



Annual Report 2004-05

GROWTH

The only constant



Vision

To emerge as an Indian multinational and deliver exceptional quality products and services across the globe

Mission

We will pursue our vision through the following:

Customers

Achieve a lasting partnership through an unwavering commitment to excellence in everything we do.

Employees

We trust, respect and empower our employees to help them achieve their goals.

Stakeholders

We work with concern and well being for our various stakeholders by sharing responsibility of their economic, social, physical and cultural environments.



Contents

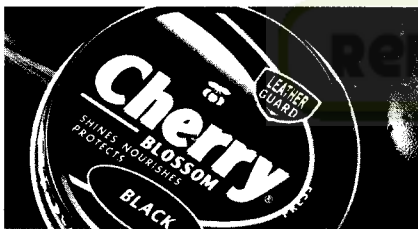
Highlights 2 Theme 4 Chairman's review 16 Strategy 18 Management discussion and analysis 22
Risk management 36 Directors' report 38 Corporate governance 46 Auditor's report 54 Accounts
58 Corporate information 135



World's **2nd** largest producer of mosquito coils.

Leader of ROPP closures catering to India's premium liquor segment with a market share of

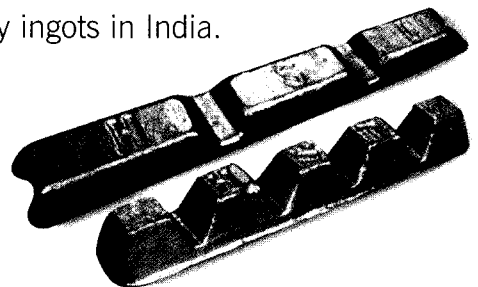
60%



Leader in India's push-open metal container segment with a market share of

85%

3rd largest producer of aluminium alloy ingots in India.



Domestic and international manufacturing units



Domestic

| | |
|--|---|
| Behala, Kolkata, West Bengal | 1 |
| Belur, Howrah, West Bengal | 2 |
| Liluah, Howrah, West Bengal | 1 |
| Brahmanpara, Hooghly, West Bengal | 1 |
| Birsinghapur, Bankura, West Bengal | 1 |
| Salkia, Howrah, West Bengal | 1 |
| Village & P.O. Bhuniyaraichak, Haldia East Midnapore, West Bengal | 1 |
| Sree Venkatesh Co-op Industrial Estate, Bollaram, Narsapur, Andhra Pradesh | 3 |

International

| | | | |
|--|---|--|---|
| Village Khutli, Near Khanvel, Silvassa, Dadra and Nagar Haveli | 1 | MINL Limited, Isolo, Lagos, Nigeria | 1 |
| E.P.I.P, Amingaon, Guwahati, Assam | 2 | MINL Limited, Ota, Nigeria | 1 |
| Village Chandrani, Taluka - Anjar, Kutch, Gujarat | 1 | Dynatech Industries Ghana Limited, Accra, Ghana | 1 |
| New Industrial Area II, Mandideep, Raisen, Madhya Pradesh | 2 | Crescent Industries (Nepal) Private Limited, Nepal | 1 |
| Mark Steels Limited, Purulia, West Bengal | 1 | | |

What we manufacture

Product

Galvanised steel

Aluminium alloy ingots, aluminium corrugated/profiled sheets, ready to print sheets

Red and green mosquito coils

Roll on pilfer-proof caps and closures, metal containers and crowns

Application

Corrugated roofing or plain galvanised sheets

- **Alloy ingots:** Auto components
- **Aluminium corrugated sheets:** Roofing (industrial and domestic)
- **Aluminium profiled sheets:** Bus bodies, white goods, fan blades
- **Ready-to-print sheets:** Packaging industry
- **Aluminium circles:** Utensils

Mosquito repellent

- **ROPP caps and closures:** Premium liquor and pharmaceutical companies
- **Metal containers:** Packaging shoe polish
- **Crowns:** Packaging beer and soft drink glass bottles.

Highlights, 2004-05

A major manufacturer of corrugated and plain roofing sheets in Nigeria

- 54% growth in turnover from Rs. 2249 mn to Rs. 3455 mn
- Third largest producer of alloy ingots in India (combined capacity of 12000 TPA)
- Supply to ancillaries of major automakers like Bajaj Auto, Hero Honda, Honda Motors, Ashok Leyland and Tata Motors
- Introduction of value-added new aluminium profiled sheets (5 bar)
- One-stop shop for solutions from bare aluminium sheets to ready to print sheets
- Export to new markets like Malaysia, Taiwan and Vietnam
- 10-15% increased productivity due to improved labour efficiency
- 50% capacity expansion in Guwahati
- Manufacture of 12-hour mosquito coils
- Wood-based gasifiers being used at plants leading to cost saving and lower pollution

- Reduction in the delivery time of crowns from 15 days to 7 days
- Addition of a new manufacturing line for 'chamferring' ROPP closures

What we are recognised for

- ISO 9002: Crown manufacturing unit in Hyderabad and Silvassa
- ISO 9000: Aluminium alloy ingot division in Bankura
- ISO 9001:2000: Management system in Bankura

GROW our but



New
products
launched
● year-on-year

At Manaksia, we widened our business landscape through the introduction of new products at one end and a continuous innovation in our existing products at the other.

ING

Business

● Increasing
proportion
of income
from new
launches

● People and
productivity

● New product
applications using
existing
technologies

● New
customers



New products launched year on year

| Products | Year of launch |
|---------------------------|----------------|
| Printed sheets | 2001-02 |
| Aluminium profiled sheets | 2002-03 |
| GP/GC sheets | 2002-03 |
| Alloy ingots | 2003-04 |
| Zinc/special alloys | 2004-05 |
| Wide corrugated sheets | 2005-06 |
| 12-hour mosquito coils | 2005-06 |
| Aluminium circles | 2005-06 |

Income from new launches

- There was a significant increase in income from products launched in the last three years.
- Income from longstanding customers in the company's institutional business increased attractively.

People and productivity

There was a 150% increase in productivity per person in alloy ingot manufacturing in 2004-05. The Company reported a decline in product rejections from 4% in 1998-99 to 1% in 2004-05 through in-house engineering initiatives. It also evolved from manual accounting to cross-organisational Enterprise Resource Planning, which translated into informed decision-making and enhanced productivity.

New product applications using existing technologies

The Company's ability to leverage conventional engineering methods to simplify manufacturing processes proved beneficial.

- The use of metal management skills to manufacture advanced metal packaging products.
- The leverage of a rich trading experience in aluminum roofing sheets and galvanised sheets to manufacture metal products and alloy ingots.
- The leverage of a rich captive engineering insight to construct a low-cost but high-quality furnace to produce alloy ingots.

- The extension of the manufacture of alloy ingots to zinc alloys and special alloys (customised according to specific user requirements).
- The graduation beyond cap embossing to specialised and value-added 'chamferring' (scraping a few microns off the embossed area to distinguish it from the rest of the cap area), making the Company a specialised solution provider.
- The pioneering use of non-conventional energy sources (bio-mass gasifiers and solar panels) replacing the use of conventional fuel in the manufacture of mosquito coils.
- The captive manufacture of various machines, reducing the company's dependence on external engineering support.

New customers

These various innovations in manufacturing and product enhancement resulted in the company turning some of the industry's most coveted brand-enhancing entities into its customers. Customised service like the use of packaging at the customer's end helped the Company establish confidence-enhancing service.

- The Company's aluminum division converted brand-enhancing alloy ingot users like Tata Motors, Bajaj Auto, Hero Honda and Ashok Leyland into customers in only the second year of operations.
- The Company successfully retained customers like Coca-Cola, Reckitt Benckiser, Dabur India, Jyothy Laboratories, McDowell, Sara Lee, Shaw Wallace, United Breweries, Merck and Ranbaxy.

Pioneering achievements

The company's efforts at innovation in manufacturing and brand-enhancement was reflected in a number of 'firsts':

- First company to introduce the 'small diamond' pattern aluminium sheets in India, one of only two companies in Asia.
- First company to introduce the aluminium profiles of 'big diamond', 'trapezoidal', 'stucco' and '5 bar' pattern.
- First company to introduce the side-embossing of closures.
- First company to introduce push-open shoe polish containers after Metal Box.
- First company to introduce the production and use of EP liners for closures.
- First company to introduce the production of ready-to-print aluminium sheets in India.



● Industries

● Geographies
(manufacturing
locations and
sales profile)