)
Net actuarial (gain)/loss recognised in the year	307.35	91.63
Net cost	413.17	207.59
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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current (` In lakhs)	Current (` In lakhs)	Non-current (` In lakhs)	Current (` In lakhs)
Secured Loans:				
Cash credit account				
State Bank of India	-	610.69	-	-
Unsecured Loans:	-	-	-	-
Total Loans	-	610.69	-	-

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, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
Trade Payables		
– Micro Small and Medium Enterprises	78.97	11.46
– Others	3,319.24	2,701.20
Total	3,398.21	2,712.66

a) Disclosure In accordance with section 22 of Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
a Principal amount remaining unpaid to any supplier	78.97	11.46
b Interest due and unpaid during the year	-	-
c The amount of principal paid beyond the appointed date	25.92	8.00
The amount of interest paid beyond the appointed date	0.19	1.85
d Amount of interest due and payable on delayed payments	-	-
e Total outstanding dues of micro, small and medium enterprises	78.97	11.46

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

Particulars	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 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
ADDITIONS	-	-	3.60	126.94	15.90	8.31	2.14	27.00	-	2.24	-	186.13
DISPOSALS	-	-	-	283.69	7.63	1.54	1.19	35.98	-	-	-	330.03
As at 31st March 2015	14.69	7.64	2,270.79	10,534.73	443.74	304.94	497.97	411.22	42.10	30.38	549.92	15,108.12
DEPRECIATION / AMORTISATION												
As AT 1st APRIL 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	10,688.82
CHARGE FOR THE YEAR	-	-	59.73	400.01	40.38	28.43	35.99	54.74	1.13	4.15	28.73	653.29
DISPOSALS	-	-	-	280.36	7.48	0.76	1.09	26.74	-	-	-	316.43
As at 31st March 2015	-	-	894.39	8,523.24	402.92	163.89	405.19	191.06	37.41	26.01	381.57	11,025.68
RETAINED EARNING EFFECT	-	-	57.64	14.30	3.65	78.09	9.02	1.82	-	0.01	-	164.53
Net Block												
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	4,563.23
As at 31st March 2015	14.69	7.64	1,318.76	1,997.19	37.17	62.96	83.76	218.34	4.69	4.36	168.35	3,917.91

Statement of Significant Accounting policies and Notes to Financial Statements

8. Intangible assets

(` In lakhs)

Particulars	Technical Documentation & Know How	Computer Software	R & D Software	Total
Cost				
As at 1st April 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
Additions	150.54	25.13	3.00	178.67
As at 31st March 2015	371.28	184.76	115.77	671.81
Depreciation / Amortization				
As at 1st April 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
Charge for the year	16.13	7.12	9.22	32.47
As at 31st March 2015	236.87	139.41	89.93	466.21
Retained Earning effect	-	0.37	-	0.37
Net Block				
As at 31st March 2014	-	27.34	32.06	59.41
As at 31st March 2015	134.41	44.98	25.84	205.23

9. Capital Work-in-Progress

Particulars	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
Capital Work In Progress	-	0.55
Total	-	0.55

a) CWIP represents work in progress for the following

Particulars	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
On account of Plant & machinery	-	0.55
Total	-	0.55

10. Intangible Assets Under Development

Particulars	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
Intangible assets under development	-	14.90
Total	-	14.90

Intangible assets under development includes software development in progress of ` 14.90 lakhs of Previous Year.

Statement of Significant Accounting policies and Notes to Financial Statements

11. Non-Current Investments

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	(` In lakhs)	Nos.	(` In lakhs)
Trade Investments				
Manugraph Securities and Finance Private Limited (unquoted)	250.00	0.03	250.00	0.03
Other Investments				
Investment in Government securities				
6 years National Savings Certificates - VIII issue		0.10		0.10
Investment in subsidiary companies (unquoted)				
Constrad Agencies (Bombay) Private Ltd. (Equity shares of ` 100/- each)	5,000.00	177.16	5,000.00	177.16
Manugraph Americas Inc, USA (shares of US\$ 0.01 each)	3,88,290.00	9,197.51	3,88,290.00	9,197.51
Manugraph Americas Inc, USA - Preferred Stock (shares of US\$ 0.01 each)	1,00,000.00	3,869.23	1,00,000.00	3,869.23
Others (unquoted)				
Shree Warna Sahakari Bank Limited (Equity shares of ` 25/- each)	2,000.00	0.50	2,000.00	0.50
		13,244.53		13,244.53
Less -				
Prov. for diminution in value of investment (in respect of Equity Investment in Manugraph Americas, Inc.)		6,000.00		6,000.00
Total		7,244.53		7,244.53

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	(` In lakhs)		(` In lakhs)	
a Aggregate of quoted investments				
– Cost		-		-
– Market Value		-		-
b Aggregate of unquoted investments		13,244.53		13,244.53

- i 6 years National Savings Certificates - VIII Issue of the face value of ` 10,000 (previous year: ` 10,000) have been deposited with the sales-tax authorities.
- ii The investment in Manugraph Americas Inc. includes 116,968 equity shares which have been pledged with the bankers for credit facilities availed by the subsidiary Manugraph Americas Inc.

Statement of Significant Accounting policies and Notes to Financial Statements

12. Deferred Tax Assets/(Liability)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Deferred tax liability on account of				
Difference between book and tax depreciation		253.66		356.98
Less:				
Deferred tax Assets on account of				
Provision for leave encashment	92.00		85.52	
Provision for gratuity	315.96		232.42	
Compensation under VRS	200.07		280.10	
Total Deferred Tax Asset		608.03		598.04
Net Deferred Tax Asset/(Liability)		354.37		241.05

13. Loans and Advances

(unsecured considered good unless otherwise stated)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current (` In lakhs)	Current (` In lakhs)	Non-current (` In lakhs)	Current (` In lakhs)
Loan to subsidiary company	3.50	-	3.50	-
Staff loans	403.06	132.87	310.80	107.99
Advances Recoverable in Cash or in kind	7.40	84.89	2.98	76.22
Advance to Suppliers	-	51.98	-	85.62
Capital advance	0.65	-	0.80	-
Sundry deposits	48.43	-	54.42	1.00
Taxes paid net of provisions	900.40	-	821.79	-
Total	1,363.44	269.74	1,194.29	270.83

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

14. Other Assets

(unsecured considered good unless otherwise stated)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current (` In lakhs)	Current (` In lakhs)	Non-current (` In lakhs)	Current (` In lakhs)
Claims and Refunds receivable	24.25	173.17	2.65	329.55
Vat Refund receivable	2,821.44	-	2,300.71	-
Balances with Revenue Authorities	-	133.98	-	124.93
Total	2,845.69	307.15	2,303.36	454.48

Statement of Significant Accounting policies and Notes to Financial Statements

15. Current Investments

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	(` In lakhs)	Nos.	(` In lakhs)
Investments in Mutual Funds (unless otherwise specified) (quoted)				
Templeton India Short Term Plan Growth	-	-	13,276.03	300.00
Birla Sun Life Savings Fund Growth Plan	-	-	89,143.44	200.00
HDFC Liquid Fund Div.Re-Investment	-	-	69,50,365.22	708.81
Templeton India Treasury Management Account (Dividend Reinvest)	-	-	40,731.67	407.75
Birla Sun Life Cash Plus Daily Div.Re-Investment	-	-	5,00,872.22	501.85
ICICI Prudential Savings Fund-Reg Plan-DDR	-	-	5,05,019.33	506.16
TATA Short Term Bond Fund Growth	19,40,338.00	500.00	21,33,306.03	500.00
Templeton India Short Term Income Retail Monthly (Dividend Reinvest)	40,856.00	478.58	38,645.12	452.30
HDFC Short Term Plan - Growth	14,98,857.00	400.00	-	-
HDFC Short Term Opportunities Fund - Growth	19,95,105.00	300.00	-	-
Franklin India Short Term Income Plan - Growth	10,579.00	300.00	-	-
BSL Treasury Optimizer Plan - Growth	2,91,104.00	500.00	-	-
Franklin India Cash Management Account - Dividend Reinvestment	37,654.00	3.77	35,934.74	3.60
Total		<u>2,482.35</u>		<u>3,580.47</u>
Particulars	As at 31st March, 2015		As at 31st March, 2014	
	(` In lakhs)		(` In lakhs)	
a Aggregate of quoted investments				
– Cost		2,482.36		3,580.47
– Market Value		2,524.22		3,645.40
b Aggregate of unquoted investments		-		-

Statement of Significant Accounting policies and Notes to Financial Statements

16. Inventories

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	(` In lakhs)	(` In lakhs)
Raw Material (incl. Goods in transit- ` 36.97 lakhs previous year ` 27.83 lakhs)	1,640.60	2,210.92
Work In Progress	3,075.95	2,947.80
Finished Goods	-	-
Stores & Spares	127.53	130.31
Loose Tools (Consumable)	61.26	69.21
Manufactured components	2,418.09	2,303.07
Traded Goods	-	226.58
Total	7,323.43	7,887.89

Valuation methodology

- | | | |
|-----|--|--|
| i | Raw Material, Components and Stores and 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 stock-in-trade | 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, 2015		As at 31st March, 2014	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Unsecured				
Outstanding for over six months old				
– Considered good	1,562.96		1,482.93	
– Considered doubtful	-		-	
	<u>1,562.96</u>		<u>1,482.93</u>	
Less: Provision for doubtful debts	-		-	
		1,562.96		1,482.93
Others				
– Considered good		1,047.37		343.01
Total		<u>2,610.33</u>		<u>1,825.94</u>

Statement of Significant Accounting policies and Notes to Financial Statements

18. Cash and Bank Balances

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Cash & Cash Equivalents				
Bank balances				
With scheduled banks		458.87		1,341.36
Cheques, Drafts on hand		-		0.38
Cash Balances		18.49		14.78
		<u>477.36</u>		<u>1,356.52</u>
Other Bank Balances				
In fixed deposit accounts (as margin money)	706.57		690.69	
In fixed deposit accounts	168.00		168.00	
In unclaimed dividend accounts	51.83		58.05	
		<u>926.40</u>		<u>916.74</u>
Total		<u><u>1,403.76</u></u>		<u><u>2,273.26</u></u>

19. Revenue from Operations (Gross)

i. Particulars	2014-15	2013-14
	(` In lakhs)	(` In lakhs)
Sale of Products		
Sales of Finished Goods & spares (Domestic)	16,592.27	17,886.73
Sales of Finished Goods & spares (Export)	5,576.37	8,315.10
(Net of Sales Return ` 10.28 lakhs Previous year ` 9.81 lakhs)		
Total	<u><u>22,168.64</u></u>	<u><u>26,201.82</u></u>
Less - Excise Duty	1,748.63	1,950.62
Sales Net of Excise Duty	<u><u>20,420.01</u></u>	<u><u>24,251.20</u></u>
Sale of Products		
Sale of Finished Goods & Spares (Net of excise duty)		
ii. Particulars	2014-15	2013-14
	(` In lakhs)	(` In lakhs)
Printing units	18,574.12	22,590.10
Spares and accessories	1,744.53	1,661.11
Trading goods	101.36	-
Total	<u><u>20,420.01</u></u>	<u><u>24,251.21</u></u>

Statement of Significant Accounting policies and Notes to Financial Statements

20. Other Operating Revenue

Particulars	2014-15		2013-14	
	(` In lakhs)		(` In lakhs)	
Service and erection charges received	684.56		992.30	
Miscellaneous receipts	85.31		120.44	
Export incentive received	111.44		206.14	
Sundry credit balances appropriated	250.44		23.97	
Total	1,131.75		1,342.85	

21. Other Income

Particulars	2014-15		2013-14	
	(` In lakhs)		(` In lakhs)	
Dividend from Current Investment	103.14		63.72	
Dividend from Non-current Investment	0.05		0.05	
Rent	27.06		28.50	
Profit on sale of assets (Net)	14.91		5.52	
Profit on sale of Current Investment	244.69		173.61	
Exchange gain (Net)	71.72		-	
Interest received on deposits, debts etc.	177.49		188.00	
Total	639.06		459.40	

22. Cost of Materials Consumed:

Particulars	2014-15		2013-14	
	(` In lakhs)		(` In lakhs)	
Raw Materials Consumed				
Opening Stock	2,210.92		2,155.69	
Add : Purchases (Including components processing charges ` 564.19 lakhs - previous year: ` 684.60 lakhs)	12,822.57		14,691.53	
		15,033.49		16,847.22
Less : RMC Capitalised	9.12		5.74	
Less : Closing Stock	1,640.60		2,210.92	
		1,649.72		2,216.66
Total		13,383.77		14,630.56

i. Raw Materials Consumed

Particulars	2014-15		2013-14	
	(` In lakhs)	%	(` In lakhs)	%
Steel and other metals	717.26	5.36	677.13	4.63
Castings	1,045.27	7.81	1,060.21	7.25
Electrical parts	2,455.80	18.35	2,956.61	20.21
Components	9,165.44	68.48	9,936.61	67.92
Total	13,383.77	100.00	14,630.56	100.00

Statement of Significant Accounting policies and Notes to Financial Statements

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

Particulars	2014-15		2013-14	
	(` In lakhs)	%	(` In lakhs)	%
Raw materials :				
Imported	1,499.65	11.20	2,983.13	20.39
Indigenous	11,884.12	88.80	11,647.43	79.61
Total	13,383.77	100.00	14,630.56	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 part II of Schedule III cover only such items as go directly into the product.

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

Particulars	2014-15		2013-14	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Inventory Adjustments - WIP				
Work In progress at Opening	2,947.80		3,231.12	
Work In progress at Closing	3,075.95		2,947.80	
		(128.15)		283.32
Inventory Adjustments - Manufactured components				
Stock at Commencement	2,303.07		2,914.56	
Less : Stock at Closing	2,418.09		2,303.07	
		(115.02)		611.49
Inventory Adjustments - Stock-in-trade				
Stock at Commencement	226.58		226.58	
Less : Purchase Return	117.85		-	
Less : Stock at Closing	-		226.58	
		108.73		-
Total		(134.44)		894.81

Statement of Significant Accounting policies and Notes to Financial Statements

24. Employee Benefit Expenses

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Salary, Wages, bonus and allowances	4,546.15	4,285.88
Welfare expenses	273.57	270.63
Additional Gratuity costs	34.56	-
Contribution to provident & other funds	411.03	315.35
Prov. for earned leave wages	85.82	96.05
Contribution to Employees Group Gratuity Scheme	413.17	207.59
	5,764.30	5,175.50
Less - Wages capitalised	9.73	7.74
Total	5,754.57	5,167.76

- a. The Company had introduced a Voluntary Retirement Scheme, 2013 in the previous year which was accepted by various employees. The cost in connection therewith of ` 1,079.12 lakhs has been shown as an exceptional item. (refer note 38)
- b. During the year Managerial Remuneration paid is ` 214.80 lakhs which is in excess of the limits of Section 198 of the Companies Act, 1956 by ` 98.39 lakhs as the appointment was under the said Act. The Company has made an application to the Central Government for approval of the excess remuneration which is pending as of the Balance Sheet date. No adjustments are made in these accounts pending approval for ` 98.39 lakhs of excess remuneration to directors. The Managerial Remuneration paid in the previous year ` 202.89 lakhs in accordance with the approval of the members in general meeting dated 1st August 2013 was in excess of the limits specified by Section 198 of the Companies Act, 1956 by an amount of ` 89.61 lakhs for which the Company has received approval from Central Government.

25. Finance Cost

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Interest paid	108.04	76.02
Other Borrowing Costs	48.65	43.71
Total	156.69	119.73

26. Depreciation & Amortisation

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Depreciation	653.29	1,011.22
Amortisation	32.47	15.09
Total	685.76	1,026.31

In accordance with the provisions of Schedule II to the Companies Act, 2013, effective from 1st April, 2014, the Company has revised the useful life of its fixed assets. As a consequence of such revision, the charge for depreciation is lower than the previously applied rates by ` 294.98 lakhs for the year ended March 2015. For assets that have completed the useful lives as a consequence of the aforesaid revision, the carrying value as on 1st April, 2014 of ` 168.01 lakhs has been charged to the opening balance of the Surplus in Profit and Loss Account. Deferred Tax effect thereon of ` 54.51 lakhs is also adjusted in the opening balance of Surplus in Profit and Loss Account.

Statement of Significant Accounting policies and Notes to Financial Statements

27. Other Expenses

Particulars	2014-15		2013-14	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Consumption of stores and consumables		371.32		353.07
Power & Fuel		221.63		217.14
Rent		35.56		38.35
Rates & Taxes		16.75		12.72
Repairs to Buildings		59.52		63.18
Repairs to Machinery		75.93		62.60
Insurance		26.29		29.78
Travelling and conveyance		479.40		736.29
Commission on sales		723.96		1,045.45
Other repairs		79.85		88.86
Advertisement and sales promotion expenses		55.40		39.41
Bank charges		23.37		43.13
Sundry debit balances written off		12.45		211.78
Fixed assets scrapped		3.30		2.47
Warranty expenses		18.85		193.12
Research and development expenses		308.08		264.98
CSR expenses		9.50		-
Donations		0.31		34.00
Short provision and adjustments relating to previous years (Net)		10.18		13.84
Excise duty & other taxes paid		1.19		0.44
Freight And Handling Charges		43.35		27.47
Packing And Forwarding Charges		207.11		248.17
Directors' Fees		4.78		2.70
Exchange Loss (Net)		-		128.10
Remuneration to Auditors				
– Audit fees including Tax Audit		18.25		18.25
– Other Services		6.19		3.50
– Out of pocket expenses		0.20		0.05
		24.64		21.80
Miscellaneous Expenses (None of which individually forms more than 1% of the Operating Revenue.)		705.83		564.18
		3,518.55		4,443.03
Less - Overheads capitalised		41.24		27.71
Total		3,477.31		4,415.32

Statement of Significant Accounting policies and Notes to Financial Statements

a. Research and development expenses

Particulars	2014-15		2013-14	
	In recognised Unit	In other Unit	In recognised Unit	In other Unit
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Material	35.13	-	21.21	-
Personnel costs	255.78	9.42	209.48	33.56
Other Costs	7.75	-	0.72	0.01
Total Revenue Costs	298.66	9.42	231.41	33.57
Capex Costs	5.24	-	10.34	-

b. Disclosure on CSR activity

- i Gross Amount required to be spent by the Company during the year ` 34.73 Lakhs
- ii Amount spent by the company during the year as follows:

Particulars	(` In lakhs)	(` In lakhs)	(` In lakhs)
	In cash	Yet to be paid in cash	Total
- Contribution towards Health care	1.00	-	1.00
- Contribution towards National Calamity Relief	6.00	-	6.00
- Contribution for Education Purpose	1.00	-	1.00
- Contribution for Old Age Home	1.50	-	1.50
Total	9.50	-	9.50

28. Earning Per Share

Particulars	2014-15	2013-14
	(` In lakhs)	(` In lakhs)
Net profit after tax available for equity shareholders before Exceptional Items	(1,074.05)	(24.58)
Net profit after tax available for equity shareholders after Exceptional Items	(1,074.05)	(776.27)
Weighted average number of equity shares of ` 2 each outstanding during the year	3,04,15,061	3,04,15,061
Earning Per Share before Exceptional Items Basic and diluted earnings per share (`)	(3.53)	(0.08)
Earning Per Share after Exceptional Items Basic and diluted earnings per share (`)	(3.53)	(2.55)

Statement of Significant Accounting policies and Notes to Financial Statements

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

Particulars	2014-15		2013-14	
	Currency type	Amount	Currency type	Amount
Trade Receivable and Other Receivables	USD	38,94,784	USD	28,04,968
	EURO	44,259	EURO	76,800
	GBP	1,431	GBP	1,670
Trade Payable and Other Payables	USD	8,79,227	USD	14,70,275
	EURO	52,348	EURO	54,015
	GBP	836	GBP	741
Outstanding forward contracts for future transaction / Firm Commitments	USD	-	USD	-

30. CIF Value of Imports

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Components	1,148.60	2,334.96
Capital Expenditure :		
Intangible Asset (Technical Knowhow)	120.39	-
Stores, Spares and tools	45.72	49.39
Total	1,314.71	2,384.35

31. Earnings in Foreign Exchange

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Exports of Printing Units and Spares calculated on F.O.B. basis	5,576.37	8,315.10
Service and Erection charges	221.41	342.52
Total	5,797.78	8,657.62

32. Expenditure in foreign currency

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Commission	-	277.38
Payments on other accounts	191.21	165.49
Total	191.21	442.87

Statement of Significant Accounting policies and Notes to Financial Statements

33. 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	2014-15	2013-14
Number of non -resident shareholders	3	5
Number of equity shares of ₹ 2 each held by them	20,620	56,830
Amount of dividend remitted (₹)	20,620	85,245
Year for which dividend is paid	2013-14	2012-13

34. Disclosure pursuant to Clause 32 of the Listing Agreement

Particulars	2014-15		2013-14	
	As at 31.3.15	Maximum outstanding	As at 31.3.14	Maximum outstanding
	(₹ In lakhs)	(₹ In lakhs)	(₹ In lakhs)	(₹ 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	479.61	503.42	374.06	395.44

35. Disclosure as required by Accounting Standard – AS 18 “Related Parties” of Rule 7 of The Companies (Accounts) Rules 2014.

I Relationships:

Subsidiaries

Constrad Agencies (Bombay) Private Limited
Manugraph Americas, Inc. USA.

Key Management Personnel

Mr. Sanjay S. Shah - Vice Chairman and Managing Director
Mr. Pradeep S. Shah - Managing Director
Mr. B B Nandgave - Whole Time Director (Works)

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

Entities where Key Management Personnel exercise significant influence

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

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

(` In lakhs)

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
Purchase of goods:					
Manugraph Americas Inc.	44.66 (38.72)				44.66 (38.72)
Mercongraphic FZC		0.78 (-)			0.78 (-)
	<u>44.66</u> <u>(38.72)</u>	<u>0.78</u> <u>(-)</u>			<u>45.44</u> <u>(38.72)</u>
Sale of goods :					
Multigraph Machinery Kenya Ltd		40.85 (30.00)			40.85 (30.00)
Manugraph Americas Inc.	1,027.05 (10.87)				1,027.05 (10.87)
Mercongraphic FZC		2,582.40 (5979.27)			2,582.40 (5979.27)
	<u>1,027.05</u> <u>(10.87)</u>	<u>2,623.25</u> <u>(6009.27)</u>			<u>3,650.30</u> <u>(6020.14)</u>
Service Charges received					
Multigraph Machinery Kenya Ltd		26.53 (21.26)			26.53 (21.26)
Mercongraphic FZC		148.25 (181.94)			148.25 (181.94)
		<u>174.79</u> <u>(203.19)</u>			<u>174.79</u> <u>(203.19)</u>
Commission paid :					
Multigraph Machinery Kenya Ltd		- (6.62)			- (6.62)
Manugraph Americas Inc.	- (99.33)				- (99.33)
Multigraph Machinery Co. Ltd		678.07 (742.43)			678.07 (742.43)
	<u>-</u> <u>(99.33)</u>	<u>678.07</u> <u>(749.05)</u>			<u>678.07</u> <u>(848.38)</u>

Statement of Significant Accounting policies and Notes to Financial Statements

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total
(₹ In lakhs)					
Rent received :					
Multigraph Machinery Co. Ltd		25.62 (27.06)			25.62 (27.06)
Manubhai Sons and Company		1.44 (1.44)			1.44 (1.44)
		<u>27.06</u> <u>(28.50)</u>			<u>27.06</u> <u>(28.50)</u>
Rent paid :					
Multigraph Machinery Co. Ltd		- (1.69)			- (1.69)
Sanjay S. Shah			11.88 (11.88)		11.88 (11.88)
Pradeep S. Shah			11.88 (11.88)		11.88 (11.88)
Sudha S. Shah				2.64 (2.64)	2.64 (2.64)
		<u>-</u> <u>(1.69)</u>	<u>23.76</u> <u>(23.76)</u>	<u>2.64</u> <u>(2.64)</u>	<u>26.40</u> <u>(28.09)</u>
Managerial remuneration paid :					
Sanjay S. Shah			103.67 (100.43)		103.67 (100.43)
Pradeep S. Shah			103.68 (100.44)		103.68 (100.44)
B. B. Nandgave			23.06 (17.69)		23.06 (17.69)
			<u>230.41</u> <u>(218.56)</u>		<u>230.41</u> <u>(218.56)</u>
Directors' fees :					
Sanat M. Shah				0.50 (0.40)	0.50 (0.40)
				<u>0.50</u> <u>(0.40)</u>	<u>0.50</u> <u>(0.40)</u>
Salaries and allowances :					
Kushal S. Shah				- (5.77)	- (5.77)
				<u>-</u> <u>(5.77)</u>	<u>-</u> <u>(5.77)</u>

Statement of Significant Accounting policies and Notes to Financial Statements

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	(` In lakhs) Grand Total
Debit Balances written off :					
(Interest)					
Manugraph Americas Inc.	-	-	-	-	-
	(197.53)				(197.53)
	-	-	-	-	-
	(197.53)				(197.53)
Sale of Asset					
Multigraph Machinery Co. Ltd		-			-
		(16.90)			(16.90)
		-			-
		(16.90)			(16.90)
Reimbursement of expenses received					
Manugraph Americas Inc.	55.40				55.40
	(25.40)				(25.40)
Mercongraphic FZC		37.83			37.83
		(-)			(-)
	55.40	37.83			93.23
	(25.40)	(-)			(25.40)
Outstanding Receivables					
Multigraph Machinery Kenya Ltd		12.14			12.14
		(6.72)			(6.72)
Mercongraphic FZC		2,045.05			2,045.05
		(1274.27)			(1274.27)
Constrad Agencies (Bombay) Private Limited	3.50				3.50
	(3.50)				(3.50)
	3.50	2,057.20			2,060.70
	(3.50)	(1280.99)			(1284.49)
Advance From Customers					
Manugraph Americas Inc.	-				-
	(180.30)				(180.30)
Mercongraphic FZC		-			-
		(62.73)			(62.73)
	-	-			-
	(180.30)	(62.73)			(243.03)

Statement of Significant Accounting policies and Notes to Financial Statements

	Subsidiaries	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	Grand Total (` In lakhs)
Outstanding Payables					
Multigraph Machinery Co. Ltd		-			-
		(19.72)			(19.72)
		-			-
		(19.72)			(19.72)
Guarantees given to banker for credit facilities					
Manugraph Americas Inc.	2,660.11				2,660.11
	(2,554.24)				(2,554.24)
	2,660.11				2,660.11
	(2,554.24)				(2,554.24)

36. Contingent liabilities and commitments

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
i. Contingent liabilities		
(a) Claims against the company not acknowledged as debt;	36.10	21.31
(b) Guarantees;		
On account of guarantees executed by the company's bankers;	6.79	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	2,660.11	2,554.24
(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	874.31	1,027.95
On account of undertakings given by the company in favour of Customs Authority:	870.00	870.00
Total	4,447.31	4,481.79
ii. Commitments		
(a) Unexpired letter of credit opened by Bank	141.08	-
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for;	0.56	1.40
(c) Uncalled liability on shares and other investments partly paid	-	-
(d) Other commitments (specify nature).	-	-
Total	141.64	1.40

Statement of Significant Accounting policies and Notes to Financial Statements

37. 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 atleast equal to the amount at which they are stated in the Balance Sheet.
38. Exceptional item of previous year represents the payments towards the Voluntary Retirement Scheme, 2013 introduced by the Company and opted by the employees during the year of ` 1,079.12 lakhs. The deferred tax effect thereon of ` 280.10 lakhs has been included as part of deferred tax under Tax Expense.
39. Previous year figures are regrouped and re-arranged wherever necessary with those of the current year to make them comparable.
40. Disclosure as required by Accounting Standard – AS 17 “Segment Reporting” of the Companies (Accounting Standards) Rules 2006.
In accordance with AS-17 “Segment Reporting”, the Company has only one reportable primary business segment i.e.Engineering. However, the Company has secondary geographical segment which is disclosed in Consolidated Financial Statements as per AS-17.
41. Explanatory notes 1 to 41 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. 40441

Mumbai, Date: 27th May, 2015

For and on behalf of the Board of Directors

Sanjay S. Shah Vice Chairman and Managing Director
DIN : 00248592

Pradeep S. Shah Managing Director
DIN : 00248692

Mihir V. Mehta
Company Secretary

Suresh Narayan
Chief Financial Officer

Mumbai, Date: 27th May, 2015

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Manugraph India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Manugraph India Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (as defined in the Companies (Accounting Standards) Rules, 2006) comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Governing Bodies of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit, report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note no. 25(b) in the Explanatory Notes to the financial statements regarding the Company's application for managerial remuneration paid in excess of limits prescribed under Section 198 of the erstwhile Companies Act, 1956 aggregating to ₹ 98.39 lakhs for the accounting year 2014-15 which is pending for approval by Central Government. No adjustments are made in the financial statements pending receipt of the approval. Our opinion is not modified in respect of this matter.

Other Matters

- (a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ` 7804.62 lakhs as at March 31, 2015, total revenues of ` 5365.43 lakhs and net cash outflow amounting to ` 66.51 lakhs for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, to whom the Order is applicable and for which we have received audit report we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The same does not include the overseas entities consolidated in these financial statements as the requirements of CARO, 2015 are not applicable to such companies and therefore are not available.
2. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act. Since the provisions of Section 164(2) of the Act do not apply to entities incorporated outside India no comments are made in respect of such overseas entities.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 32 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For **NATVARLAL VEPARI & CO.**
Chartered Accountants
Firm Registration Number 106971W

N Jayendran
Partner
Membership No. 40441

Mumbai,
Dated : May 27, 2015

Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date

With respect to Manugraph India Limited ('Holding Company') and its subsidiary in India (Covered Entity), we report as follows:

- (i) (a) The Holding Company and the Covered Entity have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management of the Holding Company and Covered Entity during the year. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the Holding Company has conducted physical verification of inventory at reasonable intervals during the year other than inventory lying with third parties, where certificates confirming stocks have been received in respect of substantial portion of stock held. There was no stock in Covered Entity.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the nature of its businesses.
- (c) In our opinion and according to the information and explanation given to us, the Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Holding Company has granted unsecured loan to its wholly owned subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013. This is however eliminated in the Consolidated Financial Statements.

The Covered Entity has not granted loans to any party covered in the register maintained u/s 189 of the Act.

The Loan given by Holding Company, which is eliminated, is not due for repayment presently and therefore there is no default in its repayment and there is no overdue.

- (iv) In our opinion and according to the information and explanations given to us and as reported by the auditors of Covered Entity, there are adequate internal control systems commensurate with the size of the Holding Company and the Covered Entity and the nature of their businesses, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit and as reported by the auditors of the Covered Entity, no major weakness or continuing failure to correct any major weakness in the internal control system was observed in respect of these areas.
- (v) The Holding Company and the Covered Entity have not accepted any deposits from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. Therefore, the provisions of clause 3(v) of the Companies (Auditors Report) Order 2015 are not applicable to the Holding Company and the Covered Entity. As informed to us, 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 against either the Holding Company or the covered entity.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

As reported by the auditors of the Covered Entity, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the other Covered Entity.

- (vii) (a) The Holding Company and the Covered Entity are generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues

with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months except for service tax payable of ₹ 0.06 lakhs in the case of the Holding Company.

- (b) According to the records of the Holding Company and as reported by auditors of the Covered Entity, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax or Cess which have not been deposited on account of any dispute except as given in the statement attached herewith.
- (c) According to the information and explanations given to us and as reported by the auditor of Covered Entity, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder has been transferred to such fund within time to the extent applicable to the Holding Company and Covered Entity.
- (viii) There are no accumulated losses at the end of the financial year in the case of the Holding Company. However in the case of the covered Entity the accumulated losses are more than 50% of its networth. *The Holding Company and the Covered Entity have incurred cash losses in the current financial year and also in the immediately preceding financial year.*
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the auditors of Covered Entity, the Holding Company and Covered Entity have not defaulted in their repayment of dues to financial institutions, banks or debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Holding company has given bank guarantee and has pledged its investments for loan taken by its wholly owned subsidiary from bank are not prima facie prejudicial to the interest of the Holding Company. However the same are not disclosed in the Consolidated Financial Statements as the loan of the Wholly owned subsidiary is already shown as debt in the Consolidated Financial Statements.
- On the basis of the audit report of the Covered Entity, no guarantee is given for loans taken by others from banks and financial institutions.
- (xi) On the basis of the information and explanations given by the management and the audit report of the Covered Entity, no term loans are obtained by the Holding Company and the Covered Entity during the year and hence clause 3(xi) of Companies (Auditors Report) Order 2015 is not applicable.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and report of auditors of Covered Entity, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered Entity has been noticed or reported during the year.

For **NATVARLAL VEPARI & CO.**
Chartered Accountants
Firm Registration Number 106971W

N Jayendran
Partner
Membership No. 40441

Mumbai,
Dated : May 27, 2015

Statement of Statutory Dues Outstanding on account of Disputes, as on 31st March, 2015, referred to in Para (vii)(b) of the Annexure to Consolidated Auditors' Report

Name of statute	Nature of dues	Amount (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Additions during Assessments	321.78	Assessment year 2009-2010	The Income Tax Appellate Tribunal, 'K' Bench, Mumbai
Customs Act, 1962	Customs duty on two dryers	29.59	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
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 28.02.2010	to	Customs, Excise & Service tax Appellate Tribunal, West Zonal Bench, Mumbai
Central Excise Act, 1944	Duty Drawback on exported goods	10.76	01.12.2010 31.12.2010	to	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 31.10.2013	to	The Dy. Commissioner, Central Excise, Kolhapur-II
Finance Act, 1994	Manpower Services received from various contractors	0.76	01.04.2012 31.03.2013	to	The Dy. Commissioner, Central Excise, Kolhapur-I
Finance Act, 1994	Service Tax on input service distributor.	16.49	01.04.2008 31.03.2013	to	The Superintendent of Central Excise, Kolhapur-I
Finance Act, 1994	Service Tax on input service distributor.	1.39	01.04.2014 31.3.2015	to	The Dy. Commissioner, Central Excise, Kolhapur-II
Finance Act, 1994	Service Tax on technical testing services	2.76	01.04.2012 31.3.2013	to	The Dy. Commissioner, Central Excise, Kolhapur-II
Finance Act, 1994	Service Tax credit on outward freight	0.83	01.06.2012 31.10.2014	to	The Dy. Commissioner, Central Excise, Kolhapur-II
Total		429.73			

Consolidated Balance Sheet as at 31st March, 2015

Particulars	Note Ref.	As at March 31, 2015 (` in lakhs)	As at March 31, 2014 (` in lakhs)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	608.30	608.30
(b) Reserves & Surplus	2	18,875.56	19,904.21
(c) Money Received against Share Warrants		-	-
		<u>19,483.86</u>	<u>20,512.51</u>
2. Share Application Money Pending Allotment			
3. Non-Current Liabilities			
(a) Long-Term Borrowings	5	-	-
(b) Other Long Term Liabilities	3	9.65	13.66
(c) Long Term Provisions	4	257.72	226.52
		<u>267.37</u>	<u>240.18</u>
4. Current Liabilities			
(a) Short-Term Borrowings	5	1,719.45	1,496.41
(b) Trade Payables	6	3,756.32	3,045.41
(c) Other Current Liabilities	3	4,030.54	5,666.28
(d) Short-Term Provisions	4	1,416.78	1,324.31
		<u>10,923.10</u>	<u>11,532.41</u>
Total		<u><u>30,674.33</u></u>	<u><u>32,285.10</u></u>
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	5,326.40	6,037.63
(ii) Intangible Assets	8	205.23	59.41
(iii) Capital Work-in-Progress	9	-	0.55
(iv) Intangible Assets Under Development	10	-	14.90
		<u>5,531.63</u>	<u>6,112.49</u>
(b) Goodwill on Consolidation	11	331.38	331.38
(c) Non-Current Investments	12	0.63	0.63
(d) Deferred Tax Assets (net)	13	4,195.80	4,025.77
(e) Long-Term Loans & Advances	14	1,359.96	1,190.78
(f) Other Non-Current Assets	15	2,865.09	2,321.99
		<u>8,752.86</u>	<u>7,870.55</u>
2. Current Assets			
(a) Current Investments	16	2,482.35	3,580.47
(b) Inventories	17	8,959.62	9,425.35
(c) Trade Receivables	18	2,913.51	2,209.90
(d) Cash and Bank Balances	19	1,403.97	2,338.86
(e) Short-term loans and advances	14	319.11	290.35
(f) Other current assets	15	311.28	457.13
		<u>16,389.84</u>	<u>18,302.06</u>
Total		<u><u>30,674.33</u></u>	<u><u>32,285.10</u></u>

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. 40441

Mumbai, Date: 27th May, 2015

For and on behalf of the Board of Directors
Sanjay S. Shah Vice Chairman and Managing Director
DIN : 00248592

Pradeep S. Shah Managing Director
DIN : 00248692

Mihir V. Mehta
Company Secretary

Suresh Narayan
Chief Financial Officer

Mumbai, Date: 27th May, 2015

Consolidated Profit and Loss Account for the year ended March 31, 2015

Particulars	Note Ref.	2014-15 (` in lakhs)	2013-2014 (` in lakhs)
Revenue from Operations (Gross):	20	26,202.87	30,595.29
Less : Excise Duty		<u>1,748.63</u>	<u>1,950.62</u>
Revenue from Operations (Net):		24,454.24	28,644.67
Other Operating Revenue	21	1,471.78	1,941.28
Other Income:	22	<u>639.06</u>	<u>459.40</u>
A. Total Revenue		26,565.08	31,045.34
Expenses:			
Cost of Materials Consumed	23	15,445.76	17,153.88
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	<u>(193.89)</u>	<u>1,023.70</u>
Employee Benefit Expenses	25	7,040.04	6,521.87
Finance Cost	26	206.09	199.33
Depreciation & Amortisation	27	815.39	1,179.03
Other Expenses	28	<u>4,205.70</u>	<u>5,068.50</u>
B. Total Expenses		27,519.09	31,146.31
Profit Before exceptional and extraordinary items and Tax (A-B)		(954.01)	(100.96)
Exceptional Item			
Compensation towards Voluntary Retirement Scheme		<u>-</u>	<u>1,079.12</u>
Profit Before extraordinary items and tax		<u>(954.01)</u>	<u>(1,180.08)</u>
Extraordinary Items		<u>-</u>	<u>-</u>
Profit Before Tax		(954.01)	(1,180.08)
1. Current Tax		<u>-</u>	<u>7.23</u>
2. Deferred Tax		<u>39.03</u>	<u>(383.69)</u>
Tax Expense		39.03	(376.46)
Profit for the period from Continuing Operations		(993.04)	(803.62)
Discontinued Operations		<u>-</u>	<u>-</u>
Profit for the period		(993.04)	(803.62)
Earning per Equity Share	29		
- Before Exceptional Item			
- Basic and Diluted		<u>(3.26)</u>	<u>(0.17)</u>
- After Exceptional Item			
- Basic and Diluted		<u>(3.26)</u>	<u>(2.64)</u>
Par Value		<u>2.00</u>	<u>2.00</u>

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. 40441

Mumbai, Date: 27th May, 2015

For and on behalf of the Board of Directors

Sanjay S. Shah
DIN : 00248592

Vice Chairman and Managing Director

Pradeep S. Shah
DIN : 00248692

Managing Director

Mihir V. Mehta
Company Secretary

Suresh Narayan
Chief Financial Officer

Mumbai, Date: 27th May, 2015

Consolidated Cash Flow Statement for the Year Ended 31st March, 2015

Particulars	2014-15 (` in lakhs)	2013-14 (` in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	(954.01)	(1,180.08)
Add: Depreciation	815.39	1,179.03
Interest	157.44	155.62
Fixed assets written off/scrapped	3.30	2.47
Loss / (profit) on sale of assets	(14.91)	(5.52)
Provision for gratuity	306.16	205.92
Provision for wealth tax	1.79	2.11
Provision for earned leave wages	34.17	28.18
Dividend	(103.19)	(63.77)
Profit on sale of investments	(244.69)	(173.61)
Interest received on deposits	(177.49)	(188.00)
	777.97	1,142.41
Operating Profit before working capital Changes	(176.04)	(37.67)
Working Capital Changes		
Trade payable and Other Liabilities	(953.03)	1,027.78
Inventory Changes	465.73	1,214.17
Trade and other receivables	(1,220.19)	175.87
	(1,707.49)	2,417.81
Cash generated from operations	(1,883.53)	2,380.14
Deduct : Direct taxes	(87.60)	(636.46)
Net Cash from Operating activities	(1,971.13)	1,743.68
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including CWIP	(355.17)	(226.67)
Purchase of investments	(4,503.14)	(4,413.73)
Sale of fixed assets	22.08	35.23
Sale of investments	5,845.96	4,564.15
Dividend received	103.19	63.77
Other bank balances	(9.66)	7.04
Interest Received	177.49	188.00
	1,280.75	217.80
Net cash flow from Investing Activities	1,280.75	217.80

Consolidated Cash Flow Statement for the Year Ended 31st March, 2015 (Contd.)

Particulars	2014-15 (` in lakhs)	2013-14 (` in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Movements in Foreign Currency Translation reserve and Capital reserve	48.53	(82.69)
Capital Lease - current maturity	(7.22)	12.99
Interest Paid	(158.82)	(151.47)
Dividend paid including dividend tax	(359.70)	(541.10)
Short Term Borrowings (Net)	<u>223.04</u>	<u>(284.91)</u>
Net Cash flow from Financing Activities	(254.17)	(1,047.17)
Net Cash flow from Operating, Investing and financing activity	<u>(944.55)</u>	<u>914.31</u>
Opening Cash and Cash Equivalents	1,422.12	507.81
Closing Cash and Cash Equivalents	<u>477.57</u>	<u>1,422.12</u>

As per our report of even date attached

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Date: 27th May, 2015

For and on behalf of the Board of Directors

Sanjay S. Shah
DIN : 00248592

Vice Chairman and Managing Director

Pradeep S. Shah
DIN : 00248692

Managing Director

Mihir V. Mehta
Company Secretary

Suresh Narayan
Chief Financial Officer

Mumbai, Date: 27th May, 2015

Statement of Significant Accounting policies and Other Explanatory Notes forming part of 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 2015.

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 (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. 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 the Schedule III of the Companies Act, 2013.

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 Other Explanatory Notes forming part of 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 all assets of the Company is charged on straight line method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act, 2013 for the proportionate period of use during the year.

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 and Stores and 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 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 Other Explanatory Notes forming part of 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. Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. Sales include excise duty but exclude sales tax and value added tax.
- ii. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit.
- iii. Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
- iv. Interest income is recognised on time proportion method basis taking into account the amount outstanding and the rate applicable.
- v. Dividend income is accounted when the right to receive the same is established.

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 Other Explanatory Notes forming part of 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) Operating Lease:

Leases where the lessor effectively retains substantially all risks and benefits of ownership for the leased term are classified as operating leases. Operating lease payments are recognized as expense in the statement of profit and loss account on a straight line basis over the lease term.

(s) 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, 2015		As at 31st March, 2014	
	Number	(` In lakhs)	Number	(` In lakhs)
Authorised Capital:				
Equity shares of ` 2 each	9,85,00,000	1,970.00	9,85,00,000	1,970.00
Preference shares of ` 100 each	10,000	10.00	10,000	10.00
Unclassified shares of ` 100 each	20,000	20.00	20,000	20.00
Redeemable preference shares of ` 100 each	3,50,000	3,50.00	3,50,000	350.00
Total		<u>2,350.00</u>		<u>2,350.00</u>

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	(` In lakhs)	Number	(` In lakhs)
Issued, Subscribed And Fully Paid up Capital:				
Equity shares of ` 2 each	3,04,15,061	608.30	3,04,15,061	608.30
Total	<u>3,04,15,061</u>	<u>608.30</u>	<u>3,04,15,061</u>	<u>608.30</u>

- 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, 2015		As at 31st March, 2014	
	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.	17,18,078	5.65	18,30,853	6.02
Total	<u>1,57,31,135</u>	<u>51.72</u>	<u>1,58,43,910</u>	<u>52.09</u>

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	(` In lakhs)	Number	(` In lakhs)
Issued, Subscribed And Paid up Capital:				
At the beginning of the year	3,04,15,061	608.30	3,04,15,061	608.30
Issued during the period	-	-	-	-
Outstanding at the end of the year	<u>3,04,15,061</u>	<u>608.30</u>	<u>3,04,15,061</u>	<u>608.30</u>

- d) The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of ` 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, 2015		As at 31st March, 2014	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` 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 as per last Balance Sheet	9,225.00		9,225.00	
Add: Transferred from surplus	-		-	
		9,225.00		9,225.00
vi. Foreign Currency Translation Reserve				
Balance as per last Balance Sheet	1,293.74		854.20	
Add :				
During the year	260.93		439.54	
		1,554.67		1,293.74
vii. Surplus in Profit and Loss Account				
Balance as per last Balance Sheet	6,929.83		8,086.93	
Add :				
Profit for the year	(993.04)		(803.62)	
Sub Total	(993.04)		(803.62)	
Less:				
Depreciation on assets whose useful life has completed as per Schedule II as on 1.4.2014	168.01		-	
Deferred Tax effect thereon	(54.51)		-	
Transfer to General Reserve	-		-	
Proposed Dividend	152.08		304.15	
Tax on Proposed Dividend	30.96		49.33	
Sub Total	296.54		353.48	
		5,640.25		6,929.83
Total Reserves & Surplus (i + ii + iii + iv + v + vi + vii)		18,875.56		19,904.21

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

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

3. Other Liabilities

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current	Current	Non-current	Current
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Current Maturities of Long Term Loan				
Current Maturities on capital lease	-	5.77	-	12.99
Others				
Advances from Customers	-	3,358.49	-	4,654.97
Unclaimed dividends	-	51.83	-	58.05
Other Liabilities	0.86	551.55	6.89	836.09
Interest accrued but not due	-	2.78	-	4.15
Duties & Taxes Payable	-	60.12	-	99.23
Security Deposit	8.79	-	6.77	0.80
Total	9.65	4,030.54	13.66	5,666.28

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

4. Provisions

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current	Current	Non-current	Current
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
For employees benefits				
Provision for earned leave wages	257.72	40.03	226.52	37.05
Provision for Gratuity	-	1,022.53	-	716.37
Others				
Proposed Dividend	-	152.08	-	304.15
Corporate Tax on Dividend	-	30.96	-	49.33
Provision for Warranty	-	171.19	-	210.18
Provision for taxation net of taxes paid	-	-	-	7.23
Total	257.72	1,416.79	226.52	1,324.31

a) Disclosure under Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets (2014-15)

Particulars	(A)	(B)	(C)	(A+B-C)
	Opening Balance	Additions during the year	Amt. Paid/ Reversed during the year	Closing Balance
Warranty Expenses	210.18	80.11	119.10	171.19
(Previous year)	(179.62)	(255.59)	(225.03)	(210.18)

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

- b) 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	As at
	31st March, 2015	31st March, 2014
	(` In lakhs)	(` 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	1,709.50	1,671.17
Interest cost	136.76	133.69
Current service cost	66.65	69.25
Benefits paid	(58.93)	(256.24)
Actuarial (gain)/loss on obligation	307.35	91.63
Present value of obligation at the end of the year	2,161.33	1,709.50
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	993.14	1,160.72
Expected return on plan assets	97.59	86.99
Contributions	107.00	1.67
Benefits paid	(58.93)	(256.24)
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	1,138.80	993.14
Amount recognised in Balance Sheet		
Fair value of plan assets as at the end of the year	1,138.80	993.14
Present value of obligation as at the end of the year	2,161.33	1,709.50
Asset/(liability) recognised in the Balance Sheet	(1,022.53)	(716.37)
Expense recognised in the Statement of Profit and Loss		
Interest cost	136.76	133.69
Current service cost	66.65	69.25
Expected return on plan assets	(97.59)	(86.99)
Net actuarial (gain)/loss recognised in the year	307.35	91.63
Net cost	413.17	207.59
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 Consolidated Financial Statements

5. Borrowings

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current	Current	Non-current	Current
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Secured Loans:				
State Bank of India - Cash credit	-	610.69	-	-
PNC Bank WCDL	-	1,091.99	-	1,496.41
PNC Bank - Bank Overdraft	-	16.77	-	-
Total Loans	-	1,719.45	-	1,496.41

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 (` 2660.11 lakhs) issued by the Bankers of the Parent Company.

6. Trade Payables - Current

Particulars	As at 31st	As at 31st
	March, 2015	March, 2014
	(` In lakhs)	(` In lakhs)
Trade Payables		
- Micro Small and Medium Enterprises	78.97	11.46
- Others	3,677.35	3,033.95
Total	3,756.32	3,045.41

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

7. Tangible assets

Particulars	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 2013	86.19	68.54	7.64	3,896.99	11,972.49	749.92	771.42	507.59	458.27	42.10	26.44	549.92	19,137.52
Additions	-	-	-	8.54	138.10	16.25	5.94	2.08	13.25	-	1.69	-	185.86
Disposals	-	-	-	0.90	161.57	-	14.19	1.62	35.76	-	-	-	214.05
Exchange Difference	7.51	7.20	-	171.13	129.20	34.71	48.82	1.16	0.84	-	-	-	400.57
As at 31st March 2014	93.70	75.74	7.64	4,075.77	12,078.22	800.88	812.00	509.20	436.60	42.10	28.14	549.92	19,509.90
Additions	-	-	-	3.60	132.75	15.90	8.31	2.15	27.00	-	2.24	-	191.95
Disposals	-	-	-	-	283.69	7.63	1.54	1.19	35.98	-	-	-	330.03
Exchange difference	3.27	3.14	-	74.65	57.62	15.14	21.30	0.51	0.68	-	-	-	176.31
As at 31st March 2015	96.97	78.88	7.64	4,154.02	11,984.90	824.29	840.07	510.67	428.30	42.10	30.38	549.92	19,548.13
Depreciation / Amortisation													
As at 1st April 2013	-	25.23	-	1,219.14	8,922.20	675.41	596.08	366.29	141.92	31.93	19.76	242.87	12,240.82
Charge for the year	-	1.79	-	121.19	828.54	24.08	13.26	16.13	42.51	4.35	2.10	109.98	1,163.94
Disposals	-	-	-	0.60	159.30	-	8.20	1.32	12.45	-	-	-	181.86
Exchange Difference	-	2.64	-	46.50	115.01	34.48	48.80	1.12	0.83	-	-	-	249.37
As at 31st March 2014	-	29.66	-	1,386.23	9,706.46	733.97	649.94	382.22	172.81	36.28	21.86	352.85	13,472.27
Charge for the year	-	1.71	-	120.30	464.44	41.32	28.53	36.14	56.46	1.13	4.15	28.73	782.91
Disposals	-	-	-	-	280.36	7.48	0.76	1.09	26.74	-	-	-	316.43
Exchange Difference	-	1.27	-	24.30	55.54	15.11	21.29	0.50	0.44	-	-	-	118.45
As at 31st March 2015	-	32.64	-	1,530.83	9,946.08	782.92	699.00	417.77	202.97	37.41	26.01	381.58	14,057.20
Retained Earning effect	-	-	-	57.64	14.30	3.65	78.09	9.02	1.82	-	0.01	-	164.53
Net Block													
As at 31st March 2014	93.70	46.08	7.64	2,689.53	2,371.76	66.91	162.06	126.98	263.79	5.82	6.27	197.07	6,037.63
As at 31st March 2015	96.97	46.24	7.64	2,565.55	2,024.52	37.72	62.98	83.88	223.51	4.69	4.36	168.34	5,326.40

8. Intangible assets

(` In lakhs)

Particulars	Goodwill	Technical Documentation & Know How	Computer Software	R & D Software	Total
Cost					
As at 1st April, 2013	-	220.74	151.94	94.05	466.73
Additions	-	-	17.67	8.74	26.42
Disposal	-	-	-	-	-
Exchange Difference	-	-	-	-	-
As at 31st March, 2014	-	220.74	169.61	102.80	493.14
Additions	-	150.54	25.13	3.00	178.67
Disposal	-	-	-	-	-
Exchange Difference	-	-	-	-	-
As at 31st March 2015	-	371.28	194.74	105.80	671.82
Depreciation / Amortization					
As at 1st April, 2013	-	220.74	126.89	71.02	418.64
Charge for the year	-	-	5.41	9.69	15.09
Disposal	-	-	-	-	-
Exchange Difference	-	-	-	-	-
As at 31st March, 2014	-	220.74	132.29	80.71	433.74
Charge for the year	-	16.13	7.12	9.23	32.48
Disposal	-	-	-	-	-
Exchange Difference	-	-	-	-	-
As at 31st March, 2015	-	236.87	139.41	89.94	466.22
Retained Earning effect	-	-	0.37	-	0.37
Net Block					
As at 31st March 2014	-	-	37.32	22.09	59.41
As at 31st March, 2015	-	134.41	54.96	15.86	205.23

9. Capital Work-in-Progress

Particulars	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
Capital Work In Progress	-	0.55
Total	-	0.55

a) CWIP represents work in progress for the following

Particulars	As at 31st March, 2015 (` In lakhs)	As at 31st March, 2014 (` In lakhs)
On account of Plant & machinery	-	0.55
Total	-	0.55

10. Intangible Assets Under Development

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	(` In lakhs)	(` In lakhs)
Intangible assets under development	-	14.90
Total	-	14.90

Intangible assets under development includes of software development in progress of ` 14.90 lakhs of Previous Year.

11. Goodwill on Consolidation

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	(` In lakhs)	(` 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 DGM (now Manugraph Americas Inc.)	(6,000.00)	(6,000.00)
Total	331.38	331.38

- a) Goodwill on Consolidation amounting to ` 6331.38 lakhs has arisen on consolidation between the Company and Manugraph Americas Inc. ` 6159.22 lakhs and between the Company and Constrad Agencies (Bombay) Private Limited ` 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.

12. Non-Current Investments

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	(` In lakhs)	Nos.	(` In lakhs)
Trade Investments				
Manugraph Securities and Finance Private Limited (unquoted)	250.00	0.03	250.00	0.03
Other Investments				
Investment in Government securities 6 years National Savings Certificates - VIII issue		0.10		0.10
Others (unquoted)				
Shree Warna Sahakari Bank Limited (Equity shares of ` 25/- each)	2,000.00	0.50	2,000.00	0.50
Total		0.63		0.63

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

13. Deferred Tax Assets/(Liability)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Deferred tax liability on account of				
Difference between book and tax depreciation		253.66		356.98
Less:				
Deferred tax Assets on account of				
Provision for leave encashment	92.00		85.52	
Provision for gratuity	315.96		232.42	
Compensation under VRS	200.07		280.10	
Total Deferred Tax Asset		608.03		598.04
Arising out of accumulated carry forward losses (foreign subsidiary)		3,841.43		3,784.71
Net Deferred Tax Asset/(Liability)		4,195.80		4,025.77

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.

14. Loans and Advances

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current	Current	Non-current	Current
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Staff loans	403.06	132.87	310.80	107.99
Advances Receivable in Cash or in kind	7.40	118.99	2.98	95.72
Advance to Suppliers	-	51.98	-	85.62
Capital advance	0.65	-	0.80	-
Sundry deposits	48.45	15.27	54.41	1.02
Taxes paid net of provisions	900.40	-	821.79	-
Total	1,359.96	319.11	1,190.78	290.35

15. Other Assets

(unsecured considered good unless otherwise stated)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non-current	Current	Non-current	Current
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Claims and Refunds receivable	24.25	177.30	2.65	329.55
Vat Refund receivable	2,821.44	-	2,300.71	-
Balances with Revenue Authorities	-	133.98	-	124.93
Other Assets	19.40	-	18.63	2.65
Total	2,865.09	311.28	2,321.99	457.13

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

16. Current Investments

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	(` In lakhs)	Nos.	(` In lakhs)
Investments in Mutual Funds (unless otherwise specified) (quoted)				
Templeton India Short Term Plan Growth	-	-	13,276.03	300.00
Birla Sun Life Savings Fund Growth Plan	-	-	89,143.44	200.00
HDFC Liquid Fund Div.Re-Investment	-	-	69,50,365.22	708.81
Templeton India Treasury Management Account	-	-	40,731.67	407.75
Birla Sun Life Cash Plus Daily Div.Re-Investment	-	-	5,00,872.22	501.85
ICICI Prudential Savings Fund-Reg Plan-DDR	-	-	5,05,019.33	506.16
TATA Short Term Bond Fund Growth	19,40,338.00	500.00	21,33,306.03	500.00
Templeton India Short Term Income Retail Monthly	40,856.00	478.58	38,645.12	452.30
HDFC Short Term Plan - Growth	14,98,857.00	400.00	-	-
HDFC Short Term Opportunities Fund - Growth	19,95,105.00	300.00	-	-
Franklin India Short Term Income Plan - Growth	10,579.00	300.00	-	-
BSL Treasury Optimizer Plan - Growth	2,91,104.00	500.00	-	-
Franklin India Cash Management Account - Dividend Reinvestment	37,654.00	3.77	35,934.74	3.60
Total		<u>2,482.35</u>		<u>3,580.47</u>

17. Inventories

Particulars	As at	As at
	31st March, 2015 (` In lakhs)	31st March, 2014 (` In lakhs)
Raw Material (incl Goods in transit- ` 36.97 lakhs previous year ` 27.83 lakhs)	2,649.36	3,180.40
Work In Progress	3,454.47	3,262.72
Finished Goods	234.72	225.37
Stores & Spares	127.53	130.31
Loose Tools (Consumable)	61.26	69.21
Manufactured components	2,432.28	2,330.76
Traded Goods	-	226.58
Total	<u>8,959.62</u>	<u>9,425.35</u>

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

18. Trade receivables - Current

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Unsecured				
Outstanding for over six months old				
– Considered good	1,562.96		1,482.93	
– Considered doubtful	165.70		162.78	
	<u>1,728.67</u>		<u>1,645.71</u>	
Less: Provision for doubtful debts	165.70		162.78	
		1,562.96		1,482.93
Others				
– Considered good	1,350.55		726.97	
– Considered doubtful	39.26		22.68	
	<u>1,389.80</u>		<u>749.65</u>	
Less: Provision for doubtful debts	39.26		22.68	
		1,350.55		726.97
Total		<u>2,913.51</u>		<u>2,209.90</u>

19. Cash and Bank Balances

Particulars	As at	As at
	31st March, 2015 (` In lakhs)	31st March, 2014 (` In lakhs)
Cash & Cash Equivalents		
Bank balances		
With scheduled banks	459.06	1,341.76
Cheques, Drafts on hand	-	0.38
Cash Balances	<u>18.51</u>	<u>79.98</u>
	477.57	1,422.12
Other Bank Balances		
In fixed deposit accounts (as margin money)	706.57	690.69
In fixed deposit accounts	168.00	168.00
In unclaimed dividend accounts	<u>51.83</u>	<u>58.05</u>
	926.40	916.74
Total	<u>1,403.97</u>	<u>2,338.86</u>

20. Revenue from Operations (Gross)

Particulars	2014-15	2013-14
	(` In lakhs)	(` In lakhs)
Sale of Products		
Sales of Finished Goods & spares (net of sales return)	26,202.87	30,595.29
Total	<u>26,202.87</u>	<u>30,595.29</u>

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

21. Other Operating Revenue

Particulars	2014-15		2013-14	
	(` In lakhs)		(` In lakhs)	
Agency fees	25.35		4.63	
Service and erection charges received	926.41		1,534.94	
Miscellaneous receipts	158.11		171.60	
Export incentive received	111.44		206.14	
Sundry credit balances appropriated	250.47		23.97	
Total	1,471.78		1,941.28	

22. Other Income

Particulars	2014-15		2013-14	
	(` In lakhs)		(` In lakhs)	
Dividend from Current Investment	103.14		63.72	
Dividend from Non-current Investment	0.05		0.05	
Rent	27.06		28.50	
Profit on sale of assets (Net)	14.91		5.52	
Profit on sale of Current Investment	244.69		173.61	
Exchange gain (Net)	71.72		-	
Interest received on deposits, debts etc.	177.49		188.00	
Total	639.06		459.40	

23. Cost of Materials Consumed:

Particulars	2014-15		2013-14	
	(` In lakhs)		(` In lakhs)	
Raw Materials Consumed				
Opening Stock	3,180.40		3,361.70	
Add: Purchases (Including components processing charges ` 564.19 lakhs - previous year: ` 684.60 lakhs)	14,923.84		16,978.32	
	18,104.24		20,340.02	
Less: RMC Capitalised	9.12		5.74	
Less: Closing Stock	2,649.36		3,180.40	
	2,658.48		3,186.14	
Total	15,445.76		17,153.88	

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

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

Particulars	2014-15		2013-14	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Inventory Adjustments - WIP				
Work In progress at Opening	3,262.72		3,627.32	
Work In progress at Closing	3,454.47		3,262.72	
		(191.75)		364.60
Inventory Adjustments - FG				
Stock at Commencement	225.37		284.83	
Less : Stock at Closing	234.72		225.37	
		(9.35)		59.46
Inventory Adjustments - Manufactured components				
Stock at Commencement	2,330.76		2,930.40	
Less : Stock at Closing	2,432.28		2,330.76	
		(101.52)		599.64
Inventory Adjustments - Stock-in-trade				
Stock at Commencement	226.58		226.58	
Less : Purchase Return	117.85		-	
Less : Stock at Closing	-		226.58	
		108.73		-
Total		(193.89)		1,023.70

25. Employee Benefit Expenses

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Salary, Wages, bonus and allowances	5,519.50	5,354.16
Welfare expenses	487.93	456.00
Additional Gratuity costs	34.56	-
Contribution to provident & other funds	508.79	415.81
Prov. for earned leave wages	85.82	96.05
Contribution to Employees Group Gratuity Scheme	413.17	207.59
	7,049.77	6,529.61
Less - Wages capitalised	9.73	7.74
Total	7,040.04	6,521.87

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

- a) The Company had introduced a Voluntary Retirement Scheme, 2013 in the previous year which was accepted by various employees. The Cost in connection therewith of ` 1,079.12 lakhs has been shown as an exceptional item. (refer note 34)
- b) During the year Managerial Remuneration paid is ` 214.80 lakhs which is in excess of the limits of Section 198 of the Companies Act, 1956 by ` 98.39 lakhs as the appointment was under the said Act. The Company has made an application to the Central Government for approval of the excess remuneration which is pending as of the Balance Sheet date. No adjustments are made in these accounts pending approval for ` 98.39 lakhs of excess remuneration to directors. The Managerial Remuneration paid in the previous year ` 202.89 lakhs in accordance with the approval of the members in general meeting dated 1st August, 2013 was in excess of the limits specified by Section 198 of the Companies Act, 1956 by an amount of ` 89.61 lakhs for which the Company has received approval from Central Government.

26. Finance Cost

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Interest paid	157.44	155.62
Other Borrowing Costs	48.65	43.71
Total	206.09	199.33

27. Depreciation & Amortisation

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
Depreciation	782.91	1,163.94
Amortisation	32.48	15.09
Total	815.39	1,179.03

In accordance with the provisions of Schedule II to the Companies Act, 2013, effective from 1st April, 2014, the Company has revised the useful life of its fixed assets. As a consequence of such revision, the charge for depreciation is lower than the previously applied rates by ` 294.98 lakhs for the year ended March 2015. For assets that have completed the useful lives as a consequence of the aforesaid revision, the carrying value as on 1st April, 2014 of ` 168.00 lakhs has been charged to the opening balance of the surplus in Statement of Profit and Loss. Deferred Tax effect thereon of ` 54.51 lakhs is also adjusted in the opening balance of surplus in Statement of Profit and Loss.

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

28. Other Expenses

Particulars	2014-15		2013-14	
	(` In lakhs)	(` In lakhs)	(` In lakhs)	(` In lakhs)
Consumption of stores and Consumables		444.93		429.25
Power & Fuel		268.07		276.20
Rent		35.56		48.58
Rates & Taxes		38.44		39.46
Repairs to Buildings		68.23		74.00
Repairs to Machinery		85.61		76.30
Insurance		99.13		104.57
Travelling and conveyance		526.04		771.82
Commission on sales		759.55		983.59
Other repairs		111.23		118.77
Advertisement and sales promotion expenses		72.73		55.88
Bank charges		59.28		77.86
Sundry debit balances written off		12.45		14.25
Bad debts		13.51		126.50
Loss on Patent Impairment		-		17.72
Fixed assets scrapped		3.30		2.47
Exchange Loss (Net)		-		128.10
Warranty expenses		80.11		225.03
Research and development expenses		364.29		356.34
CSR expenses		9.50		-
Donations		0.31		34.61
Short provision and adjustments relating to previous years (Net)		10.18		13.84
Excise duty & other taxes paid		1.19		0.44
Freight And Handling Charges		140.14		124.74
Packing And Forwarding Charges		207.11		248.17
Directors' Fees		4.78		2.70
Remuneration to Auditors				
– Audit fees including Tax Audit	18.25		18.25	
– Other Services	6.19		3.50	
– Out of pocket expenses	0.20		0.05	
		24.64		21.80
Miscellaneous Expenses (None of which individually forms more than 1% of the Operating Revenue.)		806.63		723.22
		4,246.94		5,096.21
Less - Overheads capitalised		41.24		27.71
Total		4,205.70		5,068.50

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

Current Taxation

Particulars	2014-15	2013-14
	(` In lakhs)	(` In lakhs)
Current tax	-	7.23
Income tax pertaining to previous year	-	-
Total	-	7.23

29. Earning Per Share

Particulars	2014-15	2013-14
	(` In lakhs)	(` In lakhs)
Net profit after tax available for equity shareholders before Exceptional Items	(993.04)	(51.92)
Net profit after tax available for equity shareholders after Exceptional Items	(993.04)	(803.62)
Weighted average number of equity shares of ` 2 each outstanding during the year	3,04,15,061	3,04,15,061
Earning Per Share before Exceptional Items Basic and diluted earnings per share (`)	(3.26)	(0.17)
Earning Per Share after Exceptional Items Basic and diluted earnings per share (`)	(3.26)	(2.64)

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: (In respect of only India based components)

Particulars	2014-15		2013-14	
	Currency type	Amount	Currency type	Amount
Trade Receivable and Other Receivables	USD	38,94,784	USD	28,04,968
	EURO	44,259	EURO	76,800
	GBP	1,431	GBP	1,670
Trade Payable and Other Payables	USD	8,79,227	USD	14,70,275
	EURO	52,348	EURO	54,015
	GBP	836	GBP	741
Outstanding forward contracts for future transaction / Firm Commitments	USD	-	USD	-

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

31. Disclosure as required by Accounting Standard – AS 18 “Related Parties” of Rule 7 of The Companies (Accounts) Rules 2014.

I Relationships:

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. B B Nandgave - Whole Time Director (Works)

Relatives of key management personnel

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

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

Description	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	(₹ In lakhs)
				Grand Total
Purchase of goods:				
Mercongraphic FZC	0.78			0.78
	(-)			(-)
	<u>0.78</u>			<u>0.78</u>
	<u>(-)</u>			<u>(-)</u>
Sale of goods :				
Multigraph Machinery Kenya Ltd	40.85			40.85
	(30.00)			(30.00)
Mercongraphic FZC	2,582.40			2,582.40
	(5,979.27)			(5,979.27)
	<u>2,623.25</u>			<u>2,623.25</u>
	<u>(6,009.27)</u>			<u>(6,009.27)</u>
Service Charges received				
Multigraph Machinery Kenya Ltd	26.53			26.53
	(21.26)			(21.26)
Mercongraphic FZC	148.25			148.25
	(181.94)			(181.94)
	<u>174.79</u>			<u>174.79</u>
	<u>(203.19)</u>			<u>(203.19)</u>

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

Description	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	(` In lakhs)
				Grand Total
Commission paid :				
Multigraph Machinery Kenya Ltd	-			-
	(6.62)			(6.62)
Multigraph Machinery Co. Ltd	678.07			678.07
	(742.43)			(742.43)
	678.07			678.07
	(749.05)			(749.05)
Rent received :				
Multigraph Machinery Co. Ltd	25.62			25.62
	(27.06)			(27.06)
Manubhai Sons and Company	1.44			1.44
	(1.44)			(1.44)
	27.06			27.06
	(28.50)			(28.50)
Rent paid :				
Multigraph Machinery Co. Ltd	-			-
	(1.69)			(1.69)
Sanjay S. Shah		11.88		11.88
		(11.88)		(11.88)
Pradeep S. Shah		11.88		11.88
		(11.88)		(11.88)
Sudha S. Shah			2.64	2.64
			(2.64)	(2.64)
	-	23.76	2.64	26.40
	(1.69)	(23.76)	(2.64)	(28.09)
Managerial remuneration paid :				
Sanjay S. Shah		103.67		103.67
		(100.43)		(100.43)
Pradeep S. Shah		103.68		103.68
		(100.44)		(100.44)
B. B. Nandgave		23.06		23.06
		(17.69)		(17.69)
		230.41		230.41
		(218.56)		(218.56)

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

Description	Entities where Significant Influence Exists	Key Management Personnel	Relative of Key Management Personnel	(` In lakhs)
				Grand Total
Directors' fees :				
Sanat M. Shah			0.50	0.50
			(0.40)	(0.40)
			0.50	0.50
			(0.40)	(0.40)
Salaries and allowances :				
Kushal S. Shah			-	-
			(5.77)	(5.77)
			-	-
			(5.77)	(5.77)
Sale of Asset				
Multigraph Machinery Co. Ltd	-			-
	(16.90)			(16.90)
	-			-
	(16.90)			(16.90)
Reimbursement of expenses received				
Mercongraphic FZC	37.83			37.83
	(-)			(-)
	37.83			37.83
	(-)			(-)
Outstanding Receivables				
Multigraph Machinery Kenya Ltd	12.14			12.14
	(6.72)			(6.72)
Mercongraphic FZC	2,045.05			2,045.05
	(1,274.27)			(1,274.27)
	2,057.20			2,057.20
	(1,280.99)			(1,280.99)
Advance From Customers				
Mercongraphic FZC	-			-
	(62.73)			(62.73)
	-			-
	(62.73)			(62.73)
Outstanding Payables				
Multigraph Machinery Co. Ltd	-			-
	(19.72)			(19.72)
	-			-
	(19.72)			(19.72)

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

32. Contingent liabilities and commitments

Particulars	2014-15 (` In lakhs)	2013-14 (` In lakhs)
i. Contingent liabilities		
(a) Claims against the company not acknowledged as debt;	36.10	21.31
(b) Guarantees; On account of guarantees executed by the company's bankers;	6.79	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	874.31	1,027.95
On account of undertakings given by the company in favour of Customs Authority;	870.00	870.00
Total	1,787.20	1,927.55
ii. Commitments		
(a) Unexpired letter of credit opened by Bank	141.08	-
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for;	0.56	1.40
(c) Uncalled liability on shares and other investments partly paid	-	-
(d) Other commitments (specify nature).	-	-
Total	141.64	1.40

33. 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 atleast equal to the amount at which they are stated in the Balance Sheet.

34. Exceptional item of previous year represents the payments towards the Voluntary Retirement Scheme, 2013 introduced by the Company and opted by the employees during the year of ` 1079.12 lakhs. The deferred tax effect thereon of ` 280.10 lakhs has been included as part of deferred tax under Tax Expense.

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

36. Disclosure as required by Accounting Standard – AS 17 “Segment Reporting” of the Companies (Accounting Standards) Rules 2006.

i. In accordance with AS-17 “Segment Reporting”, the Company has only one reportable primary business segment i.e. Engineering.

ii. Information about secondary geographical segments:

Particulars	(` In lakhs)		(` In lakhs) Total
	India	Outside India	
Segment Revenue - Current Year	14,843.64	9,610.59	24,454.23
- Previous Year	15,936.11	12,708.56	28,644.67
Segment Total Assets - Current Year	23,419.65	7,254.74	30,674.39
- Previous Year	24,825.73	7,459.37	32,285.10

Notes:

a The Segment Revenue in the geographical segments considered for disclosure are on the basis of customer location.

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

- b In the case of segment capital expenditure the amount attributable to geographical segment "Outside India" is less than 10% of the respective total capital expenditure of the reporting enterprise and hence not disclosed separately.

37. The company is obligated under various operating leases for office equipment, CNC equipment and vehicles at its U.S.A. subsidiary. The future rent payments under all operating leases are as follows:

Financial Year	In lakhs
2015-2016	11.06
2016-2017	9.25
2017-2018	6.17

38. Details of CSR Expenditure

Particulars	2014-15 (In lakhs)
a Gross Amount required to be spent by the Company during the year	34.73
b Amount spent during the year	9.50

39. Additional Information as required under Schedule III to the Companies Act, 2013 of entities consolidated in these Financial Statements

Name of the Enterprise	Net Assets i.e. Total assets minus Total Liabilities		Share in Consolidated Profit or Loss	
	% of Consolidated Net assets	(In lakhs)	% of Consolidated Profit	(In lakhs)
Parent				
– Manugraph India Limited	74.53	14,658.06	108.16	(1,074.05)
Subsidiary - Indian				
– Constrad Agencies (Bombay) Pvt Ltd.	0.02	4.02	0.03	(0.29)
Subsidiary - Foreign				
– Manugraph Americas Inc.	25.45	5,004.82	(8.19)	81.30

40. Explanatory notes 1 to 40 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. 40441

Mumbai, Date: 27th May, 2015

For and on behalf of the Board of Directors

Sanjay S. Shah Vice Chairman and Managing Director
DIN : 00248592

Pradeep S. Shah Managing Director
DIN : 00248692

Mihir V. Mehta
Company Secretary

Suresh Narayan
Chief Financial Officer

Mumbai, Date: 27th May, 2015

Statement of Significant Accounting policies and Notes to Consolidated Financial Statements

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures

Part A - Subsidiaries

(Fig. in Lakhs)

1	Sr. No.	1	2	
2	Name of the Subsidiaries	Constrad Agencies (Bombay) Pvt. Ltd.	Manugraph Americas Inc., USA	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	USD	INR
5	Share Capital	5.00	133.86	6,076.41
6	Reserves	(0.98)	(44.34)	(1,071.59)
7	Total Assets	7.71	125.47	7,254.74
8	Total Liabilities	7.71	125.47	7,254.74
9	Investments	-	-	-
10	Turnover	-	83.39	5,098.20
11	Profit before Tax	(0.29)	2.93	179.11
12	Provision for Tax	-	1.60	97.81
13	Profit after Tax	(0.29)	1.33	81.30
14	Proposed Dividend	-	-	-
	Names of subsidiaries which are yet to commence operations			NIL
	Names of subsidiaries which have been liquidated or sold during the year			NIL

Exchange Rate : Average - 1 USD = ` 61.1346; Closing - 1 USD = ` 62.5908

Part B - Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Not Applicable

For and on behalf of the Board of Directors

Sanjay S. Shah Vice Chairman and Managing Director
DIN : 00248592

Pradeep S. Shah Managing Director
DIN : 00248692

Mihir V. Mehta Company Secretary
Suresh Narayan Chief Financial Officer

Mumbai, Date: 27th May, 2015

FINANCIAL HIGHLIGHTS - Standalone

(` in Crores)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	
PROFIT & LOSS ACCOUNT SUMMARY											
Turnover - Total	204.20	242.51	304.71	369.95	296.30	201.94	392.11	422.99	368.84	321.50	
Total Income	221.91	260.53	316.52	389.84	304.91	209.77	405.86	454.67	381.17	333.23	
EBIDTA	(2.90)	9.45	30.12	64.19	45.65	30.46	67.41	106.15	80.94	94.31	
Depreciation	6.86	10.26	10.79	11.08	10.24	7.83	9.27	8.29	7.42	6.05	
Interest	1.57	1.20	0.64	1.24	2.90	3.21	3.59	4.11	3.11	0.92	
Profit before Exceptional Items	(11.33)	(2.01)	18.69	51.87	32.51	19.42	54.55	93.75	70.41	87.34	
Exceptional Items (Note 2)	-	10.79	-	60.00	-	-	-	-	-	(4.45)	
Profit before Taxation	(11.33)	(12.80)	18.69	(8.13)	32.51	19.42	54.55	93.75	70.41	91.79	
Provision for Taxation	(0.59)	(5.04)	6.30	15.67	10.13	6.12	17.66	31.69	23.00	29.95	
Profit after Taxation	(10.74)	(7.76)	12.39	(23.80)	22.38	13.30	36.89	62.06	47.41	61.84	
BALANCE SHEET SUMMARY											
Assets employed											
Fixed Assets - Gross	157.80	157.45	157.81	156.54	155.09	147.64	142.41	134.02	119.27	99.97	
Fixed Assets - Net	41.23	46.38	55.03	62.91	71.26	73.39	77.60	73.38	59.54	51.86	
Investments	97.27	108.25	108.02	109.26	126.45	141.51	124.88	138.07	165.50	26.54	
Current Assets - Net	77.94	70.54	78.46	63.81	93.78	87.95	107.07	78.26	43.82	57.16	
Total Assets	216.44	225.17	241.51	235.98	291.49	302.85	309.55	289.71	268.86	135.56	
Financed by											
Share Capital (Note 1)	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.00	
Reserves & Surplus	207.79	221.50	232.80	225.75	258.39	241.31	231.94	202.17	154.51	109.33	
Shareholders Funds	213.87	227.58	238.88	231.83	264.47	247.39	238.02	208.25	160.59	115.33	
Borrowings	6.11	-	-	-	21.30	50.02	66.27	76.21	105.40	17.61	
Deferred Tax Liability	(3.54)	(2.41)	2.63	4.15	5.72	5.44	5.26	5.15	2.87	2.62	
Total Liabilities	216.44	225.17	241.51	235.98	291.49	302.85	309.55	289.61	268.86	135.56	
OTHER INVESTOR INFORMATION											
Earnings per Share (before Exceptional Item)	Rs.	(3.53)	(0.08)	4.07	11.90	7.36	4.37	12.13	20.39	15.73	19.60
Earnings per Share (after Exceptional Item)	Rs.	(3.53)	(2.55)	4.07	(7.83)	7.36	4.37	12.13	20.39	15.73	20.60
Dividend	%	25	50	75	125	75	50	100	200	150	200
Book Value per share	Rs.	70.32	74.83	78.54	76.22	86.95	81.34	78.26	68.47	52.80	38.42
Market Price											
High	Rs.	33.00	39.50	61.00	65.50	76.35	68.00	114.00	192.00	259.00	318.25
Low	Rs.	31.85	22.05	29.30	43.10	43.50	29.10	24.50	24.50	104.25	175.00
Shareholders	Nos.	11,617	12,242	12,685	13,590	14,289	15,480	14,320	13,669	11,515	9,329
Employees	Nos.	1,089	1,110	1,228	1,217	1,217	1,222	1,327	1,341	1,313	1,330

Notes:

- Equity share of face value of Rs. 2/- each
- 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

Manugraph Team at Printpack 2015

(L-R) Mr. I.K. Dogra (General Manager - Sales), Mr. Alexey Semin (Technical Director - VMG), Mr. Dmitry Remizov (M.D. - VMG)
Mr. Sanjay Shah (Vice Chairman & M.D.), Mr. P.K. Bhalla (General Manager).



Ecoline tower showcased at the exhibition.



Mr. P.S. Arjunan(R) (Branch Manager, Kolkata) interacting at the event.

Manugraph's Participation In PrintPack 2015

Manugraph participated in PRINTPACK INDIA 2015, at Greater Noida, New Delhi, from 11th-15th February 2015, a leading exhibition which showcases the best in the Graphic Arts Industry.

ECOLINE got a lot of attention during the show, owing to its stand-out feature of height being only 2.6 meters & compactness in particular. Overseas visitors and prospective customers from across India who are from the industry were impressed to see the new ECOLINE tower. The overall response & feedback was positive to this latest technologically advanced product from MIL.



Manugraph Stall at Printipack 2015

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