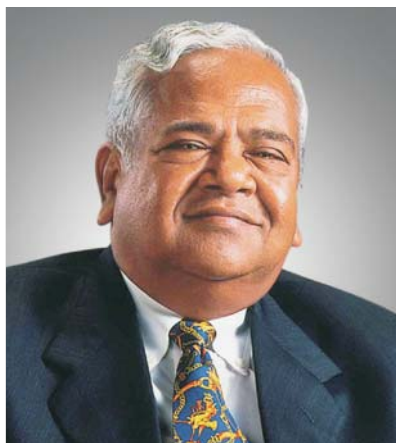




*I*t has been an eventful year for Manaksia Limited, marked as it was with our Follow on Public Offering (FPO) of 15,500,000 equity shares, which was oversubscribed 8.33 times. The success of the FPO is a reflection of public confidence in the company's future. By and large, the funds have been earmarked to enhance our capabilities in the production of steel and aluminium products, which we believe have immense potential.

There are several reasons to back our belief. For the last few years world commodity prices have steadily spiraled upwards as supply has struggled to catch up with demand. In metals, developing countries such as China, India and the Middle East that have witnessed an unprecedented infrastructure boom has largely fueled the demand. Equally important is the steady shift in manufacturing power from the first world to emerging economies as centers of production seek to come closer to markets and raw materials.

India, of course, is very fortuitously placed to ride the commodity bull-run. In our chosen fields of steel and aluminium we have excellent raw material reserves, technological expertise and skilled labour to give us a competitive advantage. The economy has consistently been clocking over 9% growth with concomitant growth of infrastructure. The emergence of India as a major automobile manufacturer is further icing on the cake.

Manaksia's interests, of course, extend beyond India. We have considerable investments in Nigeria, which is poised to mirror the India story as political stability and oil wealth contribute to create a resurgent economy. In the current year we have initiated a footprint in Georgia, which is strategically located at the junction of Asia and Europe, by beginning the process of setting up a new steel long products facility at an investment of \$ 35 million. It is also worth mentioning that our steel cold rolling facility at Haldia, West Bengal, which started commercial production in December 2007, is now fully operational.

While steel is undoubtedly an important contributor with great future potential, the current year has seen remarkable growth in aluminium products. The company has been privileged to win the trust of leading auto-ancillary and durable manufacturers for its ingots and sheets and add new clients each year. Value added products, such as colour coated and corrugated roofing sheets also enjoy a buoyant market, particularly in Africa.

Among traditional products, our caps and crowns continue to benefit from the growth in beverage and liquor industries. Mosquito coils made by us retain the faith of major marketers to be sold under prestigious brand names. Although their share in our portfolio has been decreasing, the traditional products remain market leaders in their own niches – their dominance unlikely to be challenged in the near term.

As we enter yet another financial year, the future of Manaksia looks bright. We look ahead to adding capabilities and capacities across the entire value chain, particularly in metals, to emerge as an integrated producer from mining to finished products. As the world shrinks we will continue to grow, spreading our wings to emerge as a true Indian multinational. The journey has just begun....

B. K. Agrawal

Managing Director



The Growth story

Originally incorporated as Hindusthan Seals in 1984, Manaksia is the story of a niche leader that constantly reinvented itself to emerge as a leader in new areas of opportunity. It began as a manufacturer of metal closures (seals) such as caps and crowns for beverage bottles and steadily diversified into manufacture of containers, roofing sheets, mosquito coils, metal products and transformed itself into a growing Indian multinational.

Today, while caps, closures, cans and coils continue to contribute significantly to Manaksia's turnover, the company is primarily seen as a metal maker. It is among the largest secondary producer of aluminium ingots and sheets. In steel, apart from the manufacturing base in India and Nigeria a new chapter has been added with the beginning of a green field venture in steel long products in Georgia during the current year.

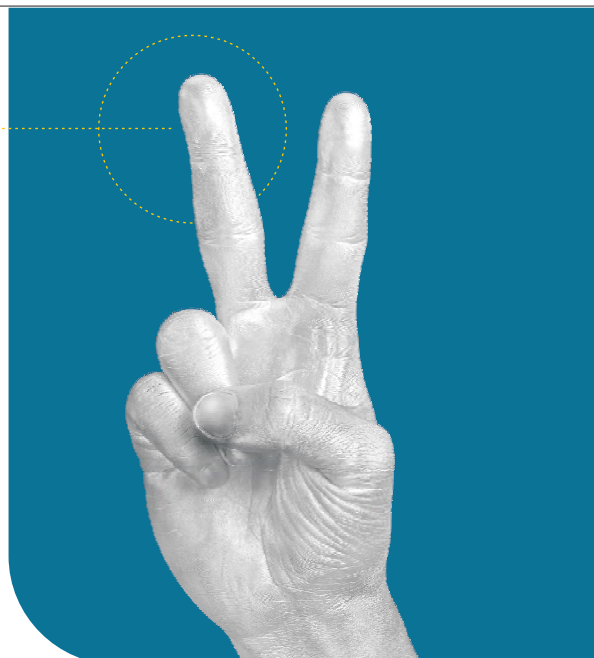
Divisions

Aluminium
Steel
Packaging
Mosquito Coils
Engineering & Others





Winning Markets



Packaging Division

From crown to metal containers, Manaksia has been a traditional market leader in several segments of the packaging industry. Packaging, however, contributes 12% of the total revenue of the company.

Crowns



Manaksia is one of the largest suppliers of crowns for soft drinks and beers in India. Manufacturing units of crowns are located in Hyderabad, Bhopal, Kutch while raw materials are produced domestically as well as imported from Germany and Japan.

Coca Cola, Mohan Breweries and United Breweries are the major customers in India. The company also has a plant in Nigeria where Nigeria Breweries PLC is the biggest buyer.

ROPP Caps

ROPP Caps are manufactured for bottling wines and spirits. Manaksia produces 4 varieties of caps and in 19 sizes from plants located at Belur, Bhopal, Bankura and Nigeria. The production line is fully integrated with all ingredients being produced in-house.



Plastic Caps

Plastic caps are required mainly for India's burgeoning bottled water market. The main buyers are Coca Cola for 'Kinley' and the Indian Railway Catering & Tourism Corporation for 'Rail Neer'. The caps are manufactured at Hyderabad.

Metal Containers

Manufacture of metal containers is one of the oldest business of Manaksia, Push open shoe polish containers, cosmetic tins and tea caddies are manufactured at the Belur unit in West Bengal. Major domestic customers are Dabur(India) Ltd., Sara Lee and Reckitt Benckiser (India) Ltd.





Mosquito Coils Division

Manaksia ventured into the business of manufacturing of mosquito coils in 2000 and has remained among the largest producers over the years. During the year 2007-08, coils contributed to 6% of total revenue.



Mosquito coils in 3 varieties are manufactured at Guwahati, Bankura, Bhopal, Kutch and Hyderabad. The company also makes coil stands in its factory at Belur. Advanced technology and automated machines help reduce the cost of production and enhance the quality of the products thereby sustaining the leadership position.

Manaksia's mosquito coils have long been sold by Reckitt Benckiser under the brand name 'Mortein' and by Jyothy Laboratores as 'Maxo'. Recent tie-ups have been with Eveready (Poweron) and Anmol Industries (Target).

Engineering Division

Engineering activities cover manufacture and sales of machines and spares as well as ship design and repair.

The machine manufacturing units cater to needs of metals, packaging and mosquito coils divisions and other subsidiary products, enabling sharp reduction in production costs.

Ship design activities were undertaken from a shipyard in India with 3 years contract in July 2004 which has been extended further for a period of 3 years from July 2007.

The Metal Bonds



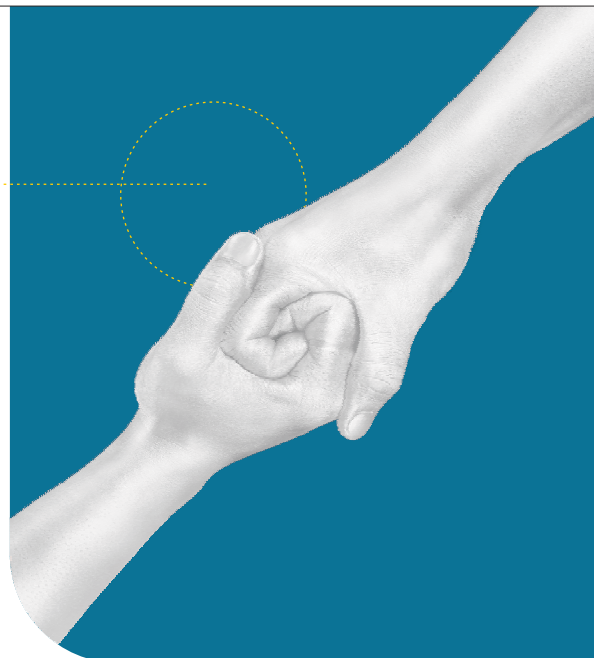
Steel Division

Manaksia produces and markets value added steel products comprising galvanized plain (GP) coils / sheets and galvanized corrugated (GC) sheets. The company has integrated facilities starting with cold rolled steel coils and with colour coated galvanized sheets as the most recent addition to its portfolio. The total sale of the steel products stands at over 37,000 MT (standalone) and over 68,000 MT (consolidated) registering a growth of 95% (standalone) and 64% (consolidated) respectively.

Manaksia entered the production of galvanized steel when a plant was set up at Bankura in 2002 with a capacity of 30,000 TPA. A steel cold rolling plant with a capacity of 50,000 TPA in Haldia has commenced operations since December 2007. Sponge Iron and mild steel ingots are produced at Mark Steels Ltd., a subsidiary of Manaksia Limited.

The primary market for GP/GC sheets is the North East India where Manaksia products are marketed under the brand name of '5 Star Super Shakti'. These products are widely used for roofing, factory sheds, railway platforms, containers, watertanks etc.

The company also has significant capacities in Africa. In Nigeria, a Galvanising line of 24000 TPA capacity was set up in 2006. Another galvanizing line of 28000 TPA capacity is being set up and is expected to become operational by March 2009.



Steel Facts

Steel, one of the most globally used metals has crossed 1.2 billion tonne mark in 2006, due to rising demand from key sectors like manufacturing, infrastructures, housing, automobiles, etc.

China, Japan and USA are the top producers in crude steel with China being in the leading position. World crude steel production in 2006 stood at 1,244 mT – an increase of 8.9% over that of the previous year.

The Indian steel industry started reviving in 2003 and has continued its progress driven by sharp surge in international prices and an increase in exports and domestic demands.

India ranks as the 9th largest producer in steel. The production is expected to grow to 65 mT by 2012 and 110 mT by 2020, implying an average growth rate of 7.3%.



Aluminium Division

Manaksia manufactures aluminium ingots, which are extensively used in the automobile industry. It also manufactures cold rolled aluminium coils and sheets which are also corrugated, profiled and patterned. The major usage is in the construction industry. The total sale of aluminium products is currently over 22,900 tons (standalone) and over 48,500 tons (consolidated) registering a growth of 16% and 22% respectively.

Manaksia produces cold rolled aluminium coils at its 36,000 TPA plant at Haldia, West Bengal. Additional equipment is being installed at this facility by utilising the proceeds of the recently concluded public issue to de-bottleneck the production facility so as to allow it to produce at its full rated capacity.

The Haldia facility also produces secondary specification aluminium alloys primarily from aluminium scrap. The current capacity is 12,000 TPA. A capacity of 12,000 TPA also exists at Nigeria and the product is sold to the auto ancillary industry, both in India and worldwide.

A colour coating line at Kutch, with a capacity of 12,000 tpa, while having the ability to handle both steel and aluminium substrate, produces mostly colour coated steel sheets and coils. The colour coating line in Nigeria, also with a capacity of 12,000 tpa, produces mostly colour coated aluminum sheets and coils. The aluminium coils, both plain and coloured, are converted into corrugated, profiled and embossed sheets both in India and in Nigeria for use in the construction industry.



Aluminium Facts

Globally 66% of the aluminium production is used in the construction, transportation and packaging sectors, while the remaining 34% is used as consumer durables products, capital goods and electricity transmission.

In 2007, world production grew by 10.74% from 34m TPA to 37.6m TPA. Consumption increased to 37m TPA from 33.9 m TPA to clock a growth of 9%.

India is the 6th largest aluminium producer of the world with a significant cost advantage owing to superior quality of bauxite, lower labour cost and bulk mining.

Backed by the growth of the automobile, construction and consumer durables sectors, Aluminium production has increased at a rate of almost 6% p.a. since 2000.

◀◀ Crossing continents

The management of Manaksia has always recognized that in the rapidly globalizing world, Indian market leaders need to look beyond the country's borders for long-term business growth. In 1995, this recognition translated into practice when MINL, a wholly owned subsidiary was set up in Nigeria to leverage Manaksia's traditional expertise in producing crown caps and ROPP caps for the bottling industry.

Since then, the African operations have grown in tandem with the company's diversifications in India. MINL today adds strength to Manaksia's metals capability. Capitalising on the easy availability of scrap metal in Nigeria, secondary specification aluminium alloys are produced there and exported all over the world. A steel long products plant with a capacity of 200,000 TPA is being set up in Nigeria both for the easy availability of scrap as well as the construction boom there. In 2006, a paper mill with substantial forest reserves was acquired in Nigeria. Manaksia also has a plant at Ghana to produce aluminium corrugated and profiled sheets mainly for roofing.

In the current year Manaksia spread wings to initiate construction of a steel long products manufacturing unit in Georgia (CIS). Located at Kutaisi, 98 km from Poti port, the plant is being set up in three phases at a total cost of US\$ 35 million and is estimated to be ready to turn out 200,000 TPA of rolled products by early 2010. Apart from providing a low cost manufacturing base for the company's expansion in metals, this facility also encourages the thrust into European markets.

