

# Corporate Governance Report

(AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES)

## I. 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. The Company aims to progressive, competent and trustworthy, creating and enhancing value for stakeholders and customers and to deliver to its customer's quality products and pro-active services in a satisfactory manner. The Company attempts to achieve this by such measures as:

- 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

## II. BOARD OF DIRECTORS

### (a) Composition of the Board

The Board of Directors comprises of twelve members, consisting of six Executive and six Non-Executive Directors as per the requirement of listing agreement. The Non-Executive Directors are eminent professionals drawn from amongst persons with experience in business & industry, finance, law & public enterprises. As on this date of report, five of the six non-executive Directors are Independent Directors. Accordingly, the composition of the Board is in conformity with the Listing Agreement. The composition of the Board is as under:

Name of the Directors	Category of Director	No. of other * Directors ship held	No. of Board Committee (s) of which he is a member	No. of Board Committee (s) of which he is the Chairman
Shri Rabindra Nath Sengupta	Chairman Non-Executive Independent	None	3	None
Shri Suresh Kumar Agrawal	Executive	None	None	None
Shri Basant Kumar Agrawal	Executive	5	2	2
Shri Sushil Kumar Agrawal	Executive	2	None	None
Shri Sunil Kumar Agrawal	Executive	2	None	None
Shri Mahabir Prasad Agrawal	Non-Executive	4	1	None
Dr. Kali Kumar Chaudhuri	Non-Executive Independent	2	2	None
Prof. Alak Ghosh	Non-Executive Independent	2	3	1
Shri Debabrata Guha	Executive	None	None	None
Shri Nadia Basak	Executive	1	None	None
Shri Ajay Kumar Chakraborty	Non-Executive Independent	3	8	1
Smt. Smita Khaitan	Non-Executive Independent	None	None	None

\* Including Directorships in Private Limited Companies.

None of the Directors of the Company is a member of more than ten (10) Committees or Chairman of more than five (5) Committees across all the Companies in which he/she is a Director.

### (b) Details of Shares held by Directors:

Name of Directors	No. of Shares held
1. Shri Basant Kumar Agrawal	5432060
2. Shri Suresh Kumar Agrawal	5643000
3. Shri Mahabir Prasad Agrawal	1964925
4. Shri Sushil Kumar Agrawal	826875
5. Shri Sunil Kumar Agrawal	1616060
6. Shri Nadia Basak	22900
7. Shri Rabindra Nath Sengupta	NIL
8. Shri Debabrata Guha	400
9. Prof. Alak Ghosh	NIL
10. Dr. Kali Kumar Chaudhuri	NIL
11. Shri Ajay Kumar Chakraborty	NIL
12. Smt. Smita Khaitan	NIL

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## (c) Number of Board Meetings held and attended by Directors

- (i) Five meetings of the Board of Directors were held during the year ended 31st March 2008. These were held on 31.05.2007, 29.06.2007, 31.07.2007, 29.10.2007 and 28.01.2008.
- (ii) The attendance record of each of the directors at the Board Meetings during the year ended on 31st March 2008 and of the last Annual General Meeting is as under:

Directors	No. of Board Meeting attended	Attendance at the last AGM
Shri Basant Kumar Agrawal	5	Yes
Shri Suresh Kumar Agrawal	4	Yes
Shri Mahabir Prasad Agrawal	5	Yes
Shri Sushil Kumar Agrawal	None	No
Shri Sunil Kumar Agrawal	4	Yes
Shri Rabindra Nath Sengupta	3	Yes
Dr. Kali Kumar Chaudhuri	5	No
Prof. Alak Ghosh	5	No
Shri Debabrata Guha	None	No
Shri Nadia Basak	1	No
Shri Ajay Kumar Chakraborty	5	No
Smt. Smita Khaitan	5	No

## III. AUDIT COMMITTEE

The Audit Committee comprised of four independent director and one Non-Executive Director members namely:

- (1) Prof. Alak Ghosh
- (2) Shri Rabindra Nath Sengupta
- (3) Dr. Kali Kumar Chaudhuri
- (4) Shri Ajay Kumar Chakraborty
- (5) Shri Mahabir Prasad Agrawal

All the members of the Audit Committee are Non-Executive Directors. Prof. Alak Ghosh is the Chairman.

Four Audit Committee meetings were held on, 29.06.2007, 31.07.2007, 29.10.2007 and 28.01.2008. The attendance of each Audit Committee member was as under:

Name of the Audit Committee Member	No. of meetings attended
Prof. Alak Ghosh	4
Shri Rabindra Nath Sengupta	3
Dr. Kali Kumar Chaudhuri	4
Shri Ajay Kumar Chakraborty	4
Shri Mahabir Prasad Agrawal	4

At the invitation of the Company, Statutory Auditors, and Head of Accounts & Internal Audit also attended the Audit Committee Meetings to answer and clarify queries raised at the Committee Meetings. The Company Secretary acts as Secretary to the Committee.

The roles and terms of reference of the Audit Committee cover the matters specified for Audit committees under Clause 49 of Listing Agreement as well as in Sec. 292A of the Companies Act, 1956.

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## IV. COMMITTEE OF DIRECTORS

The Committee of Directors comprised of four independent director members namely :

1. Shri Basant Kumar Agrawal, Managing Director
2. Shri Rabindra Nath Sengupta, Independent Director
3. Prof. Alak Ghosh , Independent Director
4. Dr. Kali Kumar Chaudhuri, Independent Director
5. Shri Ajay Kumar Chakraborty, Independent Director

All the Members of the Committee of Directors are Non-Executive Directors except Shri Basant Kumar Agrawal who is an Executive Director.

Shri Basant Kumar Agrawal is the Chairman of the Committee of Directors.

The Committee of Directors meets as and when necessary to attend to important business and is empowered to do all such acts, deeds and things which the Board is empowered to do subject to the provisions of the Companies Act, 1956.

Three Committee of Directors' Meetings were held during the year on 03.12.2007, 05.12.2007 and 31.12.2007. The attendance of each Committee member was as under:

Name of the Member	Meetings Attended
Sri Basant Kumar Agrawal	3
Sri Rabindra Nath Sengupta	3
Dr. Kali Kumar Chaudhuri	3
Prof. Alak Ghosh	3
Sri Ajay Kumar Chakraborty	3

## V. REMUNERATION COMMITTEE

The Remuneration Committee comprised of four independent director members namely:

- i. Shri Basant Kumar Agrawal, Managing Director
- ii. Shri Rabindra Nath Sengupta , Independent Director
- iii. Dr. Kali Kumar Chaudhuri , Independent Director
- iv. Prof. Alak Ghosh , Independent Director
- v. Shri Ajay Kumar Chakraborty, Independent Director

All the Members of the Remuneration Committee are Non-Executive Directors except Shri Basant Kumar Agrawal who is an Executive Director.

Shri Basant Kumar Agrawal is the Chairman of the Remuneration Committee.

One Remuneration Committee Meeting was held during the year on 29.06.2007. The attendance of each committee member was as under:

Name of the Member	Meeting Attended
Shri Basant Kumar Agrawal	1
Shri Rabindra Nath Sengupta	1
Dr. Kali Kumar Chaudhuri	1
Prof. Alak Ghosh	1
Shri Ajay Kumar Chakraborty	1

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Details of Sitting Fees, Remuneration etc. paid to Directors

Name of the Director	Remuneration* (Rs.)	Sitting Fees(Rs.)
Shri Basant Kumar Agrawal	6,00,000/-	48,000/-
Shri Suresh Kumar Agrawal	5,40,000/-	18,000/-
Shri Mahabir Prasad Agrawal	NIL	43,000/-
Shri Sushil Kumar Agrawal	4,80,000/-	NIL
Shri Sunil Kumar Agrawal	4,80,000/-	20,000/-
Shri Rabindra Nath Sengupta	NIL	55,000/-
Shri Debabrata Guha	3,24,000/-	NIL
Shri Nadia Basak	6,00,000/-	5,000/-
Prof. Alak Ghosh	NIL	63,000/-
Dr. Kali Kumar Chaudhuri	NIL	63,000/-
Shri Ajay Kumar Chakraborty	NIL	68,000/-
Smt. Smita Khaitan	NIL	28,000/-

Note: No commission is paid to any Director.

The appointment of Executive Directors is contractual in nature for a period of five years w.e.f 01.04.2005.

## VI. SHARE TRANSFER GRIEVANCE COMMITTEE

- (a) Share Transfer Grievance Committee comprised of 4 Non-Executive Independent Directors namely Shri Rabindra Nath Sengupta, Dr. Kali Kumar Chaudhuri, Shri Ajay Kumar Chakraborty, Prof. Alak Ghosh and Shri Basant Kumar Agrawal, Executive Director and Shri Sandeep Sultania, Company Secretary has been designated as the Compliance Officer. M/s. Intime Spectrum Registry Limited of 59C, Chowringhee Road, 3rd Floor, Kolkata-700 020 is the Registrar and Share Transfer Agent (RTA) of the Company.

During the year ended 31st March 2008, 1387 complaints / queries were received from Shareholders. There were no share transfers pending for registration for more than 30 days as on the 31st March 2008.

One Share Transfer Grievance Committee meeting was held on 29.06.2007. The attendance of each Share Transfer Grievance Committee member was as under:

Name of the Members	Meeting attended
Shri Basant Kumar Agrawal	1
Shri Rabindra Nath Sengupta	1
Prof. Alak Ghosh	1
Dr. Kali Kumar Chaudhuri	1
Shri Ajay Kumar Chakraborty	1

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- (b) Details of Directors seeking re-appointment at the ensuing Annual General Meeting fixed on 26th September 2008 are given hereunder:

Name of the Director	Shri Rabindra Nath Sengupta
Date of Appointment	01/01/2002
Expertise in Specific Functional area	Having vast experience in the field of General Management
List of other Directorship held	None
Chairman/Member of the Committees of the Board of the Companies on which he is a Director	Manaksia Limited Member, Audit Committee Member, Committee of Directors Member, Remuneration Committee Member, Share Transfer Grievance Committee

Name of the Director	Sri Ajay Kumar Chakraborty
Date of Appointment	18/09/2004
Expertise in Specific Functional area	Having vast experience in the field of General Management
List of other Directorship held	1. Shreyas Industries Limited 2. Vardhman Textiles Limited 3. Lakshmi Precision Screws Ltd.
Chairman/Member of the Committees of the Board of the Companies on which he is a Director	Manaksia Limited Member, Audit Committee Member, Committee of Directors Member, Remuneration Committee Member, Share Transfer Grievance Committee Lakshmi Precision Screws Ltd. Chairman, Selection Committee Member, Audit Committee Member, Remuneration Committee Member, Committee of Directors

## VII CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

A code of conduct as applicable to the Directors and the Members of the Senior Management had been approved and the same is being duly abided by all of them. Declaration to this effect has been obtained from all the directors.

## VIII COMPLIANCE CERTIFICATE

As required by Clause 49 of the Listing Agreement, the auditors' certificate confirming compliance with requirements of Corporate Governance is given as an annexure to this Report.

## IX GENERAL BODY MEETINGS

- (a) The details of Annual General and Extra Ordinary General meetings held in last three years are as under:

	Day	Date	Venue
AGM	Saturday	31.12.2005	At Registered Office: 8/1, Lal Bazar Street, 3rd Floor, Kolkata-700 001
AGM	Thursday	28.09.2006	- Do -
AGM	Saturday	28.09.2007	- Do -

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- (b) Whether special resolutions were put through postal ballot last year? No
- (c) Are special resolutions proposed to be put through postal ballot this year? If needed

## X DISCLOSURES

There are no materially significant transactions made by the Company with its Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflicts with the interests of the Company. The Non-Executive Directors had no pecuniary relationships or transactions vis-à-vis the Company during the year.

The Company has complied with all requirements of the Listing Agreement with the Stock Exchange as well as the regulations and guidelines of SEBI. Consequently, there have been no strictures or penalties imposed on the Company by either SEBI or the Stock Exchange or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

## XI MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the quarterly, half-yearly and yearly financial results in the proforma prescribed under Clause 41 of the listing agreement.

The Company sends such approved financial results to the Calcutta Stock Exchange, Bombay Stock Exchange and National Stock Exchange which have also been published in leading newspapers like Financial Express, Economic Times, Aajkaal etc.

The financial results and the official news releases of the Company are displayed on the website of the Company [www.manaksia.com](http://www.manaksia.com)

As quarterly financial results are published in the press and are also posted on the website of the Company, the same are not mailed to the shareholders.

Management Discussion and Analysis forms part of the Annual Report and are mailed to the shareholders.

## XII GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting to be held on  
Date and Time: 26.09, 2008 at 10:30 a.m.  
Venue: 'Kala Mandir', 48 Shakespeare Sarani, Kolkata -700 017
- b. Financial Calendar 2007-2008:

First Quarterly Results	End July, 2007
Second Quarterly Results	End October, 2007
Third Quarterly Results	End January, 2008
Audited Yearly Results for the year ended 31st March, 2008	Before End June, 2008

- c. Dates of Book Closure: 24.09.2008 to 26.09.2008 (Both days inclusive).
- d. The Shares of the Company are listed at The Calcutta Stock Exchange Association Limited, Bombay Stock Exchange and National Stock Exchange and annual listing fees have been paid to all the Stock Exchange for the year 2007-08.
- e. Stock/Company/Security Common Code:

Equity Shares listed with	The Calcutta Stock Exchange Association Ltd.	18123
	National Stock Exchange of India Limited	MANAKSIA
	Bombay Stock Exchange Limited	532932

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## f. Market Price Data

The details of monthly highest and lowest closing quotations of the equity shares of the company at National Stock Exchange of India Limited during financial year 2007-08 are:

Month	High	Low
April, 2007 to January, 2008	None	
February, 2008	103.80	81.10
March, 2008	86.70	56.45

- g. Registrar and Transfer Agents M/s Intime Spectrum Registry Limited, 59C, Chowringhee Road, Kolkata-700 020 is acting as Registrar and Share Transfer Agents of the Company.
- h. Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. Officers of the Registrars have been authorised to approve transfers and the same are also approved by the Committee of Directors/ Share Transfer Grievance Committee.
- i. Distribution of share holding as on 31st March 2008

Sl. No.	No. of equity shares held	No. of Folios	No. of shares	% of Shareholding
1	1-500	53723	5489265	7.89
2	501-1000	1024	815943	1.17
3.	1001-2000	412	635444	0.92
4.	2001-3000	137	349123	0.50
5.	3001-4000	81	290873	0.42
6.	4001-5000	54	250173	0.36
7.	5001-10000	106	789838	1.14
8.	10001 and above	206	60913391	87.60
	TOTAL	55743	69534050	100.00

- j. Share holding pattern as on 31st March, 2008

Sl. No.	Category	No. of Folios	% of Folios	No. of \Shares	% of share-holdings
1	Promoters	26	0.04	40397690	58.09
2.	Mutual Funds & UTI	3	0.01	395661	0.57
3.	Financial Institutions / Banks.	3	0.01	455765	0.66
4.	Central Government / State Government(s)	NIL	NIL	NIL	NIL
5.	Venture Capital Fund	NIL	NIL	NIL	NIL
6.	Insurance Companies	NIL	NIL	NIL	NIL
7.	Foreign Institutional Investors	12	0.02	1449425	2.09
8.	Foreign Venture Capital Investors	NIL	NIL	NIL	NIL
9.	Bodies Corporate	928	1.66	15353942	22.09
10.	Public	54404	97.60	11407116	16.40
11.	NRI Representative	307	0.55	66293	0.09
12.	NRI Non-Representative	60	0.11	8158	0.01
	TOTAL	55743	100.00	69534050	100.00

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## k. Dematerialization of Equity Shares

The shares of the Company are currently traded only in dematerialized form at Bombay Stock Exchange, National Stock Exchange and The Calcutta Stock Exchange. To facilitate trading in dematerialized form the company has entered into agreements with the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). Shareholders can open account with any of the depository participants registered with the above depositories ISIN no.INE015D01022. About 72.23% of the Company's shares is in dematerialized form.

Further on and from 08.01.2008 the entire share capital of the Company i.e. 69534050 Equity Share of Rs.2/- each are listed on Calcutta, Bombay and National Stock Exchanges.

## l. Plants (Manufacturing Units)

- 1) Plot No. 125B, Shree Venkatesh Co-Op Industrial Area, Ida, Vill- Bollaram, Dist. Medak 502320
- 2) 161/2, Village – Khutli, Via Khanvel Dudhni Road, U.T. of Dadra & Nagar Haveli Silvassa – 396230
- 3) Plot no.25 & 24A, Anrich Industrial Estate Bollaram, Medak, (KPL)
- 4) 45-C, Phase-I, Jedimetla, R R District SRO, Medak, Corrugated Unit.
- 5) 15, B.K. Pal Temple Road, Belur, Howrah 711 202
- 6) 114/99, S N Roy Road, Behala, Kolkata-700 038
- 7) 12, Duffer Street, Liluah, Howrah
- 8) Brahmanpara, P.S. Haripal, Dist: Hooghly
- 9) 471, Birsinghpur, P.O & P.S: Barjora
  - a) Mortein Coil Division
  - b) Galvanising Division
  - c) Aluminium Rolling Mill
  - d) P P Cap Division
- 10) 11/1, B.K. Pal Temple Road, Belur, Howrah 711 202
- 11) 71/3, Dharamtolla Road, Salkia, Howrah
- 12) Vill & P.O Bhunia Raichak, Haldia
- 13) EPIP, Amingaon Guwahati
- 14) Plot No. 15, New Industrial Area-II, Mandideep, Dist: Raisen
- 15) Plot No. 16, New Industrial Area-II, Mandideep, Dist: Raisen
- 16) 9 & 12 AI, New Industrial Area-II, Mandideep, Dist: Raisen
- 17) Survey No. 396, Chandrani, Taluka Anjar, Dist. Kutch
- 18) Plot no.420, Ward 2B, Adipur, Kutch.
- 19) Opp Sanchetiware House, Verma Complex, Shop No 5, (Mumbai - Agra Highway) Jaulke, Taluka - Dindori Nashik – 422206
- 20) Railway Crossing Sector - 25, Sohna Road, Ballabgarh, Faridabad (Haryana) 121004
- 21) 14, Justice Jumbulingam Road Flat No B-3, Jay Jay Terrace Mylapore, Chennai - 600 004

## Address for Correspondence

8/1, Lal Bazar Street, Bikaner Building, 3rd Floor, Kolkata-700 001

The above report was placed before the Board at its meeting held on 28th day of June, 2008 and was approved.



# Auditors' Certificate on Corporate Governance

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, 2008, 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 Shareholders'/ Investors' Grievance Committee.

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*

S. Patra  
*Partner*

Member Ship No.056121

Place:Kolkata

Dated : 28th June 2008