

# MANUGRAPH INDIA LIMITED

**Numero Uno in Newspaper Printing Technology**



**50<sup>TH</sup> ANNUAL REPORT**

**2021-22**

**MANUGRAPH INDIA LIMITED**  
**(CIN: L29290MH1972PLC015772)**

Registered Office: 2<sup>nd</sup> 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](http://www.manugraph.com)

**BOARD OF DIRECTORS / CHAIRMAN EMERITUS**

Mr. Sanat M. Shah *Chairman Emeritus*  
**Executive Directors**  
Mr. Sanjay S. Shah *Chairman & Managing Director*  
Mr. Pradeep S. Shah *Vice Chairman & Managing Director*  
Mr. Shailesh B. Shirguppi *Whole Time Director (Works)*

**Non-Executive Directors, Independent**

Mr. Hiten C. Timbadia  
Mr. Perses M. Bilimoria  
Mr. Abhay J. Mehrotra  
Mrs. Basheera J. Indorewala  
Ms. Madhavi Kilachand (*w.e.f. 28/06/2021*)

**Chief Financial Officer & Company Secretary**

Mr. Mihir Mehta

**Statutory Auditors****M/s. Desai Shah & Associates**

Office 623, 6th floor, The Summit Business Bay,  
Suren Road, Off. Andheri Kurla Road, Andheri (East),  
Mumbai – 400 093

**Bankers**

State Bank of India  
HDFC Bank Ltd.

**Audit Committee**

Mr. Hiten C. Timbadia, *Chairman*  
Mr. Perses M. Bilimoria  
Mr. Abhay J. Mehrotra  
Mrs. Basheera J. Indorewala (*w.e.f. 26.05.2022*)

**Nomination & Remuneration Committee**

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

**Stakeholders Relationship Committee**

Mr. Perses M. Bilimoria, *Chairman*  
Mr. Sanjay S. Shah  
Mrs. Basheera J. Indorewala

**Registrar & Share Transfer Agents****Link Intime India Pvt. Ltd.**

C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai – 400 083, Maharashtra, India.  
Phone: +91-22-4918 6270  
Fax: +91-22-4918 6060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**Investor Grievance E-Mail Id: [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com)**

**50<sup>th</sup> ANNUAL GENERAL MEETING**

**Date:** September 27, 2022

**Day:** Tuesday

**Time:** 12.30 p.m.

**Through:** Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”),

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**NOTICE** is hereby given that the Fiftieth Annual General Meeting of the Members of the Company will be held on **Tuesday, September 27, 2022 at 12.30 p.m.** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") (hereinafter referred to as "electronic AGM"/ "e-AGM"), to transact the following businesses.

**ORDINARY BUSINESSES:**

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2022 and 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, 2022 and the report of the Auditors thereon and in this regard, pass the following resolution(s) as an **Ordinary Resolution(s)**:

**(a) "RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2022, the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

**(b) "RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Auditors thereon be and are hereby considered and adopted."

2. To appoint a Director in place of Mr. Pradeep S. Shah (DIN: 00248692), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Pradeep S. Shah (DIN: 00248692) who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To re-appoint Messrs. Desai Shah & Associates, Chartered Accountants as Statutory Auditors of the Company and in this regard, to pass the following resolution, as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, Messrs. Desai Shah & Associates, Chartered Accountants (ICAI Firm Registration No. 118174W) be re-appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of this Fiftieth Annual General Meeting (AGM) until the conclusion of the Fifty Fifth AGM to be held in the year 2027, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the audit."

**"FURTHER RESOLVED THAT** the Board of Directors of the Company (including any Committee thereof), be authorised on behalf of the Company, including but not limited to determine role and

responsibilities/ scope of work of the Statutory Auditors, to negotiate, finalise, amend, sign, deliver and execute the terms of appointment, including any contract or document in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendments to the Accounting Standards or the Companies Act, 2013 or Rules framed thereunder or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other requirements resulting in any change in the scope of work, etc., without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for the purpose of giving effect to this Resolution and with power to the Board to settle all questions, difficulties or doubts that may arise in respect of the implementation of this Resolution.”

**SPECIAL BUSINESSES:**

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

**“RESOLVED THAT** pursuant to provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any amendments / re-enactments thereof), the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution), Mrs. Basheera J. Indorewala (DIN: 07294515), who holds the office of Independent Director up to February 6, 2023 and being eligible, has submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Act and the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office as such for a period of five years commencing from February 7, 2023.”

**“RESOLVED FURTHER THAT** the Board of Directors 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.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other laws/regulations, approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, including consent from banks/financial institutions, approval of the members of the Company is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers conferred by this resolution and with the powers to delegate such authority to any person or persons) to sell / transfer / dispose off the Company Unit 2 situated at Land bearing Gat No. 1146 and 1147, Survey No. 298, Village Kodoli, Tehsil Panhala, District Kolhapur, in the State of Maharashtra (“Undertaking”), together with all specified tangible and intangible assets, including land, plant and machinery and any other assets in relation to the Undertaking at such considerations and on such terms and conditions including any modifications as may be deemed fit by the Board.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to agreements, deeds of assignment / conveyance, memorandum of understanding and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments.”

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

**“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, 2023, be paid the remuneration of Rs. 1,25,000/- (Rupees One Lakh and Twenty Five 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.”

Registered Office:

2<sup>nd</sup> Floor, Sidhwa House, N.A. Sawant Marg,  
Colaba, Mumbai – 400 005, India.

**By Order of the Board of Directors**

**Mihir Mehta**  
**Chief Financial Officer**  
**& Company Secretary**

Dated: August 9, 2022

**NOTES:**

1. In compliance with the provisions of General Circular no. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 02/2021 dated January 13, 2021, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 19, 2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 5, 2022 (collectively referred to as “MCA Circulars”) issued by the Ministry of Corporate Affairs (‘MCA’) and Circular No. SEBI / HO / CFD / CMD1 / CIR/P/2020/79 dated May 12, 2020, Circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as “SEBI Circulars”) or any other applicable circulars issued by MCA / SEBI in this regard, permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), MCA Circulars and SEBI Circulars, the Company has decided to hold its 50<sup>th</sup> AGM through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) (hereinafter referred to as “electronic means”) i.e. without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. National Securities Depositories Limited (‘NSDL’) will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The



procedure for participating in the meeting through VC/OAVM is explained in the notes below and is also available on the website of the Company at [www.manugraph.com](http://www.manugraph.com).

2. Pursuant to provisions of the Companies Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM, the requirements of physical attendance of members have been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence, the Proxy Form is not annexed hereto. Further, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. As the AGM will be held through VC/OAVM, the route map of the venue of the Meeting and attendance slip is not annexed hereto.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Meeting is annexed hereto. The Board of Directors at its meeting held on August 9, 2022 considered and decided to include Item Nos. 4, 5 and 6 as given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
6. In terms of the provisions of Section 152 of the Act, Mr. Pradeep S. Shah (DIN: 00248692) retires by rotation at this AGM. Nomination & Remuneration Committee (N&RC or NRC) and Board of Directors of the Company commend his re-appointment. Mr. Pradeep S. Shah is interested in the ordinary resolution set out at item no. 2 of the notice with regard to his re-appointment. Mr. Sanjay S. Shah, Chairman & Managing Director being related to Mr. Pradeep S. Shah may be deemed to be interested in the resolution set out at Item No. 2. The other relatives of Mr. Pradeep S. Shah may be deemed to be interested in the resolution set out at Item Nos. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.
7. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the “Annexure” to the Notice. Requisite declarations have been received from the Directors seeking appointment/reappointment.
8. In accordance with the aforesaid MCA Circulars and SEBI Circulars, the financial statements including Report of Board of Directors, Auditor’s report or other documents required to be attached therewith and the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company / Registrar and Share Transfer Agents / the Depositories / Depository Participant(s).

9. Physical copy of the Notice of the AGM along with Annual Report for the financial year 2021-22 shall be sent to those Members who request for the same.
10. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at [www.manugraph.com](http://www.manugraph.com), on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
11. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period commences on Friday, September 23, 2022 (9:00 a.m. IST) and ends on Monday, September 26, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, September 20, 2022 i.e. cut-off date, may cast their vote electronically. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by NSDL upon expiry of the aforesaid period.
12. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

The Board of Directors has appointed Mr. Aashish K. Bhatt (Membership No. 19639 and CP No. 7023) of M/s. Aashish K. Bhatt & Associates as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company viz. [www.manugraph.com](http://www.manugraph.com); [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and the websites of the stock exchanges. The result will also be displayed at the registered office of the Company.

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, that is, September 27, 2022.

13. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to cast vote at the AGM.
14. Corporate / Institutional members intending their authorised representatives to attend the AGM, are requested to send to the Company scanned copies of the Board Resolution/Letter of Authorisation / Power of Attorney authorising their representative to attend and vote at this AGM



through electronic means, through their registered email addresses to the e-voting service provider viz. [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and/or to the Scrutinizer viz. M/s. Aashish Bhatt & Associates, Practicing Company Secretary (Firm Regn. No. 7023) on their email address i.e. [mail@aashishbhatt.in](mailto:mail@aashishbhatt.in).

15. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com).
17. The Company has notified closure of Register of Members and Share Transfer Books from Wednesday, September 21, 2022 to Tuesday, September 27, 2022 (both days inclusive).
18. The Members, desiring any information relating to the accounts, are requested to write at an early date to the Company @ [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com). The queries will be responded accordingly.
19. 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. In case of members holding shares in physical mode are requested to register / update their email id by writing to the Company at [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com) providing their folio no. and scanned self-attested copy of PAN card. In case of members holding shares in demat mode, members are requested to register / update their email id with the relevant depository participant.
20. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Tuesday, September 20, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday,

September 20, 2022 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

21. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting and shall be kept opened throughout the proceedings of the meeting. The members can join the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoter/ Promoter Group, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
22. Members, who would like to express their views or ask questions / queries during the 50<sup>th</sup> AGM with regard to the Financial Statements or any other agenda item to be placed at the 50<sup>th</sup> AGM, need to register themselves as a speaker Shareholder by sending their written requests from their registered e-mail address mentioning their name, DP ID and Client ID number/ folio number and mobile number, at Company’s investor desk at [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com). The speaker registration can be done between Tuesday, September 13, 2022 and Tuesday, September 20, 2022. The speaker registration will close by 2.00 p.m. (IST) on Tuesday, September 20, 2022.
23. Only those Members who have registered themselves as a speaker will be allowed to ask questions during the 50<sup>th</sup> AGM, depending upon the availability of time. The Company reserves the right to restrict the number of speakers and time allotted to speak, as appropriate for smooth conduct of the 50<sup>th</sup> AGM.
24. In case of any queries relating to e-voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal - Senior Manager or Ms. Pallavi Mhatre - Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Kindly quote your name, DP ID-Client ID/Folio no. and E-voting Event Number in all your communications.
25. **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Friday, September 23, 2022 at 9.00 A.M. and ends on Monday, September 26, 2022 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, September 20, 2022, may cast their vote

electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, September 20, 2022.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

**Individual Shareholders holding securities in demat mode with NSDL**

1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “Register Online for IDeAS Portal” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**



App Store



Google Play



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Individual Shareholders holding securities in demat mode with NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Individual Shareholders holding securities in demat mode with CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 or 022-23058542-43

**B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

**Step 1:**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical: Your User ID is:

- a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.
  - b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID. For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*.
  - c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company. For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*
5. Password details for shareholders other than Individual shareholders are given below:
    - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2:**

#### **Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.



4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mail@aashishbhatt.in with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or Send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Contact Mr. Amit Vishal, Assistant Vice-President, NSDL at the designated e-mail ID: [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in); or Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated e-mail ID: [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in).

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login

method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com). The same will be replied by the company suitably.

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

**Item No. 3:**

Desai Shah & Associates, Chartered Accountants (ICAI Firm Registration No. 118174W), were appointed as Statutory Auditors of the Company at the 48<sup>th</sup> AGM held on September 22, 2020 for a period of 2 (Two) consecutive years commencing from the conclusion of the 48<sup>th</sup> AGM to hold office till the conclusion of the 50<sup>th</sup> AGM to be held in the year 2022. Accordingly, the present term of Desai Shah & Associates, Chartered Accountants as Statutory auditors of the Company shall conclude at the 50<sup>th</sup> AGM. Pursuant to the provisions of Companies Act, 2013 ("the Act"), Desai Shah & Associates, Chartered Accountants, are eligible for re-appointment as Statutory Auditors of the Company for a term of 5 consecutive years. Desai Shah & Associates, Chartered Accountants, have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Act and Rules made thereunder. Desai Shah & Associates, Chartered Accountants, have confirmed that they are eligible for the proposed re- appointment under the Act, the Chartered Accountants Act, 1949, and the rules or regulations made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications & re-enactment thereof. As confirmed to Audit Committee and stated in their report on financial statements, the Statutory Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

The Board of Directors and Audit Committee while considering the re-appointment of Desai Shah & Associates, Chartered Accountants took into account their qualification and experience and were of the opinion that such qualification and experience of Desai Shah & Associates, Chartered Accountants, is commensurate with the size and requirements of the Company. Accordingly, on the recommendation of the Audit Committee, the Board of Directors hereby propose to re-appoint Desai Shah & Associates, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (five) consecutive years, to hold office from the conclusion of this AGM till the conclusion of the 55<sup>th</sup> AGM of the Company to be held in the year 2027, on such remuneration plus applicable tax, out of pocket expenses, etc. as may be mutually agreed between the Board of Directors and Statutory Auditors of the Company. The Board of Directors, on the recommendation of the Audit Committee and subject to approval of the Members of the Company at the AGM, have approved a remuneration payable to the Statutory Auditors

amounting to Rs. 14.50 Lakhs for conducting the audit for the financial year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in this Resolution.

**Item No. 4**

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), inter alia, prescribe that an Independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's report.

Mrs. Basheera J. Indorewala (DIN: 07294515) was appointed as an Independent Director on the Board of the Company pursuant to Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. She hold office as an Independent Director of the Company up to February 6, 2023 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee, on the basis of the report of performance evaluation of Independent Director and her consent, has recommended reappointment of Mrs. Basheera J. Indorewala (DIN: 07294515) as Independent Director on the Board of the Company for a second term of five years commencing from February 7, 2023.

The Board, based on the performance evaluation of Independent Director and as recommended by the Nomination and Remuneration Committee, also considers that, given her background, experience and substantial contributions made by her during her tenure, the continued association of Mrs. Basheera J. Indorewala (DIN: 07294515) would be beneficial to the Company and it is desirable to continue

availing her services as an Independent Director. Accordingly, it is proposed to re-appoint Mrs. Basheera J. Indorewala (DIN: 07294515) as an Independent Director of the Company, not liable to retire by rotation.

Pursuant to Secretarial Standards on General Meetings, the performance evaluation of Mrs. Basheera J. Indorewala (DIN: 07294515) is summarized herein and the same serves as adequate justification for recommending her reappointment.

The performance evaluation of Independent Directors were based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc. She extensively helped in bringing judgment on the Board of Directors' deliberations especially on issues of strategy, performance, risk management, and standards of conduct. She participated constructively and actively in the meetings of the Board. She applied her independent judgement and effectively deploy her expertise and knowledge in Board proceedings, while keeping the interest of all the Stakeholders at the fore-front. She has upheld ethical standards of integrity and rectitude, maintained confidentiality and have also abstained from performing any action that would lead to loss of her independence.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Basheera J. Indorewala (DIN: 07294515) for the office of Independent Director of the Company.

The Company has also received from Mrs. Basheera J. Indorewala (DIN: 07294515) (i) consent to act as Director in writing in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) disclosure in Form DIR-8 pursuant to Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration to the effect that she meet the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act, Rules thereunder and under the Listing Regulations.

The Board of Directors is of the opinion that Mrs. Basheera J. Indorewala (DIN: 07294515) fulfill the conditions for independence specified in the Act, the Rules made thereunder and the Listing Regulations and that she is independent of the Company's management. She also possesses appropriate skills, experience and knowledge required for discharge of her duties as an Independent Director.

Brief resume, the nature of their expertise in specific functional areas, names of companies in which she hold directorships, committee memberships/ chairmanships, her shareholding, and other details as required under the Listing Regulations and Secretarial Standard on General Meetings, are separately annexed hereto.

Copy of draft letters of appointment of Mrs. Basheera J. Indorewala (DIN: 07294515) setting out the terms and conditions of appointment are available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, from the date of dispatch of this Notice till the date of this Annual General Meeting.

Mrs. Basheera J. Indorewala (DIN: 07294515) is interested in the resolutions set out at Item Nos. 4 of the Notice with regard to her re-appointment.

Relatives of Mrs. Basheera J. Indorewala (DIN: 07294515) may be deemed to be interested in the resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board of Directors recommends the Special resolutions set out in Item no. 4 for your approval.

**Item No. 5:**

The Company is striving hard to increase its sales/turnover including exploring various national/international markets. The Company is incurring continuous cash losses which are reducing reserves and networth of the Company. Further, to meet the capital expenses for re-organisation / restructuring including retrenchment of labour, settlement with the Union, and continuity of operations of Unit 1, the Company will require additional funds.

In order to have financial viability to turnaround the Company, the Company will have to dispose non-operating fixed assets of the Company. Accordingly, it is propose to sell, transfer or otherwise dispose off Unit 2 of the Company. Unit 2 is situated at Kodoli, Panhala, Kolhapur having a land area of 4.75 hectares and build up area of building around 15426 sq. mts.. The Company had closed the said unit on account of no order book for Unit 2 and it required high operating costs. The said unit was closed vide Order of the Labour Minister dated September 3, 2020 and Order dated October 5, 2021 by the Minister of Labour on review application. Approximate value of Land, building and machinery / movable assets in Unit 2 is between Rs. 25 Crores to Rs. 30 Crores.



The net proceeds from the sale of the Undertaking will be utilized to repay / reduce existing financial liabilities, reduce interest burden, or enhancement of working capital of the Company or general business purpose.

The sale of the said Undertaking will not have any impact on the Company's existing business.

Pursuant to provisions of Section 180(1)(a) of the Companies Act, consent of the members of the Company will require by way of special resolution to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking. Considering the same, the Company will require members approval by way of special resolution to sell Unit 2 of the Company.

Further, as the assets of the Company are provided as security to the Bankers by way of charge, the Company will also require NOC from the Bankers / Financial Institutions. Also, wherever applicable, the Company will require statutory and/or other approvals for such sale.

In compliance with the applicable provisions of the Companies Act, 2013, Special Resolution as set out in the accompanying Notice is now being placed before the members for their approval.

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. 5 of the Notice.

**Item No. 6:**

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, 2023.

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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

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. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

**Details of the directors retire by rotation / seeking appointment/re-appointment in the 50<sup>th</sup> Annual General Meeting, as set out in item nos. 2 and 4 of this Notice, in terms of Regulation 36(3) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of Secretarial Standard-2 on General Meetings (Details as on March 31, 2022).**

**BRIEF PROFILE OF THE DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT ARE GIVEN BELOW:**

**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 three decades. 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.*

**Mrs. Basheera Indorewala:**

Mrs. Basheera Indorewala is a cultural observer, brand strategist and a marketeer, with more than 15 years of experience in brand communications, collaborations and customer acquisitions. Her most recent venture is as a first time entrepreneur with The Parfait Co., India's first homegrown premium ice-cream brand. With this business, she will further strengthen her expertise across marketing as well as operations and management. Mrs. Basheera Indorewala completed her MSc in Marketing and Strategic Management from Warwick Business School, UK.

Other information, directorship(s) and board committee membership(s) of the aforesaid Directors in Companies other than Manugraph India Limited are as follows:

Details	Mr. Pradeep S. Shah	Ms. Basheera J. Indorewala
DIN	00248692	07294515
Date of Birth/Age	13-12-1960 / 60	15-02-1984 / 38
Date of first appointment on the Board	11-08-1989	07-02-2018
Qualification	DME	MSc in Marketing and Strategic Management
Experience (including expertise in specific functional area) / Brief Resume	As above	
Terms and Conditions of appointment / re-appointment	As per resolution	As per resolution
Remuneration last drawn (including sitting fees, if any)	Rs. 118.69 Lakhs	0.70 Lakhs
Remuneration proposed to be paid	As per resolution passed by the members at the 49 <sup>th</sup> AGM	Only sitting fees
No. of Board Meetings attended during the year (out of 5 held)	3	4

<b>Details</b>	<b>Mr. Pradeep S. Shah</b>	<b>Ms. Basheera J. Indorewala</b>
Directorships held in other Companies (including name of listed companies)	4 (Not a Director in any other Listed Company)	1 (Not a Director in any other Listed Company)
Memberships/Chairman ships of committees across all companies	Chairman of Corporate Social Responsibility (CSR) Committee	Member of Audit Committee (w.e.f. 26-05-2022)
Shareholding of the Director in the Company	4156701 Shares	None
Shareholding as a beneficial owner	5.26% as beneficial owner	None
Relationship with other Directors / Key Managerial Personnel	Related to Sanjay S. Shah	None

**DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure in presenting this Fiftieth Directors' Report together with the audited Annual Accounts of the Company for the financial year ended March 31, 2022.

**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:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total Income	4814.76	3302.39	4814.76	3302.39
Total Expenses	6258.66	4953.62	6258.66	4953.61
Profit / (Loss) before Taxation	(1443.89)	(1651.23)	(1443.89)	(1651.23)
Exceptional Items	(112.83)	(1170.43)	(112.83)	(1170.43)
Tax Expense	(21.06)	48.02	(21.06)	48.01
Profit/(Loss) from Discontinued Operations after Tax	-	-	140.89	(1.37)
Profit / (Loss) after Taxation	(1535.66)	(2869.68)	(1394.77)	(2871.04)
Other Comprehensive Income	82.86	(24.25)	82.46	(26.07)
Total Comprehensive Income for the year, Net of Taxes	(1452.80)	(2893.93)	(1312.30)	(2895.74)
Earnings Per Share (in Rs.) (basic & considering exceptional items)	(5.05)	(9.44)	(5.05)	(9.44)

**DIVIDEND**

In view of losses for FY 2021-22, the Board of Directors has not recommended dividend on the equity shares of the Company.

**TRANSFER TO RESERVES**

Due to losses in FY 2021-22, no amount has been transferred to Reserves.

**OPERATIONS AND FINANCE**

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

**PRINTING INDUSTRY**

The print media market consists of sales of newspapers, magazines, other periodicals, books, directories and mailing lists, and other works, such as calendars, greeting cards, and maps and related services such as advertising space by entities (organizations, sole traders, or partnerships) that publish print media.

The outbreak of Coronavirus disease (COVID-19) has acted as a significant restraint on some of the print media markets in 2020 as businesses were disrupted due to lockdowns imposed by governments globally.

The rise in social media and the increasing volume of consumer data is driving growth in the newspapers and magazines industry. Newspapers and magazines publishers can have broad and deeper visibility on their consumers, distributors, and other stakeholders.

There's a glut of news and opinion across Indian media, with one exception: print. Due to a severe shortage of newsprint, several newspapers have been forced to reduce their pages, pare down editorials, and do away with weekend glossies and special editions. Others have increased cover prices or are using paper so thin that readability is compromised.

### **COMPANY**

In India, Manugraph is the largest manufacturer of web offset presses. Excellent leadership, highly skilled workforce and a well-focused approach has led Manugraph to achieving the goal of being the leader in the niche 4-page Newspaper Offset Printing Press market. Manugraph owes its strong position as a supplier of choice not only to its technical competence, but also to its clear orientation towards the customer needs.

Manugraph also expanded to manufacture Central Impression Flexo presses for the packaging industry. A first of its kind in India, where European technology is now manufactured in India. The collaboration with Carraro SRL, Italy, has given the world, MANUFLEX, a new generation, 8 colour gearless C.I. Flexo press.

The printing industry's unprecedented crises on account of pandemic, directly affected the Company's turnover and income. The Company faced huge sales decline due to contraction in capex of the newspaper printing houses, shutting of print media companies on account of pandemic and increased focus on digital media. In order to sustain the pandemic effect and digitalization, the Company has undertaken manufacturing of precision engineering components for key vendors in the heavy engineering industry. This kind of job work will increase the turnover gradually by additionally supplying these components to the prominent vendors in India.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) of SEBI LODR Regulations, is appended in this Annual Report.

### **DEPOSITS**

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, at the end of the financial year 2021-22 or the previous financial year. Your Company did not accept any deposits during the financial year 2021-22.

### **SUBSIDIARY COMPANY**

#### *Manugraph Americas Inc.*

Petition under Chapter 11 was filed at the US Bankruptcy court, middle district of Pennsylvania on June 1, 2017. Presently, the proceedings are managed as a debtor in possession under the supervision of the court. Financial Statements of the said subsidiary for the year ended March 2022 has been prepared on a discontinued operations basis. The assets and liabilities have been considered at their fair values.

The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website viz. [www.manugraph.com](http://www.manugraph.com).

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Consolidated Financial Statements forms part of this Annual Report. The financial position and performance of the subsidiary company is given in the statement containing the salient features of the financial statements of the said subsidiary company, which is annexed to this report.

In accordance with the third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto has been hosted on its website [www.manugraph.com](http://www.manugraph.com). Further, in accordance with the fourth proviso to the said section, the audited annual accounts of the said subsidiary company have been hosted on the Company's website [www.manugraph.com](http://www.manugraph.com).

### **CHANGES IN SHARE CAPITAL**

During the financial year 2021-22, there was no change in authorised, subscribed, issued and paid up capital of the Company. Your Company has not issued any shares with differential rights as to dividend, voting or otherwise.

### **Events occurring after the Balance Sheet date:**

There have been no other material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2022 and the date of this Report, other than those disclosed in this Report.

### **Confirmation on Object / Business:**

As required under the provisions of Companies Act, 2013 and the Listing Regulations, your Company confirms that there is no change in the nature of object / business of the Company.

### **BOARD OF DIRECTORS**

The Board of Directors at their meeting held on June 28, 2021 appointed Mrs. Madhavi Kilachand as Additional Director with immediate effect. During the year, the members at the 49<sup>th</sup> Annual General Meeting held on September 29, 2021 appointed Ms. Madhavi Kilachand as a Director of the Company for a period of five years.

Mr. Sanat M. Shah resigned as the Chairman and Non-Executive Director of the Company from close of business hours on June 28, 2021. In recognition of the fact that Mr. Shah founded the Company and considering his unmatched contributions, as a mark of respect, the Board (upon recommendation of Nomination & Remuneration Committee) appointed Mr. Sanat M. Shah as 'Chairman Emeritus' with effect from June 29, 2021. In this advisory role, his rich experience and farsightedness will help the Company immensely and his services, guidance and mentorship will be availed from time to time. This position will not carry any remuneration. As Chairman Emeritus, Mr. Sanat Shah will continue to guide the Board and Company's Senior Management.

In accordance with the provisions of the Companies Act, 2013 and Company's Articles of Association, Mr. Pradeep S. Shah retires by rotation and is eligible for re-appointment. The Board, based on the recommendation of Nomination & Remuneration Committee, recommends his re-appointment. Brief profile of



Mr. Pradeep S. Shah proposed to be re-appointed as Director of the Company is provided in the notice convening the ensuing AGM. None of the independent directors are due for retirement.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for reappointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's report. In terms of the explanation to Sections 149(10) and 149(11) of the Companies Act, 2013, the first term of Mrs. Basheera J. Indorewala (DIN: 07294515), as an Independent Director of the Company will be expiring on February 6, 2023. The Board of Directors at its meeting held on August 10, 2022, after considering the recommendations of the Nomination and Remuneration Committee and on the basis of the report of performance evaluation of Independent Director and her consent, recommended reappointment of Mrs. Basheera J. Indorewala (DIN: 07294515), as an Independent Director of the Company for a term of five years commencing from February 7, 2023.

The Company had received notice in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Basheera J. Indorewala for the office of Independent Director of the Company. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

The necessary resolutions for appointments / re-appointments as aforesaid have been included in the Notice of the forthcoming AGM for the approval of the members.

### **Key Managerial Personnel**

Mr. Narendra Nagwekar retired as Chief Financial Officer of the Company w.e.f. March 31, 2022. The Board of Directors, upon recommendation of the Nomination and Remuneration Committee appointed / designated Mr. Mihir V. Mehta as Company Secretary & Chief Financial Officer with effect from April 1, 2022. Pursuant to the provisions of Section 203 of the Act, Mr. Sanjay S. Shah, Chairman & Managing Director, Mr. Pradeep S. Shah, Vice Chairman & Managing Director, and Mr. Mihir V. Mehta, Company Secretary and Chief Financial Officer are the Key Managerial Personnel of the Company as on March 31, 2022.

### **Declaration of Independence**

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

The Board is also of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the field of finance, strategy, auditing, tax, risk advisory and financial services and they hold the highest standards of integrity.

### **Board Evaluation**

The Company conducted a formal Board Effectiveness Review as part of its efforts to evaluate, identify improvements and enhance the effectiveness of the Board, its Committees and individual directors. The evaluation parameters and the process have been explained in the Corporate Governance Report. This was in line with the requirements mentioned in the Companies Act and the SEBI LODR Regulations.

### **Appointment & Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Employees**

The Chairman and Managing Director, Managing Director and Whole Time Directors (Works) are paid remuneration by way of salary, benefits, perquisites and allowances. Annual compensation changes are decided by the Nomination and Remuneration Committee after considering overall business performance within the salary scale approved by the Board and Shareholders.

The Board of Directors had reviewed Policy for Appointment of Directors, Key Managerial Personnel and Senior Management and Evaluation of their Performance, copy of which is placed on the website of the Company viz. [www.maugraph.com](http://www.maugraph.com). The salient features of this Policy are outlined in the Corporate Governance Report.

### **Non-Executive Directors**

The Non-Executive Directors ('NED') are paid remuneration by way of Sitting Fees. During the year, the Company paid sitting fees of Rs. 15,000/- per meeting to the NEDs for attending meetings of the Board, Audit Committee and Meeting of Independent Directors and Rs. 9,000/- per meeting to the NEDs for attending Nomination & Remuneration Committee meeting.

### **Executive Directors**

Executive Directors are paid remuneration by way of salary, perquisites and allowances. Salary is paid within the range fixed by the members of the Company. The Managing Directors / Whole-time Directors of your Company have not received any remuneration or commission from the subsidiary.

### **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:**

Five Board Meetings were held during the year, the details of which are given in the Corporate Governance Report forming part of the Annual Report. The gap between any two Board Meetings was not more than one hundred and twenty days, thereby complying with applicable statutory requirements.

### **BOARD COMMITTEES**

With a view to have a more focused attention on business and for better governance and accountability, the Board has three mandatory committees viz. Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee.

**Audit Committee**

The Audit Committee comprises of Mr. Hiten C. Timbadia (Chairman), Mr. Perses M. Bilimoria, Mr. Abhay J. Mehrotra and Mrs. Basheera J. Indorewala. During the year, all the recommendations made by the Audit Committee were accepted by the Board. All the members of the Audit Committee are independent.

**Nomination and Remuneration Committee**

The Nomination & Remuneration Committee comprises of Mr. Hiten C. Timbadia (Chairman), Mr. Perses M. Bilimoria and Mr. Abhay J. Mehrotra.

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of Mr. Perses M. Bilimoria (Chairman), Mr. Sanjay S. Shah and Ms. Basheera J. Indorewala.

**Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Pradeep S. Shah (Chairman), Mr. Abhay J. Mehrotra and Mr. Shailesh B. Shirguppi. The Board of Directors at its meeting held on June 28, 2021 dissolved the Corporate Social Responsibility Committee as the requirements relating to the same are not applicable to the Company due to reduced turnover, continued losses and low network.

A detailed note on functions and roles of each of the Committees are provided separately under Corporate Governance Report of this Annual Report.

**RELATED PARTY TRANSACTIONS**

All contracts or arrangements entered into by the Company with its related parties during the financial year were in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All such contracts or arrangements have been approved by the Audit Committee, as applicable.

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. All transactions with related parties are in ordinary course of business and at arms' length.

Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 33 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](http://www.manugraph.com).

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company has been involved in social welfare activities from time to time and firmly believes in making lasting impact towards creating a just, equitable, humane and sustainable society. The Company lays special

emphasis on education and vocational training of youth including females in the local community for their economic empowerment.

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy is in conformity with CSR objectives and policy of the Company and in compliance with Section 135 of the Companies Act, 2013, as amended from time to time. The CSR policy may be accessed on the Company's website [www.manugraph.com](http://www.manugraph.com).

### **EXTRACTS OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year ended March 31, 2022 is available on Company's website at [http://manugraph.com/Files/MIL\\_Annual\\_Return\\_31032022\\_Website.pdf](http://manugraph.com/Files/MIL_Annual_Return_31032022_Website.pdf).

### **STATUTORY AUDITORS**

Messrs. Desai Shah & Associates, Chartered Accountants (Firm Regn. No. 118174W) were appointed as the Statutory Auditors of the Company for a period of 2 years at the Annual General Meeting held on September 22, 2020 and will complete their term as Statutory Auditors upon conclusion of the ensuing Annual General Meeting

The Board, on the recommendation of the Audit Committee, recommended for the approval of the Members, the appointment of Messrs. Desai Shah & Associates, Chartered Accountants (Firm Regn. No. 118174W), as the Auditors of the Company for a period of 5 years from the conclusion of the ensuing 50<sup>th</sup> AGM till the conclusion of the 55<sup>th</sup> AGM. On the recommendation of the Audit Committee, the Board also recommended for the approval of the Members, the remuneration for Statutory Audit of Rs. 14.50 Lakhs for the financial year 2022-23. Appropriate resolution seeking your approval to the appointment and remuneration of Messrs. Desai Shah & Associates, Chartered Accountants as the Statutory Auditors is appearing in the Notice convening the 50<sup>th</sup> AGM of the Company.

Messrs. Desai Shah & Associates, Chartered Accountants has confirmed their eligibility as Statutory Auditors. Messrs. Desai Shah & Associates, Chartered Accountants has also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **SECRETARIAL AUDITORS**

The Board had appointed M/s. Aashish K. Bhatt & Associates, a Company Secretary in Practice to act as Secretarial Auditor of the Company for the financial year 2021-22. The Report of the Secretarial Audit is annexed herewith as 'Annexure B'. The response on qualifications / observations / remarks in the Secretarial Audit Report for the financial year 2021-22 are provided in the Corporate Governance Report forming part of this Report.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

### **COST AUDIT**

As per Section 148 of the Companies Act, 2013 read with Notifications / Circulars issued by the Ministry of Corporate Affairs from time to time, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s. C.S. Adawadkar & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2022-23.

The Cost Audit Report is required to be filed within 180 days from the end of the financial year. The Cost Audit Report for the financial year ended March 31, 2022 will be filed within the due date. Pursuant to provisions of Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Company confirms that it has prepared and maintained cost records for the financial year ended March 31, 2022.

### **FRAUD REPORTING**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors or Cost Auditors has reported to the Audit Committee any instances of fraud pursuant to section 143(12) of the Companies Act, 2013 committed against the Company by its officers or employees of the Company.

### **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, 2022, 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, 2022 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.

## BOARD CONFIRMATION

Your Board confirms that there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 and that there is no instance of onetime settlement with any Bank or Financial Institution, during the year under review.

## CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under SEBI LODR Regulations forms part of the Annual Report.

As required under the provisions of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 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 relations with workers during the year were cordial. The Company is striving hard to negotiate with its workers union for settlement. Your Company is committed to provide a healthy and safe work environment free from accidents, injuries and occupational health hazards.

The Company had a total of 380 permanent employees as on March 31, 2022.

## Particulars of Employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been appended as Annexure A to this report. Details of employees remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request. Such details are also available on your Company's website [www.manugraph.com](http://www.manugraph.com). None of the employees listed in the said Annexure are related to any Director of the Company.

The Company states that there are no employees (other than Managing Directors) employed throughout the financial year 2021-22 and drawing a salary of Rs. 1.02 crore per annum or more or employed for part of the year and in receipt of remuneration of Rs. 8.50 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 Managing Directors are part of Corporate Governance Report, forming part of this Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act, have been provided in the notes to the standalone financial statements.

**RISK MANAGEMENT**

In a rapidly changing business environment, companies in printing industry face numerous risks that impact their businesses. It is therefore, imperative to identify and address these risks and at the same time leverage opportunities for achieving business objectives. To establish and maintain a system of risk management and internal control, the Board periodically reviews the risk management system and maintenance of a risk profile (both financial and non-financial risks). 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 an internal financial control system commensurate with the size, scale and complexity of its operations. The internal controls over financial reporting have been identified by the management and are checked for effectiveness across all locations and functions by the management and tested by the Auditors on sample basis. The controls are reviewed by the management periodically and deviations, if any, are reported to the Audit Committee periodically.

The Internal Control Systems are being constantly updated with new / revised standard operating procedures. Based on the information provided, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected, or are reasonably likely to materially affect its internal financial controls.

The Company has appointed Internal Auditors who report to Audit Committee of the Board. The Audit Committee reviews internal audit reports periodically based on annual internal audit plan.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There have been no other material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2022 and the date of this Report, other than those disclosed in this Report. There has been no change in the nature of business of your Company.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company's vigil mechanism /Whistle blower Policy aims to provide the appropriate platform and protection for Whistle blowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including the Integrity Code, Code of Conduct for Prevention of Insider Trading in Company's securities, Code of Fair Practices and Disclosure. The Vigil Mechanism / Whistle Blower Policy have been posted on the website of the Company viz. [www.manugraph.com](http://www.manugraph.com).

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

The Company has in place policy on Sexual Harassment at workplace. Internal Complaints Committees have been constituted, in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to

redress complaints received, if any, regarding sexual harassment. All employees are covered under this policy. The Company is in compliance of the provisions of the said Act. The details of complaints are as under:

- (a) number of complaints filed during the financial year - Nil
- (b) number of complaints disposed of during the financial year - Nil
- (c) number of complaints pending as on end of the financial year - Nil

### **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 C'.

### **CAUTIONARY STATEMENT**

Statements in the Directors' Report & Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include cyclical demand, changes in government regulations, tax regimes, economic development and other ancillary factors.

### **APPRECIATIONS**

The Directors place on record its appreciation and acknowledge the support and assistance extended to us by State Government, Statutory Authorities, Tribunals and local bodies, customers, bankers, stock exchanges, business associates, financial institutions, and investors.

Place: Mumbai  
Date: 09-08-2022

**For and on behalf of the Board**  
**Sd/-**  
**Sanjay S. Shah**  
**Chairman & Managing Director**  
**(DIN: 00248592)**

### **Annexure A**

#### **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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 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 2021-22 (Rs. in Lakhs)	% Increase in Remuneration in FY 2021-22 (Refer Note 1 below)	Ratio of remuneration of each Director to median remuneration of employees
Sanjay S. Shah	Chairman & Managing Director	118.71	-	28.97
Pradeep S. Shah	Vice Chairman & Managing Director	118.69	-	28.97
Hiten C. Timbadia	Independent Director	1.87	Non-Executive Directors are not paid any remuneration/commission save and except the sitting fees. The ratio of remuneration and percentage increase is therefore not considered.	
Perses M. Bilimoria	Independent Director	1.87		
Abhay J. Mehrotra	Independent Director	1.48		
Basheera J. Indorewala	Independent Director	0.70		
Madhavi Kilachand	Independent Director	0.60		
Shailesh B. Shirguppi	Whole Time Director (Works)	15.97	-	3.90
Narendra S. Nagwekar	Chief Financial Officer (Note 1)	23.27	-	-
Mihir V. Mehta	Chief Financial Officer & Company Secretary (Note 2)	22.19	20%	-

Note 1: Due to reduced sales and heavy losses, there was no increase in remuneration. However, the Company restored salary of the Managing Directors, Chief Financial Officer and Company Secretary which were reduced during the financial year 2020-21 on account of high losses due to Covid-19 pandemic.

Note 2: Mr. Narendra S. Nagwekar retired as Chief Financial Officer of the Company w.e.f. March 31, 2022.

Note 3: Mr. Mihir V. Mehta was designed as Chief Financial Officer and Company Secretary w.e.f. April 1, 2022

The details of remunerations provided are for entire FY 2021-22.

- The median remuneration of employees of the Company during the financial year was Rs. 4.09 Lakhs
  - There were 380 permanent employees on the rolls of Company as on March 31, 2022.
  - Save and except as provided hereinabove, there was no increase in the salaries of employees including the managerial personnel in the last financial year on account of reduced sales and continued losses. Accordingly, the requirement of providing comparison of average percentage increase of employee salary to managerial personnel is not applicable.
  - It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
  - The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the foresaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.
- (ii) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

There are no employees (other than Managing Directors) drawing remuneration aggregating to Rs. 1.02 crores per annum employed during the year 2021-22 and no employees drawing remuneration to Rs. 8.5 lakhs per month employed for the part of financial year.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

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

To,  
**The Members,**  
**Manugraph India Limited**  
Sidhwa House, 2<sup>nd</sup> Floor, N A,  
Sawant Marg, Colaba, Mumbai – 400005.

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

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, 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:

I 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, 2022, 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 – Not Applicable;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment; There are no external commercial borrowings.
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act'), as amended from time to time, 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, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and erstwhile the SEBI (Share Based Employee Benefits) Regulations 2014 - Not Applicable;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and erstwhile the SEBI (Issue and Listing of Debt Securities) Regulations 2008 - Not Applicable;

- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not Applicable;
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable;
  - h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;
- vi. Taking into consideration, business activities of the Company and confirmation received from the Management, there are no specific regulator / law whose approval is required for undertaking business operations of the Company and hence no comment is invited in respect of the same. We have in-principally verified existing systems and mechanism which is followed by the Company to ensure compliance of other applicable laws and have relied on the representation made by the Company and its Officers in respect of aforesaid systems and mechanism for compliances of other applicable acts, laws and regulations and found the satisfactory operation of the same.

I have also examined compliances with applicable clauses of:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI (LODR) Regulations, 2015”);

During the financial year under report, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above except for the following:-

- *The Company is in the process of filing Form IEPF - 1A under the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 of the Companies Act, 2013;*
- *Regulation 30 of SEBI (LODR) Regulations, 2015 – There was a delay in submission of proceedings of Annual General Meeting held on September 29, 2021.*
- *Regulation 44 of SEBI (LODR) Regulations, 2015 – There was a delay in submission of the Voting Results of Annual General Meeting held on September 29, 2021.*
- *Pursuant to SEBI Circular No. SEBI/ HO/ CFD/ CMD/ CIR/ P/ 2020/12 dated January 22, 2020, National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) imposed fine of Rs. 11,800/- each. The Company had made representation to NSE and BSE with regards to delay in filing and waiver of the same. The Stock Exchange(s) considered the delay and waived off the fine.*

Due to regulatory issue, there was a delay in transfer of unpaid amount of final dividend for the financial year ended 2013-14 and the shares in respect of which dividend has not been paid or claimed for seven consecutive years to Investor Education Protection Fund (IEPF) account of Authority.

Further, as a precautionary measure against “COVID 2019”, the audit process has been modified, wherein documents /records etc. were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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.
- As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views were expressed.

I 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.

I 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) Resignation of Mr. Sanat Shah as Non-Executive Director;
- (ii) Appointment of Mr. Sanat Shah as Chairman Emeritus;
- (iii) Change in designation of Mr. Sanjay S. Shah as Chairman and Managing Director;
- (iv) Change in Designation of Mr. Pradeep S. Shah as Vice Chairman & Managing Director;
- (v) The Company has obtained members approval for the following special businesses: -
  - Re-appointment and payment of remuneration to Mr. Sanjay S. Shah, Chairman & Managing Director for a period of 3 (three) years w.e.f. April 1, 2022;
  - Re-appointment and payment of remuneration to Mr. Pradeep S. Shah, Vice Chairman & Managing Director for a period of 3 (three) years w.e.f. April 1, 2022;
- (vi) Appointment of Ms. Madhavi Kilachand as Independent Director;
- (vii) Resignation of Mr. Narendra S. Nagwekar as Chief Financial Officer of Company;
- (viii) Appointment of Mr. Mihir V. Mehta as Chief Financial Officer of Company;
- (ix) Dissolution of Corporate Social Responsibility Committee.

Place: Mumbai  
Date: 09.08.2022

For **Aashish K. Bhatt & Associates**  
**Company Secretaries**  
(ICSI Unique Code S2008MH100200)

**Aashish Bhatt**  
Proprietor  
ACS No.: 19639, COP No.: 7023  
UDIN: A019639D000764119

**This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report**

To,  
The Members,  
**Manugraph India Limited**

My report of even date is to be read along with this letter.

- 1) The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed my opinion on these records.
- 2) I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the Secretarial records were reasonable for verification.
- 3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. Our examination was limited to the verification of procedure and wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations etc.
- 5) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 09.08.2022

For **Aashish K. Bhatt & Associates**  
**Company Secretaries**  
(ICSI Unique Code S2008MH100200)

**Aashish Bhatt**  
Proprietor  
ACS No.: 19639, COP No.: 7023  
UDIN: A019639D000764119

#### Annexure C

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

##### **A. CONSERVATION OF ENERGY:**

##### **i. the steps taken or impact on conservation of energy and the steps taken by the company for utilising alternate sources 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. Power factor of plant is maintained to unity resulting in optimum utilization of power.
2. Replacement of high power consuming conventional 36/40W tube light luminaries with energy efficient 20W LED tube light, qty.22 Nos.
3. Replacement of high power consuming conventional 36/40W tube light luminaries with energy efficient 5W LED bulb, qty.47 Nos.
4. We are using drip irrigation system for gardening which drastically reduced the use of fresh water.

##### **ii. The capital investment on energy conservation equipments: N.A.**

**B. TECHNOLOGY ABSORPTION: -****i. Efforts made in technology absorption:**

The focus on improvement in existing products and development of new products was maintained throughout the year. Also, work done on interfacing of OE items to MIL product as per customer requirement. Thrust is given on 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. Software Engineering Department is being effectively utilized for in-house development of software for Web & C.I. Flexo Printing machines.

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

1. Indigenization of Printing Unit of the C.I. Flexo printing machine is in progress.
2. Development and interfacing of 13 head numbering system.
3. Indigenization of imported items like Pneumatic cylinders, Thermo regulating unit etc.
4. Mechanical, hardware, software changes in Flexo Machine for making it suitable to run at 400mpm.
5. Changes in machine software, grooved guide roller, rubberised lay on rollers to make it run at low tension (12 gsm breathable film to run at 15N tension).
6. Autopaster development with Mitsubishi automation.
7. Implementation of AC Motor & Drives in view of energy conservation, higher efficiency and less maintenance.
8. Variable speed drive for Blower in Print unit of C.I. Flexo.
9. Development and supply of Ink oscillating form rollers for Komori Machine.

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

- a. New products developed
- b. New features introduced on existing products
- c. More automation on existing products
- d. Cost reduction and space saving on machines
- e. Alternate / Parallel source
- f. Performance improvement
- g. Expanding Domestic and Export market
- h. Import substitution

**ii. Details of imported technology: N.A.****iii. Details of imported technology: N.A.****3. Expenditure on R&D:****(Rs. in Lakhs)**

a. Capital	--
b. Recurring	40.71
c. Total	40.71
d. Total R&D expenditure as a percentage of net sales	0.96 %

**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 mainly in Africa, South East Asia and Russia.
2. Total foreign exchange used and earned:

Particulars	(Rs. in Lakhs)	Particulars	(Rs. in Lakhs)
<b>Earnings</b>		<b>Expenditure</b>	
Export Sales	2108.59	Technical Services	77.76
Service & Erection Charges	57.07	Commission	38.04
		Travelling	47.82
<b>Total</b>	<b>2165.66</b>		<b>163.62</b>

## REPORT ON CORPORATE GOVERNANCE

As required under the Regulation 34(3) and Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') with the Stock Exchanges, the Company reports on various corporate governance compliances as under:

### 1. **Company's philosophy on code of governance**

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by conducting business with a firm commitment to values, while at the same time, meeting stakeholders' expectations.

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders. The Company's philosophy of corporate governance is aimed at maximizing shareholder value legally, ethically and sustainably.

It is imperative that business is conducted in a fair and transparent manner. The corporate governance framework ensures effective engagement with various stakeholders and helps the Company evolve with changing times. It oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

#### **Compliance with Corporate Governance Guidelines**

The Company is fully compliant with the requirements of the prevailing and applicable Corporate Governance norms. Your Company's compliance with these requirements is presented in the subsequent sections of this report.

### 2. **Board of Directors**

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive, Non Executive and Independent Directors. The strength of the Board is accentuated by diversity in terms of varied skills and experiences. The Board has been enriched with the advices and skills of the Independent Directors.

The Board operates within a well-defined framework which enables it to discharge its fiduciary duties of safeguarding the interest of your Company; ensuring fairness in the decision making process, integrity and transparency in your Company's dealing with its members and other stakeholders.

An effective Board of Directors is the key to success in growing businesses. The Board is responsible for ensuring that it has represented on it the skills, knowledge, experience, expertise and competencies needed to effectively steer the Company forward.

The Board of Directors have, based on the recommendations of the Nomination & Remuneration Committee, identified the core skills / expertise / competencies of Directors as required in the context of the businesses and sectors of the Company for its effective functioning and the same is mapped against each of the Directors, as tabled below:

- a) Strategy & business planning and execution: Ability to understand, review and guide Strategy by analyzing the Company's competitive position and benchmarking taking into account market and industry trends;
- b) Industry and market expertise: Has expertise with respect to the sector the organization operates in, the nuances of the business. Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities;
- c) Technology prospective: Has expertise with respect to business specific technologies such as in the field of R&D, Manufacturing etc.;
- d) Management and leadership: Has experience in human resource management such that they bring in a considered approach to the effective management of people in an organization;
- e) Governance, finance and risk management: Has an understanding of the law and application of corporate governance principles in a commercial enterprise. Capability to provide inputs for strategic financial planning, assess financial statements and oversee budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas including legal and regulatory.

Name of the Director	Mapping	Name of the Director	Mapping
Mr. Sanjay S. Shah	a, b, c, d, e	Mr. Perses M. Bilimoria	b, c, e
Mr. Pradeep S. Shah	a, b, c, d, e	Mr. Abhay J. Mehrotra	b, c, d, e
Mr. Shailesh B. Shirguppi	a, b, c, d	Ms. Basheera J. Indorewala	b, c, e
Mr. Hiten C. Timbadia	b, c, d, e	Ms. Madhavi Kilachand ( <i>w.e.f. 28.06.2021</i> )	b, c, e

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

#### **A. Composition of the Board of Directors**

The Company has a judicious combination of Executive and Non-Executive Directors. As on March 31, 2022, the Board comprised of eight Directors out of which three are Executive Directors and five are Independent Directors. The Chairman of the Board is Executive Director.

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



Name of the Director	Other Directorships as on March 31, 2022	No. of Membership(s) / Chairmanship(s) of committees as on March 31, 2022	Directorships in Listed Companies, & Category of Directorship as on March 31, 2022
<b>Executive Directors - Promoter Group</b>			
Mr. Sanjay S. Shah, Chairman & Managing Director	3	1	-
Mr. Pradeep S. Shah, Vice Chairman & Managing Director	4	-	-
<b>Executive Director - Non Promoter Group</b>			
Mr. Shailesh B. Shirguppi	-	-	-
<b>Non Executive, Independent Directors</b>			
Mr. Hiten C. Timbadia	1	1, Chairman	1, Non-Executive - Non Independent Director
Mr. Perses M. Bilimoria	1	2 (1 Chairman, 1 Member)	-
Mr. Abhay J. Mehrotra	7	1 (Member)	-
Mrs. Basheera J. Indorewala	1	1 (Member)	-
Ms. Madhavi Kilachand	1	-	-

**Notes:**

- The Directorships, held by the Directors as mentioned above, do not include Directorship(s) in foreign companies and Section 8 companies under the Companies Act, 2013.
- In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been considered including that of your Company.

**Changes in Board during the year and upto date of this report:**

Mr. Sanat M. Shah resigned as the Chairman and Non Executive Director of the Company from close of business hours on June 28, 2021. In recognition of the fact that Mr. Shah founded the Company and considering his unmatched contributions, as a mark of respect, the Board (upon recommendation of Nomination & Remuneration Committee) appointed Mr. Sanat M. Shah as 'Chairman Emeritus' with effect from June 29, 2021. In this advisory role, his rich experience and farsightedness will help the Company immensely and his services, guidance and mentorship will be availed from time to time. This position will not carry any remuneration. As Chairman Emeritus, Mr. Sanat Shah will continue to guide the Board and Company's Senior Management.

The Board, upon recommendation of Nomination & Remuneration Committee, at its meeting held on June 28, 2021 designated Mr. Sanjay S. Shah as Chairman & Managing Director and Mr. Pradeep S. Shah as Vice Chairman & Managing Director of the Company.

The Board at its Meeting held on June 28, 2021, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Madhavi Kilachand (DIN: 00296504) as the Additional Director (Independent) of your Company. The Members at the 49<sup>th</sup> Annual General Meeting appointed Ms. Madhavi Kilachand as a Director of the Company for a period of 5 year.

Mr. Sanat M. Shah, Chairman Emeritus, Mr. Sanjay S. Shah, Chairman & Managing Director and Mr. Pradeep S. Shah, Vice Chairman & Managing Director are related to each other. Mr. Sanjay S. Shah and Mr. Pradeep S. Shah are sons of Mr. Sanat M. Shah. No other Directors are related to each other.

As required under Regulation 17A & 26(1) of Listing Regulations and confirmed by directors, none of the Directors on the Board of Company is a Director (including any alternate director) in more than 10 public limited companies (as specified in section 165 of the Act) and Director in more than 7 equity listed entities or acts as an Independent Director in more than 7 equity listed entities or 3 equity listed entities in case he/she serves as a Whole-time Director/ Managing Director in any listed entity. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees, across all the Indian public limited companies in which he/she is a Director.

### **B. Board Independence**

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the Listing Regulations. The Nomination & Remuneration Committee identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Independent Directors has any pecuniary or business relationship except receiving sitting fees.

Independent Directors are paid sitting fees for attending Board / Committee meetings. No other payment is made to Independent Directors.

Details of familiarisation program imparted to Independent Directors are available on the Company's website viz. [http://www.manugraph.com/investor\\_relations.html](http://www.manugraph.com/investor_relations.html)

### **C. Board Meetings**

The Board meets at regular intervals to discuss and decide on Company / business policy. All statutory and other significant & material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated at least seven days prior to the Board meeting.

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, if any.

The Board is updated on the discussions at the Committee meetings and the recommendations through the Chairman of the various Committees.

During the financial year 2021-22, the Board met five times. The meetings were held on June 11, 2021, June 28, 2021, August 10, 2021, November 9, 2021, and February 14, 2022.

#### D. Independent Directors' Meetings

The Company's Independent Directors met once during the financial year 2021-22. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

All the Independent Directors were present at the meeting of Independent Directors.

#### E. Directors' attendance in Board Meetings and Annual General Meeting

The following table provides the attendance record at the Board Meeting and Annual General Meeting of the Company during the financial year 2021-22:

Sr. No.	Name of the Director	Category	No. of Board Meetings of MIL attended	Attendance at the last AGM (Yes/No)
1.	Mr. Sanat M. Shah (DIN: 00248499)	Non-Executive Chairman (Promoter)	1	Yes
2.	Mr. Sanjay S. Shah (DIN: 00248592)	Vice Chairman & Managing Director (Promoter)	4	Yes
3.	Mr. Pradeep S. Shah (DIN: 00248692)	Managing Director (Promoter)	3	Yes
4.	Mr. Hiten C. Timbadia (DIN: 00210210)	Independent Non-Executive Director	5	Yes
5.	Mr. Perses M. Bilimoria (DIN: 00781535)	Independent Non-Executive Director	5	Yes
6.	Mr. Abhay J. Mehrotra (DIN: 01673801)	Independent Non-Executive Director	4	Yes
7.	Mrs. Basheera J. Indorewala (DIN:07294515)	Independent Non-Executive Director	4	Yes
8.	Mr. Shailesh B. Shirguppi (DIN: 08770042)	Whole-time Director (Works) Executive - Non Independent	5	Yes
9.	Ms. Madhavi Kilachand (DIN: 00296504) (w.e.f. 28.06.2021)	Independent Non-Executive Director	4	Yes

#### F. Shareholding of Directors in the Company as on March 31, 2022

Sr. No.	Name of the Director	No. of Shares held
i)	Mr. Sanjay S. Shah	3764441
ii)	Mr. Pradeep S. Shah	4156701
iii)	Mr. Hiten C. Timbadia	3500
iv)	Mr. Perses M. Bilimoria	-
v)	Mr. Abhay J. Mehrotra	-
vi)	Ms. Basheera J. Indorewala	-
vii)	Mr. Shailesh B. Shirguppi	500
viii)	Ms. Madhavi Kilachand	-

### 3. Audit Committee

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes. All the Members of the Committee are Independent Directors.

Audit Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act. The Audit Committee acts in accordance with the terms of reference specified by the Board, gists of which are as under:

- Review of quarterly and annual financial statements;
- evaluation of internal financial controls and risk management systems;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of the audit process;
- approval of transactions of the Company with related parties,

The scope / functions of Audit Committee is in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations as amended from time to time.

As on March 31, 2022, the Audit Committee comprises three Independent Directors and is chaired 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.

Audit Committee Meetings are attended by Chief Financial Officer, and/or such other executives as it considers appropriate, representatives of the statutory auditors and internal auditors / cost auditors at regular intervals. The Audit Committee also meets the internal and external auditors separately, without the presence of Management representatives. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee met five times during the year on June 11, 2021, June 28, 2021, August 10, 2021, November 9, 2021 and February 14, 2022. 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	5
3	Mr. Abhay J. Mehrotra	5	4

The Chairman of the Audit Committee was present at the Annual General Meeting to answer Members' queries.

#### 4. **Nomination and Remuneration Committee**

The constitution, scope and powers of the Nomination & Remuneration Committee of the Board of Directors are in accordance with the provisions of Section 178 of the Act and Regulation 19 of Listing Regulations. The Nomination & Remuneration Committee looks at all matters pertaining to the appointment and remuneration of the Managing Director & Chief Executive Officer, the Executive Directors and Key Managerial Personnel.

The Company adopted the following criteria to carry out the evaluation of Independent Directors, in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations.

*Salient features of Policy for appointment of Directors, Key Managerial Personnel and Senior Management and evaluation of their performance are as under:*

NRC shall carry out evaluation of every Director's Performance. In addition, the evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated, which shall include performance of the directors and fulfillment of the independence criteria as specified in 16(1) (b) of SEBI (LODR) Regulations and their independence from the management. This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.

The Evaluation process of Independent Directors and the Board consists of two parts:

- Board Member Self Evaluation ; and
- Overall Board and Committee Evaluation.

In the Board Member Self Evaluation, each Board member is encouraged to be introspective about his/her personal contribution, performance, conduct as director with reference to a questionnaire provided to them. Copies of the evaluation forms as applicable will be distributed to each Board Member. Board members shall complete the forms and return them to the Company Secretary. The Company Secretary will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any director disagrees with the self-evaluated results, he/she will suitably intimate the Chairman of the Board, else the same will be deemed to have been accepted. The individually completed forms will be preserved by the Company Secretary and the Tabulated Report would be presented to the Board and NRC for evaluation.

Apart from the above, the NRC will carry out an evaluation of every director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every director's performance and based on such feedback, the Board will recommend appointments, re-appointments and removal of the non-performing Directors of the Company.

**The terms of reference of the Nomination & Remuneration Committee are:**

- (i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (ii) formulation of criteria for evaluation of performance of Independent Directors and the Board;

- (iii) devising a policy on Board diversity;
- (iv) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;
- (v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- (vi) recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Committee also formulates criteria and specifies the manner for effective evaluation of performance of Board, its Committees and individual Directors. It also conducts the evaluation process as per the Board Evaluation policy. The policy is available on <http://www.manugraph.com/frmFinancialReport.aspx?ID=4>.

NRC 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;

NRC met thrice during the year June 28, 2021, August 10, 2021 and February 14, 2022. Attendance at the Nomination and Remuneration committee meetings:

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

Mr. Hiten C. Timbadia, Chairman of NRC attended the Annual General Meeting.

The details of remuneration paid to the Directors of the Company during the financial year 2021-22 are given below:

(Amount in Rs. Lacs)

Name of the Director	Salary and perquisites*	Commission / Bonus / Pensions, etc.	Sitting fee for Board and Committee meetings	Total
Mr. Sanjay S. Shah	118.71	-	-	118.71
Mr. Pradeep S. Shah	118.69	-	-	118.69
Mr. Shailesh B. Shirguppi	15.97	-	-	15.97
Mr. Sanat M. Shah	-	-	0.15	0.15
Mr. Hiten C. Timbadia	-	-	1.87	1.87

(Amount in Rs. Lacs)

Name of the Director	Salary and perquisites*	Commission / Bonus / Pensions, etc.	Sitting fee for Board and Committee meetings	Total
Mr. Perses M. Bilimoria	-	-	1.87	1.87
Mr. Abhay J. Mehrotra	-	-	1.48	1.48
Mrs. Basheera J. Indorewala	-	-	0.70	0.70
Ms. Madhavi Kilachand @	-	-	0.60	0.60

\*Excluding Provident & Other Funds

@ Appointed as Director w.e.f. June 28, 2021

The Non Executive Directors are paid sitting fees for attending Board / Committee meetings and dividends to the extent of their shareholding in the Company. Details of shareholding of all Directors are provided as an Annexure in Directors' Report.

The Executive / Managing Directors are paid remuneration by way of salary, perquisites and allowances. Salary is paid within the range fixed by the members of the Company and in compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Your Company presently does not have a scheme for grant of stock options or performance-linked incentives for its directors. The terms of service contracts and notice period are based on HR policies applicable from time to time. There is no separate provision for payment of severance fees.

## 5. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee looks into redressal of the grievances of Security holders viz. shareholders' including investors' complaints relating to transfer of shares, issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of dividends declared and all other securities holders related matters. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances. This Committee is also responsible for approval of transmission of securities, including power to delegate the same to the Registrar and Transfer Agents.

The Stakeholders' Relationship Committee met four times during the year on June 28, 2021, August 10, 2021, November 9, 2021 and February 14, 2022.

Name of the Director	Category	Position	No. of meetings	
			held	attended
Mr. Perses M. Bilimoria	Independent Director	Chairman	4	4
Mr. Sanjay S. Shah	Chairman & Managing Director	Member	4	4
Mrs. Basheera J. Indorewala	Independent Director	Member	4	3

During the year under review, the Company received 99 requests from shareholders relating to non-receipt of dividend/non receipt of duplicate certificate, change of address, etc. which were duly redressed within time.

Mr. Mihir V. Mehta, Company Secretary & Compliance Officer is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

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

Investors' Grievances pending as on April 1, 2021	Nil
Add : Investors' Grievances received during the year	-
Less : Investors' Grievances redressed during the year	-
Investors' Grievances pending as on March 31, 2022	Nil

## 6. Corporate Social Responsibility Committee

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

The role of Corporate Social Responsibility Committee was 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 2021-22 on June 28, 2021 attended by all the members of the Committee. The Board of Directors at its meeting held on June 28, 2021 dissolved the Corporate Social Responsibility Committee as the provisions relating the same are not applicable to the Company due to reduced turnover, continued losses and low network.

## 7. General Body Meetings

A. *Details of the AGMs held during the preceding 3 years and Special Resolutions passed thereat are given below:*

Financial year	2020-21 49 <sup>th</sup> AGM	2019-20 48 <sup>th</sup> AGM	2018-19 47 <sup>th</sup> AGM
Venue	Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"),	Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"),	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001
Day	Wednesday	Tuesday	Thursday
Date	September 29, 2021	September 22, 2020	December 12, 2019
Time	3.00 p.m.	3.00 p.m.	12.00 noon
No. of Special Resolution(s) passed	Three	One	Three

### Details of Special Resolutions passed:

#### 1. 49<sup>th</sup> AGM held on September 29, 2021

- Appointment of Ms. Madhavi Kilachand (DIN: 00296504) as an Independent Director not liable to retire by rotation to hold office for a term of 5 consecutive years commencing from June 28, 2021
- Re-appointment of Mr. Sanjay S. Shah (DIN: 00248592) as the Chairman & Managing Director of the Company, not liable to retire by rotation for a period of 3 years commencing from April 01, 2022 and fixing his remuneration
- Re-appointment of Mr. Pradeep S. Shah (DIN: 00248692) as the Vice Chairman & Managing Director of the Company not liable to retire by rotation for a term of 3 years commencing from April 01, 2022 and fixing his remuneration



## 2. 48<sup>th</sup> AGM held on September 22, 2020

- Appointment of Mr. Shailesh B. Shirguppi as Whole Time Director of the Company for a period of three years commencing from July 1, 2020

## 3. 47<sup>th</sup> AGM held on December 12, 2019

- Re-appointment of Mr. Hiten C. Timbadia (DIN: 00210210) as an Independent Director of the Company for a period of three years commencing from March 3, 2020
- Re-appointment of Mr. Perses M. Bilimoria (DIN: 00781535) as an Independent Director of the Company for a period of three years commencing from March 3, 2020
- Re-appointment of Mr. Abhay J. Mehrotra (DIN: 01673801) as an Independent Director of the Company for a period of three years commencing from March 3, 2020

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

### B. *Postal Ballot:*

During the financial year 2021-22, no matter was transacted through Postal Ballot. At present, there is no proposal to pass any Special 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 Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 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. All transactions with related parties are in ordinary course of business and at arms' length. 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 during the last three years save and except as under:

*Delay in submission of proceedings & Voting Results of Annual General Meeting held on September 29, 2021.*

The Annual General Meeting of the members of the Company was held on Wednesday, September 29, 2021. On Thursday, September 30, 2021, Income Tax department issued notice under section 132 of the Income Tax Act, 1961 in the name of Mr. Sanjay S. Shah, Chairman & Managing Director and Mr. Pradeep S. Shah, Vice Chairman & Managing Director and accordingly, the department had searched the premises of Mr. Sanjay S. Shah, Mr. Pradeep Shah and the Company's offices at Sidhwa House, N.A. Sawant Marg, Colaba, Mumbai – 400 005. The search commenced on Thursday, September 30, 2021 from 10.35 am and ended on Sunday, October 3, 2021 at 9.00 p.m. During the period of the search, none of the employees were allowed to access communication systems viz. computers / mobiles. Upon completion of the search, the Company intimated the same to the Stock Exchange within 24 hours as required under Regulation 30 of the Listing Regulations. The Company filed outcome of AGM, voting results and scrutinisers report on Monday, October 4, 2021, immediately the day after completion of search.

No penalties were levied for the said delay. Other than as stated above, the Company was in compliance of all applicable statutory provisions.

**Payments to Statutory Auditors:**

Total fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Sr. No.	Particulars (Heads)	Rs. in Lakhs
1.	Statutory Audit Fees	14.50
2.	Other assurance services	0.75
	<b>Total</b>	<b>15.25</b>

**Sexual Harassment of Women at Workplace:**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Directors' Report.

**Compliance with mandatory requirements**

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations including Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations and paras (2) to (10) mentioned in Part C of Schedule V of the SEBI Listing Regulations during the financial year under review.

**9. Whistleblower Policy/Vigil Mechanism**

Your Company encourages an open and transparent system of working and dealing amongst its stakeholders. In accordance with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, your Company is required to establish a Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Codes and Policies, instances of leak/suspected leak of UPSI, accounting or auditing irregularities or misrepresentations, fraud, theft, bribery and other corrupt business practices, etc.

The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes a provision to provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

Information on whistle blower complaints, if any, is provided to the Audit Committee of the Company on a periodical basis. During the financial year under review, no personnel were denied access to the Chairperson of Audit Committee of the Board. No whistle blower complaints were received during the financial year under review. During the financial year under review, there were no amendments in the Whistle Blower Policy of the Company.

#### **10. Means of Communication**

The Company publishes its quarterly, half-yearly and yearly financial results in leading English and Marathi newspapers. The financial results are generally published in Business Standard, Sakal, Active Times, Mumbai Lakshadweep (all Mumbai edition). The results are also posted on Company's website viz. [www.manugraph.com](http://www.manugraph.com) and websites of the stock exchange. Information relating to shareholding pattern, compliance on corporate governance norms and all other statutory filings under the Listing Regulations are also posted on Company's website.

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

#### **11. Certifications / Confirmations:**

##### **Compliance Certificate by Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of the SEBI (LODR) Regulations which is annexed as Annexure A.

##### **Compliance Certificate by Practicing Company Secretary**

A certificate under Regulation 34(3) read with Schedule V Part C, Clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained from Company Secretary in practice Mr. Aashish K. Bhatt & Associates which is annexed as Annexure B.

##### **Confirmations**

- ✓ No funds were raised by the Company through Preferential allotment or by way of a Qualified Institutions Placement during the financial year 2021-22.
- ✓ There were no materially significant related party transactions that may have potential conflict with the interests of Company at large.
- ✓ Your Company has complied with all the requirements of the regulatory/statutory authorities, the stock exchange(s) or the Securities and Exchange Board of India on Capital markets. Save and except observations / qualifications / remarks reported in the Secretarial Audit Report or Secretarial Compliance Report, there were no other instances of non-compliance by the Company.

Further, no strictures were imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any statutory/regulatory authority, on any matter related to capital markets during the last three years. All returns/reports were filed within stipulated time with stock exchange(s)/ other authorities;

- ✓ There are no cases where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required during the Financial Year 2021-22.
- ✓ **Disclosures with respect to demat suspense account/ unclaimed suspense account:** Pursuant to Reg. 39(4) read with Schedule VI, the Company hereby confirms that there were no shares which are required to be transferred to demat suspense account or unclaimed suspense account.
- ✓ Disclosure of commodity price risks and commodity hedging activities and details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) are not applicable to the Company for the year under review.

## 12. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

- a) Office of the Chairman of the Board and reimbursement of expenses by the Company.

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

- b) Shareholders' rights – furnishing of half-yearly results.

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

- c) Postal Ballot

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

### General Shareholder Information

#### (i) 50<sup>th</sup> Annual General Meeting

Day & date	Tuesday, September 27, 2022
Time	12.30 p.m.
Venue	In accordance with the General Circulars issued by the MCA and SEBI Listing Regulations, the AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') only.

- (ii) **Financial Year** : April to March
- (iii) **Dates of book closure** : Wednesday, September 21, 2022 to Tuesday, September 27, 2022 (both days inclusive)
- (iv) **Dividend payment date** : N.A.
- (v) **Last date for receipt of Proxy Forms** : In terms of the relaxations granted by MCA and SEBI, the facility for appointment of proxies by Members will not be available at the ensuing AGM

**(vi) Listing of Equity shares on Stock Exchanges**

<u>Name and address of Stock Exchanges</u>	<u>Stock Code/Symbol</u>
BSE Limited <i>P. J. Towers, Dalal Street, Mumbai 400 001</i>	505324
National Stock Exchange of India Limited <i>Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051</i>	MANUGRAPH Security Series: EQ
Demat ISIN in NSDL & CDSL	INE867A 01022

The listing fees as applicable have been paid to the above stock exchanges where the securities of the Company are listed. The annual custodian fees to NSDL & CDSL for have also been paid.

**(vii) 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 SEBI Regulation from time to time.

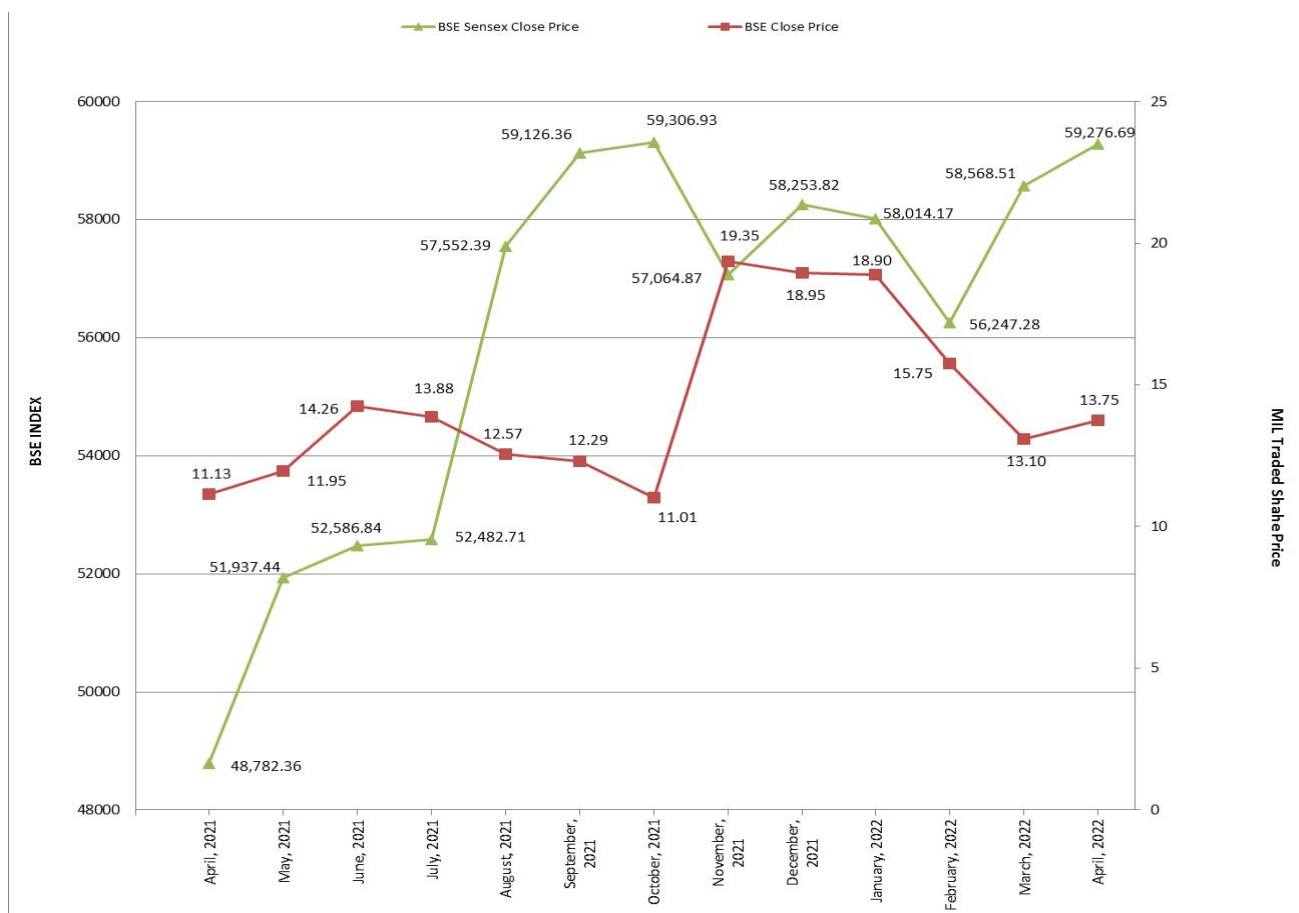
**(viii) Market price data:**

Monthly high and low quotations of shares traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year 2021-22:

Months	BSE 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, 2021	12.90	10.00	12.70	9.85
May, 2021	13.70	10.31	13.65	10.40
June, 2021	16.03	11.70	16.15	11.50
July, 2021	15.65	13.60	15.90	13.40
August, 2021	16.43	11.52	16.15	11.25
September, 2021	13.25	11.50	13.40	11.45
October, 2021	13.57	10.73	13.85	10.65
November, 2021	22.40	10.92	22.30	10.85
December, 2021	20.80	16.30	20.80	16.15
January, 2022	22.95	18.10	23.20	18.10
February, 2022	19.75	14.35	20.25	14.25
March, 2022	17.05	13.05	17.00	13.10

**(ix) Registrar and share transfer agents**

Link Intime India Pvt. Ltd., C101, 247 Park, L. B. S. Marg, Vikhroli (W), Mumbai – 400 083, India  
 Phone : 91 22 49186270  
 Fax : 91 22 49186060  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).  
 Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**(x) Performance in comparison to broad-based indices BSE Sensex.****(xi) Share transfer system**

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Shareholders are requested to communicate with Link Intime India Private Limited, Company's Registrar and Share Transfer Agents for matters related to 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' Relationship 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.

**(xii) Distribution of shareholdings as on 31st March, 2022:**

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	8195	76.48%	1307445	4.30%
501 - 1000	1186	11.07%	969169	3.19%
1001 - 2000	703	6.56%	1080721	3.55%
2001 - 3000	207	1.93%	527043	1.73%
3001 - 4000	93	0.87%	333262	1.10%
4001 - 5000	89	0.83%	417788	1.37%
5001 - 10000	115	1.07%	840323	2.76%
10001 and above	127	1.19%	24939310	82.00%
<b>Total</b>	<b>8195</b>	<b>100.00%</b>	<b>1307445</b>	<b>100.00%</b>

**(xiii) Shareholding pattern as on 31st March, 2022:**

	Category	No. of shares held	% of shareholding
A	Promoter's Holding	17535078	57.65%
	<b>Sub-Total (A):-</b>	<b>17535078</b>	<b>57.65%</b>
B	Non-promoter's holding		
I	Institutional Investors		
a)	Mutual Funds / UTI	250	0.00%
b)	Banks	450	0.00%
c)	Insurance Companies	379953	1.25%
	<b>Sub-Total (B1):-</b>	<b>380653</b>	<b>1.25%</b>
II	Others		
a)	Corporate Bodies	3043887	10.01%
b)	Indian Public	7915624	26.03%
c)	Directors and their relatives	58776	0.19%
d)	Non-Resident Individuals	346233	1.14%
e)	Foreign Companies	0	0.00%
f)	Foreign Nationals	3620	0.01%
g)	Hindu Undivided Family	354928	1.17%
h)	Investor Education & Protection Fund (IEPF)	364204	1.20%
i)	Trusts	295	0.00%
j)	Any other (Clearing Members, Bodies Corporate/LLP)	411763	1.35%
	<b>Sub-Total (B2):-</b>	<b>12499330</b>	<b>41.10%</b>
	<b>Grand Total [A+B1+B2):-</b>	<b>30415061</b>	<b>100.00%</b>

**(xiv) Top 10 Shareholders as on 31st March, 2022 (other than Promoters):**

Sr. No	Shareholder's Name	Shares	Percentage
1.	Raviraj Developers Ltd	1356370	4.46%
2.	Minal Bharat Patel	413589	1.36%
3.	Valley Distributors LLP	384665	1.26%
4.	Life Insurance Corporation of India	379953	1.25%
5.	Prithvi Vincom Private Limited	378358	1.24%
6.	Investor Education and Protection Fund Authority Ministry Of Corporate Affairs	364204	1.20%

Sr. No	Shareholder's Name	Shares	Percentage
7.	East India Securities Ltd	352566	1.16%
8.	Dhruva Shumsher Rana	337863	1.11%
9.	Pat Financial Consultants Private Limited	328049	1.08%
10.	Ruchit Bharat Patel	252061	0.83%

**(xv) Bifurcation of shares held in physical and demat form as on March 31, 2022:**

Particulars	No. of Shares	%
Physical Segment	496731	1.63%
Demat Segment:		
NSDL	24263946	79.78%
CDSL	5654384	18.59%
<b>Sub-total (Demat)</b>	<b>29918330</b>	<b>98.37%</b>
<b>Total</b>	<b>30415061</b>	<b>100.00%</b>

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

Not applicable

**(xvii) Plant Locations:**

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

**(xviii) 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 Unit: Manugraph India Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083.

The members can also send their grievances, if any, to the Company Secretary, Manugraph India Limited, Sidhwa House, 2<sup>nd</sup> Floor, N. A. Sawant Marg, Colaba, Mumbai - 400 005 or email at [sharegrievances@manugraph.com](mailto:sharegrievances@manugraph.com).

**(xix) 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.

**IEPF RELATED INFORMATION**

Dividend which remains unpaid/unclaimed for a period of Seven years from the date of transfer to the unpaid dividend account are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). The Company regularly sends reminder letters to all those shareholders whose dividend are lying unpaid/unclaimed for any year/(s) during the last seven years indicating that the



unclaimed amount will be transferred to the IEPF, if not claimed by the shareholders before the due date of transfer to the said Fund.

The details of the unpaid/unclaimed dividend amounts lying with the Company as on 31st March, 2021 are available on the website of the Company at [www.manugraph.com](http://www.manugraph.com) and on the website of MCA. Member(s) whose dividends/shares are transferred to the IEPF can now claim the same from the IEPF Authority by following the refund procedure as detailed on the IEPF website <http://iepf.gov.in/IEPF/refund.html>.

Members are requested to contact Link Intime India Private Limited, Registrar & Share Transfer Agents of the Company for encashing the unclaimed dividends standing to the credit of their account. Due dates for Transfer of Unclaimed Dividend / Shares to Investor Education and Protection Fund (IEPF) are as under:

Financial Year	Date of declaration of Dividend	Due date of transfer to IEPF
2014-15	13-08-2015	19-09-2022
2015-16	26-07-2016	02-09-2023
2016-17	27-07-2017	02-09-2024
2017-18	30-07-2018	05-09-2025
2018-19	12-12-2019	18-01-2027

Pursuant to IEPF Rules, during the financial year 2021-22, the Company transferred Rs. 5,12,138 as unclaimed dividends for financial year 2013-14 and 32496 number of shares in respect of unclaimed/unpaid dividends which have remained unclaimed for the last seven consecutive years to the IEPF. No claims shall lie against the Company in respect of the dividend/shares so transferred.

**Details of the Nodal Officer / Compliance Officer:**

Name: Mihir Mehta; Designation: Chief Financial Officer & Company Secretary

Postal Address: Manugraph India Limited, 2<sup>nd</sup> Floor, Sidhwa House, N.A. Sawant Marg, Colaba, Mumbai – 400 005; Telephone No. +91-22-22874815

Email Id.: [mihir.mehta@manugraph.com](mailto:mihir.mehta@manugraph.com)

Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25th January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode.

Members are requested to submit their Permanent Account Number (PAN) and bank account details, to register the nomination in respect of their shareholding in the Company and to register / update their e-mail address for receiving all communications from the Company electronically. Members holding shares in physical mode are requested to update the above through the Company or the Registrar. Members holding shares in demat are requested to update their details through their Depository Participant.

**Declaration by the Vice Chairman and Managing Director under Regulation 34(3) and Schedule V(D) of the SEBI LISTING Regulations regarding adherence to the Code of Conduct.**

In accordance with Regulation 34(3) and Schedule V(D) of the SEBI LISTING Regulations, 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, 2022.

**For Manugraph India Limited**

**Sd/-**

**Sanjay S. Shah**

**Chairman & Managing Director**

Mumbai

**Annexure A**

**INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**Manugraph India Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated June 28, 2021.
2. We, Desai Shah & Associates, Chartered Accountants, the Statutory Auditor of Manugraph India Limited ("the Company"), have examined the Compliance of condition of Corporate Governance by the Company, for the year ended March 31, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock Exchanges.
3. **Management's Responsibility for Compliance with the conditions of SEBI Listing Regulations**  
The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.
4. **Auditor's Responsibility**  
Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirement by the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial

Information, and Other Assurance and Related Services Engagements.

**5. Opinion**

In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations during the year ended March 31, 2022.

We 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.

**6. Restriction on Use**

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For, Desai Shah & Associates**

Chartered Accountants

Firm Registration Number: 118174W

Sd/-

**Yagnesh M Desai**

Partner

Membership Number: 034975

UDIN: 22034975AJQWGV5545

Place: Mumbai

Date: May 26, 2022

**Annexure B**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members,

**Manugraph India Limited,**

Sidhwa House, 2<sup>nd</sup> Floor,

N. A. Sawant Marg, Colaba,

Mumbai - 400005.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Manugraph India Limited** having CIN L29290MH1972PLC015772 and having registered office at Sidhwa House, 2nd Floor, N. A Sawant Marg, Colaba, Mumbai - 400005 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified

from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1.	Sanjay S. Shah	00248592	11.08.1989
2.	Hiten C. Timbadia	00210210	30.03.2001
3.	Perses M. Bilimoria	00781535	13.05.2010
4.	Shailesh B. Shirguppi	08770042	01.07.2020
5.	Abhay J. Mehrotra	01673801	29.10.2010
6.	Basheera J. Indorewala	07294515	07.02.2018
7.	Pradeep S. Shah	00248692	11.08.1989
8.	Madhavi Kilachand	00296504	28.06.2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 09-08-2022

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

**Aashish K. Bhatt**  
Proprietor  
Membership No.: 19639, CP No.: 7023  
UDIN: A019639D000764031

## MANAGEMENT'S DISCUSSION & ANALYSIS

### Economic Overview FY 2021-22

The Indian economy renewed its tryst with the recovery from the pandemic in 2021-22, albeit interrupted by a virulent second wave of infections and a relatively milder third wave. Supported by continuing fiscal measures and congenial financial conditions engendered by monetary, regulatory and liquidity initiatives undertaken by the Reserve Bank, including some unconventional ones, following a contraction of 7.3% in 2020-21, the Indian economy grew by 8.7% in 2021-22.

### PRINTING INDUSTRY

While digital media has certainly thrived over the last two years since the coronavirus pandemic gripped the world, it's been an especially challenging year for print, with issues ranging from massive drops in ad revenue to supply chain difficulties, including newsprint shortage and its subsequent price rise. The shortage of domestic newsprint was compounded by the rupee's performance against the dollar since publications had to purchase it from abroad. There's a big shift towards digital and other media, but print still carries the most impact. Reading newspapers is still a habit for a majority of people.

Print is seeing some light at the end of the tunnel. Ad revenues and prospects are picking up, especially driven by 2021's festive season.

### COMPANY

The Company strived hard to increase its sales/turnover including exploring various national/international markets. In addition to web offset printing machines and the Company also diversified into machinery for packaging industry, which is growing at the rate of almost 15-20% per annum. Moreover, the technology that Manugraph has sourced from Italy is ideal for addressing this industry.

The Company had undertaken manufacturing of precision engineering components for key vendors in the heavy engineering industry. This kind of job work will increase the turnover gradually by additionally supplying these components to the prominent vendors in India.

Operations during the year 2021-22 were far better than previous year's figures due to partial recovery from pandemic. The rising raw material cost and high ERE (labour cost) lead to higher running costs.

On a Standalone basis, the Company recorded total revenue from operations of Rs. 4605.06 Lakhs as compared to Rs. 2968.51 Lakhs in the previous financial year. The EBIDTA for the financial year ended March 31, 2022 is Rs. (1070.95) Lakhs as compared to Rs. (1233.13) Lakhs in the previous financial year ended March 31, 2021. During the year, the Company incurred net loss (total comprehensive income, net of taxes) of Rs. 1452.80 Lakhs (after exceptional item for Rs. 112.83 Lakhs) as compared to loss of Rs. 2893.93 Lakhs in the previous year (after exceptional items for Rs. 1170.43 Lakhs).

### Opportunities

In digital media, articles can be hidden away and authenticities of news are always questionable. Further, there are chances that smaller news is overlooked by readers. Also, irregular networks affect reader's

mindset. A print newspaper is everlasting and unchanging. The reach of print newspaper covers remote cities, towns and villages.

With rising literacy and regionalization of the newspapers offers different opportunities, the Company foresees subtle growth in print industry. Technology continues to be the prime focus for your company.

Increase in literacy rates across the country has created an interest amongst the young and old alike to stay up to date with the current affairs of the country and the globe. Unlike some other markets with more developed digital ecosystems, the newspaper revenue streams in the nation have not faced serious challenges from the digital innovations. Nonetheless, senior citizens prefer to keep it old school when it comes to getting their daily entertainment and information which is likely to keep the ink in the print sector flowing.

### **Threats**

With higher costs of papers including levy of import duty and consumables, government initiatives of digitalization and environment friendly measures, the production of newspapers over the years will foresee a deep cut. Lower advertising revenue due to switch in digital media also add to mounting losses of printers.

However, expansion in market size and regionalization of printing is partly compensating this negative trend.

### **Outlook**

The limitations of physical circulation of newspaper during this pandemic have also forced many newspaper printing houses to look for other popular and convenient options of digital media with more focus on e-papers, apps and online subscription.

However, with growing literacy rate and availability of newspapers in many regional languages, the print industry may survive this tide, albeit at a low rate.

### **Risk and concerns**

High costs of production, geographical concentration and competition risk are few of the major concerns for the Company. The Company has taken various measures which help the Company to outline the principal risks and uncertainties and then take appropriate actions that could avert operating and financial performance.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are carried out periodically.

### **Internal Control System**

Adequate Internal Control System helps to prevent and detect frauds & errors, safeguarding of assets and accuracy and completeness of accounting records.

The Company's well-structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders.

Your company has appointed an Independent Internal Audit teams for conducting regular internal audits of the systems and procedures of financial reporting and operations of the Company. The Audit Committee periodically reviews the Internal Audit Reports, scopes and plans, significant findings and corrective actions, if any.

The Statutory Auditors have conducted a review of Internal Financial Control as required under the Companies (Auditor's Report) Order, 2016 and have found the same to be very effective.

#### Key Financial Ratios:

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the details of significant changes (change of 25% or more as compared to the immediately previous financial year) are given below:

Ratios	2022	2021	Explanation
Current ratio	1.8	2.03	Below threshold of 25%
Return on equity %	-0.13	-0.21	Increase of approximately 55% in the revenue in current year as compared to previous year resulted in reduction of loss.
Inventory turnover ratio	0.89	0.52	Increase in sales and reduction of closing stock
Trade receivables turnover ratio	20.3	2.77	Increase of approximately 55% in revenue and reduction of approximately 67% in trade receivables has resulted in positive change.
Trade payables turnover ratio	3.24	0.6	Increase due to higher purchases of raw materials on advance basis.
Net capital turnover ratio	1.56	0.81	Increase due to increase in the revenue in current year as compared to previous year.
Net profit %	-0.33	-0.97	Increase of approximately 55% in the revenue in current year as compared to previous year resulted in reduction of loss.
Return on capital employed %	-0.11	-0.19	Increase of approximately 55% in the revenue in current year as compared to previous year resulted in increase in return on capital employed.
Return on investment	-0.07	-0.13	Increase of approximately 55% in the revenue in current year as compared to previous year resulted in increase in return on investment.

## Independent Auditor's Report

To the Members of  
Manugraph India Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of Manugraph India Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### Key audit matters

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the Standalone Financial Statements of the current period. This matter was addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on this matter. We have determined the matter described as follows to be the key audit matter to be communicated in our report.

Key audit matter	Auditor's response
<b>Revenue Recognition (as per Note 1.4 of Significant Accounting Policies)</b>	
The company operates and earns revenue from only one reportable segment i.e. Engineering.	Our audit procedures included the following: <ul style="list-style-type: none"> <li>• Read and evaluated the Company's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'.</li> </ul>
The Company recognises revenue from sales of goods in accordance with the requirements of Ind	



AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes.	<ul style="list-style-type: none"> <li>Assessed the design and tested the operating effectiveness of internal controls related to revenue.</li> <li>Performed on a test check basis, sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers.</li> </ul>
Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications, involves significant judgment in determining whether the revenue is recognised in the correct period	<ul style="list-style-type: none"> <li>Performed on a test check basis, transactions near year end date as well as credit notes issued after the year end date.</li> <li>Assessed the relevant disclosures in Standalone Financial Statements for compliance with disclosure requirements.</li> </ul>

### Emphasis of matter

- a. We draw attention to Note no. 28 of the Standalone Financial Statement which describes management's assessment of Exceptional items and its impact on the operations and financial results of the Company.
- b. We draw attention to Note no. 40 of the Standalone Financial Statement which describes management's assessment of the impact of the COVID-19 pandemic on the operations and financial results of the Company.

Our opinion is not modified in these matters.

### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The "Other Information" comprises of the Report of the Board of Directors, Management Discussions and Analysis, Corporate Governance, but does not include Standalone Financial Statements, the Consolidated Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's responsibility for the Standalone Financial Statements**

The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of 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, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

**Auditor's responsibility for the audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d. Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Standalone Financial Statements.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work and ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter must not be communicated in our report because the adverse consequences of doing so will reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the Directors as on March 31, 2022, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022, from being appointed as a Director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h. 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, as amended, 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 Standalone Financial Statements. Refer Note 34 to the Standalone Financial Statement.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities

identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) , as provided in a) and b ) above, contain any material misstatement.

v. The Company has not declared or paid dividend during the year.

**For Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration Number: 118174W

Sd/-

**Yagnesh M Desai**

Partner

Membership Number: 034975

Place: Mumbai

UDIN: 22034975AJQQPC7894

Date: May 26, 2022

**ANNEXURE A to the Independent Auditor's Report**

Referred to in para 1 under 'Report on other legal and regulatory requirements' section of our report of even date, we report that:

(i) In respect of the Company's fixed assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

b) The Company has a program of verification of fixed asset to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regards to size of the Company and nature of its fixed assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us and based our audit procedure, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and based on the audit procedure applied by us, examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except the following.

Description of Property	Gross Carrying Value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company
Office building	Rs. 13.40 Lakhs	Constrad Agencies (Bombay) Pvt Ltd	No	NCLT order dated October 14, 2019	The Immovable Property classified under Office Building belonging to the erstwhile Constrad Agencies (Bombay) Private Limited, which has got amalgamated with the Company w.e.f Appointed Date of April 1, 2018 pursuant to the order of the NCLT dated October 14, 2019, are yet to be transferred in the name of the Company as at March 31, 2022 with the Registrar, however, the society has updated the Company's name in its records.

- d) The Company has not revalued its property, plant and equipment (including Right-of-use assets) or intangible assets during the year ended March 31, 2022.
  - e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) In respect of the Company's inventories:
- a) The inventories were physically verified during the year by the Management at reasonable intervals, except goods-in-transit and stocks lying with third parties. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of inventory lying with third parties at the year end, written confirmations have been obtained by the Management and in respect of goods-in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of accounts.
  - b) The Company has been sanctioned working capital limits in excess of Rs. 5 cr., in aggregate, during the year, from banks / financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us and based on the audit procedure applied by us the quarterly returns or statements comprising (stock statements, book debt statements and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) (a) The Company has not made investments in, granted loans, secured or unsecured, to companies, limited liability partnership or any other parties during the year. Hence, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us, the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company. The investments made during the year in a company are not prejudicial to the Company's interest. Further, no investment is made in firms, Limited Liability Partnerships or any other parties
- (c) In The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company
- (d) In respect of loans granted by the Company, there is no amount overdue for more than 90 days at the Balance Sheet date. Accordingly the reporting under clause (iii)(d) is not applicable.

- (e) No loans granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. Hence, reporting under clause (iii)(e) is not applicable.
- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act in respect of grant of loans granted and investments.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2022 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanations given to us the following statutory dues referred to in sub clause (a) have not been deposited by the Company on account of disputes are given as under:

Rs in Lakhs

Sr. No	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending	Amount unpaid
1.	Income Tax Act, 1961	Income tax	67.48	Assessment Year 2016-17	Commissioner of Income Tax (Appeals)	67.48



2.	The Central Excise Act, 1944 and Chapter V of the Finance Act, 1994	Duty Drawback on Exported goods-	3.90	01.09.2010 to 30.09.2010	The Joint Secretary, Govt. Of India, Ministry of Finance, Department of Revenue, New Delhi,	3.90
	Total		<b>71.38</b>			

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loan during the year. Hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary companies

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and accordingly reporting under clause (x) (b) of Paragraph 3 of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no instances of material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rule, 2014 with the Central Government during the year, or up to the date of this report.

- (c) As represented to us by the Management, the Company has not received any whistle blower complaints during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with them. Hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3 (xvi)(a) of the Order is not applicable to the Company
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Group does not have CIC as part of the Group.
- (xvii) The Company has incurred cash losses of Rs. 1,412.60 lakhs in the financial year ending March 31, 2022 and losses of Rs. 2,627.89 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Hence reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 45 read together with note 38 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions read together with emphasis in matter of our report of even date, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of

the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Compliance with regards to the second proviso to sub-section (5) of section 135 of the Companies Act, 2013 is not applicable to the Company. Hence, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.

**For Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration Number: 118174W

Sd/--

**Yagnesh M Desai**

Partner

Membership Number: 034975

UDIN: 22034975AJQQPC7894

Place: Mumbai

Date: May 26, 2022

**Annexure B to the Independent Auditor's Report**

Referred to in para 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date.

**Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)**

1. We have audited the internal financial controls over financial reporting of Manugraph India Ltd (the Company) as of March 31, 2022, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**

2. The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's responsibility**

3. Our responsibility is to express an opinion on the internal financial controls of the Company over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of internal financial controls over financial reporting**

6. The internal financial control over financial reporting of a company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with the Generally Accepted Accounting Principles. Internal financial control over financial reporting of a Company includes those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with the Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that can have a material effect on the Standalone Financial Statements.

### **Inherent limitations of internal financial controls over financial reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **For, Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration Number: 118174W

Sd/-

**Yagnesh M Desai**

Partner

Membership Number: 034975

UDIN: 22034975AJQQPC7894

Place : Mumbai

Date: May 26, 2022

## Standalone Balance Sheet as at March 31, 2022

(Rs. in lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plants & equipment	2	9,071.28	9,193.04
(b) Intangible assets	2A	116.84	128.81
(c) Financial assets			
(i) Investments	3	29.37	70.21
(ii) Loans	4	151.63	153.22
(iii) Other financial assets	5	68.90	42.85
(d) Other non-current assets	6	880.43	1,546.01
<b>Total non-current assets</b>		<b>10,318.45</b>	<b>11,134.14</b>
<b>2 Current assets</b>			
(a) Inventories	7	5,076.97	5,294.72
(b) Financial assets			
(i) Trade receivables	8	112.89	340.83
(ii) Cash and cash equivalents	9	44.44	81.99
(iii) Bank balances other than (ii) above	10	790.40	981.96
(iv) Loans	4	51.22	53.37
(v) Other financial assets	5	57.64	38.72
(c) Other current assets	6	541.77	381.66
<b>Total current assets</b>		<b>6,675.34</b>	<b>7,173.25</b>
<b>TOTAL ASSETS</b>		<b>16,993.79</b>	<b>18,307.39</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	608.30	608.30
(b) Other equity	12	10,354.86	11,807.66
<b>Total equity</b>		<b>10,963.16</b>	<b>12,415.96</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	13	5.56	-
(ii) Other financial liabilities	14	3.16	3.31
(b) Provisions	15	865.70	973.57
(c) Deferred tax liabilities (Net)	16	1,441.05	1,385.43
<b>Total non-current liabilities</b>		<b>2,315.47</b>	<b>2,363.31</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	1,769.97	1,885.38
(ii) Lease liabilities	13	2.62	-
(iii) Trade payables	18		
Micro enterprises and small enterprises		96.28	84.42
Other than micro enterprises and small enterprises		653.39	795.36
(iii) Other financial liabilities	14	165.49	252.77
(b) Other current liabilities	19	906.96	387.55
(c) Provisions	15	120.45	123.64
<b>Total current liabilities</b>		<b>3,715.16</b>	<b>3,528.12</b>
<b>Total liabilities</b>		<b>6,030.63</b>	<b>5,891.43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,993.79</b>	<b>18,307.39</b>

Significant accounting policies

1

The accompanying notes 1-45 form an integral part of these standalone financial statements.

As per our report of even date attached  
For **Desai Shah & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 118174W

For and on behalf of the Board of Directors  
**Manugraph India Limited**  
CIN : L29290MH1972PLC015772

Sd/-  
**Yagnesh M Desai**  
Partner  
M. No. 034975  
Mumbai, Date: May 26, 2022

Sd/-  
**Sanjay S. Shah**  
Chairman & Managing Director  
(DIN : 00248592)

Sd/-  
**Pradeep S. Shah**  
Vice Chairman & Managing Director  
(DIN : 00248692)

Sd/-  
**Mihir V. Mehta**  
Company Secretary & Chief Financial Officer  
Mumbai, Date: May 26, 2022

**Standalone Statement of Profit and Loss for the year ended March 31, 2022**

(Rs. in lakhs)

Particulars	Note	2021-22	2020-21
<b>Income</b>			
Revenue from operations	20	4,605.06	2,968.51
Other income	21	209.70	333.87
<b>Total income</b>		<b>4,814.76</b>	<b>3,302.38</b>
<b>Expenses</b>			
Cost of materials consumed	22	2,587.66	1,106.11
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	155.81	765.31
Employee benefit expenses	24	1,924.27	1,736.87
Finance cost	25	238.38	248.48
Depreciation and amortisation expense	26	134.56	169.62
Other expenses	27	1,217.98	927.22
<b>Total expenses</b>		<b>6,258.66</b>	<b>4,953.61</b>
<b>(Loss) before exceptional items and tax</b>		<b>(1,443.89)</b>	<b>(1,651.23)</b>
Exceptional Items			
Compensation to separated employees	28	(112.83)	(1,170.43)
<b>(Loss) before tax</b>		<b>(1,556.72)</b>	<b>(2,821.66)</b>
<b>Tax Expense</b>			
Current tax		-	-
Deferred tax		26.51	42.80
Tax adjustment of previous years		(47.57)	5.22
<b>Total tax expense</b>	29	<b>(21.06)</b>	<b>48.02</b>
<b>(Loss) for the period from continuing operations</b>		<b>(1,535.66)</b>	<b>(2,869.68)</b>
<b>Other Comprehensive Income</b>			
Item that will not be reclassified to Statement of Profit and Loss			
Remeasurement gain / (loss) on defined benefit plans		111.97	(32.77)
Income tax relating to the item above		(29.11)	8.52
<b>Other Comprehensive Income/(Loss) for the year, net of tax</b>		<b>82.86</b>	<b>(24.25)</b>
<b>Total Comprehensive Income/(Loss) for the year, net of tax</b>		<b>(1,452.80)</b>	<b>(2,893.93)</b>
Earnings per equity share:	30		
Before exceptional items - Basic & Diluted (in Rs.)		(4.68)	(5.59)
After exceptional items - Basic & Diluted (in Rs.)		(5.05)	(9.44)
Face value per share in Rs. (fully paid)		2.00	2.00

Significant accounting policies

1

The accompanying notes 1-45 form an integral part of these standalone financial statements.

As per our report of even date attached

For **Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration No. 118174W

Sd/-

**Yagnesh M Desai**

Partner

M. No. 034975

Mumbai, Date: May 26, 2022

For and on behalf of the Board of Directors

**Manugraph India Limited**

CIN : L29290MH1972PLC015772

Sd/-

**Sanjay S. Shah**

Chairman &amp; Managing Director

(DIN : 00248592)

Sd/-

**Pradeep S. Shah**

Vice Chairman &amp; Managing Director

(DIN : 00248692)

Sd/-

**Mihir V. Mehta**

Company Secretary &amp; Chief Financial Officer

Mumbai, Date: May 26, 2022

## Standalone Statement of Cash Flows for the year ended March 31, 2022

(Rs. in lakhs)

Particulars	2021-22	2020-21
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(1,556.72)	(2,821.66)
Add :		
Depreciation & Amortisation expense	134.56	169.62
Finance cost	238.38	211.18
Actuarial Gain / (loss) on obligation	111.97	(32.77)
Fixed assets scrapped	0.10	-
Loss/(gain) on disposal of PPE	(49.14)	(105.12)
Sundry debit balances written off	15.55	0.74
Sundry credit balances appropriated	(2.37)	(1.20)
Provision for gratuity	(103.00)	82.01
Provision for earned leave wages	0.86	(92.68)
Provision for warranty	(8.92)	(39.87)
Provision for expected credit loss	1.10	-
Dividend income	(41.87)	-
Net gain on financial assets measured at FVTPL	(0.05)	(0.04)
Excess provision written back	(2.57)	(26.95)
Interest received on deposits	(46.13)	(132.00)
	248.48	32.93
Operating profit/(loss) before working capital changes	(1,308.24)	(2,788.73)
Working capital changes		
Trade payable and other liabilities	312.10	(2,361.34)
Inventory changes	217.75	923.67
Trade receivables	226.84	1,463.77
Loans & Advances	52.00	469.90
	808.70	496.00
Cash generated (used in) from operations	(499.54)	(2,292.72)
Deduct: Direct taxes	(416.61)	(68.19)
<b>Net cash flow (used in) from operating activities</b>	<b>(82.93)</b>	<b>(2,224.53)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including CWIP	-	(4.24)
Purchase of investments	(22.97)	(0.04)
Sale of fixed assets	56.99	145.55
Sale of investments	63.85	72.83
Dividend received	41.87	-
Other bank balances	191.56	1,055.37
Interest received	73.77	115.36
<b>Net cash flow from (used in) investing activities</b>	<b>405.07</b>	<b>1,384.83</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid including other borrowing cost	(238.08)	(216.18)
Interest on lease liability	(0.30)	-
Repayment of lease liability	(0.60)	-
Dividend paid including dividend tax	(5.31)	(5.19)
Borrowings during the year	(115.41)	974.02
<b>Net cash flow from (used in) financing activities</b>	<b>(359.70)</b>	<b>752.65</b>



<b>Net cash flow from (used in) Operating, Investing and Financing activities</b>	<b>(37.56)</b>	<b>(87.06)</b>
Cash and cash equivalents at the beginning of the year	81.99	169.05
Add: Net cash flow from (used in) Operating, Investing and Financing activities	(37.56)	(87.06)
Cash and cash equivalents at the end of the year	<b>44.44</b>	<b>81.99</b>

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Refer note 17.2 for Reconciliation of liabilities arising from financing activities.

Significant accounting policies 1

The accompanying notes 1-45 form an integral part of these standalone financial statements.

As per our report of even date attached  
For **Desai Shah & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 118174W

For and on behalf of the Board of Directors  
**Manugraph India Limited**  
CIN : L29290MH1972PLC015772

Sd/-  
**Yagnesh M Desai**  
Partner  
M. No. 034975  
Mumbai, Date: May 26, 2022

Sd/-  
**Sanjay S. Shah**  
Chairman & Managing Director  
(DIN : 00248592)

Sd/-  
**Pradeep S. Shah**  
Vice Chairman & Managing Director  
(DIN : 00248692)

Sd/-  
**Mihir V. Mehta**  
Company Secretary & Chief Financial Officer  
Mumbai, Date: May 26, 2022

## Standalone Statement of Changes in Equity for the year ended March 31, 2022

## A. Equity share capital

## (1) 31st March 2022

(Rs. in lakhs)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
608.30	-	-	-	608.30

## (2) 31st March 2021

(Rs. in lakhs)				
Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
608.30	-	-	-	608.30

## B. Other equity

## (1) For the year ended 31st March 2022

Particulars	Reserves and Surplus						Total
	Capital Total Reserve	Securities Premium	Capital Redemption Reserve	Capital Reserve on Amalgamation	General Reserves	Retained Earnings	
Balance at the beginning of the current reporting period	72.00	2,145.06	110.58	128.00	6,952.83	2,399.19	11,807.66
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the current year *	-	-	-	-	-	(1,452.80)	(1,452.80)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>72.00</b>	<b>2,145.06</b>	<b>110.58</b>	<b>128.00</b>	<b>6,952.83</b>	<b>946.39</b>	<b>10,354.86</b>

\* Total Comprehensive loss = Loss for the year Rs. (1,535.66) + Other Comprehensive Income - Remeasurement gain on defined benefit plan net of taxes Rs. 82.86

## (2) For the year ended 31st March 2021

(Rs. in lakhs)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Capital Reserve on Amalgamation	General Reserves	Retained Earnings	
Balance at the beginning of the previous reporting period	72.00	2,145.06	110.58	128.00	9,452.83	2,793.13	14,701.60
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the previous year **	-	-	-	-	-	(2,893.93)	(2,893.93)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	(2,500.00)	2,500.00	-
Any other change (to be specified)	-	-	-	-	-	-	-
<b>Balance at the end of the previous reporting period</b>	<b>72.00</b>	<b>2,145.06</b>	<b>110.58</b>	<b>128.00</b>	<b>6,952.83</b>	<b>2,399.19</b>	<b>11,807.66</b>

\*\* Total Comprehensive loss = Loss for the year Rs. (2,869.68) + Other Comprehensive Income - Remeasurement loss on defined benefit plan net of taxes Rs. (24.25)

Refer Note 12 for nature and purpose of reserves.

Significant accounting policies

1

The accompanying notes 1-45 form an integral part of these standalone financial statements.

As per our report of even date attached

For **Desai Shah & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 118174W

For and on behalf of the Board of Directors  
**Manugraph India Limited**  
CIN : L29290MH1972PLC015772

Sd/-  
**Yagnesh M Desai**  
Partner  
M. No. 034975  
Mumbai, Date: May 26, 2022

Sd/-  
**Sanjay S. Shah**  
Chairman & Managing Director  
(DIN : 00248592)

Sd/-  
**Pradeep S. Shah**  
Vice Chairman & Managing Director  
(DIN : 00248692)

Sd/-  
**Mihir V. Mehta**  
Company Secretary & Chief Financial Officer  
Mumbai, Date: May 26, 2022

**Manugraph India Limited****Notes to the Standalone Financial Statements for the year ended March 31, 2022****A. Background**

Manugraph India Limited ("the Company") is a public limited company incorporated and domiciled in India. Its registered office is located at 2<sup>nd</sup> Floor, Sidhwa House, N A Sawant Marg, Colaba, Mumbai – 400 005, Maharashtra, India and the principal place of manufacturing are located at Kolhapur, Maharashtra, India. The Company's shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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 Company has its in-house R&D. The R&D facilities are recognized by Department of Scientific and Industrial Research – Ministry of Science and Technology, Government of India.

The Standalone Financial Statements of the Company for the year ended March 31, 2022 are recommended by the Audit Committee and approved for issue by the Board of Directors at their respective meetings held on May 26, 2022.

**B. Note 1 Significant accounting policies****1.1 Statement of compliance with Ind AS**

The Standalone Financial Statements comply in all material respects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

**1.2 Basis of preparation****i. Historical cost convention**

The Standalone Financial Statements have been prepared on historical cost basis except for the following:

- a. Certain financial assets and liabilities: measured at fair value
- b. Defined benefit plans: plan assets measured at fair value
- c. Certain assets and liabilities classified as held for sale: measured at net realisable value.

**ii. The Standalone Financial Statements have been prepared on accrual and going concern basis.**

iii. The accounting policies are applied consistently to all the periods presented in the Standalone Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out on the Division II of Schedule III of the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle 12 months for the purpose of current or non-current classification of assets and liabilities.

**iv. New and amended in the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 adopted:**

The Company has applied the following amendments to Schedule III to the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 for its annual reporting period commencing April 01, 2021:

- a) The Ministry of Corporate Affairs (MCA) has amended Schedule III of the Companies Act 2013, on March 24, 2021. Schedule III of the Companies Act 2013, provides the format of financial statements of companies complying with Accounting Standards (AS) and Ind AS under its Division I, Division II and Division III respectively.
  - b) The MCA has notified provisions relating to CSR vide the Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which is effective from January 22, 2021.
- v. Recent accounting pronouncements effective from April 01, 2022:

The MCA notifies new standards or amendment to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 as follows:

**Ind AS 16 - Property, Plant and Equipment:** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone Financial Statements.

**Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:** The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples may be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example may be the allocation of depreciation charge for an item of property, plant and equipment used in fulfilling the contract ).

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

### 1.3 FOREIGN CURRENCY TRANSACTIONS

#### 1.3.1 Functional and presentation currency

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Standalone Financial Statements of the Company are presented in Indian Rupees, which is also the functional and presentation currency of the Company.

#### 1.3.2 Transactions and balances

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Foreign currency denominated monetary assets and liabilities are translated into the

- relevant functional currency at exchange rates in effect at the Balance Sheet date.
- c) Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.
  - d) Losses arising on account of transactions covered by forward contract is recognised over the period of the contract.
  - e) Monetary assets and liabilities at the end of the year are converted at exchange rates in effect at the Balance Sheet date and the resultant gain or loss is accounted for in the Income Statement.
  - f) The Company has not used any derivative instrument except forward contracts which have been used for hedging the foreign currency exposure. The Company does not undertake any speculative or trading activity through derivative instruments.
  - g) Non-monetary items that are measured at fair value and denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

## 1.4 Revenue recognition

### 1.4.1 Revenue from operations

The Company earns revenue primarily from sale of web-offset printing presses in India and abroad. The Company also provides after sale services and installation services.

**Time of recognition:** Revenue is recognised upon transfer of control of promised goods or services to customers that reflects the consideration which the Company expects to receive in exchange for those goods or services. There are two types of contracts i.e., Composite Contract where installation income is inclusive of the contract price and Recoverable Contract, where installation income is charged separately.

Revenue from Fixed Price (Composite) Contract is allocated between supply of machine obligation and installation obligation. The revenue from supply is recognized when all the components of the machine are delivered to the customer. Installation income is recognised on pro-rata basis

Revenue from Recoverable Contract is recognized when all the components of the goods are delivered to the customer. Income from Installation and after sale services is recognised on pro-rata basis.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation based on the relative standalone selling price of each distinct product or service promised in the contract.

Eligible export incentives are recognised on accrual basis in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability of the consideration.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

**Measurement of revenue:** Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

#### 1.4.2 Other Income

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

Dividends are recognised in the Standalone Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

#### 1.5 Income taxes

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income Tax Act 1961 in respect of MAT paid are recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

## 1.6 Leases

### 1.6.1 The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a. the contract involves the use of an identified asset
- b. the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- c. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.



The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **1.6.2 The Company as a lessor**

Leases for which the Company is lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature. Leases of property, plant, and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

## **1.7 Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'capital advances' under other non-current assets and the costs of assets not ready for the intended use before balance sheet date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that it increases the future economic benefits associated with the asset beyond the previously

assessed standard of performance and these will flow to the Company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, changes there in are considered as estimates and accordingly accounted for adjusted prospectively.

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 to use.

### **1.7.1 Depreciation**

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 Act for the proportionate period of use during the year.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets is same as those prescribed in Schedule II to the Act. The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end, changes there in are considered as change in an estimate and accordingly accounted for prospectively.

### **1.8 Intangible assets**

Intangible assets are amortized by straight line method over the estimated useful life of such assets. The useful life is estimated based on the evaluation of future economic benefits expected of such assets. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of assets is significantly different from previous estimates, the amortisation period is changed accordingly.

Computer Software includes enterprise resource planning project and other cost relating to software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services.

Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product / patent.

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized by straight line method over the estimated useful life of such assets.

The useful life of an intangible asset that is not being amortised shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite shall be accounted for as a change in an accounting estimate in accordance with Ind AS 8.

### **1.9 Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

### **1.10 Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal / external factors. An impairment loss on such assessment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised. An impairment loss is charged to the Income statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Goodwill, intangible assets having indefinite useful life and intangible assets currently not in use by the Company are tested for impairment annually and whenever there are indicators of impairments.

Reversal of impairment of Goodwill is not recognized.

### **1.11 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, cash in bank, cheques on hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### **1.12 Trade receivable**

Trade receivables are initially recognised as per Ind AS 115 and these assets are held at amortised cost.

### 1.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 1.14 Inventories

Raw materials and components, packing materials, purchased finished goods, work-in-progress, finished goods manufactured, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost of inventories is ascertained on the weighted average basis.

Work-in-Progress include the cost of purchase, appropriate share of cost of conversion and other overhead incurred in bringing the inventory to its present location and condition and measured at lower of cost or net realisable value.

'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

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. Items such as spare parts, stand-by equipment and servicing equipment which is not property, plant and machinery gets classified as inventory.

### 1.15 Financial Instruments

#### 1.15.1 Financial assets

The Company classifies its financial assets in the following measurement categories:

- i. Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)
- ii. Those to be measured at amortised cost

The classification depends upon the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

**1.15.2 Initial recognition and measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not carried at fair value through profit or loss are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

**1.15.3 Subsequent measurement**

After initial recognition, financial assets are measured at:

- i. Fair Value (either through Other Comprehensive Income (FVOCI) or through profit or loss (FVTPL) or
- ii. Amortised cost

**1.15.4 Non-derivative financial instruments****i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

**ii) Financial assets at fair value through other comprehensive income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognised in the Other Comprehensive Income (OCI). The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. On de-recognition, cumulative gain or loss previously recognised in OCI is not reclassified to Statement of Profit and Loss but reclassified from the equity to Retained Earnings.

**iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

**1.15.5 Financial liabilities Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument.

**1.15.6 Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

**1.15.7 Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**1.15.8 De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**1.15.9 Investment in subsidiaries**

Investments in subsidiary companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**1.15.10 Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

**1.15.11 De-recognition of financial instruments**

A financial asset is de-recognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **1.15.12 Impairment of financial assets**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk for initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in Statement of Profit & Loss

#### **1.16 Offsetting financial instruments**

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **1.17 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### **1.18 Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision for product related warranty costs is based on the claims received up to the year end as well as the management estimates of further liability to be incurred in this regard during the warranty period, computed based on past trend of such claims.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## **1.19 Employee benefits**

### **1.19.1 Short term employee benefits**

All Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which employee renders the related service except leave encashment.

### **1.19.2 Other long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date, determined based on actuarial valuation using Projected Unit Credit Method. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government Securities as at the Balance Sheet date.

### **1.19.3 Defined contribution plans**

Defined contribution funds are government administered provident fund scheme, employee state insurance scheme for all employees. Company also contributes towards a Superannuation fund administered by the Employees Welfare trust. This scheme is funded with an insurance Company in the form of a qualifying insurance policy and other permissible securities. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.

### **1.19.4 Defined benefit gratuity plan**

The Company's gratuity benefit scheme is a defined benefit retirement plan covering eligible employees. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets is deducted.



The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

### **1.20 Earnings per share (EPS)**

Basic EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing net profit net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares unless the results would be anti - dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### **1.21 Exceptional items**

Certain occasions, the size, type, or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### **1.22 Fair value measurement**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

### **1.23 Research and development expenditure**

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant, and equipment.

### 1.24 Events after the reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed

### 1.25 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

### 1.26 Key accounting estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates, judgements, and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in Standalone Financial Statements in the period in which changes are made and if material, their effects are disclosed in the notes to the Standalone Financial Statements. This note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving key accounting estimates or judgements are:

- Estimation of useful life of tangible and intangible assets.
- Estimation of defined benefit obligations.
- Fair value measurement.
- impairment

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## Note 2: Property, Plant &amp; Equipment

(Rs. in Lakhs)

Particulars	Freehold land	Right of Use – Land	Right of Use - Office Premises	Buildings	Plant, Machinery & Equipment	Computers	Other Equipment	Furniture & fittings	Vehicles	Research and Development			Total
										Gauges & Instruments	Computers	Prototype Machine	
<b>Gross Block</b>													
As at April 01, 2020	14.69	7,407.00	-	2,163.01	8,987.38	294.31	260.87	378.88	355.95	42.10	45.60	585.62	20,535.41
Additions	-	-	-	-	4.24	-	-	-	-	-	-	-	4.24
Disposals	6.13	-	-	-	493.84	1.65	0.29	-	163.50	-	-	-	665.42
As at March 31, 2021	8.55	7,407.00	-	2,163.01	8,497.78	292.66	260.58	378.88	192.45	42.10	45.60	585.62	19,874.23
Additions	-	-	8.78	-	-	-	-	-	-	-	-	-	8.78
Disposals	-	-	-	-	127.13	28.97	3.53	-	26.14	-	0.49	-	186.26
As at March 31, 2022	8.55	7,407.00	8.78	2,163.01	8,370.66	263.69	257.04	378.88	166.31	42.10	45.11	585.62	19,696.75
<b>Depreciation / Amortisation</b>													
As at April 01, 2020	-	-	-	1,135.91	8,372.49	267.87	241.57	355.62	222.83	39.98	41.05	474.80	11,152.12
Charge for the year	-	-	-	40.86	58.10	8.89	2.15	2.92	23.30	0.01	1.22	16.63	154.07
Disposals	-	-	-	-	493.84	1.50	0.28	-	129.38	-	-	-	624.99
As at March 31, 2021	-	-	-	1,176.77	7,936.75	275.26	243.44	358.55	116.75	39.99	42.27	491.42	10,681.19
Charge for the year	-	-	0.73	40.46	42.66	2.87	1.60	2.64	14.08	-	0.93	16.63	122.59
Disposals	-	-	-	-	126.52	28.43	3.36	-	19.52	-	0.49	-	178.32
As at March 31, 2022	-	-	0.73	1,217.23	7,852.88	249.71	241.68	361.19	111.30	39.99	42.71	508.05	10,625.46
<b>Net Block</b>													
As at March 31, 2021	8.55	7,407.00	-	986.25	561.04	17.40	17.13	20.34	75.70	2.10	3.34	94.19	9,193.04
As at March 31, 2022	8.55	7,407.00	8.05	945.79	517.78	13.98	15.36	17.70	55.01	2.10	2.40	77.57	9,071.28

**Note:**

- 2.1 The Company has taken a parcel of land from Maharashtra Industrial Development Corporation for a period of 99 years with an option to extend for another 99 years on expiry of the lease. It has considered that such a lease of land transfers substantially all the risks and rewards incidental to ownership of land.
- 2.2 These assets are used for Research and Development.
- 2.3 Title deeds of all the immovable properties are in the name of the Company, except for the title deed of one of the office premises having carrying value of Rs. 13.40 lakhs
- 2.4 The Company follows cost model for the subsequent measurement of Property, Plant and Equipment, consequently the Company has not revalued the Property, Plants and Equipment during the year.
- 2.5 All items of Property, plant & equipment are hypothecated to bank for availing working capital facilities.
- 2.6 Refer Note 17 for information on property, plant and equipment hypothecated | mortgaged as security by the Company.
- 2.7 For ROU land there is not lease liability as the full lease payments paid before or at the inception of lease.

**Note 2A: Intangible assets.**

Particulars	(Rs. in Lakhs)			
	Technical Documentation & Know How	Computer Software	R & D Software	Total
<b>Gross Block</b>				
As at April 01, 2020	404.90	135.38	115.61	655.89
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2021	404.90	135.38	115.61	655.89
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2022	404.90	135.38	115.61	655.89
<b>Depreciation / Amortization</b>				
As at April 01, 2020	273.88	124.93	112.71	511.52
Charge for the year	10.95	4.40	0.21	15.56
Disposals	-	-	-	-
As at March 31, 2021	284.83	129.33	112.92	527.08
Charge for the year	10.95	1.02	-	11.97
Disposals	-	-	-	-
As at March 31, 2022	295.78	130.35	112.92	539.05
<b>Net Block</b>				
As at March 31, 2021	120.06	6.06	2.69	128.81
As at March 31, 2022	109.11	5.03	2.69	116.84

2.8 The Company follows cost model for the subsequent measurement of Intangible assets, consequently the Company has not revalued the intangible assets during the year.

**2B Notes related to ROU assets****Changes in the carrying value of right of use assets:**

Particulars	(Rs.in lakhs)		
	Land	Category of Asset Office Premises	Total
<b>Balance as at April 1, 2020</b>	7,407.00	-	7,407.00
Additions during the year	-	-	-
Less: Depreciation	-	-	-
<b>Balance as at March 31, 2021</b>	<b>7,407.00</b>	-	<b>7,407.00</b>
<b>Balance as at April 1, 2021</b>	7,407.00	-	7,407.00
Additions during the year	-	8.78	8.78
Less: Depreciation expenses	-	(0.73)	(0.73)
<b>Balance as at March 31, 2022</b>	<b>7,407.00</b>	<b>8.05</b>	<b>7,415.05</b>

Note:-There are no such immovable properties on lease where lease deeds are not held in name of the Company.

**OTHER NOTES****3. Non-current investments**

(Rs. in lakhs)

Particulars	As at 31st March 2022		As at 31st March, 2021	
	Nos.	Amount	Nos.	Amount
<b>3.1 Investment in subsidiary company</b>				
<b>Investment in equity instruments (fully paid-up)</b>				
<b>Unquoted measured at cost</b>				
<b>In foreign subsidiary measured at cost</b>				
Manugraph Americas Inc, USA (shares of face value US\$ 0.01 each)	388,290	9,197.51	388,290	9,197.51
Manugraph Americas Inc, USA 2% Redeemable, Non Cumulative Convertible - Preferred Stock (shares of face value US\$ 0.01 each)	100,000	3,869.23	100,000	3,869.23
		<u>13,066.74</u>		<u>13,066.74</u>
Less - Aggregate amount of impairment in value of investments		12,470.00		12,470.00
Less - Part proceeds on account of liquidation of the subsidiary		590.43		526.63
<b>Sub-total (3.1)</b>		<u><b>6.31</b></u>		<u><b>70.11</b></u>
<b>3.2 Investment in company other than subsidiary</b>				
<b>Investment in equity instruments (fully paid-up)</b>				
<b>Quoted measured at FVTPL</b>				
Canara Bank	63	0.14	63	0.10
<b>Unquoted measured at FVTPL</b>				
Raffles Insurance Limited, USA ( Common shares of par value US\$ 0.01 each)	1	0.07	-	-
Raffles Insurance Limited, USA ( Preferred shares of par value US\$ 0.01 each)	1	22.85	-	-
<b>Sub-total (3.2)</b>		<u><b>23.06</b></u>		<u><b>0.10</b></u>
<b>Total</b>		<u><b>29.37</b></u>		<u><b>70.21</b></u>

**3.3 Aggregate amount of investments and market value thereof:**

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Quoted investments		
- Carrying value	0.14	0.10
- Market Value	<b>0.14</b>	<b>0.10</b>
b. Unquoted investments	29.23	70.11

Pursuant to the court monitored liquidation proceedings of Manugraph Americas Inc., the Company has reassessed the impairment of investment in Manugraph Americas Inc. All the assets have been disposed off and the financial statements of the said Manugraph Americas Inc. are prepared on realisable basis. Based on the reassessment of the residual cash available to equity holders, the Company has not made any further provision during the year after considering liabilities (PY NIL). The aggregate provision of impairment is Rs. 12,470 lakhs towards the exposure of Manugraph Americas Inc.

**4 LOANS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Staff loans (Unsecured considered good)	151.63	51.22	153.22	53.37
<b>Total</b>	<b>151.63</b>	<b>51.22</b>	<b>153.22</b>	<b>53.37</b>

**4.1) Investment by the loanee in the shares of the Company:**

Loanee has, per se, not made investments in the shares of the Company against the loan availed.

**5 OTHER FINANCIAL ASSETS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Sundry deposits - measured at amortised cost	41.39	-	42.30	-
Sundry deposits (in foreign currency) - measured at amortised cost	26.97	-	-	-
Interest accrued on bank deposits	-	5.74	-	33.38
Other receivables	0.55	51.90	0.55	5.34
<b>Total</b>	<b>68.90</b>	<b>57.64</b>	<b>42.85</b>	<b>38.72</b>

**6 OTHER ASSETS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Balance with government authorities				
i. CST / MVAT	180.50	-	479.99	-
ii. Goods and service tax	-	368.79	-	261.43
iii. Income Tax paid (net of provisions)	662.09	-	1,031.13	-
Advances for expenses	0.87	67.79	0.92	32.52
Advance to suppliers	-	66.37	-	8.85
Export incentive receivables	-	30.51	-	78.86
Amount deposited in escrow	33.97	-	33.97	-
Sundry deposits - ROU Office premises	3.00	-	-	-
Contract assets - Unbilled revenue	-	8.32	-	-
<b>Total</b>	<b>880.43</b>	<b>541.77</b>	<b>1,546.01</b>	<b>381.66</b>

**7 INVENTORIES**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Raw Material		735.91		766.97
Work In Progress		984.55		1,474.62
Finished Goods		1,466.33		1,466.33
Stores & Spares		86.90		96.19
Loose Tools (Consumable)		45.89		67.49
Manufactured components		1,757.39		1,423.12
<b>Total</b>		<b>5,076.97</b>		<b>5,294.72</b>

7.1 Inventories are valued at lower of cost or net realisable value.

7.2 There is no difference in the inventory statement submitted to the banks and the physical stock.

7.3 The disclosure of inventories recognised as an expense in accordance with Ind AS 2 is as follows:

(Rs. In Lakhs)

	Particulars	As at 31st March, 2022		As at 31st March, 2021	
(i)	Amount of inventories recognised as an expense during the year.				
	Cost of material consumed	2,587.66		1106.11	
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	155.81		765.31	
	Consumption of stores and consumables	85.28	2,828.74	35.08	1,906.50
(ii)	Amount of write - down of inventories recognised as an expense during the year.		-		-
(iii)	Carrying amount of inventories pledged as security for liabilities.		5,076.97		5,294.72

**8 TRADE RECEIVABLES**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
<b>Unsecured, considered good</b>				
Related parties (refer note 33)	7.68		7.24	
Others	105.21		333.59	
<b>Unsecured, considered doubtful</b>				
Others	1.10	113.99	-	340.83
Less- Provision for expected credit loss		1.10		-
<b>Total</b>		<b>112.89</b>		<b>340.83</b>

**Expected credit loss**

The Company estimates impairment under the simplified approach.

**Trade receivables ageing Schedule: For the financial year ended 31st March, 2022**

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	108.29	4.60	-	-	-	112.89
Undisputed Trade Receivables - which have significant increase in credit risk	-	1.10	-	-	-	1.10
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total before expected credit loss	108.29	5.70	-	-	-	113.99
Less Provision for expected credit loss	-	1.10	-	-	-	1.10
<b>Total</b>	<b>108.29</b>	<b>4.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112.89</b>

**Trade receivables ageing Schedule: For the financial year ended 31st March, 2021**

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	66.65	15.44	258.74	-	-	340.83
Undisputed Trade Receivables - which have significant increase in credit risk	-	1.10	-	-	-	1.10
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total before expected credit loss	66.65	15.44	258.74	-	-	340.83
Less Provision for expected credit loss	-	-	-	-	-	-
<b>Total</b>	<b>66.65</b>	<b>15.44</b>	<b>258.74</b>	<b>-</b>	<b>-</b>	<b>340.83</b>

**9 CASH AND CASH EQUIVALENTS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
i Balances with bank		
- in current accounts	31.05	65.99
ii Funds in transit	-	0.97
iii Cash on hand	13.39	15.43
<b>Total</b>	<b>44.44</b>	<b>81.99</b>

9.1 There are no repatriation restrictions with regard to cash and cash equivalents

**10 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS AS ABOVE**

(Rs. In Lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
<b>Other Bank Balances</b>				
Bank deposits with maturity between 3 to 12 months				
- Margin money	14.25		10.50	
- Other than margin money	760.00	774.25	950.00	960.50
<b>Earmarked balances</b>				
Unclaimed dividend		16.15		21.46
<b>Total</b>		<b>790.40</b>		<b>981.96</b>

**11 EQUITY SHARE CAPITAL**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Nos.	Amount	Nos.	Amount
<b>Authorised capital:</b>				
Equity shares of Rs. 2 each	105,045,000	2,100.90	105,045,000	2,100.90
Preference shares of Rs.100 each	10,100	10.10	10,100	10.10
Unclassified shares of Rs.100 each	20,000	20.00	20,000	20.00
Redeemable preference shares of Rs.100 each	350,000	350.00	350,000	350.00
<b>Total</b>		<b>2,481.00</b>		<b>2,481.00</b>



(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Nos.	Amount	Nos.	Amount
<b>Issued, subscribed and paid up capital:</b>				
Equity shares of Rs. 2 each	30,415,061	608.30	30,415,061	608.30
<b>Total</b>	<b>30,415,061</b>	<b>608.30</b>	<b>30,415,061</b>	<b>608.30</b>

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

#### Details of Shareholding in excess of 5%

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% Holding	Number of shares held	% Holding
Multigraph Machinery Co. Ltd.	6,002,517	19.74	6,002,517	19.74
Pradeep Sanat Shah	4,156,701	13.67	4,156,701	13.67
Sanjay Sanat Shah	3,764,441	12.38	3,764,441	12.38
Sanat Manilal Shah	1,549,209	5.09	1,549,209	5.09
<b>Total</b>	<b>15,472,868</b>	<b>50.88</b>	<b>15,472,868</b>	<b>50.88</b>

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Nos.	Amount	Nos.	Amount
<b>Issued, subscribed and paid up capital:</b>				
At the beginning of the year	30,415,061	608.30	30,415,061	608.30
Issued during the period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>30,415,061</b>	<b>608.30</b>	<b>30,415,061</b>	<b>608.30</b>

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

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.

#### Shareholding of Promoters

Shares held by promoters at the year ending 31st March, 2022

Sr. no.	Promoter Name	No. of Shares	% of total shares	% change during the year
1	Pradeep S. Shah	4,156,701	13.67%	-
2	Sanjay S. Shah	3,764,441	12.38%	-
3	Sudha S. Shah	1,491,570	4.90%	-
4	Sanat Manilal Shah	1,549,209	5.09%	-
5	Ameeta Shah	350,125	1.15%	-
6	Aditya Sanjay Shah	117,150	0.39%	-
7	Rupali P. Shah	87,840	0.29%	-
8	Kushal Sanjay Shah	14,175	0.05%	-
9	Rashee Pradeep Shah	1,350	0.00%	-
10	Multigraph Machinery Co. Ltd.	6,002,517	19.74%	-
	<b>Total</b>	<b>17,535,078</b>	<b>57.65%</b>	

Shares held by promoters at the year ending 31st March, 2021

Sr. no.	Promoter Name	No. of Shares	% of total shares	% change during the year
1	Pradeep S. Shah	4,156,701	13.67%	-
2	Sanjay S. Shah	3,764,441	12.38%	-
3	Sudha S. Shah	1,491,570	4.90%	-
4	Sanat Manilal Shah	1,549,209	5.09%	-
5	Ameeta Shah	350,125	1.15%	-
6	Aditya Sanjay Shah	117,150	0.39%	-
7	Rupali P. Shah	87,840	0.29%	-
8	Kushal Sanjay Shah	14,175	0.05%	-
9	Rashee Pradeep Shah	1,350	0.00%	-
10	Multigraph Machinery Co. Ltd.	6,002,517	19.74%	-
	<b>Total</b>	<b>17,535,078</b>	<b>57.65%</b>	

## 12 OTHER EQUITY

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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
v General reserve	6,952.83	6,952.83
vi Retained earnings	946.39	2,399.19
<b>Total other equity</b>	<b>10,354.86</b>	<b>11,807.66</b>

Refer standalone statement of changes in equity for detailed movement in other equity balance.

### Nature and purpose of other equity

#### a) Capital reserve

Capital reserve represents excess/short of net assets acquired in business combination. It is not available for the distribution to shareholders as dividend. Rs. 20 lakhs taken over from Manuweb International Limited (Manuweb) during the year ended March 31, 1995. Rs. 50 lakhs is Capital Subsidy received from State Government and Rs. 2 lakhs on amalgamation of Constrad Agencies (Bombay) Private Limited with the Company.

#### b) Capital reserve - on amalgamation

Pursuant to the Scheme of Amalgamation of Manuweb with the Company, sanctioned by the Bombay Hon'ble High Court vide order dated 30th March, 1995, the assets and liabilities of Manuweb were transferred to and vested in the Company with effect from 1st April, 1994. Accordingly, effect has given to the scheme in the accounts.

#### c) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company has created capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve. Created by transfer from General Reserve during the year ended March 31, 2002 pursuant to the buy back of equity shares.

#### d) Securities premium

Securities premium account is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provision of the Companies Act, 2013.

#### e) General reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

## f) Retained earnings

Retained earnings are the profits that the Company has earned till date, less, any transfers to general reserve, any transfers from or to other comprehensive income (loss), dividends or other distributions paid to shareholders.

## 13 LEASED LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Lease liabilities	5.56	2.62	-	-
<b>Total</b>	<b>5.56</b>	<b>2.62</b>	-	-

## 13.1 Movement in lease liabilities

(Rs. In Lakhs)

Particulars	Category of Asset		
	Land	Office Premises	Total
Balance as at April 1, 2020	-	-	-
Addition during the year	-	-	-
Add - Finance cost incurred during the period	-	-	-
Less - Payment of lease liabilities	-	-	-
<b>Balance as at March 31, 2021</b>	-	-	-
Balance as at April 1, 2021	-	-	-
Addition during the year	-	8.78	8.78
Add - Finance cost incurred during the period	-	0.30	0.30
Less - Payment of lease liabilities	-	0.90	0.90
<b>Balance as at March 31, 2022</b>	-	<b>8.18</b>	<b>8.18</b>

## 13.2 Details regarding the contractual maturities of lease liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	2.62	-
Two to five years	5.56	-
More than five years	-	-
	<b>8.18</b>	-

## 13.3 Amount recognised in Statement of Profit and Loss

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depreciation on right of use assets	0.73	-
Interest on lease liabilities	0.30	-
Expenses relating to low/short term leases * (* Classified in other expenses refer note 27 )	1.23	1.91
<b>Total</b>	<b>2.26</b>	<b>1.91</b>

**14 OTHER FINANCIAL LIABILITIES**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Unclaimed dividends	-	16.15	-	21.46
Other Liabilities	-	149.33	-	231.31
Security Deposits - measured at amortised cost	3.16	-	3.31	-
<b>Total</b>	<b>3.16</b>	<b>165.49</b>	<b>3.31</b>	<b>252.77</b>

**15 PROVISIONS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
<b>For employees benefits</b>				
Provision for earned leave wages	139.41	55.80	145.79	48.55
Provision for gratuity	726.29	50.39	827.78	51.90
<b>Others</b>				
Provision for warranty	-	14.27	-	23.19
<b>Total</b>	<b>865.70</b>	<b>120.45</b>	<b>973.57</b>	<b>123.64</b>

a The disclosure of provisions movement as required by Ind AS 37 is as follows:-

(Rs. In Lakhs)

Particulars	Opening Balance	Additions during the year	Amt. Paid / Reversed during the year	Closing Balance
Compensated absences ( FY 2021-22 )	194.34	0.87		195.21
Compensated absences ( FY 2020-21 )	287.02		92.68	194.34

Particulars	Opening Balance	Additions during the year	Amt. Paid / Reversed during the year	Closing Balance
Gratuity ( FY 2021-22 )	879.68		103.00	776.68
Gratuity ( FY 2020-21 )	797.67	82.01		879.68

Particulars	Opening Balance	Additions during the year	Amt. Paid / Reversed during the year	Closing Balance
Warranty Expenses ( FY 2021-22 )	23.19	13.67	22.59	14.27
Warranty Expenses ( FY 2020-21 )	63.05		39.86	23.19

b Disclosure in accordance with Ind AS-19 "Employee Benefits"

**Gratuity**

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.

**Compensated absences**

The Compensated absences cover the liability for earned leave. Out of the total amount disclosed above, the amount of Rs. 55.80 Lakhs (March 31, 2021: Rs. 48.55 Lakhs) is presented as current since the Company does not have an

unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
<b>Expense recognised in Statement of profit and loss</b>		
Current service cost	51.42	67.76
Interest expense	89.75	143.13
Expected return on plan assets	(34.87)	(93.25)
Past service cost	-	-
<b>Total</b>	<b>106.30</b>	<b>117.64</b>
<b>Expense recognised in Other Comprehensive Income</b>		
Return on plan assets (Greater)/Less than Discount Rate	(53.08)	(51.33)
Actuarial (Gain)/Loss due to Experience on DBO	(58.89)	84.10
<b>Total</b>	<b>(111.97)</b>	<b>32.77</b>
Present value of funded defined benefit obligation		
Fair value of Plan assets	704.92	595.71
Funded Status	1,481.60	1,475.39
<b>Net defined benefit(Asset) / Liability</b>	<b>(776.68)</b>	<b>(879.68)</b>
<b>Movements in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	1,475.39	2,269.37
Transfer in obligation	48.71	-
Current Service Cost	51.42	67.76
Interest Cost	89.75	143.13
Past Service Cost	-	-
Actuarial (Gain)/Loss	(58.89)	84.10
Benefits paid from the fund	(124.78)	(1,088.97)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>1,481.60</b>	<b>1,475.39</b>
<b>Movements in fair value of the plan assets are as follows</b>		
Opening fair value of plan assets	595.71	1,471.70
Expected returns on Plan Assets	34.87	93.25
<b>Remeasurement (Gains)/Losses:</b>		
Actuarial Gain/(Loss) on Plan assets	53.08	51.33
Contribution from Employer	146.04	68.40
Benefits paid	(124.78)	(1,088.97)
Benefit paid but pending claim	-	-
<b>Closing fair value of the plan asset</b>	<b>704.93</b>	<b>595.71</b>
<b>Remeasurement effect recognised on Other Comprehensive Income</b>		
Actuarial (Gain)/Loss on obligations		
arising due to change in financial assumptions	(20.07)	30.70
arising due to change in demographic assumptions	-	-
arising due to experience adjustments	(38.82)	53.40
Actuarial (Gain)/Loss on Plan assets	(53.08)	(51.33)
<b>Total actuarial (Gain)/Loss included in OCI</b>	<b>(111.97)</b>	<b>32.77</b>

The principal assumptions used as at the balance sheet date are used for purpose of actuarial valuations were as follows:

#### Break-up of Plan Assets

Category of assets as at the end of the year	2021-22	2020-21
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	6.50%	6.25%
Salary escalation rate (annual)	4.00%	4.00%

#### Demographic Assumptions

	Indian Assured Lives	Indian Assured Lives
Mortality Rate	Mortality ( 2012-14 )	Mortality ( 2012-14 )
Withdrawal Rate	2.00%	2.00%
Retirement age	60	60

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality.

#### Defined Benefit Obligation

##### Discount rate

a. Discount rate + 50 basis points	1,442.69	1,431.82
b. Discount rate - 50 basis points	1,522.16	1,520.95

##### Salary growth rate

a. Rate + 50 basis points	1,522.45	1,521.18
b. Rate - 50 basis points	1,442.63	1,431.45

##### Withdrawal rate

a. Rate + 10 basis points	1,484.68	1,478.57
b. Rate - 10 basis points	1,478.47	1,472.15

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would clear in isolation of one another as some of the assumptions may be correlated.

Further more, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

#### Risks associated with defined benefit plan

Gratuity is defined benefit plan and the Company is exposed to the following risks:

##### (i) Actuarial risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**(ii) Investment Risk**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**(iii) Liquidity Risk**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

**(iv) Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**(v) Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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

**16 DEFERRED TAX LIABILITY / ASSET**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
<b>Deferred tax liability on account of</b>				
Book and tax base of PPE except Land	165.86		140.32	
Book and tax base of Land	1,541.43		1,550.72	
Unrealised gain on current investments		1,707.29		1,691.04
<b>Deferred tax Assets on account of</b>				
Compensation under VRS 2018-19	12.09		24.18	
Compensation under VRS 2019-20	1.46		2.18	
Provision for leave encashment	50.75		50.53	
Provision for gratuity	201.94	266.24	228.72	305.61
<b>Net deferred tax liability / (asset)</b>		<b>1,441.05</b>		<b>1,385.43</b>

**17 BORROWINGS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
<b>Secured loans:</b>				
<b>Cash credit accounts</b>				
State Bank of India	-	1,098.70	-	1,058.70
HDFC Bank Ltd	-	671.27	-	826.68
<b>Total borrowings</b>	-	<b>1,769.97</b>	-	<b>1,885.38</b>

## Note 17.1 Details of securities

Secured by hypothecation of inventory, book-debts and other receivables and second charge on the company's moveable and immovable properties.

The carrying amount of assets hypothecated / mortgaged as security for borrowing limits are:

(Rs. In Lakhs)

	Particulars	As at 31st March, 2022	As at 31st March, 2021
1	Inventory	5,076.97	5,294.72
2	Trade receivables	112.89	340.83
3	Property plant and equipment (2nd charge)	9,071.28	9,193.04
	<b>Total</b>	<b>14,261.13</b>	<b>14,828.59</b>

## Note 17.2 Reconciliation of liabilities arising from financing activities

(Rs. In Lakhs)

March 31, 2022	Opening balance	Cash flows	Non cash changes	Closing balance
Short term secured borrowings	1,885.38	-115.41	-	1,769.97
<b>Total liabilities from financing activities</b>	<b>1,885.38</b>	<b>-115.41</b>	<b>-</b>	<b>1,769.97</b>
March 31, 2021	Opening balance	Cash flows	Non cash changes	Closing balance
Short term secured borrowings	911.36	974.02	-	1,885.38
<b>Total liabilities from financing activities</b>	<b>911.36</b>	<b>974.02</b>	<b>-</b>	<b>1,885.38</b>

## 18 TRADE PAYABLE

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables for goods and services:		
Micro and small enterprises	96.28	84.42
Other than MSME		
Related parties (refer note 33)	-	5.81
Others	653.39	789.55
<b>Total</b>	<b>749.67</b>	<b>879.78</b>

Trade payables and acceptances are non-interest bearing and are normally settled on 60 days terms.

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

(Rs. In Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each;		
	Principal amount due	96.28	84.42
	Interest due on the above	0.60	1.88
(ii)	The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		
	Principal amount due	243.21	165.29
	Interest paid thereon	5.10	6.01
(iii)	The amount of interest due and payable for the period of delay in making payment beyond appointed day during the year.	0.60	1.88
(iv)	The amount of interest accrued and remaining un-paid at the end of the accounting year	-	-
(v)	The amount of further interest due and payable even in succeeding years	-	-

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.



Trade payables ageing schedule: For the financial year ended 31st March, 2022

(Rs. In Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(i) MSME	96.28	-	-	-	96.28
(ii) Others	639.39	14.00	-	-	653.39
(i) Disputed dues - MSME	-	-	-	-	-
(i) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>735.67</b>	<b>14.00</b>	-	-	<b>749.67</b>

Trade payables ageing schedule: For the financial year ended 31st March, 2021

(Rs. In Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(i) MSME	84.42	-	-	-	84.42
(ii) Others	786.22	9.14	-	-	795.36
(i) Disputed dues - MSME	-	-	-	-	-
(i) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>870.64</b>	<b>9.14</b>	-	-	<b>879.78</b>

**19 OTHER LIABILITIES**

(Rs. In Lakhs)

Particulars	As at 31st march, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
<b>Others</b>				
Advances from customers	-	860.93	-	353.71
Duties & Taxes payable	-	23.87	-	18.43
Other statutory liabilities	-	19.42	-	9.26
Contract liability - Unearned installation income	-	2.74	-	6.15
<b>Total</b>	-	<b>906.96</b>	-	<b>387.55</b>

**20 REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
<b>Sale of printing machines and spares</b>				
Domestic	2,135.82		1,781.82	
Exports	2,108.59	4,244.41	985.95	2,767.77
<b>Sale of service</b>				
Service and installation charges		185.03		150.60
<b>Revenue from contract with customers</b>				
<b>Other Operating Revenue</b>				
Export incentive	62.49		18.69	
Packing and forwarding recovery	46.34		20.62	
Miscellaneous receipts	66.79	175.62	10.83	50.14
<b>Total</b>		<b>4,605.06</b>		<b>2,968.51</b>

Disclosure in accordance with Ind AS115 Revenue from Contract with Customers.

- a Revenue disaggregation based on service type and customer type  
i) Revenue disaggregation by service type is as follows:

(Rs. In Lakhs)

Revenue Type	2021-22	2020-21
Sale of printing machines and spares	4,244.41	2,767.77
Service and erection charges received	185.03	150.60
<b>Total</b>	<b>4,429.44</b>	<b>2,918.37</b>

ii) Revenue disaggregation by geographical type is as follows:

	(Rs. In Lakhs)	
Revenue Type	2021-22	2020-21
<b>Domestic</b>		
Sale of Goods	2,135.82	1,781.82
Sale of Services	127.96	85.94
<b>Sub-total</b>	<b>2,263.78</b>	<b>1,867.76</b>
<b>Exports</b>		
Sale of Goods	2,108.59	985.95
Sale of Services	57.07	64.66
<b>Sub-total</b>	<b>2,165.66</b>	<b>1,050.61</b>
<b>Total</b>	<b>4,429.44</b>	<b>2,918.37</b>

b Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	(Rs. In Lakhs)	
Particulars	2021-22	2020-21
Revenue as per contracted price	4,430.06	2,918.61
<b>Adjustments</b>		
Sales return	0.62	0.24
Cash and other discount		
<b>Total revenue from contract with customers</b>	<b>4,429.44</b>	<b>2,918.37</b>

c Contract assets and contract liabilities

The Company has recognised the following revenue-related contract assets and liabilities.

	(Rs. In Lakhs)	
Particulars	31st March 2022	31st March 2021
Contract Assets - unbilled revenue	8.32	-
Advance from customers	860.93	353.71

d Information about major customers

For information about major customer refer note 32

e Performance obligation Information about the Company's performance obligations are summarised below:

The performance obligation is satisfied upon dispatch of goods from the company's premises / delivery of goods to the customer in accordance with the term

## 21 OTHER INCOME

	(Rs. In Lakhs)			
Particulars	2021-22		2020-21	
Dividends from equity instruments measured at FVTPL	41.87		-	
Interest income from financial assets- measured at amortised cost	46.13		132.00	
Rent ( refer note 31 )	9.00		20.97	
Indirect taxes refund	4.17		-	
Sundry credit balances appropriated	2.37		1.20	
Excess provision and adjustments	2.57		26.95	
Excess provision for warranty expenses	-		29.67	
Foreign exchange gain	0.88		7.45	
Gain on disposal of PPE (Net)	49.14		105.12	
Interest received on income tax refund	53.53	209.65	10.47	333.83
<u>Other non-operating income</u>				
Gain on fair valuation of investment measured- at FVTPL	0.05	0.05	0.04	0.04
<b>Total</b>		<b>209.70</b>		<b>333.87</b>

**22 COST OF MATERIALS CONSUMED**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Raw Materials Consumed (RMC)				
Opening Stock	766.97		922.81	
Add : Purchases	2,557.01	3,323.98	950.56	1,873.37
Less : RMC Capitalised	0.41		0.29	
Less : Closing Stock	735.91	736.32	766.97	767.26
<b>Total</b>		<b>2,587.66</b>		<b>1,106.11</b>

**23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Inventory Adjustments - Finished Goods				
Stock at Commencement	1,466.33		1,005.78	
Less : Stock at close	1,466.33	0.00	1,466.33	(460.55)
Inventory Adjustments - Work-in-progress				
Stock at Commencement	1,474.62		2,593.43	
Less - WIP Stock Capitalised	-		-	
Less : Stock at close	984.55	490.07	1,474.62	1,118.81
Inventory Adjustments - Manufactured components				
Stock at Commencement	1,423.12		1,530.17	
Less : Stock at close	1,757.39	-334.26	1,423.12	107.05
<b>(Increase)/Decrease in stocks</b>		<b>155.81</b>		<b>765.31</b>

**24 EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Salaries, Wages, bonus and allowances(refer Note 33)	1,519.78		1,350.36	
Welfare expenses	145.19		50.05	
Contribution to provident & other funds	134.50		116.80	
Provision for compensated absences	18.74		102.28	
Gratuity	106.30		117.64	
		1,924.50		1,737.13
Less - Wages capitalised		0.24		0.26
<b>Total</b>		<b>1,924.27</b>		<b>1,736.87</b>

Based on legal advice and on account of continuing losses from business, the Company has made an application for the waiver from payment of minimum bonus @ 8.33% as per the Payment of Bonus Act, 1965 to the eligible employees. The amount of minimum bonus payable works out to be Rs. 35.34 Lakhs (Previous year Rs. 51.65 Lakhs). The said application is not disposed off on the date of adoption of these Standalone Financial Statements, however the management is hopeful of receiving a favourable outcome. Accordingly, no provision for minimum bonus is made by the Company.

**25 FINANCE COST**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Interest paid		213.26		211.18
Other borrowing costs				
Loan processing fees	18.98		30.32	
Commitment charges	6.14	25.12	6.98	37.30
<b>Total</b>		<b>238.38</b>		<b>248.48</b>

**26 DEPRECIATION & AMORTISATION**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Depreciation(refer Note 2)	122.59		154.06	
Amortisation(refer Note 2A)	11.97	134.56	15.56	169.62
<b>Total</b>		<b>134.56</b>		<b>169.62</b>

**27 OTHER EXPENSES**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Consumption of stores and consumables		85.28		35.08
Power & fuel		101.82		66.14
Rent (refer Note 31)		1.23		1.92
Rates & taxes		17.51		6.92
Repairs and maintenance - building		2.26		4.07
Repairs and maintenance -machinery		5.47		11.59
Insurance		37.17		40.98
Travelling and conveyance		152.91		147.58
Commission on sales ( refer note )		105.65		89.74
Other repairs & maintenance		29.97		26.75
Advertisement and sales promotion expenses		21.97		8.71
Bank charges		8.47		4.36
Sundry debit balances written off		15.55		0.74
Provision for expected credit loss		1.10		-
Fixed assets scrapped		0.10		-
Warranty expenses		13.67		-
Research and development expenses		40.71		41.72
Legal and professional charges		101.35		75.34
Service and installation charges		98.16		72.52
Factory upkeep expenses		3.96		33.29
Security service expenses		49.95		45.45
Contract labour charges		69.90		25.13
Freight and handling charges		10.51		5.85
Packing and forwarding charges		95.85		49.76
Directors' sitting fees (refer Note)		6.67		5.29
<b>Remuneration to Auditors</b>				
Audit fees	14.50		14.50	
Other services	0.75		0.50	
Miscellaneous Expenses (None of which individually forms more than 1% of the operating revenue.)		15.25		15.00
		126.83		114.77
Sub-total		1,219.28		928.70
Less - Overheads capitalised		1.30		1.48
<b>Total</b>		<b>1,217.98</b>		<b>927.22</b>

## a Research and development expenses

(Rs. In Lakhs)

Particular	2021-22	2020-21
	In recognised Unit	In recognised Unit
Personnel costs	39.73	40.71
Other Costs	0.98	1.01
<b>Total revenue costs</b>	<b>40.71</b>	<b>41.72</b>
<b>Capex costs</b>	<b>-</b>	<b>-</b>

## b Disclosure on CSR activity

- i The Company is not required to spend on CSR activities during the current financial year and the previous year.  
 ii Amount spent by the company during the year is Rs. Nil ( Previous year Rs. Nil )

**28 EXCEPTIONAL ITEMS**

## Compensation to separated employees

As a part of reducing employee cost, the Company has formulated a plan for employee separation. During the year ended March 31, 2022 the Company had paid to such separated employees an amount of Rs. 112.83 lakhs. During the previous year ended March 31, 2021 the Company had paid to such separated employees an amount of Rs. 1170.43 lakhs.

**29 CURRENT AND DEFERRED TAX**

The major components of income tax expenses for the year ended March 31, 2022 and March 31, 2021 are:

## a Income tax expenses recognised in the Statement of Profit and Loss

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
<b>i) Current tax</b>				
Current tax for the year	-		-	
Adjustments for current tax of prior periods	(47.57)	(47.57)	5.22	5.22
<b>ii) Deferred tax</b>				
(Decrease) / Increase in deferred tax liabilities	16.24		18.68	
(Decrease) / Increase in deferred tax assets	10.26	26.50	24.12	42.80
<b>Total tax expense</b>		<b>(21.07)</b>		<b>48.02</b>

## b Income tax expenses recognised in the Other Comprehensive Income

(Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
<b>i) Current tax</b>	-	-
<b>ii) Deferred tax</b>		
Remeasurement gain   (loss) on defined benefit plans	29.11	8.52
<b>Total</b>	<b>29.11</b>	<b>8.52</b>

## c The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company

(Rs. In Lakhs)

Particulars	2021-22	2020-21
a) Statutory income tax rate	26.00%	26.00%
b) Differences due to		
i) Non-deductible expenses	-1.70%	-1.52%
ii) Others	3.05%	-0.18%
<b>Effective income tax rate</b>	<b>1.35%</b>	<b>-1.70%</b>

## d No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity.

## e Current tax assets (net)

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Opening balance	1,031.13	1,104.54
Add/(Less): Income Tax paid in advance, net of provisions during the year	(369.04)	(73.41)
<b>Closing balance</b>	<b>662.09</b>	<b>1,031.13</b>

## f Deferred tax liabilities (Net)

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	Recognised in	As at 31st March, 2021	
		Profit & Loss	OCI   Equity	
Deferred tax liability on account of Property, plant and equipment	1,707.28	16.24	-	1,691.04
<b>Total deferred tax liabilities</b>	<b>1,707.28</b>	<b>16.24</b>	-	<b>1,691.04</b>
Deferred tax assets on account of Compensation under VRS	(13.54)	12.82	-	(26.36)
Provision for compensated absences	(50.75)	(0.22)	-	(50.53)
Provision for gratuity	(201.94)	(2.33)	29.11	(228.72)
<b>Total deferred tax assets</b>	<b>(266.23)</b>	<b>10.27</b>	<b>29.11</b>	<b>(305.61)</b>
<b>Net deferred tax liabilities</b>	<b>1,441.05</b>	<b>26.51</b>	<b>29.11</b>	<b>1,385.43</b>

Particulars	As at 31st March, 2021	Recognised in	As at 31st March, 2020	
		Profit & Loss	OCI   Equity	
Deferred tax liability on account of Property, plant and equipment	1,691.04	18.68	-	1,672.36
Fair valuation of Investments	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>1,691.04</b>	<b>18.68</b>	-	<b>1,672.36</b>
Deferred tax assets on account of Compensation under VRS	(26.36)	12.83	-	(39.19)
Provision for compensated absences	(50.53)	24.10	-	(74.63)
Provision for gratuity	(228.72)	(12.81)	(8.52)	(207.39)
<b>Total deferred tax assets</b>	<b>(305.61)</b>	<b>24.12</b>	<b>(8.52)</b>	<b>(321.21)</b>
<b>Net deferred tax liabilities</b>	<b>1,385.43</b>	<b>42.80</b>	<b>(8.52)</b>	<b>1,351.15</b>

## g Unrecognised temporary differences

The Company has not recognised deferred tax asset associated with impairment on equity share measured at cost as based on Management projection of future taxable income for set-off it is not probable that such difference will reverse in the foreseeable future. Similar view has also been taken for Deferred Tax Asset on Unabsorbed Losses and Depreciation as per Income Tax Act, 1961.

**30 DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD- IND AS 33 "EARNING PER SHARE" OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015.**

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Net profit after tax available for equity shareholders before Exceptional Items	(1,422.83)	(1,699.24)
Net profit after tax available for equity shareholders after Exceptional Items	(1,535.66)	(2,869.67)
Opening equity shares outstanding(Nos.)	30,415,061	30,415,061
Add:-Issued during the year(Nos.)	-	-
Closing equity shares outstanding (Nos.)	30,415,061	30,415,061
Weighted average number of equity shares of Rs. 2 each outstanding during the year (Basic)	30,415,061	30,415,061
Weighted average number of equity shares of Rs. 2 each outstanding during the year (Diluted)	30,415,061	30,415,061
Earning Per Share before Exceptional Items Basic and diluted earnings per share in Rupees	(4.68)	(5.59)
Earning Per Share after Exceptional Items Basic and diluted earnings per share in Rupee	(5.05)	(9.44)

The earning per share before exceptional item has been computed after considering the current and deferred tax effect on the exceptional item.

### 31 DISCLOSURE AS REQUIRED BY IND AS 116 LEASES

a As a lessee

The Company has taken a residential and office premises having the lease term of less than 12 months and has no obligation for renewal. These leases are considered by the Company as short leases in accordance with Ind AS 116, consequently these lease payments are recognised in the standalone statement of profit and loss under "Rent" in Note 27. For other disclosures related to lease refer note 2A and note 13.

b As a lessor

Operating Lease

The Company has entered into operating leases of its office premises. Rents received are recognised in the Standalone Statement of Profit and Loss as rent income in Note 21 'Other Income'.

### 32 DISCLOSURE AS REQUIRED BY IND AS 108

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance in accordance with IND AS "Operating Segment", The Company has only one reportable operating segment i.e. Engineering. The additional disclosure is being made in the consolidated financial statements.

There are 2 major customers to whom more than 10% of the sales are effected and the total sales effected from such customers is Rs.1,297.95 lakhs, (previous year Rs.1,440.03 lakhs).

### 33 DISCLOSURE IN ACCORDANCE WITH IND AS 24

#### A List of related parties

i Subsidiary

Manugraph Americas, Inc.

ii Key Management Personnel

Mr. Sanat M. Shah

Chairman Emeritus

Mr. Sanjay S. Shah

Chairman and Managing Director

Mr. Pradeep S. Shah

Vice Chairman and Managing Director

Mr. Bhupal B Nandgave (upto October 6, 2020)

Whole Time Director (Works)

Mr. Shailesh B. Shirguppi (w.e.f. July 01, 2020)

Whole Time Director (Works)

Mr. Hiten C. Timbadia

Independent Director

Mr. Perses M. Bilimoria

Independent Director

Mr. Abhay J. Mehrotra

Independent Director

Ms. Basheera Indorewala

Independent Director

Ms. Madhavi Kilachand (w.e.f. June 28, 2021)

Independent Director

iii Entities where Key Management Personnel exercise significant influence

Multigraph Machinery Company Limited

Manubhai Sons and Company

Mercongraphic FZC,

Multigraph Machinery Kenya Limited

#### B Details of related party transaction are given in statement 1 attached to this Standalone Financial Statement.

**34 CONTINGENT LIABILITIES AND COMMITMENTS**

(Rs. In Lakhs)

	Description	2021-22	2020-21
i	<b>Contingent liabilities</b>		
	(a) Claims against the company not acknowledged as debt;	867.51	570.23
	(b) Guarantee to Maharashtra Pollution Control Board	15.00	-
	(c) Bonus liability in case of non receipt of waiver (Note 24)	142.77	107.43
	(d) 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	71.38	74.56
	- On account of undertakings given by the company in favour of Customs Authority:	32.00	32.00
	(e) Litigations with Union may not have any material impact on the operations of the Company	-	-
	<b>Total</b>	<b>1,128.66</b>	<b>784.22</b>

**35 FAIR VALUE MEASUREMENT**

(Rs. In Lakhs)

Particulars	31-Mar-22			31-Mar-21		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments:						
Equity instruments	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-
Trade receivables	-	-	112.89	-	-	340.83
Loans	-	-	202.85	-	-	206.59
Others	-	-	126.54	-	-	81.57
Cash and bank balances	-	-	834.84	-	-	1,063.95
<b>Total Financial assets</b>	-	-	<b>1,277.12</b>	-	-	<b>1,692.94</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,769.97	-	-	1,885.38
Trade payables	-	-	749.67	-	-	879.78
Other financial liabilities	-	-	168.64	-	-	256.08
<b>Total financial liabilities</b>	-	-	<b>2,688.29</b>	-	-	<b>3,021.24</b>

**36 FAIR VALUE HIERARCHY**

This section explains the judgement and estimate made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments in to the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

i) Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2022

(Rs. In Lakhs)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVPL:					
Quoted Equity Shares	3	-	-	-	-
Quoted Mutual Funds		-	-	-	-
Trade Receivables	8	-	-	112.89	112.89
Loans	4	-	-	202.85	202.85
Others	5	-	-	126.54	126.54
Cash and Bank Balances	9 & 10	-	-	834.84	834.84
<b>Total financial assets</b>		-	-	<b>1,277.12</b>	<b>1,277.12</b>
<b>Financial liabilities</b>					
Borrowings	17	-	-	1,769.97	1,769.97
Trade payables	18	-	-	749.67	749.67
Other financial liabilities	14	-	-	168.64	168.64
<b>Total financial liabilities</b>		-	-	<b>918.31</b>	<b>918.31</b>



ii) Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2021

(Rs. In Lakhs)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVPL:					
Quoted Equity Shares	3	-	-	-	-
Quoted Mutual Funds		-	-	-	-
Trade Receivables	8	-	-	340.83	340.83
Loans	4	-	-	206.59	-
Others	5	-	-	81.57	-
Cash and Bank Balances	9 & 10	-	-	1,063.95	1,063.95
<b>Total financial assets</b>		-	-	<b>1,692.94</b>	<b>1,404.78</b>
<b>Financial liabilities</b>					
Borrowings	17	-	-	1,885.38	1,885.38
Trade payables	18	-	-	879.78	879.78
Other financial liabilities	14	-	-	256.08	256.08
<b>Total financial liabilities</b>		-	-	<b>3,021.24</b>	<b>3,021.24</b>

**a) There were no transfers between any levels during the year.**

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**b) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All of the resulting fair value estimates are included in level 1 and 2.

**c) Valuation processes**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

**d) Fair value of financial assets and liabilities measured at amortised cost**

(Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>				
Investments:				
Unquoted Equity Shares	-	-	-	-
Trade receivables	112.89	112.89	340.83	340.83
Loans	202.85	202.85	206.59	206.59
Others	126.54	126.54	81.57	81.57
Cash and bank balances	834.84	834.84	1,063.95	1,063.95
<b>Total financial assets</b>	<b>1,277.12</b>	<b>1,277.12</b>	<b>1,692.94</b>	<b>1,692.94</b>

<b>Financial liabilities</b>				
Borrowings	1,769.97	1,769.97	1,885.38	1,885.38
Trade payables	749.67	749.67	879.78	879.78
Other financial liabilities	168.64	168.64	256.08	256.08
<b>Total financial liabilities</b>	<b>2,688.29</b>	<b>2,688.29</b>	<b>3,021.24</b>	<b>3,021.24</b>

The carrying value of equity shares at cost is net of impairment provision made.

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### 37 FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk or its financial performance. The Company's risk management assessment, policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This exposure is principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The company has established norms for stage wise payments to lower the exposure. International transactions are backed by Letters of credit, confirmed by reputed banks, wherever found necessary. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company takes a significant advance for its machine and has no history of any significant defaults from the customers end in payment of the sale consideration. And therefore has no history of expected credit loss.

#### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows (before allowance for doubtful debts):

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Neither past due nor impaired	-	-
<b>Past due but not impaired</b>		
Past due 1 - 90 days	108.85	61.86
Past due 91 - 180 days	2.06	4.79
Past due 181 - 270 days	0.94	1.26
Past due 271 - 360 days	2.14	14.18
Past due more than 360 days		258.74
Total	113.99	340.83
Less : ECL	1.10	-
Net Total	112.89	340.83

**Cash and cash equivalents**

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs. 834.84 lakhs (31 March 2021 Rs. 1063.95 lakhs). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. In both the years these figures are net of unpaid dividend.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31st March 2022 the Company has working capital of Rs. 2,960.18 lakhs (31 March 2021: Rs. 3,645.13 lakhs) which is calculated as current assets less current liabilities.

**Investment Risk**

The investment of the Company in subsidiary companies is exposed to risks that the business of the subsidiary company is exposed. Accordingly the Company's investment in its US subsidiary has been considerably impaired due to the business risk faced by the subsidiary resulting in the erosion of its value.

**Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and non-current. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**Currency Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD and EURO against the respective functional currency of the Company.

The Company does not use any derivative financial instruments to hedge foreign exchange and interest rate exposure. The company continuously monitors the foreign currency exposures and considering the natural hedge, selectively contracts for plain forward covers whenever found necessary.

**38 FINANCIAL RISK MANAGEMENT****a) Management of liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

(Rs. in Lakhs)

Particulars	Note	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2022</b>					
Borrowings	17	1,769.97	1,769.97	-	1,769.97
Trade payables	18	749.67	749.67	-	749.67
Other financial liabilities	14	168.64	165.49	3.16	168.64
<b>As at March 31, 2021</b>					
Borrowings	17	1,885.38	1,885.38	-	1,885.38
Trade payables	18	879.78	879.78	-	879.78
Other financial liabilities	14	256.08	252.77	3.31	256.08

#### Foreign Currency Risk Exposure

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	31-Mar-22			31-Mar-21		
	USD	EUR	GBP	USD	EUR	GBP
<b>Financial assets</b>						
Trade & other receivables	51,136	-	-	363,978	-	-
Advance to suppliers	-	7,051	-	-	2,412	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>51,136</b>	<b>7,051</b>	<b>-</b>	<b>363,978</b>	<b>2,412</b>	<b>-</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Trade & other payables	28,500	4,804	-	147,000	9,385	-
Advance from customers	635,150	240	-	9,597	166	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>663,650</b>	<b>5,044</b>	<b>-</b>	<b>156,597</b>	<b>9,550</b>	<b>-</b>

### 39 CAPITAL MANAGEMENT

#### Risk management

The primary objective of the Company's Capital Management is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total capital plus total debt.

For the purposes of the Company's capital management, the Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt and subtracting cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total capital divided by net debt.

(Rs. in Lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
Borrowings	1,769.97	1,885.38
Less: cash and cash equivalents	44.44	81.99
<b>Adjusted net debt</b>	<b>1,725.54</b>	<b>1,803.39</b>
Total Debt	1,725.54	1,803.39
Total Equity	10,963.16	12,415.96
<b>Net Debt to Equity Ratio</b>	<b>0.16</b>	<b>0.15</b>

**40 COVID-19**

The spread of Covid 19 has affected the business operations post the national lock down. Based on the assessment of business / economic conditions, the Company expects to recover the carrying value of its assets. The Company will continue to evaluate the pandemic related uncertainty and monitor any material changes arising on financial and operational performance of the Company and update its assessment. The financial results of the Company have been prepared on a going concern basis.

41 The Standalone Financial Statements were authorised for issue by the Board on May 26, 2022

42 The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 26, 2022 there were no material subsequent events to be recognised or reported that are not already disclosed.

43 Previous period figures have been regrouped / restated to make them comparable with those of the current year.

**44 OTHER REGULATORY INFORMATION**

- (i) Title deeds of all the immovable properties are in name of the Company.
- (ii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current financial year or the previous financial year
- (iii) The Company has not made any Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
  - a. repayable on demand or
  - b. without specifying any terms or period of repayment
- (iv) There is no Capital Work in Progress ('CWIP') or Intangible Assets Under Development ('ITAUD'), hence no ageing schedule and other relevant details concerning completion or overdue.
- (v) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vi) The Company has borrowed from banks or financial institutions on the basis of security of current assets, quarterly returns of inventory and trade receivables filed by the Company with banks are in agreement with books.
- (vii) The Company has not been declared Willful Defaulter.
- (viii) The Company has no relationship with any struck-off Company\companies
- (ix) All the charges or the satisfaction of the charges have been registered with the registrar of companies within the stipulated time limit.
- (x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) The Company has not advanced any loan to subsidiary
- (xii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (xiii) The Company has not traded or invested in crypto currency or virtual currency during the financial year
- (xiv) The Company has not made any application for scheme of Arrangements.
- (xv) Utilisation of Borrowed funds and share premium:
- A. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).
- B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise).
- (xvi) The Company is not covered under Section 135 of the Companies Act.

#### 45 FINANCIAL RATIOS

Sr. no.	Ratios/Measure	Formulae as given in Division II Schedule III to the Companies Act, 2013	As At March 31, 2022	As At March 31, 2021	Variation	Reason for variance for change more than 25%
a)	Current ratio	Current assets / current liabilities	1.8	2.03	-11.33%	Below threshold of 25%
b)	Return on equity %	PAT / Average Shareholder's equity	-0.13	-0.21	38.10%	Increase of approximately 55% in the revenue in current year as compared to previous year resulted in reduction of loss.
c)	Inventory turnover ratio	Cost of goods sold / average inventory	0.89	0.52	71.15%	Increase in sales and reduction of closing stock
d)	Trade receivables turnover ratio	Revenue from operations / average trade receivables	20.3	2.77	632.85%	Increase of approximately 55% in revenue and reduction of approximately 67% in trade receivables has resulted in positive change.
e)	Trade payables turnover ratio	Total purchases/ average trade payables	3.24	0.6	440.00%	Increase due to higher purchases of raw materials on advance basis.
f)	Net capital turnover ratio	Revenue from operations / working capital	1.56	0.81	92.59%	Increase due to increase in the revenue in current year as compared to previous year.
g)	Net profit %	Net profit / Net sales	-0.33	-0.97	65.98%	Increase of approximately 55% in the revenue in current year as compared to previous year resulted in reduction of loss.
h)	Return on capital employed %	EBIT / Capital employed	-0.11	-0.19	42.11%	Increase of approximately 55% in the revenue in current year as compared to previous year resulted in increase in return on capital employed.

Sr. no.	Ratios/Measure	Formulae as given in Division II Schedule III to the Companies Act, 2013	As At March 31, 2022	As At March 31, 2021	Variation	Reason for variance for change more than 25%
i)	Return on investment	EBIT/Average of total assets	-0.07	-0.13	46.15%	Increase of approximately 55% in the revenue in current year as compared to previous year resulted in increase in return on investment.

As per our report of even date attached  
For **Desai Shah & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 118174W

Sd/-  
**Yagnesh M Desai**  
Partner  
M. No. 034975  
Mumbai, Date: May 26, 2022

For and on behalf of the Board of Directors  
**Manugraph India Limited**  
CIN : L29290MH1972PLC015772

Sd/-  
**Sanjay S. Shah**  
Chairman & Managing Director  
(DIN : 00248592)

Sd/-  
**Pradeep S. Shah**  
Vice Chairman & Managing Director  
(DIN : 00248692)

Sd/-  
**Mihir V. Mehta**  
Company Secretary & Chief Financial Officer  
Mumbai, Date: May 26, 2022

**Statement 1**  
**Related Parties Transactions - Referred to in Note 33**

(Rs. in Lakhs)

Particulars	Subsidiaries		Key Management Personnel		Entities where significant influence exists	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Sale of Goods	-	-	-	-	470.97	880.71
Service Charges received	-	-	-	-	10.81	23.23
Commission paid	-	-	-	-	65.32	89.74
Rent Received	-	-	-	-	9.00	20.97
Managerial Remuneration paid	-	-	271.71	161.16	-	-
Post employment benefits of Directors *	-	-	-	-	-	-
Directors' Fees	-	-	6.67	5.29	-	-
Re-imbusement of expenses received	-	-	-	-	22.80	20.44
Part proceeds on account of liquidation of the Company	63.80	72.79	-	-	-	-
Outstanding Receivables	-	-	-	-	7.68	7.24
Outstanding Payables	-	-	-	-	-	5.81

\* The managing directors and whole time director (works) are entitled to gratuity on retirement which amount will be computed in accordance with the provisions of The Payment of Gratuity Act. The Company presently makes provision on actuarial basis for entire employee data including the managing directors and whole time director(works).



## Independent Auditor's Report

To the Members of  
Manugraph India Limited

### Report on the audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of Manugraph India Ltd (the Parent Company) and its subsidiary (the Parent Company and its subsidiary together referred to as the Group) which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, and their consolidated loss, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### Key audit matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the Consolidated Financial Statements of the current period. This matter was addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on this matter. We have determined the matter described as follows to be the key audit matter to be communicated in our report.

Key audit matter	Auditor's response
<b>Revenue Recognition (as per Note 1.4 of Significant Accounting Policies)</b>	
<p>The group operates and earns revenue from only one segment i.e. Engineering.</p> <p>The group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Read and evaluated the group's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to revenue.</li> </ul>

received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes.	<ul style="list-style-type: none"> <li>Performed on a test check basis, sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers.</li> </ul>
Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications, involves significant judgment in determining whether the revenue is recognised in the correct period	<ul style="list-style-type: none"> <li>Performed on a test check basis, transactions near year end date as well as credit notes issued after the year end date.</li> <li>Assessed the relevant disclosures in Consolidated financial statements for compliance with disclosure requirements</li> </ul>

### Emphasis of matter

- We draw attention to Note no. 30 of the Consolidated Financial Statement which describes Group management's assessment of Exceptional items and its impact on the operations and financial results of the Company.
- We draw attention to Note no. 43 of the Consolidated Financial Statement which describes Group management's assessment of Impact of COVID 19 on the operations of the Group.
- We draw your attention to Note 47 of the Consolidated Financial Statement which states that the accounts of Subsidiary are prepared on liquidated basis as it is under liquidation process.

Our opinion is not modified in these matters.

### Information other than the Financial Statements and Auditor's Report thereon

The Board of Directors of the Parent Company is responsible for the other information. The "Other Information" comprises of the Report of the Board of Directors, Management Discussions and Analysis, Corporate Governance, but does not include Standalone Financial Statements, the Consolidated Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's responsibility for the Consolidated Financial Statements

The Board of Directors of the Parent Company is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, including Consolidated Other Comprehensive Income, Consolidated Cash Flows and Consolidated Changes in Equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies 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 respective entities and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements 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 respective 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 Director's of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of companies included in the Group are also responsible for overseeing the financial reporting process of the respective entities.

### **Auditor's responsibility for the audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report.

However, future events or conditions may cause the Group to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work and ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are Independent Auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter must not be communicated in our report because the adverse consequences of doing so will reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other matters**

We did not audit the Financial Statements the subsidiary company, which is under Court monitored liquidation, whose financial statements reflect total assets of INR 34.66 Lakhs as at March 31, 2022, total revenues of 140.39 Lakhs, and net cash inflows of INR XXX Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements are unaudited and 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 subsidiary companies and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance the financial statements prepared by the Management.

### Report on other legal and regulatory requirements

1. 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 of the aforesaid Consolidated Financial Statements.
  - b. In our opinion, proper books of accounts 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.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the Directors of the Parent Company and taken on record by the Board of Directors of the Parent Company, none of the Directors of the group Companies covered under the Act are disqualified as on March 31, 2022, from being appointed as a Director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Parent Company and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h. 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, as amended 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 its financial position in its Consolidated Financial Statements. Refer Note. 37 to the Consolidated Financial Statement.
    - ii) The Group did not have any 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 Parent Company.
    - iv) (a) The respective Managements of the Company and its subsidiary company, which are incorporated in India, and whose financial statements have been audited under the Act,

have represented to us and to the other auditors of such subsidiary company respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or any other person or entity, including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiary companies (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiary.

(b) The respective Managements of the Parent Company and its subsidiary company, which are incorporated in India, and whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary company respectively that, to the best of its knowledge and belief, as disclosed in note to the accounts, no funds (which are material either individually or in aggregate) have been received by the Parent Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the Auditors of the subsidiary company, which are incorporated in India and whose Financial Statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in a) and b) above, contain any material misstatement.

v) The Parent Company has not declared or paid dividend during the year.

**For, Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration Number: 118174W

Sd/-

**Yagnesh M Desai**

Partner

Membership Number: 034975

UDIN: 22034975AJQUPU6650

Place: Mumbai

Date: May 26, 2022

### Annexure A to the Independent Auditor's Report

Referred to in para 1(f) under 'Report on other legal and regulatory requirements' section of our report of even date.

#### Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

1. In conjunction with our audit of the Consolidated Financial Statements of the Parent Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Manugraph India Ltd (the Parent Company) as of that date.

#### Management's responsibility for internal financial controls

2. The respective Board of Directors of the Parent Company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the respective entities, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary company which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence and the audit evidence obtained by the other Auditors of the subsidiary company, which are companies incorporated in India, in terms of their reports referred to in the other matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company and its subsidiary companies which are incorporated in India.

**Meaning of internal financial controls over financial reporting**

6. The internal financial control over financial reporting of the company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the Generally Accepted Accounting Principles. Internal financial control over financial reporting of a Company includes those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with the Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that can have a material effect on the Financial Statements.

**Inherent limitations of internal financial controls over financial reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other Auditors referred to in the other matters paragraph, the Parent Company and its subsidiary company which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For, Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration Number: 118174W

Sd/-

**Yagnesh M Desai**

Partner

Membership Number: 034975

UDIN: 22034975AJQUPU6650

Place: Mumbai

Date: May 26, 2022



## Consolidated Balance Sheet as at March 31, 2022

(Rs. in Lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plants & equipment	2	9,071.28	9,193.04
(b) Intangible assets	2B	116.84	128.81
(c) Goodwill	3	-	-
(d) Financial assets			
(i) Investments	4	23.06	0.10
(ii) Loans	5	151.63	153.22
(iii) Other financial assets	6	68.90	42.85
(e) Other non-current assets	7	880.43	1,546.01
<b>Total non-current assets</b>		<b>10,312.14</b>	<b>11,064.03</b>
<b>2 Current Assets</b>			
(a) Inventories	8	5,076.97	5,294.72
(b) Financial assets			
(i) Trade receivables	9	112.89	340.83
(ii) Cash and cash equivalents	10	78.10	155.29
(iii) Bank balances other than (ii) above	11	790.40	981.96
(iv) Loans	5	51.22	53.37
(v) Other financial assets	6	57.64	38.72
(c) Other current assets	7	541.77	381.66
<b>Total current assets</b>		<b>6,708.99</b>	<b>7,246.56</b>
3 Non current assets held for sale	12	-	22.79
<b>TOTAL ASSETS</b>		<b>17,021.13</b>	<b>18,333.38</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	608.30	608.30
(b) Other equity	14	10,382.22	11,694.54
<b>Total equity</b>		<b>10,990.51</b>	<b>12,302.84</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	15	5.56	-
(ii) Other financial liabilities	16	3.16	3.31
(b) Provisions	17	865.70	973.57
(c) Deferred tax liabilities (net)	18	1,441.05	1,385.43
<b>Total non-current liabilities</b>		<b>2,315.47</b>	<b>2,362.31</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	1,769.97	1,885.38
(ii) Lease liabilities	15	2.62	-
(iii) Trade payables	20		
Micro enterprises and small enterprises		96.28	84.42
Other than micro enterprises and small enterprises		653.39	807.54
(iv) Other financial liabilities	16	165.49	252.77
(b) Other current liabilities	21	906.96	403.62
(c) Provisions	17	120.45	234.51
<b>Total current liabilities</b>		<b>3,715.16</b>	<b>3,668.24</b>
<b>Total Liabilities</b>		<b>6,030.62</b>	<b>6,030.54</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,021.13</b>	<b>18,333.38</b>

Significant accounting policies

1

The accompanying notes 1-49 form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration No. 118174W

For and on behalf of the Board of Directors

**Manugraph India Limited**

CIN : L29290MH1972PLC015772

Sd/-

**Yagnesh M Desai**

Partner

M. No. 034975

Mumbai, Date: May 26, 2022

Sd/-

**Sanjay S. Shah**

Chairman &amp; Managing Director

(DIN : 00248592)

Sd/-

**Pradeep S. Shah**

Vice Chairman &amp; Managing Director

(DIN : 00248692)

Sd/-

**Mihir V. Mehta**

Company Secretary &amp; Chief Financial Officer

Mumbai, Date: May 26, 2022

## Consolidated Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Notes	(Rs. in lakhs)	
		2021-22	2020-21
<b>Income</b>			
Revenue from operations	22	4,605.06	2,968.51
Other income	23	209.70	333.87
<b>Total income</b>		<b>4,814.76</b>	<b>3,302.38</b>
<b>Expenses</b>			
Cost of materials consumed	24	2,587.66	1,106.11
Changes in inventories of finished goods work-in-progress and stock-in-trade	25	155.81	765.31
Employee benefit expenses	26	1,924.27	1,736.87
Finance cost	27	238.38	248.48
Depreciation and amortisation expense	28	134.56	169.62
Other expenses	29	1,217.98	927.22
<b>Total expenses</b>		<b>6,258.66</b>	<b>4,953.61</b>
<b>(Loss) before exceptional items and tax</b>		<b>(1,443.89)</b>	<b>(1,651.23)</b>
Exceptional Items			
Compensation to separated employees	30	(112.83)	(1,170.43)
<b>(Loss) before tax</b>		<b>(1,556.72)</b>	<b>(2,821.66)</b>
<b>Tax Expense</b>			
Current tax		-	-
Deferred tax	31	26.51	42.80
Tax adjustment of previous years		(47.57)	5.22
<b>Total tax expense</b>		<b>(21.06)</b>	<b>48.02</b>
<b>(Loss) for the period from continuing operations</b>		<b>(1,535.66)</b>	<b>(2869.68)</b>
Profit/(Loss) from discontinued operations		140.89	(1.37)
Tax expense of discontinued operations		-	-
Profit/(Loss) from Discontinued Operations after Tax	32	140.89	(1.37)
<b>(Loss) for the period</b>		<b>(1,394.77)</b>	<b>(2871.05)</b>
<b>Other Comprehensive Income</b>			
<b>Item that will not be reclassified to Statement of Profit and Loss</b>			
Remeasurement gain / (loss) on defined benefit plans(net)		82.86	(24.25)
<b>Item that will be reclassified to Statement of Profit and Loss</b>			
Exchange difference in translating the financial statement of foreign operation. (net)		(0.40)	(1.81)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>82.46</b>	<b>(26.06)</b>
<b>Total Comprehensive Income for the year, net of tax</b>		<b>(1,312.30)</b>	<b>(2,897.11)</b>
<b>Profit / (Loss) attributable to :</b>			
Owners of the parent company		(1,394.77)	(2,871.05)
Non Controlling Interest		-	-
<b>Other comprehensive income attributable to :</b>			
Owners of the parent company		82.46	(26.06)
Non Controlling Interest		-	-
<b>Total comprehensive income attributable to :</b>			
Owners of the parent company		(1,312.30)	(2,897.11)
Non Controlling Interest		-	-
Earnings per equity share (from continuing operation)	33		
Before exceptional items - Basic & Diluted (in Rs.)		(4.68)	(5.59)
After exceptional items - Basic & Diluted (in Rs.)		(5.05)	(9.44)
Par value per share (in Rs.)		2.00	2.00
Earnings per equity share (from discontinued operation)			
Basic & Diluted (in Rs.)		0.46	(0.00)
Par value per share (in Rs.)		2.00	2.00
Earnings per equity share (from discontinued and continuing operation)			
Before exceptional items - Basic & Diluted (in Rs.)		(4.21)	(5.59)
After exceptional items - Basic & Diluted (in Rs.)		(4.59)	(9.44)
Par value per share (in Rs.)		2.00	2.00

Significant accounting policies

1

The accompanying notes 1- 49 form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration No. 118174W

Sd/-

**Yagnesh M Desai**

Partner

M. No. 034975

Mumbai, Date: May 26, 2022

For and on behalf of the Board of Directors

**Manugraph India Limited**

CIN : L29290MH1972PLC015772

Sd/-

**Sanjay S. Shah**

Chairman &amp; Managing Director

(DIN : 00248592)

Sd/-

**Pradeep S. Shah**

Vice Chairman &amp; Managing Director

(DIN : 00248692)

Sd/-

**Mihir V. Mehta**

Company Secretary &amp; Chief Financial Officer

Mumbai, Date: May 26, 2022

## Consolidated Statement of Cash Flows for the year ended March 31, 2022

(Rs. in lakhs)

Particulars	2021-22	2020-21
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(1,556.72)	(2,821.66)
Profit / (Loss) from discontinued operation	140.89	(1.37)
Add :		
Depreciation & Amortisation expense	134.56	169.62
Finance cost	238.38	211.18
Actuarial Gain / (loss) on obligation	111.97	(32.77)
Fixed assets scrapped	0.10	-
Loss/(gain) on disposal of PPE	(49.14)	(105.12)
Sundry debit balances written off	15.55	0.74
Sundry credit balances appropriated	(2.37)	(1.20)
Provision for gratuity	(103.00)	82.01
Provision for earned leave wages	0.86	(92.68)
Provision for warranty	(119.80)	(42.70)
Provision for expected credit loss	1.10	-
Dividend income	(41.87)	-
Net gain on financial assets measured at FVTPL	(0.05)	(0.04)
Exchange Gain / (Loss)	(0.39)	(1.81)
Excess provision written back	(2.56)	(26.95)
Interest received on deposits	(46.13)	(132.00)
	137.21	65.58
Operating profit/(loss) before working capital changes	(1,278.62)	(2,757.45)
Working capital changes		
Trade payable and other liabilities	283.86	(2,362.06)
Inventory changes	217.75	923.67
Trade receivables	226.84	1,463.77
Loans & Advances	52.00	469.90
	780.46	495.28
Cash generated (used in) from operations	(498.15)	(2,262.16)
Deduct: Direct taxes	(416.61)	(68.19)
<b>Net cash flow (used in) from operating activities</b>	<b>(81.54)</b>	<b>(2,193.97)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including CWIP	-	(4.24)
Purchase of investments	(22.92)	(0.04)
Sale of fixed assets	56.99	145.55
Asset held for sale	22.79	0.58
Sale of investments	-	0.04
Dividend received	41.87	-
Other bank balances	186.25	1,055.37
Changes in earmarked balances	5.31	-
Interest received	73.77	115.36
<b>Net cash flow from (used in) investing activities</b>	<b>364.05</b>	<b>1312.62</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid including other borrowing cost	(238.08)	(253.48)
Interest on lease liability	(0.30)	-
Repayment of lease liability	(0.60)	-
Dividend paid including dividend tax	(5.31)	(5.19)
Borrowings during the year	(115.41)	974.02
<b>Net cash flow from (used in) financing activities</b>	<b>(359.70)</b>	<b>715.35</b>

<b>Net cash flow from (used in) Operating, Investing and Financing activities</b>	<b>(77.19)</b>	<b>(166.00)</b>
Cash and cash equivalents at the beginning of the year	155.29	321.30
Add: Net cash flow from (used in) Operating, Investing and Financing activities	(77.19)	(166.00)
Cash and cash equivalents at the end of the year	<b>78.10</b>	<b>155.30</b>

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Refer note 19.2 for Reconciliation of liabilities arising from financing activities.

Significant accounting policies 1

The accompanying notes 1-49 form an integral part of these consolidated financial statements.

As per our report of even date attached  
For **Desai Shah & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 118174W

For and on behalf of the Board of Directors  
**Manugraph India Limited**  
CIN : L29290MH1972PLC015772

Sd/-  
**Yagnesh M Desai**  
Partner  
M. No. 034975  
Mumbai, Date: May 26, 2022

Sd/-  
**Sanjay S. Shah**  
Chairman & Managing Director  
(DIN : 00248592)

Sd/-  
**Pradeep S. Shah**  
Vice Chairman & Managing Director  
(DIN : 00248692)

Sd/-  
**Mihir V. Mehta**  
Company Secretary & Chief Financial Officer  
Mumbai, Date: May 26, 2022

**Consolidated Statement of Changes in Equity for the year ended March 31, 2022****A. Equity share capital****(1) 31st March 2022**

(Rs. in lakhs)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
608.30	-	-	-	608.30

**(2) 31st March 2021**

(Rs. in lakhs)				
Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
608.30	-	-	-	608.30

**B. Other equity****(1) For the year ended 31st March 2022**

Particulars	Reserves and Surplus							Total
	Capital Total Reserve	Securities Premium	Capital Redemption Reserve	Capital Reserve on Amalgamation	General Reserves	Retained Earnings	Exchange differences of translating the financial statements of a foreign operations	
Balance at the beginning of the current reporting period	72.00	2,145.06	110.58	128.00	6,952.83	2,231.08	54.98	11,807.66
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year *	-	-	-	-	-	-1,311.91	(0.40)	-1,452.80
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>72.00</b>	<b>2,145.06</b>	<b>110.58</b>	<b>128.00</b>	<b>6,952.83</b>	<b>919.17</b>	<b>54.59</b>	<b>10382.22</b>

\* Total Comprehensive loss = Loss for the year Rs. (1,394.77) + Other Comprehensive Income - Remeasurement gain on defined benefit plan net of taxes Rs. 82.86

## (2) For the year ended 31st March 2021

(Rs. in lakhs)

Particulars	Reserves and Surplus							Total
	Capital Total Reserve	Securities Premium	Capital Redemption Reserve	Capital Reserve on Amalgamation	General Reserves	Retained Earnings	Exchange differences of translating the financial statements of a foreign operations	
Balance at the beginning of the previous reporting period	72.00	2,145.06	110.58	128.00	9452.83	2626.37	56.80	14591.64
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-	-
Total Comprehensive Income for the previous year**	-	-	-	-	-	-2895.29	-1.81	-2897.10
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-2500.00	2500.00	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-
Balance at the end of the previous reporting period	<b>72.00</b>	<b>2,145.06</b>	<b>110.58</b>	<b>128.00</b>	<b>6,952.83</b>	<b>2231.08</b>	<b>54.59</b>	<b>11694.54</b>

\*\* Total Comprehensive loss = Loss for the year Rs. (2,871.05) + Other Comprehensive Income - Remeasurement loss on defined benefit plan net of taxes Rs. (24.25)

Refer Note 14 for nature and purpose of reserves.

Significant accounting policies

1

The accompanying notes 1-49 form an integral part of these standalone financial statements.

As per our report of even date attached  
For **Desai Shah & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 118174W

For and on behalf of the Board of Directors  
**Manugraph India Limited**  
CIN : L29290MH1972PLC015772

Sd/-  
**Yagnesh M Desai**  
Partner  
M. No. 034975  
Mumbai, Date: May 26, 2022

Sd/-  
**Sanjay S. Shah**  
Chairman & Managing Director  
(DIN : 00248592)

Sd/-  
**Pradeep S. Shah**  
Vice Chairman & Managing Director  
(DIN : 00248692)

Sd/-  
**Mihir V. Mehta**  
Company Secretary & Chief Financial Officer  
Mumbai, Date: May 26, 2022

## Manugraph India Limited

### Notes to the Consolidated Financial Statements for the year ended March 31, 2022

#### A. Background

Manugraph India Limited ("the Parent Company") is a public limited company incorporated and domiciled in India. Its registered office is located at 2<sup>nd</sup> Floor, Sidhwa House, N A Sawant Marg, Colaba, Mumbai - 400 005, Maharashtra, India and the principal place of manufacturing are located at Kolhapur, Maharashtra, India. The Parent Company's shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Parent company is the largest manufacturer of single width web-offset printing presses in India and a significant share of the world market for its products. The Parent company has its in-house R&D. The R&D facilities are recognized by Department of Scientific and Industrial Research - Ministry of Science and Technology, Government of India.

The Parent Company and its subsidiary company are referred to as the Group hereunder.

The Consolidated Financial Statements comprise the financial statements of the Parent Company and its USA based subsidiary.

The Consolidated Financial Statements of the Group for the year ended March 31, 2022 are recommended by the Audit Committee and approved for issue by the Board of Directors of the Parent Company at their meetings held on May 26, 2022.

#### B. Note 1 Significant accounting policies.

This Note provides a list of the Significant Accounting Policies adopted by the Group in preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented unless otherwise stated.

##### 1.1 Statement of compliance with Ind AS

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

##### 1.2 (a) Basis of preparation

###### i. Historical cost convention

The Consolidated Financial Statements have been prepared on historical cost basis except for the following:

- a. Certain financial assets and liabilities: measured at fair value
- b. Defined benefit plans: plan assets measured at fair value
- c. Certain assets and liabilities classified as held for sale: measured at net realisable value.

- ii. These Consolidated Financial Statements have been prepared on accrual and going concern basis, except the accounts of US Base based subsidiary namely Manugraph Americas Inc. are

- prepared on liquidated basis as it is under liquidation process.
- iii. The accounting policies are applied consistently to all the periods presented in the Consolidated Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Group and other criteria as set out on the Division II of Schedule III of the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle 12 months for the purpose of current or non-current classification of assets and liabilities.
  - iv. New and amended in the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 adopted:

The Company has applied the following amendments to Schedule III to the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 for its annual reporting period commencing April 01, 2021:

- a) The Ministry of Corporate Affairs (MCA) has amended Schedule III of the Companies Act 2013, on March 24, 2021. Schedule III of the Companies Act 2013, provides the format of financial statements of companies complying with Accounting Standards (AS) and Ind AS under its Division I, Division II and Division III respectively.
  - b) The MCA has notified provisions relating to CSR vide the Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which is effective from January 22, 2021.
- v. Recent accounting pronouncements effective from April 01, 2022:

The MCA notifies new standards or amendment to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 as follows:

**Ind AS 16 - Property, Plant and Equipment:** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone Financial Statements.

**Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:** The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples may be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example may be the allocation of depreciation charge for an item of property, plant and equipment used in fulfilling the contract ).

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

**(b) Basis of Consolidation:**

**i) Subsidiary Company:**



The entity over which the group has control is consolidated in accordance with Ind AS 110 Consolidated Financial Statements.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are one or more changes to elements of control described above.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary, to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

**ii) Associate companies**

Associate companies are all entities over which the Group has significant influence, but not control or joint control.

Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

**iii) Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest in a joint venture company and a joint operation.

**Joint venture company**

Interest in joint venture company is accounted for using the equity method {see (iv) below}.

**Joint operation**

The Group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operation and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Financial Statements under the appropriate headings.

**iv) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit | loss and Consolidated Other Comprehensive Income of the entity.

Dividends received or receivable from the associate companies and joint venture company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and joint venture company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **Changes in ownership interest:**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in Consolidated Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Consolidated Other Comprehensive Income are reclassified to the Consolidated Statement of Profit and Loss.

### **1.3 FOREIGN CURRENCY TRANSACTIONS**

#### **1.3.1 Functional and presentation currency**

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements of the Group are presented in Indian Rupees, which is also the functional and presentation currency of the Parent Company.

### 1.3.2 Transactions and balances

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date.
- c) Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.
- d) Losses arising on account of transactions covered by forward contract are recognised over the period of the contract.
- e) Monetary assets and liabilities at the end of the year are converted at exchange rates in effect at the Balance Sheet date and the resultant gain or loss is accounted for in the Income Statement (Consolidated Statement of Profit and Loss).
- f) The Group has not used any derivative instrument except forward contracts which have been used for hedging the foreign currency exposure. The Group does not undertake any speculative or trading activity through derivative instruments.
- g) Non-monetary items that are measured at fair value and denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

### 1.3.3 Foreign Operations of the Group

Foreign subsidiary, associates, joint venture and foreign branch are considered as the foreign operations.

The functional currency of the Parent Company is the Indian Rupees, whereas the functional currency of foreign operations is the currency other than the functional currency of the Parent Company.

Financial statements of the foreign operations are translated into the functional currency of the Parent Company, as under:

- a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet.
- b) income and expenses are translated at average exchange rates.
- c) all resulting exchange differences are recognised in Consolidated Other Comprehensive Income.

When a foreign operation is disposed, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as part of the gain | (loss) on sale. Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## 1.4 Revenue recognition

### 1.4.1 Revenue from operations

The Group earns revenue primarily from sale of web-offset printing presses in India and abroad. The Group also provides after sale services and installation services.

**Time of recognition:** Revenue is recognised upon transfer of control of promised goods or services to customers that reflects the consideration which the Group expects to receive in exchange for those goods or services. There are two types of contracts i.e., Composite Contract where installation income is inclusive of the contract price and Recoverable Contract, where installation income is charged separately.

Revenue from Fixed Price (Composite) Contract is allocated between supply of machine obligation and installation obligation. The revenue from supply is recognized when all the components of the machine are delivered to the customer. Installation income is recognised on pro-rata basis

Revenue from Recoverable Contract is recognized when all the components of the goods are delivered to the customer. Income from Installation and after sale services is recognised on pro-rata basis.

The Group uses judgement to determine an appropriate Consolidated selling price for a performance obligation. The Group allocates the transaction price to each performance obligation based on the relative Consolidated selling price of each distinct product or service promised in the contract.

Eligible export incentives are recognised on accrual basis in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability of the consideration.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

**Measurement of revenue:** Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

#### 1.4.2 Other Income

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

#### 1.5 Income taxes

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Income Tax Act 1961 in respect of MAT paid are recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in the Consolidated Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in the Consolidated Other Comprehensive Income or directly in equity, respectively.

## 1.6 Leases

### 1.6.1 The Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- a. the contract involves the use of an identified asset
- b. the Group has substantially all the economic benefits from use of the asset through

the period of the lease and

- c. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

### 1.6.2 The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Consolidated Balance Sheet based on their nature. Leases of property, plant, and equipment where the Group as a lessor has substantially transferred all the risks and rewards are classified as finance lease. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the

income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

### 1.7 Business Combination:

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- i) fair values of the assets transferred,
- ii) liabilities incurred to the former owners of the acquired business,
- iii) equity interest issued by the Group and
- iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- sum of consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Consolidated Other Comprehensive Income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### 1.8 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment



losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'capital advances' under other non-current assets and the costs of assets not ready for the intended use before balance sheet date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that it increases the future economic benefits associated with the asset beyond the previously assessed standard of performance and these will flow to the Group and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Consolidated Statement of Profit and Loss.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, changes there in are considered as estimates and accordingly accounted for adjusted prospectively.

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 to use.

### **1.8.1 Depreciation**

Depreciation on all assets of the Group 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 Act for the proportionate period of use during the year.

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets is same as those prescribed in Schedule II to the Act. The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end, changes there in are considered as change in an estimate and accordingly accounted for prospectively.

## **1.9 Intangible assets**



Intangible assets are amortized by straight line method over the estimated useful life of such assets. The useful life is estimated based on the evaluation of future economic benefits expected of such assets. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of assets is significantly different from previous estimates, the amortisation period is changed accordingly.

Computer Software includes enterprise resource planning project and other cost relating to software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services.

Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product / patent.

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized by straight line method over the estimated useful life of such assets.

The useful life of an intangible asset that is not being amortised shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite shall be accounted for as a change in an accounting estimate in accordance with Ind AS 8.

### **1.10 Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Group, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

### **1.11 Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal / external factors. An impairment loss on such assessment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised. An impairment loss is charged to the Income statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Goodwill, intangible assets having indefinite useful life and intangible assets currently not in use by the Group are tested for impairment annually and whenever there are indicators of impairments.

Reversal of impairment of Goodwill is not recognized.

### **1.12 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, cash in bank, cheques on hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### **1.13 Trade receivable**

Trade receivables are initially recognised as per Ind AS 115 "Revenue from contract with customers" and these assets are held at amortised cost.

### **1.14 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **1.15 Inventories**

Raw materials and components, packing materials, purchased finished goods, work-in-progress, finished goods manufactured, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost of inventories is ascertained on the weighted average basis.

Work-in-Progress include the cost of purchase, appropriate share of cost of conversion and other overhead incurred in bringing the inventory to its present location and condition and measured at lower of cost or net realisable value.

'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group.

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. Items such as spare parts, stand-by equipment and servicing equipment which is not property, plant and machinery gets classified as inventory.

## 1.16 Financial Instruments

### 1.16.1 Financial assets

The Group classifies its financial assets in the following measurement categories:

- i. Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss).
- ii. Those to be measured at amortised cost

The classification depends upon the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

### 1.16.2 Initial recognition and measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not carried at fair value through profit or loss are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

### 1.16.3 Subsequent measurement

After initial recognition, financial assets are measured at:

- i. Fair Value (either through Other Comprehensive Income (FVOCI) or through profit or loss (FVTPL) or
- ii. Amortised cost

### 1.16.4 Non-derivative financial instruments

#### i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

**ii) Financial assets at fair value through other comprehensive income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognised in the Consolidated Other Comprehensive Income (OCI). The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in Consolidated Other Comprehensive Income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in Consolidated Other Comprehensive Income. On de-recognition, cumulative gain or loss previously recognised in the Consolidated Other Comprehensive Income is not reclassified to profit and loss but reclassified from the equity to Consolidated Retained Earnings.

**iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Consolidated Statement of Profit and Loss.

**1.16.5 Financial liabilities****Classification as debt or equity**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument.

**1.16.6 Initial recognition and measurement**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

**1.16.7 Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

**1.16.8 De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**1.16.9 Investment in subsidiaries**

Investments in subsidiary companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies the difference between net disposal proceeds and the carrying amounts are recognised in the Consolidated Statement of Profit and Loss.

**1.16.10 Derivative financial instruments**

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

**1.16.11 De-recognition of financial instruments**

A financial asset is de-recognised only when

- i) The Group has transferred the rights to receive cash flows from the financial asset or
- ii) Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**1.16.12 Impairment of financial assets**

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk for initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in Consolidated Statement of Profit & Loss.

**1.17 Offsetting financial instruments**

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and

must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### **1.18 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

### **1.19 Provisions and contingent liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision for product related warranty costs is based on the claims received up to the year end as well as the management estimates of further liability to be incurred in this regard during the warranty period, computed based on past trend of such claims.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### **1.20 Employee benefits**

#### **1.20.1 Short term employee benefits**

All Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which employee renders the related service except leave encashment.

### 1.20.2 Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date, determined based on actuarial valuation using Projected Unit Credit Method. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government Securities as at the Balance Sheet date.

### 1.20.3 Defined contribution plans

Defined contribution funds are government administered provident fund scheme, employee state insurance scheme for all employees. Group also contributes towards a Superannuation fund administered by the Employees Welfare trust. This scheme is funded with an insurance company in the form of a qualifying insurance policy and other permissible securities. The Group's contribution to defined contribution plans are recognized in the Consolidated Statement of Profit and Loss in the financial year to which they relate.

### 1.20.4 Defined benefit gratuity plan

The Group's gratuity benefit scheme is a defined benefit retirement plan covering eligible employees. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of plan amendment.

### 1.21 Earnings per share (EPS)

Basic EPS is computed by dividing the net profit attributable to the owners of the Parent Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing net profit attributable to the owners of the Parent Company by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares unless the results would be anti-dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



### **1.22 Exceptional items**

Certain occasions, the size, type, or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the Consolidated Financial Statements.

### **1.23 Fair value measurement**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

### **1.24 Research and development expenditure**

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant, and equipment.

### **1.25 Events after the reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed

### **1.26 Non-current assets held for sale**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

### **1.27 Key accounting estimates and judgements**

Preparation of the Consolidated Financial Statements requires use of accounting estimates, judgements, and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in Consolidated Financial Statements in the period in which changes are made and if material, their effects are disclosed in the notes to the Consolidated Financial Statements. This note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out



to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Consolidated Financial Statements.

The areas involving key accounting estimates or judgements are:

- Estimation of useful life of tangible and intangible assets.
- Estimation of defined benefit obligations.
- Fair value measurement.
- impairment

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## Note 2: Property, Plant &amp; Equipment

(Rs. in Lakhs)

Particulars	Freehold land	Right of Use – Land	Right of Use - Office Premises	Buildings	Plant, Machinery & Equipment	Computers	Other Equipment	Furniture & fittings	Vehicles	Research and Development			Total
										Gauges & Instruments	Computers	Prototype Machine	
<b>Gross Block</b>													
As at April 01, 2020	14.69	7,407.00	-	2,163.01	8,987.38	294.31	260.87	378.88	355.95	42.10	45.60	585.62	20,535.41
Additions	-	-	-	-	4.24	-	-	-	-	-	-	-	4.24
Disposals	6.13	-	-	-	493.84	1.65	0.29	-	163.50	-	-	-	665.42
As at March 31, 2021	8.55	7,407.00	-	2,163.01	8,497.78	292.66	260.58	378.88	192.45	42.10	45.60	585.62	19,874.23
Additions	-	-	8.78	-	-	-	-	-	-	-	-	-	8.78
Disposals	-	-	-	-	127.13	28.97	3.53	-	26.14	-	0.49	-	186.26
As at March 31, 2022	8.55	7,407.00	8.78	2,163.01	8,370.66	263.69	257.04	378.88	166.31	42.10	45.11	585.62	19,696.75
<b>Depreciation / Amortisation</b>													
As at April 01, 2020	-	-	-	1,135.91	8,372.49	267.87	241.57	355.62	222.83	39.98	41.05	474.80	11,152.12
Charge for the year	-	-	-	40.86	58.10	8.89	2.15	2.92	23.30	0.01	1.22	16.63	154.07
Disposals	-	-	-	-	493.84	1.50	0.28	-	129.38	-	-	-	624.99
As at March 31, 2021	-	-	-	1,176.77	7,936.75	275.26	243.44	358.55	116.75	39.99	42.27	491.42	10,681.19
Charge for the year	-	-	0.73	40.46	42.66	2.87	1.60	2.64	14.08	-	0.93	16.63	122.59
Disposals	-	-	-	-	126.52	28.43	3.36	-	19.52	-	0.49	-	178.32
As at March 31, 2022	-	-	0.73	1,217.23	7,852.88	249.71	241.68	361.19	111.30	39.99	42.71	508.05	10,625.46
<b>Net Block</b>													
As at March 31, 2021	8.55	7,407.00	-	986.25	561.04	17.40	17.13	20.34	75.70	2.10	3.34	94.19	9,193.04
As at March 31, 2022	8.55	7,407.00	8.05	945.79	517.78	13.98	15.36	17.70	55.01	2.10	2.40	77.57	9,071.28

**Note:**

- 2.1 The Group has taken a parcel of land from Maharashtra Industrial Development Corporation for a period of 99 years with an option to extend for another 99 years on expiry of the lease. It has considered that such a lease of land transfers substantially all the risks and rewards incidental to ownership of land.
- 2.2 These assets are used for Research and Development.
- 2.3 Title deeds of all the immovable properties are in the name of the Group, except for the title deed of one of the office premises having carrying value of Rs. 13.40 lakhs
- 2.4 The Group follows cost model for the subsequent measurement of Property, Plant and Equipment, consequently the Group has not revalued the Property, Plants and Equipment during the year.
- 2.5 All items of Property, plant & equipment are hypothecated to bank for availing working capital facilities.
- 2.6 Refer Note 19 for information on property, plant and equipment hypothecated | mortgaged as security by the Group.
- 2.7 For ROU land there is not lease liability as the full lease payments paid before or at the inception of lease.

**Note 2A: Intangible assets.**

Particulars	(Rs. in Lakhs)			
	Technical Documentation & Know How	Computer Software	R & D Software	Total
<b>Gross Block</b>				
As at April 01, 2020	404.90	135.38	115.61	655.89
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2021	404.90	135.38	115.61	655.89
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2022	404.90	135.38	115.61	655.89
<b>Depreciation / Amortization</b>				
As at April 01, 2020	273.88	124.93	112.71	511.52
Charge for the year	10.95	4.40	0.21	15.56
Disposals	-	-	-	-
As at March 31, 2021	284.83	129.33	112.92	527.08
Charge for the year	10.95	1.02	-	11.97
Disposals	-	-	-	-
As at March 31, 2022	295.78	130.35	112.92	539.05
<b>Net Block</b>				
As at March 31, 2021	120.06	6.06	2.69	128.81
As at March 31, 2022	109.11	5.03	2.69	116.84

2.8 The Group follows cost model for the subsequent measurement of Intangible assets, consequently the Group has not revalued the intangible assets during the year.

**2B Notes related to ROU assets****Changes in the carrying value of right of use assets:**

Particulars	(Rs.in lakhs)		
	Land	Category of Asset Office Premises	Total
<b>Balance as at April 1, 2020</b>	7,407.00	-	7,407.00
Additions during the year	-	-	-
Less: Depreciation	-	-	-
<b>Balance as at March 31, 2021</b>	<b>7,407.00</b>	-	<b>7,407.00</b>
<b>Balance as at April 1, 2021</b>	7,407.00	-	7,407.00
Additions during the year	-	8.78	8.78
Less: Depreciation expenses	-	(0.73)	(0.73)
<b>Balance as at March 31, 2022</b>	<b>7,407.00</b>	<b>8.05</b>	<b>7,415.05</b>

Note:-There are no such immovable properties on lease where lease deeds are not held in name of the Group.

**OTHER NOTES****3 GOODWILL ON CONSOLIDATION**

(Rs. in lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
Goodwill on Consolidation	6,159.22	6,159.22
Less - Provision for diminution (Impairment) in value of Goodwill arising out of investment in Manugraph Americas Inc.	6,159.22	6,159.22
<b>Total</b>	-	-

- (a) Goodwill on Consolidation amounting to Rs. 6,159.22 lakhs has arisen on consolidation between the Company and Manugraph Americas Inc. This Goodwill represents difference between the cost to Group of its Investment in the Subsidiary Company and the Equity Value on the date of acquisition.
- (b) Pursuant to the court monitored liquidation proceedings of Manugraph Americas Inc., the Group has reassessed the impairment of investment in Manugraph Americas Inc. All the assets have been disposed off and the financial statements of the said Manugraph Americas Inc. are prepared on realisable basis. Based on the reassessment of the residual value to equity holders, the Group has not made a further provision during the current year after considering liabilities ( PYRs. Nil ). The aggregate provision of Rs. 12,470 lakhs in its standalone financial statements. The amount in excess of Goodwill on consolidation has been reversed in the consolidated financial statements as these statements incorporate the accumulated losses of the subsidiary.

**4 NON-CURRENT INVESTMENTS**

(Rs. in lakhs)

Particulars	As at 31st March 2022		As at 31st March, 2021	
	Nos.	Amount	Nos.	Amount
<b>Investment in company other than subsidiary</b>				
<b>Investment in equity instruments</b>				
<b>(fully paid-up)</b>				
<b>Quoted measured at FVTPL</b>				
Canara Bank	63	0.14	63	0.10
<b>Unquoted measured at FVTPL</b>				
Raffles Insurance Limited, USA	1	0.07	-	-
( Common shares of par value US\$ 0.01 each)				
Raffles Insurance Limited, USA	1	22.85	-	-
( Preferred shares of par value US\$ 0.01 each)				
<b>Total</b>		<b>23.06</b>		<b>0.10</b>

**4.1 Aggregate amount of investments and market value thereof:**

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Quoted investments		
- Carrying value	0.14	0.10
- Market Value	<b>0.14</b>	<b>0.10</b>
b. Unquoted investments	22.92	-

**5 LOANS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Staff loans (Unsecured considered good)	151.63	51.22	153.22	53.37
<b>Total</b>	<b>151.63</b>	<b>51.22</b>	<b>153.22</b>	<b>53.37</b>

**5.1) Investment by the loanee in the shares of the Group:**

Loanee has, per se, not made investments in the shares of the Company against the loan availed.

**6 OTHER FINANCIAL ASSETS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Sundry deposits - measured at amortised cost	41.39	-	42.30	-
Sundry deposits (in foreign currency) - measured at amortised cost	26.97	-	-	-
Interest accrued on bank deposits	-	5.74	-	33.38
Other receivables	0.55	51.90	0.55	5.34
<b>Total</b>	<b>68.90</b>	<b>57.64</b>	<b>42.85</b>	<b>38.72</b>

**7 OTHER ASSETS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Balance with government authorities				
i. CST / MVAT	180.50	-	479.99	-
ii. Goods and service tax	-	368.79	-	261.43
iii. Income Tax paid (net of provisions)	662.09	-	1,031.13	-
Advances for expenses	0.87	67.79	0.92	32.52
Advance to suppliers	-	66.37	-	8.85
Export incentive receivables	-	30.51	-	78.86
Amount deposited in escrow	33.97	-	33.97	-
Sundry deposits - ROU Office premises	3.00	-	-	-
Contract assets - Unbilled revenue	-	8.32	-	-
<b>Total</b>	<b>880.43</b>	<b>541.77</b>	<b>1,546.01</b>	<b>381.66</b>

**8 INVENTORIES**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Material	735.91	766.97
Work In Progress	984.55	1,474.62
Finished Goods	1,466.33	1,466.33
Stores & Spares	86.90	96.19
Loose Tools (Consumable)	45.89	67.49
Manufactured components	1,757.39	1,423.12
<b>Total</b>	<b>5,076.97</b>	<b>5,294.72</b>

8.1 Inventories are valued at lower of cost or net realisable value.

8.2 All the above inventories are hypothecated to the lenders as security towards working capital facilities.

8.3 There is no difference in the inventory statement submitted to the banks and the physical stock.

The disclosure of inventories recognised as an expense in accordance with Ind AS 2 is as follows:

(Rs. In Lakhs)

	Particulars	As at 31st March, 2022		As at 31st March, 2021	
(i)	Amount of inventories recognised as an expense during the year.				
	Cost of material consumed	2,587.66		1106.11	
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	155.81		765.31	
	Consumption of stores and consumables	85.28	2,828.74	35.08	1,906.50
(ii)	Amount of write - down of inventories recognised as an expense during the year.		-		-
(iii)	Carrying amount of inventories pledged as security for liabilities.		5,076.97		5,294.72

## 9 TRADE RECEIVABLES -CURRENT

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
<b>Unsecured, considered good</b>				
Related parties (refer note 34)	7.68		7.24	
Others	105.21		333.59	
<b>Unsecured, considered doubtful</b>				
Others	1.10	113.99	-	340.83
Less- Provision for expected credit loss		1.10		-
<b>Total</b>		<b>112.89</b>		<b>340.83</b>

### Expected credit loss

The Group estimates impairment under the simplified approach.

### Trade receivables ageing Schedule: For the financial year ended 31st March, 2022

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	111.95	0.94	-	-	-	112.89
Undisputed Trade Receivables - which have significant increase in credit risk	-	1.10	-	-	-	1.10
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total before expected credit loss	111.95	2.04	-	-	-	113.99
Less Provision for expected credit loss	-	1.10	-	-	-	1.10
<b>Total</b>	<b>111.95</b>	<b>0.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112.89</b>

**Trade receivables ageing Schedule: For the financial year ended 31st March, 2021**

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	66.65	15.44	258.74	-	-	340.83
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total before expected credit loss	66.65	15.44	258.74	-	-	340.83
Less Provision for expected credit loss	-	-	-	-	-	-
<b>Total</b>	<b>66.65</b>	<b>15.44</b>	<b>258.74</b>	<b>-</b>	<b>-</b>	<b>340.83</b>

**10 CASH AND CASH EQUIVALENTS**

(Rs. In Lakhs)

	Particulars	As at 31st March, 2022	As at 31st March, 2021
i	Balances with bank		
	- in current accounts	64.71	139.29
ii	Funds in transit	-	0.57
iii	Cash on hand	13.39	15.43
	<b>Total</b>	<b>78.10</b>	<b>155.29</b>

10.1 There are no repatriation restrictions with regard to cash and cash equivalents

**11 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS AS ABOVE**

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Other Bank Balances</b>		
Bank deposits with maturity between 3 to 12 months		
- Margin money	14.25	10.50
- Other than margin money	760.00	950.00
<b>Earmarked balances</b>		
Unclaimed dividend	16.15	21.46
<b>Total</b>	<b>790.40</b>	<b>981.96</b>

**12 NON-CURRENT ASSETS HELD FOR SALE**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current investment	-	22.79
<b>Total</b>	<b>-</b>	<b>22.79</b>

The non-current investments Rs. Nil (previous year Rs. 22.79 lakhs) relate to Manugraph Americas Inc., the subsidiary which is under Court monitored liquidation.

**13 EQUITY SHARE CAPITAL**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Nos.	Amount	Nos.	Amount
<b>Authorised capital:</b>				
Equity shares of Rs. 2 each	105,045,000	2,100.90	105,045,000	2,100.90
Preference shares of Rs.100 each	10,100	10.10	10,100	10.10
Unclassified shares of Rs.100 each	20,000	20.00	20,000	20.00
Redeemable preference shares of Rs.100 each	350,000	350.00	350,000	350.00
<b>Total</b>		<b>2,481.00</b>		<b>2,481.00</b>

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Nos.	Amount	Nos.	Amount
<b>Issued, subscribed and paid up capital:</b>				
Equity shares of Rs. 2 each	30,415,061	608.30	30,415,061	608.30
<b>Total</b>	<b>30,415,061</b>	<b>608.30</b>	<b>30,415,061</b>	<b>608.30</b>

The Group has not issued any bonus shares during the last five years.

**Details of Shareholding in excess of 5%**

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% Holding	Number of shares held	% Holding
Multigraph Machinery Co. Ltd.	6,002,517	19.74	6,002,517	19.74
Pradeep Sanat Shah	4,156,701	13.67	4,156,701	13.67
Sanjay Sanat Shah	3,764,441	12.38	3,764,441	12.38
Sanat Manilal Shah	1,549,209	5.09	1,549,209	5.09
<b>Total</b>	<b>15,472,868</b>	<b>50.88</b>	<b>15,472,868</b>	<b>50.88</b>

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Nos.	Amount	Nos.	Amount
<b>Issued, subscribed and paid up capital:</b>				
At the beginning of the year	30,415,061	608.30	30,415,061	608.30
Issued during the period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>30,415,061</b>	<b>608.30</b>	<b>30,415,061</b>	<b>608.30</b>

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

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

Shareholding of Promoters



Shares held by promoters at the year ending 31st March, 2022

Sr. no.	Promoter Name	No. of Shares	% of total shares	% change during the year
1	Pradeep S. Shah	4,156,701	13.67%	-
2	Sanjay S. Shah	3,764,441	12.38%	-
3	Sudha S. Shah	1,491,570	4.90%	-
4	Sanat Manilal Shah	1,549,209	5.09%	-
5	Ameeta Shah	350,125	1.15%	-
6	Aditya Sanjay Shah	117,150	0.39%	-
7	Rupali P. Shah	87,840	0.29%	-
8	Kushal Sanjay Shah	14,175	0.05%	-
9	Rashee Pradeep Shah	1,350	0.00%	-
10	Multigraph Machinery Co. Ltd.	6,002,517	19.74%	-
	<b>Total</b>	<b>17,535,078</b>	<b>57.65%</b>	

Shares held by promoters at the year ending 31st March, 2021

Sr. no.	Promoter Name	No. of Shares	% of total shares	% change during the year
1	Pradeep S. Shah	4,156,701	13.67%	-
2	Sanjay S. Shah	3,764,441	12.38%	-
3	Sudha S. Shah	1,491,570	4.90%	-
4	Sanat Manilal Shah	1,549,209	5.09%	-
5	Ameeta Shah	350,125	1.15%	-
6	Aditya Sanjay Shah	117,150	0.39%	-
7	Rupali P. Shah	87,840	0.29%	-
8	Kushal Sanjay Shah	14,175	0.05%	-
9	Rashee Pradeep Shah	1,350	0.00%	-
10	Multigraph Machinery Co. Ltd.	6,002,517	19.74%	-
	<b>Total</b>	<b>17,535,078</b>	<b>57.65%</b>	

**14 OTHER EQUITY**

(Rs. In Lakhs)

Particulars		As at 31st March, 2022		As at 31st March, 2021	
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
v	General reserve		6,952.83		6,952.83
vi	Retained earnings		919.17		2231.08
Vii	Foreign Currency Translation Reserve		54.59		54.98
	<b>Total other equity</b>		<b>10382.22</b>		<b>11694.54</b>

Refer consolidated statement of changes in equity for detailed movement in other equity balance.

**Nature and purpose of other equity****a) Capital reserve**

Capital reserve represents excess/short of net assets acquired in business combination. It is not available for the distribution to shareholders as dividend. Rs. 20 lakhs taken over from Manuweb International Limited (Manuweb) during the year ended March 31, 1995. Rs. 50 lakhs is Capital Subsidy received from State Government and Rs. 2 lakhs on amalgamation of Constrad Agencies (Bombay) Private Limited with the Group.

**b) Capital reserve - on amalgamation**

Capital reserve represents excess of net assets acquired in past amalgamation. It is not available for the distribution to shareholders as dividend. Taken over from erstwhile Manuweb on amalgamation: Pursuant to the Scheme of Amalgamation of Manuweb with the Group, sanctioned by the Bombay Hon'ble High Court vide order dated 30th March, 1995, the assets and liabilities of Manuweb were transferred to and vested in the Group with effect from 1st April, 1994. Accordingly, effect has given to the scheme in the accounts.

**c) Capital redemption reserve**

In accordance with Section 69 of the Companies Act, 2013, the Group has created capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve. Created by transfer from General Reserve during the year ended March 31, 2002 pursuant to the buy back of equity shares.

**d) Securities premium**

Securities premium account is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provision of the Companies Act, 2013.

**e) General reserve**

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

**f) Retained earnings**

Retained earnings are the profits that the Group has earned till date, less, any transfers to general reserve, any transfers from or to other comprehensive income (loss), dividends or other distributions paid to shareholders.

**g) Foreign Currency Translation Reserved**

Foreign currency translation reserve Exchange differences arising on translation of the Financial Statements of a foreign operation are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the Consolidated Statement of Profit and Loss when the net investment is disposed off.

**15 LEASED LIABILITIES**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Lease liabilities	5.56	2.62	-	-
<b>Total</b>	<b>5.56</b>	<b>2.62</b>	-	-

**15.1 Movement in lease liabilities**

(Rs. In Lakhs)

Particulars	Category of Asset		
	Land	Office Premises	Total
Balance as at April 1, 2020	-	-	-
Addition during the year	-	-	-
Add - Finance cost incurred during the period	-	-	-
Less - Payment of lease liabilities	-	-	-
<b>Balance as at March 31, 2021</b>	-	-	-
Balance as at April 1, 2021	-	-	-
Addition during the year	-	8.78	8.78
Add - Finance cost incurred during the period	-	0.30	0.30
Less - Payment of lease liabilities	-	0.90	0.90
<b>Balance as at March 31, 2022</b>	-	<b>8.18</b>	<b>8.18</b>

## 15.2 Details regarding the contractual maturities of lease liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	2.62	-
Two to five years	5.56	-
More than five years	-	-
	<b>8.18</b>	-

## 15.3 Amount recognised in Statement of Profit and Loss

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depreciation on right of use assets	0.73	-
Interest on lease liabilities	0.30	-
Expenses relating to low/short term leases * (* Classified in other expenses refer note 29)	1.23	1.91
<b>Total</b>	<b>2.26</b>	<b>1.91</b>

## 16 OTHER FINANCIAL LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
Unclaimed dividends	-	16.15	-	21.46
Other Liabilities	-	149.33	-	231.31
Security Deposits - measured at amortised cost	3.16	-	3.31	-
<b>Total</b>	<b>3.16</b>	<b>165.49</b>	<b>3.31</b>	<b>252.77</b>

## 17 PROVISIONS

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
<b>For employees benefits</b>				
Provision for earned leave wages	139.41	55.80	145.79	48.55
Provision for gratuity	726.29	50.39	827.78	51.90
<b>Others</b>				
Provision for warranty	-	14.27	-	134.06
<b>Total</b>	<b>865.70</b>	<b>120.45</b>	<b>973.57</b>	<b>234.51</b>

a The disclosure of provisions movement as required by Ind AS 37 is as follows:-

(Rs. In Lakhs)

Particulars	Opening Balance	Additions during the year	Amt. Paid / Reversed during the year	Closing Balance
Compensated absences ( FY 2021-22 )	194.34	0.87		195.21
Compensated absences ( FY 2020-21 )	287.02		92.68	194.34

Particulars	Opening Balance	Additions during the year	Amt. Paid / Reversed during the year	Closing Balance
Gratuity ( FY 2021-22 )	879.68		103.00	776.68
Gratuity ( FY 2020-21 )	797.67	82.01		879.68

Particulars	Opening Balance	Additions during the year	Amt. Paid / Reversed during the year	Closing Balance
Warranty Expenses ( FY 2021-22 )	134.06	13.67	133.46	14.27
Warranty Expenses ( FY 2020-21 )	176.77	-	42.71	134.06

b Disclosure in accordance with Ind AS-19 “Employee Benefits”

**Gratuity**

The Group 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 Group 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.

**Compensated absences**

The Compensated absences cover the liability for earned leave. Out of the total amount disclosed above, the amount of Rs. 55.80 Lakhs (March 31, 2021: Rs. 48.55 Lakhs) is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
<b>Expense recognised in Statement of profit and loss</b>		
Current service cost	51.42	67.76
Interest expense	89.75	143.13
Expected return on plan assets	(34.87)	(93.25)
Past service cost	-	-
<b>Total</b>	106.30	117.64
<b>Expense recognised in Other Comprehensive Income</b>		
Return on plan assets (Greater)/Less than Discount Rate	(53.08)	(51.33)
Actuarial (Gain)/Loss due to Experience on DBO	(58.89)	84.10
<b>Total</b>	(111.97)	32.77
Present value of funded defined benefit obligation		
Fair value of Plan assets	704.92	595.71
Funded Status	1,481.60	1,475.39
<b>Net defined benefit(Asset) / Liability</b>	(776.68)	(879.68)
<b>Movements in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	1,475.39	2,269.37
Transfer in obligation	48.71	-
Current Service Cost	51.42	67.76
Interest Cost	89.75	143.13
Past Service Cost	-	-
Actuarial (Gain)/Loss	(58.89)	84.10
Benefits paid from the fund	(124.78)	(1,088.97)
<b>Present value of defined benefit obligation at the end of the year</b>	1,481.60	1,475.39

<b>Movements in fair value of the plan assets are as follows</b>		
Opening fair value of plan assets	595.71	1,471.70
Expected returns on Plan Assets	34.87	93.25
<b>Remeasurement (Gains)/Losses:</b>		
Actuarial Gain/(Loss) on Plan assets	53.08	51.33
Contribution from Employer	146.04	68.40
Benefits paid	(124.78)	(1,088.97)
Benefit paid but pending claim	-	-
<b>Closing fair value of the plan asset</b>	<b>704.93</b>	<b>595.71</b>
<b>Remeasurement effect recognised on Other Comprehensive Income</b>		
Actuarial (Gain)/Loss on obligations arising due to change in financial assumptions	(20.07)	30.70
arising due to change in demographic assumptions	-	-
arising due to experience adjustments	(38.82)	53.40
Actuarial (Gain)/Loss on Plan assets	(53.08)	(51.33)
<b>Total actuarial (Gain)/Loss included in OCI</b>	<b>(111.97)</b>	<b>32.77</b>

The principal assumptions used as at the balance sheet date are used for purpose of actuarial valuations were as follows:

#### Break-up of Plan Assets

Category of assets as at the end of the year	2021-22	2020-21
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	6.50%	6.25%
Salary escalation rate (annual)	4.00%	4.00%

#### Demographic Assumptions

	Indian Assured Lives	Indian Assured Lives
Mortality Rate	Mortality ( 2012-14 )	Mortality ( 2012-14 )
Withdrawal Rate	2.00%	2.00%
Retirement age	60	60

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality.

#### Defined Benefit Obligation

##### Discount rate

a. Discount rate + 50 basis points	1,442.69	1,431.82
b. Discount rate - 50 basis points	1,522.16	1,520.95

##### Salary growth rate

a. Rate + 50 basis points	1,522.45	1,521.18
b. Rate - 50 basis points	1,442.63	1,431.45

##### Withdrawal rate

a. Rate + 10 basis points	1,484.68	1,478.57
b. Rate - 10 basis points	1,478.47	1,472.15

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would clear in isolation of one another as some of the assumptions may be correlated.

Further more, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### **Risks associated with defined benefit plan**

Gratuity is defined benefit plan and the Group is exposed to the following risks:

#### **(i) Actuarial risk**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

#### **(ii) Investment Risk**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

#### **(iii) Liquidity Risk**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cashflows.

#### **(iv) Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

#### **(v) Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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

**18 DEFERRED TAX LIABILITY / ASSET**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
<b>Deferred tax liability on account of</b>				
Book and tax base of PPE except Land	165.86		140.32	
Book and tax base of Land	1,541.43		1,550.72	
Unrealised gain on current investments		1,707.29		1,691.04
<b>Deferred tax Assets on account of</b>				
Compensation under VRS 2018-19	12.09		24.18	
Compensation under VRS 2019-20	1.46		2.18	
Provision for leave encashment	50.75		50.53	
Provision for gratuity	201.94	266.24	228.72	305.61
<b>Net deferred tax liability / (asset)</b>		<b>1,441.05</b>		<b>1,385.43</b>

**19 BORROWINGS**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
<b>Secured loans:</b>				
<b>Cash credit accounts</b>				
State Bank of India	-	1,098.70	-	1,058.70
HDFC Bank Ltd	-	671.27	-	826.68
<b>Total borrowings</b>	-	<b>1,769.97</b>	-	<b>1,885.38</b>

Note 19.1 Details of securities

Secured by hypothecation of inventory, book-debts and other receivables and second charge on the Group's moveable and immoveable properties.

The carrying amount of assets hypothecated / mortgaged as security for borrowing limits are:

(Rs. In Lakhs)

	Particulars	As at 31st March, 2022	As at 31st March, 2021
1	Inventory	5,076.97	5,294.72
2	Trade receivables	112.89	340.83
3	Property plant and equipment (2nd charge)	9,071.28	9,193.04
	<b>Total</b>	<b>14,261.13</b>	<b>14,828.59</b>

Note 19.2 Reconciliation of liabilities arising from financing activities

(Rs. In Lakhs)

March 31, 2022	Opening balance	Cash flows	Non cash changes	Closing balance
Short term secured borrowings	1,885.38	-115.41	-	1,769.97
<b>Total liabilities from financing activities</b>	<b>1,885.38</b>	<b>-115.41</b>	-	<b>1,769.97</b>
March 31, 2021	Opening balance	Cash flows	Non cash changes	Closing balance
Short term secured borrowings	911.36	974.02	-	1,885.38
<b>Total liabilities from financing activities</b>	<b>911.36</b>	<b>974.02</b>	-	<b>1,885.38</b>

**20 TRADE PAYABLE**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Trade Payables for goods and services:				
Micro and small enterprises		96.28		84.42
Other than MSME				
Related parties (refer note 33)	-		5.81	
Others	653.39	653.39	801.73	807.54
<b>Total</b>		<b>749.67</b>		<b>891.96</b>

Trade payables and acceptances are non-interest bearing and are normally settled on 60 days terms.

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

(Rs. In Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each;		
	Principal amount due	96.28	84.42
	Interest due on the above	0.60	1.88
(ii)	The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		
	Principal amount due	243.21	165.29
	Interest paid thereon	5.10	6.01
(iii)	The amount of interest due and payable for the period of delay in making payment beyond appointed day during the year.	0.60	1.88
(iv)	The amount of interest accrued and remaining un-paid at the end of the accounting year	-	-
(v)	The amount of further interest due and payable even in succeeding years	-	-

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 Group.

Trade payables ageing schedule: For the financial year ended 31st March, 2022

(Rs. In Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(i) MSME	96.28	-	-	-	96.28
(ii) Others	639.39	14.00	-	-	653.39
(i) Disputed dues - MSME	-	-	-	-	-
(i) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>735.67</b>	<b>14.00</b>	<b>-</b>	<b>-</b>	<b>749.67</b>

Trade payables ageing schedule: For the financial year ended 31st March, 2021

(Rs. In Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(i) MSME	84.42	-	-	-	84.42
(ii) Others	798.40	9.14	-	-	807.54
(i) Disputed dues - MSME	-	-	-	-	-
(i) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>882.82</b>	<b>9.14</b>	<b>-</b>	<b>-</b>	<b>891.96</b>



**21 OTHER LIABILITIES**

(Rs. In Lakhs)

Particulars	As at 31st march, 2022		As at 31st March, 2021	
	Non-current	Current	Non-current	Current
<b>Others</b>				
Advances from customers	-	860.93	-	370.34
Duties & Taxes payable	-	23.87	-	17.87
Other statutory liabilities	-	19.42	-	9.26
Contract liability - Unearned installation income	-	2.74	-	6.15
<b>Total</b>	-	<b>906.96</b>	-	<b>403.62</b>

**22 REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
	<b>Sale of printing machines and spares</b>			
Domestic	2,135.82		1,781.82	
Exports	2,108.59	4,244.41	985.95	2,767.77
<b>Sale of service</b>				
Service and installation charges		185.03		150.60
<b>Revenue from contract with customers</b>				
<b>Other Operating Revenue</b>				
Export incentive	62.49		18.69	
Packing and forwarding recovery	46.34		20.62	
Miscellaneous receipts	66.79	175.62	10.83	50.14
<b>Total</b>		<b>4,605.06</b>		<b>2,968.51</b>

Disclosure in accordance with Ind AS115 Revenue from Contract with Customers.

a Revenue disaggregation based on service type and customer type

i) Revenue disaggregation by service type is as follows:

(Rs. In Lakhs)

Revenue Type	2021-22	2020-21
Sale of printing machines and spares	4,244.41	2,767.77
Service and erection charges received	185.03	150.60
<b>Total</b>	<b>4,429.44</b>	<b>2,918.37</b>

ii) Revenue disaggregation by geographical type is as follows:

(Rs. In Lakhs)

Revenue Type	2021-22	2020-21
<b>Domestic</b>		
Sale of Goods	2,135.82	1,781.82
Sale of Services	127.96	85.94
<b>Sub-total</b>	<b>2,263.78</b>	<b>1,867.76</b>
<b>Exports</b>		
Sale of Goods	2,108.59	985.95
Sale of Services	57.07	64.66
<b>Sub-total</b>	<b>2,165.66</b>	<b>1,050.61</b>
<b>Total</b>	<b>4,429.44</b>	<b>2,918.37</b>

- b Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price  
(Rs. In Lakhs)

Particulars	2021-22	2020-21
Revenue as per contracted price	4,430.06	2,918.61
<b>Adjustments</b>		
Sales return	0.62	0.24
Cash and other discount		
<b>Total revenue from contract with customers</b>	<b>4,429.44</b>	<b>2,918.37</b>

- c Contract assets and contract liabilities

The Group has recognised the following revenue-related contract assets and liabilities.

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Contract Assets - unbilled revenue	8.32	-
Advance from customers	860.93	353.71

- d Information about major customers  
For information about major customer refer note 34

## 23 OTHER INCOME

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Dividends from equity instruments measured at FVTPL	41.87		-	
Interest income from financial assets- measured at amortised cost	46.13		132.00	
Rent ( refer note 31 )	9.00		20.97	
Indirect taxes refund	4.17		-	
Sundry credit balances appropriated	2.37		1.20	
Excess provision and adjustments	2.57		26.95	
Excess provision for warranty expenses	-		29.67	
Foreign exchange gain	0.88		7.45	
Gain on disposal of PPE (Net)	49.14		105.12	
Interest received on income tax refund	53.53	209.65	10.47	333.83
<u>Other non-operating income</u>				
Gain on fair valuation of investment measured- at FVTPL	0.05	0.05	0.04	0.04
<b>Total</b>		<b>209.70</b>		<b>333.87</b>

## 24 COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Raw Materials Consumed (RMC)				
Opening Stock	766.97		922.81	
Add : Purchases	2,557.01	3,323.98	950.56	1,873.37
Less : RMC Capitalised	0.41		0.29	
Less : Closing Stock	735.91	736.32	766.97	767.26
<b>Total</b>		<b>2,587.66</b>		<b>1,106.11</b>

**25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Inventory Adjustments - Finished Goods				
Stock at Commencement	1,466.33		1,005.78	
Less : Stock at close	1,466.33	0.00	1,466.33	(460.55)
Inventory Adjustments - Work-in-progress				
Stock at Commencement	1,474.62		2,593.43	
Less - WIP Stock Capitalised	-		-	
Less : Stock at close	984.55	490.07	1,474.62	1,118.81
Inventory Adjustments - Manufactured components				
Stock at Commencement	1,423.12		1,530.17	
Less : Stock at close	1,757.39	-334.26	1,423.12	107.05
<b>(Increase)/Decrease in stocks</b>		<b>155.81</b>		<b>765.31</b>

**26 EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Salaries, Wages, bonus and allowances(refer Note 33)	1,519.78		1,350.36	
Welfare expenses	145.19		50.05	
Contribution to provident & other funds	134.50		116.80	
Provision for compensated absences	18.74		102.28	
Gratuity	106.30		117.64	
		1,924.50		1,737.13
Less - Wages capitalised		0.24		0.26
<b>Total</b>		<b>1,924.27</b>		<b>1,736.87</b>

Based on legal advice and on account of continuing losses from business, the Group has made an application for the waiver from payment of minimum bonus @ 8.33% as per the Payment of Bonus Act, 1965 to the eligible employees. The amount of minimum bonus payable works out to be Rs. 35.34 Lakhs (Previous year Rs. 51.65 Lakhs). The said application is not disposed off on the date of adoption of these Consolidated Financial Statements, however the management is hopeful of receiving a favourable outcome. Accordingly, no provision for minimum bonus is made by the Group.

**27 FINANCE COST**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Interest paid		213.26		211.18
Other borrowing costs				
Loan processing fees	18.98		30.32	
Commitment charges	6.14	25.12	6.98	37.30
<b>Total</b>		<b>238.38</b>		<b>248.48</b>

**28 DEPRECIATION & AMORTISATION**

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Depreciation	122.59		154.06	
Amortisation	11.97	134.56	15.56	169.62
<b>Total</b>		<b>134.56</b>		<b>169.62</b>

## 29 OTHER EXPENSES

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
Consumption of stores and consumables		85.28		35.08
Power & fuel		101.82		66.14
Rent (refer Note 33)		1.23		1.92
Rates & taxes		17.51		6.92
Repairs and maintenance - building		2.26		4.07
Repairs and maintenance - machinery		5.47		11.59
Insurance		37.17		40.98
Travelling and conveyance		152.91		147.58
Commission on sales ( refer note )		105.65		89.74
Other repairs & maintenance		29.97		26.75
Advertisement and sales promotion expenses		21.97		8.71
Bank charges		8.47		4.36
Sundry debit balances written off		15.55		0.74
Provision for expected credit loss		1.10		-
Fixed assets scrapped		0.10		-
Warranty expenses		13.67		-
Research and development expenses		40.71		41.72
Legal and professional charges		101.35		75.34
Service and installation charges		98.16		72.52
Factory upkeep expenses		3.96		33.29
Security service expenses		49.95		45.45
Contract labour charges		69.90		25.13
Freight and handling charges		10.51		5.85
Packing and forwarding charges		95.85		49.76
Directors' sitting fees (refer Note)		6.67		5.29
<b>Remuneration to Auditors</b>				
Audit fees	14.50		14.50	
Other services	0.75		0.50	
		15.25		15.00
Miscellaneous Expenses (None of which individually forms more than 1% of the operating revenue.)				
		126.83		114.77
Sub-total		1,219.28		928.70
Less - Overheads capitalised		1.30		1.48
<b>Total</b>		<b>1,217.98</b>		<b>927.22</b>

## a Research and development expenses

(Rs. In Lakhs)

Particular	2021-22		2020-21	
	In recognised Unit		In recognised Unit	
Personnel costs		39.73		40.71
Other Costs		0.98		1.01
<b>Total revenue costs</b>		<b>40.71</b>		<b>41.72</b>
<b>Capex costs</b>		-		-

## b Disclosure on CSR activity

- i The Group is not required to spend on CSR activities during the current financial year and the previous year.
- ii Amount spent by the Group during the year is Rs. Nil ( Previous year Rs. Nil )

**30 EXCEPTIONAL ITEMS**

Compensation to separated employees

As a part of reducing employee cost, the Group has formulated a plan for employee separation. During the year ended March 31, 2022 the Group had paid to such separated employees an amount of Rs. 112.83 lakhs. During the previous year ended March 31, 2021 the Group had paid to such separated employees an amount of Rs. 1170.43 lakhs.

**31 CURRENT AND DEFERRED TAX**

The major components of income tax expenses for the year ended March 31, 2022 and March 31, 2021 are:

## a Income tax expenses recognised in the Statement of Profit and Loss

(Rs. In Lakhs)

Particulars	2021-22		2020-21	
<b>i) Current tax</b>				
Current tax for the year	-		-	
Adjustments for current tax of prior periods	(47.57)	(47.57)	5.22	5.22
<b>ii) Deferred tax</b>				
(Decrease) / Increase in deferred tax liabilities	16.24		18.68	
(Decrease) / Increase in deferred tax assets	10.27	26.51	24.12	42.80
<b>Total tax expense</b>		<b>(21.06)</b>		<b>48.02</b>

## b Income tax expenses recognised in the Other Comprehensive Income

(Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
<b>i) Current tax</b>	-	-
<b>ii) Deferred tax</b>		
Remeasurement gain   (loss) on defined benefit plans	29.11	8.52
<b>Total</b>	<b>29.11</b>	<b>8.52</b>

## c The reconciliation between the Statutory income tax rate applicable to the Group and the effective income tax rate of the Group

(Rs. In Lakhs)

Particulars	2021-22	2020-21
a) Statutory income tax rate	26.00%	26.00%
b) Differences due to		
i) Non-deductible expenses	-1.70%	-1.52%
ii) Others	3.05%	-0.18%
<b>Effective income tax rate</b>	<b>1.35%</b>	<b>-1.70%</b>

## d No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity.

## e Current tax assets (net)

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Opening balance	1,031.13	1,104.54
Add/(Less): Income Tax paid in advance, net of provisions during the year	(369.04)	(73.41)
<b>Closing balance</b>	<b>662.09</b>	<b>1,031.13</b>

## f Deferred tax liabilities (Net)

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	Recognised in	As at 31st March, 2021	
		Profit & Loss	OCI   Equity	
<b>Deferred tax liability on account of</b> Property, plant and equipment	1,707.28	16.24	-	1,691.04
<b>Total deferred tax liabilities</b>	<b>1,707.28</b>	<b>16.24</b>	-	<b>1,691.04</b>
<b>Deferred tax assets on account of</b> Compensation under VRS	(13.54)	12.82	-	(26.36)
Provision for compensated absences	(50.75)	(0.22)	-	(50.53)
Provision for gratuity	(201.94)	(2.33)	29.11	(228.72)
<b>Total deferred tax assets</b>	<b>(266.23)</b>	<b>10.27</b>	<b>29.11</b>	<b>(305.61)</b>
<b>Net deferred tax liabilities</b>	<b>1,441.05</b>	<b>26.51</b>	<b>29.11</b>	<b>1,385.43</b>

Particulars	As at 31st March, 2021	Recognised in	As at 31st March, 2020	
		Profit & Loss	OCI   Equity	
<b>Deferred tax liability on account of</b> Property, plant and equipment	1,691.04	18.68	-	1,672.36
Fair valuation of Investments	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>1,691.04</b>	<b>18.68</b>	-	<b>1,672.36</b>
<b>Deferred tax assets on account of</b> Compensation under VRS	(26.36)	12.83	-	(39.19)
Provision for compensated absences	(50.53)	24.10	-	(74.63)
Provision for gratuity	(228.72)	(12.81)	(8.52)	(207.39)
<b>Total deferred tax assets</b>	<b>(305.61)</b>	<b>24.12</b>	<b>(8.52)</b>	<b>(321.21)</b>
<b>Net deferred tax liabilities</b>	<b>1,385.43</b>	<b>42.80</b>	<b>(8.52)</b>	<b>1,351.15</b>

## g Unrecognised temporary differences

The Group has not recognised deferred tax asset associated with impairment on equity share measured at cost as based on Management projection of future taxable income for set-off it is not probable that such difference will reverse in the foreseeable future. Similar view has also been taken for Deferred Tax Asset on Unabsorbed Losses and Depreciation as per Income Tax Act, 1961.

## 32 PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gross revenue from discontinued operations	140.89	-
Less : Expenses for discontinued operations	-	-1.37
Net Profit / (loss) from discontinued operations	140.89	-1.37

**33 DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD- IND AS 33 "EARNING PER SHARE" OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015.**

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Net profit after tax available for equity shareholders before Exceptional Items	(1,422.83)	(1,699.24)
Net profit after tax available for equity shareholders after Exceptional Items	(1,535.66)	(2,869.67)
Net profit after tax available for equity shareholders for Discontinued Operations (Rs. in lakhs)	140.89	(1.37)
Opening equity shares outstanding(Nos.)	30,415,061	30,415,061
Add:-Issued during the year(Nos.)	-	-
Closing equity shares outstanding (Nos.)	30,415,061	30,415,061
Weighted average number of equity shares of Rs. 2 each outstanding during the year (Basic)	30,415,061	30,415,061
Weighted average number of equity shares of Rs. 2 each outstanding during the year (Diluted)	30,415,061	30,415,061
Earning Per Share before Exceptional Items Basic and diluted earnings per share in Rupees	(4.68)	(5.59)
Earning Per Share after Exceptional Items Basic and diluted earnings per share in Rupee	(5.05)	(9.44)
Earning Per Share Basic and diluted earnings per share (Rs.) for discontinued operation	0.46	-
Earning Per Share before Exceptional Items Basic and diluted earnings per share (Rs.) for discontinued and continuing operation	(4.21)	(5.59)
Earning Per Share after Exceptional Items Basic and diluted earnings per share (Rs.) for discontinued and continuing operation	(4.59)	(9.44)

The earning per share before exceptional item has been computed after considering the current and deferred tax effect on the exceptional item.

**34 DISCLOSURE AS REQUIRED BY IND AS 116 LEASES****a As a lessee**

The Group has taken a residential and office premises having the lease term of less than 12 months and has no obligation for renewal. These leases are considered by the Group as short leases in accordance with Ind AS 116, consequently these lease payments are recognised in the consolidated statement of profit and loss under "Rent" in Note 29. For other disclosures related to lease refer note 2B and note 15.

**b As a lessor****Operating Lease**

The Group has entered into operating leases of its office premises. Rents received are recognised in the Consolidated Statement of Profit and Loss as rent income in Note 23 'Other Income'.

**35 DISCLOSURE AS REQUIRED BY IND AS 108**

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance In accordance with IND AS "Operating Segment", The Group has only one reportable operating segment i.e. Engineering. The additional disclosure is being made in the consolidated financial statements.

There are 2 major customers to whom more than 10% of the sales are effected and the total sales effected from such customers is Rs.1,297.95 lakhs, (previous year Rs.1,440.03 lakhs).

**36 DISCLOSURE IN ACCORDANCE WITH IND AS 24****A List of related parties****i Key Management Personnel**

Mr. Sanat M. Shah	Chairman Emeritus
Mr. Sanjay S. Shah	Chairman and Managing Director
Mr. Pradeep S. Shah	Vice Chairman and Managing Director
Mr. Bhupal B Nandgave (upto October 6, 2020)	Whole Time Director (Works)
Mr. Shailesh B. Shirguppi (w.e.f. July 01, 2020)	Whole Time Director (Works)
Mr. Hiten C. Timbadia	Independent Director
Mr. Perses M. Bilimoria	Independent Director
Mr. Abhay J. Mehrotra	Independent Director
Ms. Basheera Indorewala	Independent Director
Ms. Madhavi Kilachand (w.e.f. June 28, 2021)	Independent Director

**ii Entities where Key Management Personnel exercise significant influence**

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

**B Details of related party transaction are given in statement 1 attached to this Consolidated Financial Statement.****37 CONTINGENT LIABILITIES AND COMMITMENTS**

(Rs. In Lakhs)

Description		2021-22	2020-21
<b>i</b>	<b>Contingent liabilities</b>		
	( a ) Claims against the Group not acknowledged as debt;	867.51	570.23
	( b ) Guarantee to Maharashtra Pollution Control Board	15.00	-
	( c ) Bonus liability in case of non receipt of waiver (Note 22(a))	142.77	107.43
	( d ) Other money for which the Group is contingently liable :		
	- Income-tax, sales tax, customs duty, excise duty and service tax demands against which the Group has preferred appeals/ made representation	71.38	74.56
	- On account of undertakings given by the Group in favour of Customs Authority	32.00	32.00
	( e ) Litigations with Union may not have any material impact on the operations of the Group	-	-
	<b>Total</b>	<b>1,128.66</b>	<b>784.22</b>

**38 FAIR VALUE MEASUREMENT**

(Rs. In Lakhs)

Particulars	31-Mar-22			31-Mar-21		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments:						
Equity instruments	23.06	-	-	0.10	-	-
Mutual Funds	-	-	-	-	-	-
Trade receivables	-	-	112.89	-	-	340.83
Loans	-	-	202.85	-	-	206.59
Others	-	-	126.54	-	-	81.57
Cash and bank balances	-	-	868.51	-	-	1137.25
<b>Total Financial assets</b>	<b>23.06</b>	<b>-</b>	<b>1,310.78</b>	<b>0.10</b>	<b>-</b>	<b>1,766.24</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,769.97	-	-	1,885.38
Trade payables	-	-	749.67	-	-	891.96
Other financial liabilities	-	-	168.64	-	-	256.08
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,688.29</b>	<b>-</b>	<b>-</b>	<b>3,033.42</b>



### 39 FAIR VALUE HIERARCHY

This section explains the judgement and estimate made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments in to the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

i) Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2022

(Rs. In Lakhs)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVPL:					
Quoted Equity Shares	4	23.06	-	-	23.06
Quoted Mutual Funds		-	-	-	-
Trade Receivables	9	-	-	112.89	112.89
Loans	5	-	-	202.85	202.85
Others	6	-	-	126.54	126.54
Cash and Bank Balances	10 & 11	-	-	868.51	868.51
<b>Total financial assets</b>		<b>23.06</b>	<b>-</b>	<b>1310.78</b>	<b>1,333.85</b>
<b>Financial liabilities</b>					
Borrowings	19	-	-	1,769.97	1,769.97
Trade payables	20	-	-	749.67	749.67
Other financial liabilities	15 & 16	-	-	168.64	168.64
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>918.31</b>	<b>918.31</b>

ii) Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2021

(Rs. In Lakhs)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVPL:					
Quoted Equity Shares	4	23.06	-	-	23.06
Quoted Mutual Funds		-	-	-	-
Trade Receivables	9	-	-	340.83	340.83
Loans	5	-	-	206.59	-
Others	6	-	-	81.57	-
Cash and Bank Balances	10 & 11	-	-	1,137.25	1,137.25
<b>Total financial assets</b>		<b>23.06</b>	<b>-</b>	<b>1,766.24</b>	<b>1,501.14</b>
<b>Financial liabilities</b>					
Borrowings	19	-	-	1,885.38	1,885.38
Trade payables	20	-	-	891.96	891.96
Other financial liabilities	15 & 16	-	-	256.08	256.08
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>3,033.42</b>	<b>3,033.42</b>

a) **There were no transfers between any levels during the year.**

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

b) **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

(i) the use of quoted market prices or dealer quotes for similar instruments

- (ii) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- (iii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date
- (iv) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- (v) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- (vi) All of the resulting fair value estimates are included in level 1 and 2.

#### c Valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

#### d Fair value of financial assets and liabilities measured at amortised cost

(Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>				
Investments:				
Unquoted Equity Shares	-	-	-	-
Trade receivables	112.89	112.89	340.83	340.83
Loans	202.85	202.85	206.59	206.59
Others	126.54	126.54	81.57	81.57
Cash and bank balances	868.51	868.51	1,137.25	1,137.25
<b>Total financial assets</b>	<b>1,310.78</b>	<b>1,310.78</b>	<b>1,766.24</b>	<b>1,766.24</b>
<b>Financial liabilities</b>				
Borrowings	1,769.97	1,769.97	1,885.38	1,885.38
Trade payables	749.67	749.67	891.96	891.96
Other financial liabilities	168.64	168.64	256.08	256.08
<b>Total financial liabilities</b>	<b>2,688.29</b>	<b>2,688.29</b>	<b>3,033.42</b>	<b>3,033.42</b>

The carrying value of equity shares at cost is net of impairment provision made.

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

#### 40 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk or its financial performance. The Group's risk management assessment, policies and processes are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Group's risk assessment and management policies and processes.

The Group has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

**Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This exposure is principally from the Group's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group has established norms for stage wise payments to lower the exposure. International transactions are backed by Letters of credit, confirmed by reputed banks, wherever found necessary. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Group takes a significant advance for its machine and has no history of any significant defaults from the customers end in payment of the sale consideration. And therefore has no history of expected credit loss.

**Trade receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows (before allowance for doubtful debts):

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Neither past due nor impaired	-	-
<b>Past due but not impaired</b>		
Past due 1 - 90 days	108.85	61.86
Past due 91 - 180 days	2.06	4.79
Past due 181 - 270 days	0.94	1.26
Past due 271 - 360 days	2.14	14.18
Past due more than 360 days		258.74
Total	113.99	340.83
Less : ECL	1.10	-
Net Total	112.89	340.83

**Cash and cash equivalents**

The Group held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs. 834.84 lakhs (31 March 2021 Rs. 1063.95 lakhs). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. In both the years these figures are net of unpaid dividend.

**Liquidity Risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

As of 31st March 2022 the Group has working capital of Rs. 2,960.18 lakhs (31 March 2021: Rs. 3,645.13 lakhs) which is calculated as current assets less current liabilities.

**Investment Risk**

The investment of the Group in subsidiary companies is exposed to risks that the business of the subsidiary Group is exposed. Accordingly the Group's investment in its US subsidiary has been considerably impaired due to the business risk faced by the subsidiary resulting in the erosion of its value.

**Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and non-current. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**Currency Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD and EURO against the respective functional currency of the Group.

The Group does not use any derivative financial instruments to hedge foreign exchange and interest rate exposure. The Group continuously monitors the foreign currency exposures and considering the natural hedge, selectively contracts for plain forward covers whenever found necessary.

**41 FINANCIAL RISK MANAGEMENT**

## a) Management of liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

Particulars	Note	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2022</b>					
Borrowings	19	1,769.97	1,769.97	-	1,769.97
Trade payables	20	749.67	749.67	-	749.67
Other financial liabilities	15 & 16	168.64	165.49	3.16	168.64
<b>As at March 31, 2021</b>					
Borrowings	19	1,885.38	1,885.38	-	1,885.38
Trade payables	20	879.78	879.78	-	879.78
Other financial liabilities	15 & 16	256.08	252.77	3.31	256.08

## Foreign Currency Risk Exposure

The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	31-Mar-22			31-Mar-21		
	USD	EUR	GBP	USD	EUR	GBP
<b>Financial assets</b>						
Trade & other receivables	51,136	-	-	363,978	-	-
Advance to suppliers	-	7,051	-	-	2,412	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>51,136</b>	<b>7,051</b>	<b>-</b>	<b>363,978</b>	<b>2,412</b>	<b>-</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Trade & other payables	28,500	4,804	-	147,000	9,385	-
Advance from customers	635,150	240	-	9,597	166	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>663,650</b>	<b>5,044</b>	<b>-</b>	<b>156,597</b>	<b>9,550</b>	<b>-</b>

**42 CAPITAL MANAGEMENT****Risk management**

The primary objective of the Group's Capital Management is to maximise shareholder value. The Group monitors capital using Debt-Equity ratio, which is total debt divided by total capital plus total debt.

For the purposes of the Group's capital management, the Group considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt and subtracting cash and cash equivalents.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total capital divided by net debt.

(Rs. in Lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
Borrowings	1,769.97	1,885.38
Less: cash and cash equivalents	78.10	155.29
<b>Adjusted net debt</b>	<b>1,691.87</b>	<b>1,730.09</b>
Total Debt	1,691.87	1,730.09
Total Equity	10,990.52	12,302.84
<b>Net Debt to Equity Ratio</b>	<b>0.14</b>	<b>0.14</b>

**43 COVID-19**

The spread of Covid 19 has affected the business operations post the national lock down. Based on the assessment of business / economic conditions, the Group expects to recover the carrying value of its assets. The Group will continue to evaluate the pandemic related uncertainty and monitor any material changes arising on financial and operational performance of the Group and update its assessment. The financial results of the Group have been prepared on a going concern basis.

44 The Consolidated Financial Statements were authorised for issue by the Board on May 26, 2022

45 The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 26, 2022 there were no material subsequent events to be recognised or reported that are not already disclosed.

46 Previous period figures have been regrouped / restated to make them comparable with those of the current year.

47 The accounts of the subsidiary are prepared on liquidated basis, as the same is under liquidation process.

**48 OTHER REGULATORY INFORMATION**

- (i) Title deeds of all the immovable properties are in name of the Group.
- (ii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current financial year or the previous financial year
- (iii) The Group has not made any Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
  - a. repayable on demand or
  - b. without specifying any terms or period of repayment
- (iv) There is no Capital Work in Progress ('CWIP') or Intangible Assets Under Development ('ITAUD'), hence no ageing schedule and other relevant details concerning completion or overdue.
- (v) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vi) The Group has borrowed from banks or financial institutions on the basis of security of current assets, quarterly returns of inventory and trade receivables filed by the Group with banks are in agreement with books.
- (vii) The Group has not been declared Willful Defaulter.

- (viii) The Group has no relationship with any struck-off Group\companies
- (ix) All the charges or the satisfaction of the charges have been registered with the registrar of companies within the stipulated time limit.
- (x) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) The Group has not advanced any loan to subsidiary
- (xii) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (xiii) The Group has not traded or invested in crypto currency or virtual currency during the financial year
- (xiv) The Group has not made any application for scheme of Arrangements.
- (xv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise), hence the disclosure requirements of this para is not applicable to the Group.
- (xvi) Utilisation of Borrowed funds and share premium:
- A. The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).
- B. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise).
- (xvii) The Group is not covered under Section 135 of the Companies Act.

#### 49 FINANCIAL RATIOS

Sr. no.	Ratios/Measure	Formulae as given in Division II Schedule III to the Companies Act, 2013	As At March 31, 2022	As At March 31, 2021	Variation	Reason for variance for change more than 25%
a)	Current ratio	Current assets / current liabilities	1.81	1.98	-8.59%	Not Applicable
b)	Return on equity %	PAT / Average Shareholder's equity	-0.13	-0.21	38.10%	Increase of approx 55% in the revenue in current year as compared to previous year resulted in reduction of loss.
c)	Inventory turnover ratio	Cost of goods sold / average inventory	0.89	0.52	71.15%	Increase in sales and reduction of closing stock
d)	Trade receivables turnover ratio	Revenue from operations / average trade receivables	20.3	2.77	632.85%	Increase of approx 55% in revenue and reduction of approx 67% in trade receivables has resulted in positive change.
e)	Trade payables turnover ratio	Total purchases/ average trade payables	3.24	0.6	440.00%	Increase due to higher purchases of raw materials on advance basis.

Sr. no.	Ratios/Measure	Formulae as given in Division II Schedule III to the Companies Act, 2013	As At March 31, 2022	As At March 31, 2021	Variation	Reason for variance for change more than 25%
f)	Net capital turnover ratio	Revenue from operations / working capital	1.54	0.83	85.54%	Increase due to increase in the revenue in current year as compared to previous year.
g)	Net profit %	Net profit / Net sales	-0.33	-0.97	65.98%	Increase of approx 55% in the revenue in current year as compared to previous year resulted in reduction of loss.
h)	Return on capital employed %	EBIT / Capital employed	-0.11	-0.19	42.11%	Increase of approx 55% in the revenue in current year as compared to previous year resulted in increase in return on capital employed.
i)	Return on investment	EBIT/Average of total assets	-0.07	-0.13	46.15%	Increase of approx 55% in the revenue in current year as compared to previous year resulted in increase in return on investment.

As per our report of even date attached  
For **Desai Shah & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 118174W

Sd/-  
**Yagnesh M Desai**  
Partner  
M. No. 034975  
Mumbai, Date: May 26, 2022

For and on behalf of the Board of Directors  
**Manugraph India Limited**  
CIN : L29290MH1972PLC015772

Sd/-  
**Sanjay S. Shah**  
Chairman & Managing Director  
(DIN : 00248592)

Sd/-  
**Pradeep S. Shah**  
Vice Chairman & Managing Director  
(DIN : 00248692)

Sd/-  
**Mihir V. Mehta**  
Company Secretary & Chief Financial Officer  
Mumbai, Date: May 26, 2022

**Statement 1**  
**Related Parties Transactions - Referred to in Note 36**

(Rs. in Lakhs)

Particulars	Key Management Personnel		Entities where significant influence exists	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Sale of Goods	-	-	470.97	880.71
Service Charges received	-	-	10.81	23.23
Commission paid	-	-	65.32	89.74
Rent Received	-	-	9.00	20.97
Managerial Remuneration paid	271.71	161.16	-	-
Post employment benefits of Directors *	-	-	-	-
Directors' Fees	6.67	5.29	-	-
Re-imbusement of expenses received	-	-	22.80	20.44
Outstanding Receivables	-	-	7.68	7.24
Outstanding Payables	-	-	-	5.81

\* The managing directors and whole time director (works) are entitled to gratuity on retirement which amount will be computed in accordance with the provisions of The Payment of Gratuity Act. The Company presently makes provision on actuarial basis for entire employee data including the managing directors and whole time director (works).



**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF  
SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES**

*[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of  
the Companies (Accounts) Rules, 2014 - AOC - 1]*

**Part A - Subsidiaries**

(Fig. in Rs. Lakhs)

1	Sr. No.	1
2	Name of the Subsidiary	<b>Manugraph Americas Inc., USA</b>
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD: Rate - 75.8071
5	Share Capital	125.34
6	Reserves	(124.90)
7	Total Assets	0.44
8	Total Liabilities	-
9	Investments	-
10	Turnover	-
11	Profit before Tax	1.89
12	Provision for Tax	-
13	Profit after Tax	1.89
14	Proposed Dividend	-
15	% of Shareholding	100%
Names of subsidiaries which are yet to commence operations		NIL
Names of subsidiaries which have been liquidated or sold during the year		NIL

**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 Board of Directors**

Sd/-

**Sanjay S. Shah**  
**Chairman & Managing Director**  
(DIN: 00248592)

Sd/-

**Pradeep S. Shah**  
**Vice Chairman & Managing Director**  
(DIN: 00248692)

Sd/-

**Mihir V. Mehta**  
**Chief Financial Officer & Company  
Secretary**

Mumbai, dated: May 26, 2022

# MANUGRAPH INDIA LIMITED

## Financial Highlights Standalone

	(Rs. In Crs.)										
	2022	2021	2020	2019*	2018*	2017	2016	2015	2014	2013	
<b>Profit &amp; Loss Account Summary</b>											
<b>Turnover - Total</b>	<b>42.44</b>	<b>27.68</b>	<b>113.80</b>	<b>239.36</b>	<b>181.93</b>	<b>248.33</b>	<b>258.99</b>	<b>204.20</b>	<b>242.51</b>	<b>304.71</b>	
<b>Total Income</b>	<b>48.15</b>	<b>33.02</b>	<b>124.38</b>	<b>256.44</b>	<b>199.15</b>	<b>264.98</b>	<b>277.35</b>	<b>221.91</b>	<b>260.53</b>	<b>316.52</b>	
<b>EBIDTA</b>	<b>(10.71)</b>	<b>(12.33)</b>	<b>(26.44)</b>	<b>(3.69)</b>	<b>2.94</b>	<b>6.53</b>	<b>14.80</b>	<b>(2.90)</b>	<b>9.45</b>	<b>30.12</b>	
Depreciation	1.35	1.70	2.42	4.45	5.29	6.12	6.52	6.86	10.26	10.79	
Interest	2.38	2.48	1.58	1.38	1.16	0.67	1.66	1.57	1.20	0.64	
<b>Profit before Exceptional Items</b>	<b>(14.44)</b>	<b>(16.51)</b>	<b>(30.44)</b>	<b>(9.52)</b>	<b>(3.51)</b>	<b>(0.26)</b>	<b>6.62</b>	<b>(11.33)</b>	<b>(2.01)</b>	<b>18.69</b>	
Exceptional Items (Note 2)	(1.13)	(11.70)	(4.02)	(6.33)	(15.00)	(41.96)	(3.08)	-	(10.79)	-	
<b>Profit before Taxation</b>	<b>(15.57)</b>	<b>(28.21)</b>	<b>(34.46)</b>	<b>(15.85)</b>	<b>(18.51)</b>	<b>(42.22)</b>	<b>3.54</b>	<b>(11.33)</b>	<b>(12.80)</b>	<b>18.69</b>	
Provision for Taxation	(0.21)	0.48	0.88	(0.54)	2.10	1.73	(2.44)	(0.59)	(5.04)	6.30	
<b>Profit after Taxation</b>	<b>(15.36)</b>	<b>(28.69)</b>	<b>(35.34)</b>	<b>(15.31)</b>	<b>(20.62)</b>	<b>(43.96)</b>	<b>5.98</b>	<b>(10.74)</b>	<b>(7.76)</b>	<b>12.39</b>	
<b>Other comprehensive income (net of taxes)</b>	<b>0.83</b>	<b>(0.24)</b>	<b>(1.03)</b>	<b>(0.10)</b>	<b>1.39</b>	<b>(0.01)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total comprehensive income</b>	<b>(14.53)</b>	<b>(28.93)</b>	<b>(36.37)</b>	<b>(15.41)</b>	<b>(19.22)</b>	<b>(43.97)</b>	<b>5.98</b>	<b>(10.74)</b>	<b>(7.76)</b>	<b>12.39</b>	
<b>Balance Sheet Summary</b>											
<b>Assets employed</b>											
Fixed Assets - Gross	203.53	205.30	211.91	212.78	212.55	217.07	155.34	157.80	157.45	157.81	
Fixed Assets - Net	91.88	93.22	95.27	97.43	101.05	105.75	36.23	41.23	46.38	55.03	
Investments	0.29	0.70	1.43	17.53	58.23	87.55	100.45	97.27	108.25	108.02	
Non current Assets - Net	2.27	15.93	17.22	19.50	29.22	34.33	-	-	-	-	
Current Assets - Net	47.30	47.01	61.80	69.88	36.62	15.04	74.74	77.94	70.54	78.46	
<b>Total Assets</b>	<b>141.74</b>	<b>156.86</b>	<b>175.72</b>	<b>204.34</b>	<b>225.12</b>	<b>242.68</b>	<b>211.42</b>	<b>216.44</b>	<b>225.17</b>	<b>241.51</b>	
<b>Financed by</b>											
Equity Share Capital (Note 1)	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	6.08	
Other Equity	103.55	118.08	147.02	185.22	202.74	224.75	210.12	207.79	221.50	232.80	
Shareholders Funds	109.63	124.16	153.10	191.30	208.82	230.83	216.20	213.87	227.58	238.88	
Borrowings	17.70	18.85	9.11	-	2.52	-	-	6.11	-	-	
Deferred Tax Liability	14.41	13.85	13.51	13.04	13.78	11.85	(4.78)	(3.54)	(2.41)	2.63	
<b>Total Liabilities</b>	<b>141.74</b>	<b>156.86</b>	<b>175.72</b>	<b>204.34</b>	<b>225.12</b>	<b>242.68</b>	<b>211.42</b>	<b>216.44</b>	<b>225.17</b>	<b>241.51</b>	
* based on restated accounts considering the Scheme of Merger by Absorption (refer no. 12(g) of standalone accounts).											
<b>Other Investment Information</b>											
Earnings per Share (before Exceptional Item)	Rs.	(4.67)	(5.59)	(10.17)	(3.14)	(1.85)	(0.66)	2.51	(3.53)	(0.08)	4.07
Earnings per Share (after Exceptional Item)	Rs.	(5.04)	(9.44)	(11.62)	(5.03)	(6.78)	(14.45)	1.97	(3.53)	(2.55)	4.07
Dividend	%	-	-	-	25	30	25	50	25	50	75
Book Value per share	Rs.	36.05	40.82	50.34	62.90	68.66	75.89	71.08	70.32	74.83	78.54
<b>Market Price</b>											
High	Rs.	22.95	15.55	28.90	52.80	69.40	64.20	73.00	33.00	39.50	61.00
Low	Rs.	10.00	6.35	6.80	25.30	43.20	41.30	28.65	31.85	22.05	29.30
Shareholders	Nos.	10464	10006	10334	10653	11170	12254	12380	11617	12242	12685
Employees	Nos.	380	397	702	943	996	1013	1034	1089	1110	1228

### Notes:

- Equity share of face value of Rs. 2/- each. FY 2018 and 2019 is inclusive of equity share suspense.
- Exceptional Items
  - FY 2012, 2018, 2019 and 2020 - Provision for diminution in value of investment in subsidiary.
  - FY 2014, 2016, 2019 and 2020 - Compensation under VRS.
  - FY 2017 - Provision for diminution in value of investment in subsidiary & profit on sale of Undertaking.
  - FY 2020, 2021, 2022 - Employee Separation Scheme.
- Previous years figures have been regrouped wherever necessary.
- Figures from FY 2017 onwards are as per Ind AS. Earlier years figures are as per previous applicable GAAP.



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