



Corporate Information

Directors

R. N. Sengupta - Chairman
B. K. Agrawal - Managing Director
A. K. Chakraborty
D. B. Guha - Executive Director
K. K. Chaudhuri
M. P. Agrawal
Nadia Basak
Smita Khaitan
Sunil Kumar Agrawal - Executive Director
Suresh Kumar Agrawal - Executive Director
Sushil Kumar Agrawal - Executive Director

Company Secretary

Anubhav Maheshwari

Auditors

M/s. SRB & Associates

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
59C, Chowringhee Road,
Kolkata-700020

Registered Office

8/1, Lal Bazar Street
Bikaner Building, 3rd Floor,
Kolkata-700001

Bankers

Allahabad Bank
Axis Bank Ltd.
Citi Bank N.A.
DBS Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
Standard Chartered Bank
State Bank of India

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Eighth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS:

	Rs. in lacs	
	2011-12	2010-11
Total Revenue	114,121.22	93,650.88
Profit before exceptional items and tax	5,037.94	3,304.93
Less: Exceptional Items	3,945.87	(700.97)
Profit before tax	1,092.07	4,005.60
Less: Provision for Taxation	361.00	1,020.00
Short/(Excess) provision for Taxation for Earlier year	-	59.68
Profit After Tax	731.07	2,925.92
Surplus brought forward from previous year	29.52	7.73
Transfer from Exchange Fluctuation Reserve	-	200.00
Total Amount available for appropriation	760.59	3,133.65
Appropriation to :		
(i) General Reserves	-	300.00
(ii) Debenture Redemption Reserves	150.00	900.00
(iii) Dividend on Equity Shares	-	1,638.35
(iv) Tax on Dividend	-	265.78
Surplus Carried to Balance Sheet	610.59	29.52
	760.59	3,133.65

DIVIDEND

The Board due to strain on earnings and Cash Flows coupled with wild fluctuations in foreign exchange, which had considerable adverse impact on profitability, has decided not to recommended any dividend for the Financial year ended 31st March 2012.

OPERATIONS AND BUSINESS PERFORMANCE

Kindly refer to Management Discussion & Analysis Report which forms part of the Directors' Report.

NON- CONVERTIBLE DEBENTURES

During the period under review, the Company in accordance to the terms of issuance of 11.95% Non-Convertible Debentures aggregating to Rs 60 crores, has redeemed Debentures of Rs 18 crores within due date.

DEPOSITS

During the period under review, the Company has not accepted any deposit nor has any outstanding deposit as defined under Section 58A of the Companies Act, 1956.

INDUSTRIAL RELATIONS & PERSONNEL

Your Company continued to enjoy warm and healthy relations with its employees at all locations.

Your Directors take this opportunity to record their appreciation for the dedicated services and significant efforts made by employees at all levels towards the progress of the Company.

EARNINGS IN FOREIGN EXCHANGE

During the year the export earnings of the Company amounted to Rs 64,000.96 lacs from the previous year level of Rs. 55355.70 lacs. Foreign currency expenditure of your Company amounted to Rs. 1324.82 lacs as against Rs. 921.62 lacs last year.

ENVIRONMENT

Your Company continues to place great emphasis on environment management and protection. As one of the Eastern India's premier corporations, Manaksia lays paramount importance on its responsibility to contribute to the preservation and enrichment of the physical environment.

CREDIT RATING

The Company was awarded 'AA' rating by CARE for its long and medium term loans, 'A1+' (A ONE PLUS) rating by CARE for short term debt instruments and 'A1+' (A ONE PLUS) rating by ICRA for commercial paper, which represent high security for timely servicing of debt instruments and carrying very low credit risk. The Company's financial discipline and prudence are reflected from the good Credit ratings by leading international agencies.

PARTICULARS OF EMPLOYEES

During the period under review, no employee of the Company has drawn remuneration in excess of the limits specified under Companies (Particulars of Employees) Amendment, Rules, 2011 and hence no disclosure has been made under Section 217 (2A) of the Companies Act, 1956 in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

We, the Directors of the Company, hereby confirm, pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, in respect of financial year under review:

- a) That in the preparation of the annual accounts for the year ended 31st March 2012, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- b) That we have selected such accounting policies and have applied them consistently and have made judgements and estimates that are reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period.
- c) That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the annual accounts have been prepared on a going concern basis.

NATURE OF BUSINESS

There has been no change in the nature of the business of the Company and any of its subsidiary companies during the year.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

During the year under review, the Company has sold its 100% equity stake in Solex Chemicals Private Limited at a consideration amount of US\$ 1.50 million equivalent to Rs 724.93 lacs. As reported in previous year's Directors' Report, during the year under review, the Company has invested in 50,000 Equity shares of Rs 10 each equivalent to 100% Equity Capital in Manaksia Industries Ltd, thereby making it wholly owned subsidiary company. The Company has also made investments of AED 64000 equivalent to Rs 8.57 lacs through subscription of the Equity Capital of a wholly owned foreign subsidiary company in the name of UNI Metals FZE at Sharjah, UAE. These investments have been made keeping in mind the business opportunities available.

The statements required under Section 212 of the Companies Act, 1956 in respect of subsidiary companies are attached with Report as **Annexure "A"**.

In terms of circular issued by Ministry of Corporate Affairs, the Board has given its consent for not attaching the Balance Sheet, Profit & Loss Account, Report of the Board of Directors, Auditors' Report and other documents of the subsidiary

companies to the Annual Report. The annual accounts of these subsidiary companies and the related detailed information will be made available to any member of the Company/its subsidiary companies seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiary companies at the registered office of the Company. The annual accounts of the said subsidiary companies will also be available for inspection, as above, at the Registered Office of Company and at the respective subsidiary companies registered offices. The Company will furnish hard copy of the annual accounts of subsidiary Companies to any member on demand. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31st March 2012 is attached as **Annexure "B"**.

As required under the Listing Agreement with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiary companies is attached. The consolidated financial statements has been prepared in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India and shows the financial resources, assets, liabilities, income, profits and other details of the Company and its subsidiary companies.

DELISTING OF EQUITY SHARES

The Equity Shares of the Company were voluntary delisted under SEBI (Delisting of Equity Shares) Regulations, 2009 from The Calcutta Stock Exchange Ltd. w.e.f. 8th December 2011. The Company continues to be listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd.(NSE).

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

The information regarding conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo required under Section 217(1) (e) of the Companies Act, 1956, is attached as Annexure-**"C"**..

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on the Corporate Governance forms part of the Annual Report. However, the requisite certificate from the Auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached with the Report as **Annexure-"D"**.

ABRIDGED ANNUAL FINANCIAL STATEMENTS

In terms of provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 read with Clause 32 of the Listing Agreement and to support the **"GREEN INITIATIVE"** measures of the Ministry of Corporate Affairs, the Board has decided to circulate the Abridged Annual Report containing the salient features of the Balance Sheet and Profit & Loss Account to the shareholders for the financial year 2011-12. The Complete Annual Report would be available on the Company's website www.manaksia.com and will be available for inspection at the Registered Office, during business hours of the Company. The Company on receipt of the request from the shareholder would provide free of cost, a copy of the complete Annual Report.

DIRECTORS

Mr Sunil Kumar Agrawal, Mr Suresh Kumar Agrawal and Mr Mahabir Prasad Agrawal, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

STATUTORY AUDITORS & AUDITORS' REPORT

The Statutory Auditors Messrs SRB & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the Companies Act 1956. The Auditors have also confirmed that they have subjected themselves to the peer review, the process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors' Report to the shareholders does not contain any qualification.

COST AUDITORS

In terms of the directives of Ministry of Corporate Affairs under Section 233B of the Companies Act, 1956, the Company has after approval of the Central Government, appointed M/s V K Jain & Co., Cost Accountants, Kolkata, as Cost Auditors for the Aluminium & Steel Products manufactured by it during the financial year 2011-12. The due date for filing the Cost Audit Reports for the financial year ended 31st March 2012 is 27th September 2012 and the Cost Auditors are expected to file the Reports with the Central Government within the due date.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) of the Company is aimed to provide social, environmental and economic benefits for the communities and geographies in which it operates. The CSR activities are focused on education, healthcare, family welfare, environment care and social initiatives amongst others. Some of the initiatives of the Company undertaken as a part of CSR are as follows:

In India

- Installation of Solar Street lights in various villages.
- Organising Eye Camp in villages for free eye check up and providing free spectacles.
- Contribution towards establishment of a Eye Hospital.
- Supporting some of the Municipality schools by sponsorship of English teaching classes.
- Donation for construction of Building at Municipality Schools for upliftment of the under privileged.
- Sponsoring 100 schools for one year for the betterment of under-privileged tribals.

In Nigeria by MINL Ltd.

- Construction of Drainage on a portion of Industrial Estate Road to allow free flow of water.
- Substantial financial assistance to the local community for purchase of transformer to restore power supply.
- Water Supply system developed which included borehole, overhead tank pumping machine and connection to electricity.
- Donations to schools for implementation of various school projects for benefit of the under privileged.
- Donations to State hospital for providing medical services to weaker section of the society.
- Financial Assistance towards wall fencing of local police station.

In Nigeria, by Jebba Paper Mills Ltd

- Installation of water pipe line across the village which has substantially reduced the water problems of the habitants.
- The Company has set up a DEMO FARM. The technical assistance and knowledge transfer to the local farmers are being provided for improving yield per hectare of crops being cultivated by them.

ACKNOWLEDGEMENT

Your Company continues its relentless focus on strengthening competitiveness in all its businesses. It is the endeavour of your Company to deploy resources in a balanced manner so as to secure the interest of the shareholders in the best possible manner in the short, medium and long terms.

Your Directors convey their grateful appreciation for the valuable patronage and co-operation received and goodwill enjoyed by the Company from its esteemed customers, commercial associates, banks, financial institutions, government departments, other stakeholders and the media.

Your directors also wish to place on record their deep sense of appreciation to all the employees at all levels for their commendable team-work, professionalism and enthusiastic contribution towards the working of the Company during the year under review.

Your Directors look forward to the future with hope and conviction.

On behalf of the Board
Sd/-
R N Sengupta
CHAIRMAN

Kolkata, 30th June 2012

Annexure-A

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 relating to Subsidiary Companies

Figures in Lakhs except for number of shares

	Name of the Subsidiary Company	MINTL Ltd.	Dynatech Industries Ghana Ltd.	Mark Steels Ltd.	Euroasian Ventures FZE	Jebba Paper Mills Ltd.	Euroasian Steels LLC	UNI Metals FZE	Manaksia Aluminium Co. Ltd.	Manaksia Overseas Ltd.	Manaksia Coated Metals & Industries Ltd.	Manaksia Ferro Industries Ltd.	Manaksia Steels Ltd.	Manaksia Industries Ltd.
1	The Financial Year of the Subsidiary Company ended on	31-Dec-11	31-Dec-11	31-Mar-12	31-Mar-12	31-Dec-11	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12
2	Date from which it became subsidiary company	23-Aug-95	4-Oct-01	31-Mar-03	4-Jul-05	14-Jul-06	1-Apr-08	3-Oct-11	1-Apr-10	1-Apr-10	1-Apr-10	1-Apr-10	1-Apr-10	1-Apr-11
3 (a)	Number of shares held by Holding Company with its nominee in the subsidiary at the end of the Financial year of the Subsidiary Company	90,78,97,869 Equity Shares of Naira 1 each fully paid up	8,43,961 Ordinary Shares of Cedi 10,000 each	30,00,000 Equity Shares of ₹ 10 each	25 Ordinary Shares of AED 10,00,000 each	2,00,00,000 Ordinary Shares of Naira 1 each fully paid up	1,56,56,250 Shares of GEL 1 each	01 Ordinary Share of AED 64,000 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each
(b)	Extent of interest of Holding Company at the end of the Financial year of the Subsidiary Company	100%	100%	100%	100%	100%	93.75%	100%	100%	100%	100%	100%	100%	100%
4	The net aggregate amount of Subsidiary Company Profit/Loss so far it concerns to the members of Holding Company	Profit of ₹ 9833.50	Profit of ₹ 141.65	Profit of ₹ 110.64	Profit of ₹ 42.55	Profit of ₹ 2351.28	Loss of ₹ 126.77	Loss of ₹ 28.37	Loss of ₹ 2.19	Loss of ₹ 2.19	Loss of ₹ 2.19	Loss of ₹ 2.19	Loss of ₹ 1.74	NIL
(a)	Not dealt with Holding Company's Account	Profit of ₹ 37776.71	Profit of ₹ 102.85	Profit of ₹ 998.32	Profit of ₹ 2708.72	Profit of ₹ 2022.68	NIL	N.A.	NIL	NIL	NIL	NIL	Loss of ₹ 1.82	N.A.
(b)	Dealt with Holding Company's Account	Dividend received ₹ 2795.41	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(i) For the Financial Year	Dividend received ₹ 2055.35	NIL	NIL	Dividend received ₹ 80.43	NIL	NIL	N.A.	NIL	NIL	NIL	NIL	NIL	N.A.
	(ii) For the previous financial years of the Subsidiary Companies since it became Holding Company's Subsidiary													

Annexure-A (Contd.)

Statement pursuant to Section 212(5) of the Companies Act 1956 relating to the changes occurred between the end of the financial year of the Subsidiary Company and 31st March 2012

Figures in Lakhs

Name of the Subsidiary	MINL Ltd	Jebba Paper Mills Ltd	Dynatech Industries Ghana Ltd
Details of material changes which have occurred between the end of the financial year of the Subsidiary and end of the holding company's financial year			
Increase/(-) Decrease in Fixed Assets	(₹ 927.62)	(₹ 25.03)	₹ 54.01
Increase/(-) Decrease in Investments	Nil	Nil	Nil
Increase/(-) Decrease in Money Lent	Nil	Nil	Nil
Increase/(-) Decrease in Money Borrowed	₹ 1465	Nil	Nil
Whether there has been any change in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year.	NO	NO	NO

Annexure-B

Information of Subsidiary Company pursuant to Section 212 of the Companies Act 1956

₹ in Lakhs

Name of the Subsidiary Company	Issued & Subscribed Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
MINL Ltd.	2,929.95	51,943.42	77,874.85	77,874.85	-	104,759.25	13,301.00	72.10	13,228.90	4,101.93
Jebba Paper Mills Ltd.	64.54	5,049.54	10,566.39	10,566.39	-	9,309.08	2,335.95	-	2,335.95	-
Mark Steels Ltd.	300.00	1,161.78	7,133.93	7,133.93	4.25	7,839.89	162.70	52.06	110.64	-
Euroasian Ventures FZE	3,465.26	2,751.14	18,381.53	18,381.53	0.28	2,296.36	42.55	-	42.55	-
Euroasian Steels LLC	4,856.36	(135.22)	18,224.73	18,224.73	-	8,926.11	(135.22)	-	(135.22)	-
Dynatech Industries Ghana Ltd.	241.19	74.68	6,724.56	6,724.56	-	15,494.09	(154.65)	-	(154.65)	-
UNI Metals FZE	8.87	(28.37)	6.89	6.89	-	-	(28.37)	-	(28.37)	-
Manaksia Aluminium Co. Ltd.	5.00	(2.19)	2.90	2.90	-	-	(2.19)	-	(2.19)	-
Manaksia Overseas Ltd.	5.00	(2.19)	2.88	2.88	-	-	(2.19)	-	(2.19)	-
Manaksia Coated Metals & Industries Ltd.	5.00	(2.19)	2.90	2.90	-	-	(2.19)	-	(2.19)	-
Manaksia Ferro Industries Ltd.	5.00	(2.19)	2.88	2.88	-	-	(2.19)	-	(2.19)	-
Manaksia Steels Ltd.	5.00	(3.56)	1.51	1.51	-	-	(1.74)	-	(1.74)	-
Manaksia Industries Ltd.	5.00	-	5.07	5.07	-	-	-	-	-	-

Notes:

The aforesaid data in respect of Subsidiary Companies is for 12 months except as stated below:

For Manaksia Industries Ltd from the date of incorporation i.e. 25th March 2011 to 31st March 2012

For UNI Metals FZE from the date of incorporation 3rd October 2011 to 31st March 2012

Exchange Rate as on:

31st March 2012

IGh₹ = INR 28.58

INGN = INR 0.32

IAED = INR 13.86

IGEL = INR 29.08

31st December 2011

IGh₹ = INR 33.33

INGN = INR 0.31

Annexure-C

Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March 2012

I Conservation of Energy:
a. Energy Conservation measures taken during the year:-

The thrust for energy conservation continued during the year across all manufacturing locations through combined used of systems and devices. The various measures taken during the year include:

- i. Strengthening of capacitor banks to improve power factor.
- ii. Process has been initiated for Installation of Gasifier to save fuel.
- iii. Installation of Thermal fluid heating system for drying of Mosquito Coils.
- iv. Installation of Hot air generator for drying of Mosquito Coils.
- v. Optimization of loading efficiency of furnace to overcome rise in fuel price.
- vi. Conducting training programmes at various factories for conservation of energy.
- vii. Replacement of old inefficient equipments with energy efficient equipment.

b. Additional Investments and Proposals being implemented for Reduction of Consumption of Energy :-

The Company is constantly taking steps to identify various alternative sources of energy both for thermal and power generation applications. In pursuit of its goal towards savings in energy cost, the Company while procuring new machinery under phased modernization / replacement program take into account its impact on energy conservation.

c. Impact of measures as above for reduction of Energy Consumption and consequent impact on the cost of production of goods :-

The energy conservation measures undertaken during the year as specified in (a) and (b) above have resulted in savings and have thereby contributed in reducing the cost of production.

d. Total Energy Consumption and Energy Consumption per Unit of Production:

FORM-A
(See Rule 2)

A. POWER & FUEL CONSUMPTION

Sl. No.	PARTICULARS	2011-12 Current Year	2010-11 Previous Year
I. ELECTRICITY			
A) Purchased			
	Units (KWH in thousand)	23284.61	22171.63
	Total Amount (Rs. Lacs)	1269.61	1352.80
	Rate/Unit (Rs./unit.)	5.45	6.10
B) Own generation			
i) Through Diesel generator			
	Units (KWH Lacs)	-	-
	Units per litre of diesel oil	-	-
	Cost/Unit (Rs.)	-	-
ii) Through steam turbine/ generator			
	Units	-	-
	Unit per litre of fuel oil/gas	-	-
	Cost/Unit (Rs)	-	-

2. COAL (Hard Coke For Generation of Steam)

Quantity (Tonnes)	36992.97	37273.22
Total cost (Rs in lacs)	270.95	210.48
Average rate (Rs/kg)	7.32	5.65

3. FURNACE OIL

Quantity (k Lts)	2170.13	2295.14
Total cost (Rs in lacs)	884.99	708.13
Average rate (Rs/Lt)	40.79	30.86

4. OTHERS/INTERNAL GENERATION

Quantity	-	-
Total cost	-	-
Average rate	-	-

B. CONSUMPTION PER UNIT OF PRODUCTION
A. CONSUMPTION PER TONNE OF PRODUCTION

PARTICULARS	Aluminium Products		Steel Products	
	2011-12	2010-11	2011-12	2010-11
Electricity (KWH/MT)	0.88	0.69	0.32	0.33
Furnace Oil (Lts/MT)	100.64	84.43	20.46	25.03
Coal (Hard Coke/Steam Coal) (Kgs/MT)	243.42	193.70	--	--
Others	--	--	--	--

II. Technology Absorption:

Efforts made in technology absorption as per Form –B given below

(A) Research and Development (R&D)
a. Specific areas in which the company carried out R&D -

- i. Development of New Products
- ii. Environment protection
- iii. Energy Conservation
- iv. Capacity utilization
- v. Improvement in safety and reliability of the Plant.

b. Benefits derived as a result of the above R&D -

- i. Decrease in waste and rejection
- ii. Better quality product
- iii. Reduction in overall energy cost
- iv. Increase in in-house capability

c. Future plan of action

Continuous efforts towards Energy Conservation, Reduction of Costs, Protection of Environment and minimization of waste.

d. Expenditure on R&D	(Rs in Lakhs)
(a) Capital	-
(b) Recurring	15.07
(c) Total	15.07
(d) Total R & D expenditure as a percentage of total turnover	0.01%

(B) Technology Absorption, Adaptation and Innovation
a. Efforts -

R&D Division is currently involved in devising new methods of cost reduction and product development.

b. Benefits derived -

- i. Cost Reduction
- ii. Better quality product

c. Details of imported technology -

None of the technology being devised by the Company is imported.

III. Foreign Exchange Earnings and Outgo:
A. Details of activities relating to export, initiatives taken to increase exports, development of new export markets for products and services and export plans:

The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

B. Total Foreign Exchange Used and Earned:	(Rs in Lakhs)
a. Foreign Exchange Earnings	64,000.96
b. Foreign Exchange Outgo:	
CIF Value of Imports	63,611.22
c Other Expenditure in Foreign Currency	1324.82

Annexure-D

CERTIFICATE ON CORPORATE GOVERNANCE REPORT

TO THE MEMBERS OF MANAKSIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Manaksia Limited, for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SRB & Associates**

Chartered Accountants

FRN: 310009E

Sd/-

Sanjeet Patra

(Partner)

Membership No. 056121

Place : Kolkata

Date: 30th June, 2012

Management Discussion and Analysis Report

Economic Overview

The turmoil in the Global economy, coupled with domestic monetary tightening, high level of crude prices and inflation had adversely affected the economic momentum of the country. The high interest rate and rising input cost with pressure of domestic policies slowed economic reforms resulting in the Country's growth expansion to a nine year low of 6.5% p.a.

Industry Structure and Developments

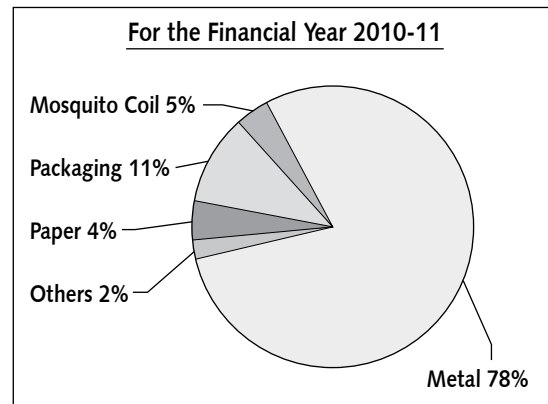
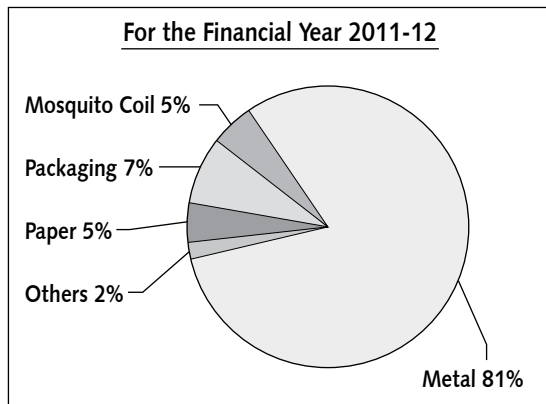
Steel is a significant barometer of economic development of a country. The Steel industry is basically driven by changes in domestic and global market trends. The prices are influenced by trends in raw material prices, demand-supply conditions amongst others. The demand for steel in the world stems from growth and development of the sectors that are end users of steel such as manufacturing, housing, infrastructure, automobile, etc. During the second half of the Financial year under review, the Global economy entered into an uneven and uncertain territory on account of Financial turbulence in Euro Zone, weak demand in United States and political turmoil in Middle East/ North Africa, which had an overall impact on the growth of the Steel Industry. Weak Global steel demand and slowing growth in Asia had sent the global Steel prices plummeting. The demand for Steel is expected to improve in the current financial year, on recovery demand from end markets.

Aluminum is one of the most consumed base metals. The Aluminium Industry is power intensive and there is a trend of continuous increase in power tariff. The demand for Aluminium has been affected due to weakness in the global economy, particularly due to European sovereign-debt crises and subdued aluminum imports from China. However, the demand of the metal is expected to increase in the emerging and developing economies.

The global packaging industry is growing fast. Rapid growth in packaging usage in fast growing economies has resulted in new opportunities for the packaging industry. However, rising input cost is a concern for the industry.

Business

Manaksia's business consists of packaging products and value added metal products: both aluminium and steel. It is an outsourced manufacturer of mosquito repellent coils. The Company, through subsidiary companies manufactures value added products and operates a paper mill in Nigeria, manufactures steel roofing sheets in Ghana. The Company also has a steel long product manufacturing facility at Georgia. The share of the revenue in the various segments is shown in the Pie-Chart below:



Results

During the year under review, the revenue of your Company grew from ₹ 931.98 crores to ₹ 1084.14 crores on a standalone basis and from ₹ 1433.28 crores to ₹ 1943.80 crores, on a consolidated basis. The increase in costs of raw materials and other input costs without increase in the sale realizations had squeezed the margins, thereby affecting the overall profitability. Further fluctuation in the rupee dollar exchange has adversely impacted the performance of the Company, as reflected in the financial results of the Company during the year under review. The net profit of the Company on a standalone basis decreased from ₹ 29.26 crores to ₹ 7.31 crores while the net profit on a consolidated basis increased from ₹ 112.73 crores to ₹ 118.98 crores. The total secured debt of the Company has reduced primarily on account of part-payment of long term liabilities and non-availing of some of the working capital facilities due to better management of available funds.

Segment-wise performance

The table below shows the performance in the various product groups of the Company:

₹ in lacs

	Sales (2011-12)		Sales (2010-11)	
	S#	C#	S#	C#
Metal Products	89889.79	162742.49	75377.78	115215.58
Packaging Products	11864.80	14972.23	12516.73	15812.23
Mosquito Coils	9709.66	9709.66	6861.85	6861.85
Engineering	1907.33	3724.63	2491.83	3595.33
Paper	–	9048.65	–	6520.11

#S : Standalone , C : Consolidated

METAL PRODUCTS SEGMENT

Value-added metal products, manufactured by the Company are principal contributors to the revenues and profits for the Company and its subsidiary companies.

The metals segment as a whole contributed to 81% of revenue and 78% of profits before interest and tax.

Steel Products

The Steel division of Company has geared itself to cater to the increasing global demands. The major thrust of the Company is to adopt the best modern technology, which in addition to being cost effective, would be energy efficient and environment friendly.

Manaksia manufactures and sells value added steel products, comprising Cold rolled sheets used in interior and exterior panels of automobiles, buses and commercial vehicles, Galvanised Corrugated Sheets, which find use in the rural housing sector and factory sheds and Galvanised Plain Sheets, used in the manufacture of containers and water tanks. The Company has a steel cold rolling plant in Haldia for the manufacture of Cold Rolled Coils and Sheets and a Galvanized steel plant at Bankura, West Bengal. Both the plants have a strong Quality Management System with in-house testing facilities and are ISO 9001:2008 certified. The Company has also put up a new facility at Kutch, Gujarat for further value addition of Steel Products where Cold Rolled Galvanized Sheets are pre-painted /colour coated and sold to construction, housing, consumer durables and other industries. The Company has also facility for Roll Forming/Profiling for direct supply to projects for Industrial roofing as a part of value addition.

An improvement in operating efficiency, coupled with new marketing initiatives have improved the performance of the Company in this segment and has contributed significantly to the overall profitability of the Company.

Aluminium Products

The Company has aluminium plants at Bankura and Haldia in West Bengal and at Kutch in Gujarat, with a reliable quality management system and ISO 9001:2008 accreditation. Aluminium coils / sheets are being increasingly used in construction and in the manufacture of white goods, automobiles, utensils, pilfer proof closure, railway coaches, electrical items, industrial machinery and ship / boat building. In addition to manufacturing plain aluminium coils and sheets, the division also manufactures corrugated, profiled and patterned aluminium sheets. The Company is also manufacturing various grades of Aluminium Alloy Ingots for application in automobiles, consumer durables, machinery manufacturing and supplying mostly to Original Equipment Manufacturers.

Increase in input costs and relatively less price realization on the back of a lower London Metal Exchange (LME) has impacted the profitability of the segment. The volatility in the commodity prices on the LME has also adversely impacted the performance. In addition to focus on value added products by improving market penetration, the Company has taken initiatives for reducing the escalating costs.

PACKAGING PRODUCTS SEGMENT

Increase in the costs of raw materials have put pressure on the margins and therefore impacted the overall profitability and performance of the segment. Further efforts have been initiated for product diversification through widening of the product horizon and improving the existing product portfolios.

ENGINEERING SEGMENT

Lower orders affected the turnover of the segment.

MOSQUITO COILS SEGMENT

The Company has, in addition to the curtailments in overhead cost, taken various initiatives to increase the overall efficiency and productivity. This is reflected by the improved profitability and performance of the segment.

PAPER SEGMENT

Improved Market penetration, coupled with enhanced capacity utilization and better price realization contributed significantly to the increased revenue and profitability.

Opportunities and Threats

Increase in operating costs, primarily due to volatile commodity prices, steep depreciation of the Indian Rupee against dollar, trend of continuous increase in power tariffs and hardening of interest rates are some of the specific difficulties that the Company continues to mitigate by careful planning, active treasury management and use of alternative borrowing instruments. Further cost saving measures adopted across all segments of the Company would expectedly help in improving the margins in an otherwise difficult market.

The Company is also actively searching for growth opportunities and new markets in all its product segments.

Risks and Concerns

A varied product portfolio and wide geographical presence and reach, both domestic and international, have helped the Company to significantly de-risk its business. The Company is focused on enhancing value added products across profit centres. Improvement in safety performance is of utmost priority, for which the Company has constantly being initiating measures to make its operation safe. Multiple manufacturing units in various states of the country have enabled the Company to cater to the needs of its customers, meeting delivery deadlines at prescribed locations. The improvement in operating performance, coupled with new market initiatives should improve the overall profitability of the Company. The Company has sales and technical servicing offices at Mumbai, Delhi, Chennai, Bangalore, Hyderabad, Guwahati and Bhopal. Multi-locational presence has reduced distribution and inventory costs and delivery times.

FUTURE OUTLOOK

The Company is in the process of consolidating the existing projects and expansion activities that it had undertaken in the past and also continues to explore new business opportunities.

INTERNAL CONTROL SYSTEMS

The Company has adequate system of internal controls in place, to ensure that the resources of the Company are used efficiently and effectively, all its assets are safeguarded and protected and all transactions are authorised, recorded and reported correctly. The ERP system 'SAP' adopted by the Company facilitates to ensure that the transactions are authorized and recorded and material errors and irregularities are either detected timely and/or prevented.

To ensure adequate internal controls, the Company has appointed a firm of Chartered Accountants as Internal Auditors. The Internal Auditors independently evaluate the adequacy of the internal controls. Regular internal audits are conducted to test compliances with the statutory requirements. The Internal Auditors report key findings to the Senior Management and periodically submit reports to the Audit Committee of the Board of Directors, to ensure independence and transparency.

HUMAN RESOURCES

Employee relations continued to be cordial throughout the year and recruitments were made commensurate with the needs of business. The Company employs about 5000 people at all centers, domestic and abroad taken together.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report, describing the company's objectives, outlook and expectation, may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied expectations, projections, etc. Several factors make a significant difference to the company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and other such factors over which the company does not have any direct control.

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange/s)

Philosophy of the Company on Corporate Governance:

The Company has adopted the principles of good Corporate Governance and is committed to adopting, best relevant practices for Governance. As such the Company aims at always remaining progressive, competent and trustworthy, creating and enhancing value of stakeholders and customers to their complete satisfaction. For achieving the above goals at all spheres of its activities, the Company constantly seeks to ensure adoption of :

- High Standard of ethics.
- Sound Business decisions.
- Prudent financial management practices.
- Professionalism in decision making and conducting the business.
- Compliance with regulatory guidelines on governance.

BOARD OF DIRECTORS

Composition of the Board:

As on 31st March, 2012 the composition of the Board of Directors is detailed below. Their attendance at the meetings during the year and number of other directorships in Indian public companies and memberships of the Committee of the Board of such companies as on 31st March 2012 are as follows:

Name of the Directors	Category	No. of Directorship(s) held in other public companies		No. of other Board/ Committee (s) of which he/she is a member/ Chairman	
		Chairman	Member	Chairman	Member
Rabindra Nath Sengupta, Chairman	NEI	None	None	None	None
Ajay Kumar Chakraborty	NEI	None	2	None	2
Basant Kumar Agrawal, Managing Director	WTD	None	7	None	None
Debabrata Guha	WTD	None	None	None	None
Dr. Kali Kumar Chaudhuri	NEI	None	2	None	1
Mahabir Prasad Agrawal	NE	None	3	None	None
Nadia Basak	NE	None	None	None	None
Smita Khaitan	NEI	None	None	None	None
Sunil Kumar Agrawal	WTD	None	3	None	None
Suresh Kumar Agrawal	WTD	None	2	None	None
Sushil Kumar Agrawal	WTD	None	1	None	None

NEI: Non Executive Independent Director, NE: Non Executive Director, WTD: Whole Time Director.

As mandated by Clause 49 none of the Directors are member of more than ten (10) Board level Committees nor are they Chairman of more than five (5) Committees in which they are members.

Chairmanship /Membership of Board Committee includes membership of Audit and Shareholders'/ Investors Grievance Committee in other public limited companies. Mr Suresh Kumar Agrawal, Mr Mahabir Prasad Agrawal, Mr Sunil Kumar Agrawal and Mr Sushil Kumar Agrawal are relatives within the meaning of Section 6(c) of the Companies Act 1956.

Board Agenda:

The meetings of the Board are governed by a structured agenda. The Board members in consultation with the Chairman may bring upon other matters for consideration at the Board Meeting. Members of the Senior Management are present in the meeting as a special invitee as and when required.

Information placed before the Board:

Necessary information as required under statute and as per the guidelines on Corporate Governance are placed before the Board, from time to time. As required under Clause 49 of the Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company. Draft Minutes are circulated amongst the members for their comments. The minutes of the proceedings of the meetings are entered in the Minutes Book.

Number of Board Meetings held and attended by Directors:

Seven meetings of the Board of Directors were held during the year and gap between the meetings did not exceed 4 months. In case of any exigency/emergency resolutions are passed through circulation. The dates on which the Board meetings were held are 30th May 2011, 27th July 2011, 13th August 2011, 14th November 2011, 30th January 2012, 14th February 2012 and 31st March 2012.

The attendance record of each of the directors at the Board Meetings during the year ended on 31st March 2012 and of the last Annual General Meeting is as under:

Name of Directors	No. of Board Meetings during the year 2011-12		Attendance at the last AGM
	Held	Attended	Yes/No
Rabindra Nath Sengupta	7	7	Yes
Ajay Kumar Chakraborty	7	7	Yes
Basant Kumar Agrawal	7	6	Yes
Debabrata Guha	7	-	No
Dr. Kali Kumar Chaudhuri	7	7	Yes
Mahabir Prasad Agrawal	7	7	Yes
Nadia Basak	7	-	Yes
Smita Khaitan	7	7	Yes
Sunil Kumar Agrawal	7	7	Yes
Suresh Kumar Agrawal	7	3	Yes
Sushil Kumar Agrawal	7	6	No

Code of Conduct

The Company has adopted 'Code of Conduct' for the Directors and senior executives of the Company. The code anchors ethical and legal behaviour within the organisation. The Code is available on the Company website 'www.manaksia.com'.

All Board members and senior executives have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of the Report.

Disclosure regarding re-appointment of the Directors

The brief resume and other information required to be disclosed under this Section is provided in the Notice of the Annual General Meeting.

Managing Director/Sr. Vice President (Accounts) Certification

The Managing Director and Sr. Vice President (Accounts) of the Company have given a certificate to the Board of Directors of the Company under Clause 49(V) of the listing agreement for the year ended 31st March 2012. Pursuant to Clause 41 of the Listing Agreement, Managing Director and Sr Vice President (Accounts) also give quarterly certification on financial results while placing the same before the Board.

BOARD COMMITTEES:

Manaksia has five Board level committees:

- (a) Audit Committee
- (b) Committee of Directors
- (c) Remuneration & Selection Committee
- (d) Shareholders'/Investors' Grievance Committee
- (e) Restructuring Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms and reference for members of various committees. The minutes of all the Board and Committee meetings are placed before the Board and noted by the Directors present at the meetings. The role and composition of the Committees including the number of meeting(s) held and the related attendance during financial year 2011-12 are as follows:

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee includes the powers as laid down in Clause 49 (II)(C) and role as stipulated in Clause 49(II)(D) of the Listing Agreement with Stock Exchanges. The Audit Committee also reviews the information as per the requirement of Clause 49(II) (E) of the Listing Agreement.

The Audit Committee also complies with relevant provisions of the Companies Act, 1956.

Terms of Reference:

The brief description of the terms of reference of the Audit Committee in line with Clause 49 of the Listing Agreement is:

- (a) Oversight of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Review with the management quarterly and annual financial statements before submission to the Board.
- (c) Review with the management performance of the statutory and internal auditors and adequacy of Internal control system.
- (d) Recommending to the Board re-appointment of Statutory Auditors and the fixation of their Audit Fees.
- (e) Recommending to the Board appointment of Cost Auditor.
- (f) Discussion with the internal auditor on any significant findings and follow up thereon.
- (g) Review of related party transactions.
- (h) And generally all items listed in Clause 49(II)(D) of the Listing Agreement

The Audit Committee may also review such other matters as considered appropriate by it or referred to it by the Board.

The Audit Committee is also provided with the following information on the related party transactions (whenever applicable):

- (i) A statement in summary form of transactions with related parties in the ordinary course of business.
- (ii) Details of material individual transactions with related parties, which are not in the normal course of business.
- (iii) Details of material individual transactions with related parties or others, which are not on an arm's length basis, together with Management's justification for the same.

Composition:

The composition of the Audit Committee is in accordance with the requirement of Clause 49(II)(A) of the Listing Agreement. As on 31st March 2012, the Committee comprised of 5 Non Executive Directors out of which 4 including the Chairman of the Committee were independent directors. As per the requirement of Corporate Governance all members of the Audit Committee are financially literate with at least one member having accounting or related financial management expertise.

Mr. A K Chakraborty (Chairman of the Committee), Mr. R N Sengupta, Dr. K K Chaudhuri, Mr. M P Agrawal and Ms Smita Khaitan were members of the Committee as on 31st March 2012.

The Audit Committee is normally attended by V P (Accounts), representatives of Statutory Auditors, representatives of Internal Auditors and Senior Executives of the Company, if required. The Company Secretary acts as Secretary to the Committee. As per the MCA circular, the Cost Auditor shall also be an invitee to the Audit Committee meeting, as and when required. The Chairman of the Audit Committee attended the Annual General Meeting held on 2nd September 2011 to answer shareholders queries.

Meetings and Attendance

Six Audit Committee meetings were held during the year ended 31st March 2012. The meetings were held on 30th May 2011, 27th July 2011, 13th August 2011, 14th November 2011, 14th February 2012 and 30th March 2012 and the gap between the 2 meetings did not exceed 4 months. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2011-12	
	Held	Attended
Ajay Kumar Chakraborty	6	6
Dr. Kali Kumar Chaudhuri	6	6
Mahabir Prasad Agrawal	6	6
Rabindra Nath Sengupta	6	6
Smita Khaitan	6	6

COMMITTEE OF DIRECTORS

The Committee is empowered to do all such acts, deeds and things which the Board sub-delegates to it, from time to time . The Committee meets as and when necessary to attend to important business matters sub-delegated to it by the Board.

Composition

As on 31st March 2012, the Committee of Directors consist of 2 Nos. Non Executive Directors and 3 Nos. Whole Time Directors. Mr R N Sengupta (Chairman of the Committee), Mr B K Agrawal, Mr M P Agrawal, Mr Sunil Kumar Agrawal and Mr Suresh Kumar Agrawal are members of the Committee. The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

Five Committee of Directors meetings were held during the year ended 31st March 2012. These were held on 2nd May 2011, 6th July 2011, 18th October 2011, 26th December 2011 and 6th March 2012. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2011-12	
	Held	Attended
Rabindra Nath Sengupta	5	5
Basant Kumar Agrawal	5	4
Mahabir Prasad Agrawal	5	5
Sunil Kumar Agrawal	5	4
Suresh Kumar Agrawal	5	4

REMUNERATION & SELECTION COMMITTEE

The Committee is responsible for recommending to the Board the remuneration package of Managing Director/Whole Time Director(s) and on such other matters as may be required, from time to time, under the provisions of the Companies Act, 1956 and Listing Agreement with Stock Exchanges.

Composition:

As on 31st March 2012, the Committee comprised of 5 Non -Executive Directors out of which 4 including the Chairman of the Committee are Independent Directors. Mr R N Sengupta (Chairman), Dr K K Chaudhuri, Mr M P Agrawal, Ms Smita Khaitan and Mr. A K Chakraborty are members of the Committee. The Company Secretary acts as Secretary to the Committee.

Meeting and Attendance

During the year, two meetings of the Remuneration & Selection Committee were held on 27th July 2011 and 31st March 2012. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2011-12	
	Held	Attended
Rabindra Nath Sengupta	2	2
Dr. Kali Kumar Chaudhuri	2	2
Mahabir Prasad Agrawal	2	2
Smita Khaitan	2	2
Ajay Kumar Chakraborty	2	2

Remuneration Policy

The remuneration paid to the Wholetime Directors is approved by the Board of Directors on the recommendation of the Remuneration & Selection Committee. The payment of remuneration to Managing Director/ Whole time Director(s) is in accordance to the approval of the shareholders in the general meeting. The Agreement with the Managing Director/Wholetime Director may be terminated at any time by either party by giving not less than three months notice in writing. The Agreement does not provide for payment of any severance fees.

The Non- Executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof as per the prescribed limit and as approved by the shareholders in the Annual General Meeting. The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Audit Committee is Rs 7500/- per meeting and for attending Other Committee meetings is Rs 5000/- per meeting. The remuneration paid to the Executive Directors is within the limits approved by the Shareholders.

Details of Remuneration paid to Executive Directors

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs)
Basant Kumar Agrawal	12,00,000/-	Nil
Suresh Kumar Agrawal	12,00,000/-	Nil
Sushil Kumar Agrawal	6,00,000	Nil
Sunil Kumar Agrawal	6,00,000/-	Nil
Debabrata Guha	3,96,000/-	Nil

The agreements entered with the Managing Director/ Whole Time Director(s) are for a period of 5 years from the respective dates of appointment/re-appointment.

Details of Sitting Fees paid to Non Executive Directors

During the year, the Company has not made any payments to Non Executive Directors except sitting fees as detailed hereunder:

Name of the Director	Sitting Fees (Rs.)
Rabindra Nath Sengupta	1,37,500
Ajay Kumar Chakraborty	1,12,500
Dr. Kali Kumar Chaudhuri	1,07,500
Mahabir Prasad Agrawal	1,37,500
Smita Khaitan	1,07,500

During the year, there were no pecuniary relationships or transactions between the Company and it's Non Executive Directors.

Details of Equity Shares/ Non Convertible instruments held by Non Executive Directors as on 31st March 2012:

Name of the Director	Shares	Non Convertible Instruments
Nadia Basak	22,900	N A
Mahabir Prasad Agrawal	41,72,515	N A

The Company does not have any Employee Stock Option Scheme.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Committee oversees the redressal of complaints of shareholders and investors such as transfer of shares, issue of duplicate share certificates, etc. The Board of Directors has sub-delegated the authority to the Committee to approve share transfers / transmission / rematerialisation / dematerialisation/split-up/sub-division and consolidation of shares certificates , etc. The Committee meets once in a fortnight, if required, to dispose off all matters relating to share transfers, transmissions, etc.

Composition:

As on 31st March 2012, the Committee comprised of 3 Non-Executive Directors and 2 Executive Directors. Mr R N Sengupta (Chairman), Mr A K Chakraborty, Mr B K Agrawal, Mr M P Agrawal and Mr Suresh Kumar Agrawal are the members of the Committee. The Company Secretary acts as Secretary to the Committee.

Meeting and Attendance

During the year one Committee meeting was held on 11.01.2012. The details of attendance of members are as under:

Name of the Members	No. of meetings during the year 2011-12	
	Held	Attended
Rabindra Nath Sengupta	1	1
Basant Kumar Agrawal	1	1
Mahabir Prasad Agrawal	1	1
Suresh Kumar Agrawal	1	1
Ajay Kumar Chakraborty	1	1

Compliance Officer

Mr Anubhav Maheshwari, Company Secretary of the Company has been designated as Compliance officer for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges.

