

ANNUAL REPORT
2009 -10



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Corporate Information

Directors

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

Company Secretary

Anubhav Maheshwari

Auditors

M/s. SRB & Associates
 Chartered Accountants
 Kolkata

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

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



Directors' Report

Dear Shareholders,

Your Directors are pleased to present the Twenty Sixth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS:

Rs. in lacs

	2009-10	2008-09
Total Income	84475.09	88062.09
Total Expenditure	74,991.99	78017.33
Profit before Interest, Depreciation and Tax	9483.10	10044.76
Less: Interest	3180.30	3786.78
Less: Depreciation	1946.81	1917.94
Profit before tax & Exceptional Items	4355.99	4340.04
Less: Prior Period Items	97.64	208.32
Less: Exceptional Items	1092.34	1126.04
Profit Before Tax	3166.01	3005.68
Less: Provisions for Taxation	688.00	620.00
Net Profit	2478.01	2385.68
Balance brought forward from previous year	25.71	36.15
Profit available for appropriation	2503.72	2421.83
Which the Directors have appropriated as under to:		
(i) General Reserve	250.00	250.00
(ii) Exchange Fluctuation Reserve	-	200.00
(iii) Debenture Redemption Reserve	300.00	150.00
(iv) Proposed Dividend on Equity Shares	1668.82	1529.75
(v) Dividend on Preference Shares	-	5.46
(vi) Tax on Proposed Dividends	277.17	260.91
Balance Carried to Balance Sheet	7.73	25.72
Total	2503.72	2421.83

DIVIDEND:

Your Directors recommend, subject to the approval of shareholders at the ensuing Annual General Meeting, a dividend of 120% i.e., Rs.2.40 per Equity Share of Rs.2/- each for the year ended 31.03.2010 (last year 110% i.e., Rs.2.20/- per equity share). The Dividend will be paid in compliance with the applicable regulations.

OPERATIONS AND BUSINESS PERFORMANCE:

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

Directors' Report

FINANCE:

All financial commitments including payment of loan installments were met in time within the year under review.

The borrowing costs during the year saw a noticeable decrease since the Company had repaid the installments due for Long Term Loans apart from better utilization of working capital facilities.

The lenders continued to rate the Company as a prime customer.

CASH FLOW ANALYSIS:

In conformity with the provisions of Clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31st March 2010 is included in the annual accounts.

BUY BACK OF EQUITY SHARES:

The Board of Directors of the Company in its meeting held on 28th April 2010 and vide public announcement dated 30th April 2010 had approved buy back of equity shares of the Company from open market using electronic trading facilities of Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE). The Company as on the date of the report have bought back 21, 74,739 shares from the open market.

EARNINGS IN FOREIGN EXCHANGE:

During the year the foreign exchange earnings of the Company amounted to Rs. 52277.56 lacs from the previous year level of Rs. 60965.63 lacs. Foreign currency expenditure of your Company amounted to Rs. 52182.43 lacs as against Rs. 55907.36 lacs last year.

Full particulars of Foreign Exchange earnings and outgo are provided in Schedule "S" to the Accounts.

ENVIRONMENT:

The 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 which represent high security for timely servicing of debt instruments and carrying very low credit risk.

DEPOSITS:

The Company has not accepted any deposit nor has it 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.

PARTICULARS OF EMPLOYEES:

Information as per Section 217 (2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules 1975 forms part of this report. However, as per the provisions of Section 219(1) (b)(iv) of the Companies Act 1956, the Report and Accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Companies Act 1956. Any member interested in obtaining such particulars may inspect the same at the Registered Office or write to the Company Secretary for a copy thereof.

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 2010, the applicable accounting standards have been followed and there are no material departures.

Directors' Report

- b) That we have adopted such accounting policies and have applied them consistently and have made judgements and estimates in a 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 STATEMENT:

During the year under review the Company subscribed to equity shares to an aggregate amount of Rs 2385.96 lakhs in its wholly owned Subsidiary Companies i.e. Euroasian Ventures FZE and Manaksia Global Limited.

The statement required under Section 212 of the Companies Act, 1956 in respect of Subsidiaries Companies is annexed hereto vide Annexure "A".

As on date of the Report, the Company has invested in 50,000 shares of Rs 10 each equivalent to 100% equity of each of the Companies: Manaksia Aluminium Company Ltd, Manaksia Overseas Ltd, Manaksia Coated Metals & Industries Ltd, Manaksia Ferro Industries Ltd and Manaksia Steels Ltd, thereby making it wholly owned subsidiary companies. The investments have been made keeping in mind the business opportunities available.

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act 1956, copies of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and Report of the Auditors of the Subsidiary Companies and step down subsidiary companies have not been attached with the Annual Report. The Company will make available these documents upon request by any member of the Company interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection by any investor during working hours at its registered office. Further the report and accounts of the subsidiary companies will also be available at Investors Section of your Company's website www.manaksia.com. In compliance with the terms of the aforesaid approval summary financial information for each Subsidiary Company is given in Annexure "B" and forms part of this Report.

As required under the Listing Agreement with the Stock Exchange(s) a consolidated financial statement of the Company and all its Subsidiary Companies is attached. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of the Company and its Subsidiary Companies as a single entity, after elimination of minority interest.

REPORT ON CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following forms part of this Annual Report:

- (a) Report on Corporate Governance.
- (b) Managing Director declaration regarding compliance of Code of Conduct by Board Members and Senior Management Personnel.
- (c) Auditors Certificate regarding compliance of conditions of Corporate Governance

DIRECTORS:

The Board of Directors in its meeting held on 13th November 2010, subject to the approval of the shareholders, have appointed Mr Suresh Kumar Agrawal, Mr Sunil Kumar Agrawal, Mr Sushil Kumar Agrawal, Mr Nadia Basak and Mr Debabrata Guha, Directors of the Company as Wholtime Directors of the Company with effect from 1st January 2011.

Mr Debabrata Guha, Dr Kali Kumar Chaudhuri and Ms Smita Khaitan retire from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board has recommended their re- appointment.

Directors' Report

AUDITORS & AUDITORS' REPORT:

The Auditors Messrs SRB & Associates Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and, being eligible offer themselves for re-appointment. Certificate from the Auditors have 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.

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

PARTICULARS OF CONSERVATION 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, are set out as Annexure – "C" and form a part of this Report.

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 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 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, exemplary professionalism and enthusiastic contribution towards the growth of the Company during the year under review.

Kolkata, 13th November 2010

On behalf of the Board

R N Sengupta
Chairman

Annexure A

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

Name of the Subsidiary	MINL Limited	Dynatech Industries Ghana Limited	Mark Steels Limited	Euroasian Ventures FZE	Crescent Industries (Nepal) Pvt. Limited	Manaksia Global Limited, Mauritius	Solex Chemicals Pvt. Limited	Jebba Paper Mills Limited	Euroasian Steels LLC
1 The Financial Year of the Subsidiary Company ended on	31-Dec-09	31-Dec-09	31-Mar-10	31-Mar-10	15-Jul-09	31-Mar-10	31-Mar-10	31-12-2009	31-Mar-10
2 Date from which they became Subsidiary Companies	23-Aug-95	4-Oct-01	31-Mar-03	4-Jul-05	22-Mar-01	15-Jul-08	1-Jul-08	14-Jul-06	1-Apr-08
3 a) Number of Shares held by Manaksia Limited, with its nominee in the Subsidiary at the end of the financial year of the Subsidiary Company	907,897,869 Ordinary Shares of Naira 1 each fully paid up	843,961 Ordinary Shares of Cedi 10,000 each	3,000,000 Ordinary Shares of Rs.10 each fully paid up	25 Ordinary Shares of AED 1000000 each fully paid up	1,520,000 Ordinary Shares of Nepalese Rs.100 each fully paid up	11000 Ordinary Shares of United States Dollar 1 each	10,000 Ordinary Shares of Rs.10 each fully paid up	20,000,000 Ordinary Shares of Naira 1 each fully paid up	16,700,000 shares of GL 1 each fully paid up
b) Extent of interest of Holding Company at the end of the Financial year of Subsidiary Company	100%	100%	100%	100%	100%	100%	100%	100%	93.75%
4 The net aggregate amount of the Subsidiary Company Profit/ (Loss) so far as it concerns to the members of the Holding Company									
a) Not dealt with in the Holding Company's accounts									
i) For the Financial year	Profit of Naira 2480645831 Equivalent to Rs.747490399	Profit of Cedi 41155 Equivalent to Rs.1301165	Profit of Rs. 12869860	Profit of AED 6763310 Equivalent to Rs.82735370	Profit of Nepali Rs. 35570090 Equivalent to Rs. 22231306	Loss of USD 25988 Equivalent to Rs. 1166724	NIL	Profit of Naira 184720731 Equivalent to Rs. 55661704	NIL
ii) For the Previous Financial years of the Subsidiary Company Since it became the Holding Company's Subsidiary	Profit of Naira 7290991302 Equivalent to Rs.2196986741	Profit of Cedi 8726 Equivalent to Rs.275883	Profit of Rs. 77300734	Profit of AED 17165261 Equivalent to Rs.209982124	Loss of Nepali Rs. -68261418 Equivalent to Rs. -42663386	Loss of US Dollar -74313 Equivalent to Rs. -3336283	N.A.	N.A.	N.A.
b) Dealt with in the Holding Company's accounts									
i) For the Financial year	Dividend Received in Naira 90789787 Equivalent to Rs. 27357591	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) For the Previous Financial year of the Subsidiary Company Since it became the Holding	Dividend Received in Naira 503062174 Equivalent to Rs. 151587196	NIL	NIL	Dividend Received in AED 642250 Equivalent to Rs. 8043000	NIL	NIL	NIL	NIL	NIL

Statement pursuant to Section 212(5) of the Companies Act, 1956 relating to changes occurred between the end of financial year of Subsidiary Company and 31st March, 2010

Name of the Subsidiary	MINL Limited	Dynatech Industries Ghana Limited	Crescent Industries (Nepal) Pvt. Limited	Jebba Paper Mills Limited	Euroasian Steels LLC
A Detail of Material Changes which have occurred between the end of financial year of subsidiary and the end of the holding company's financial year in respect of -					
1 Increase / (-)Decrease in Fixed Assets	(Naira -79247717) Equivalent to (Rs.-23879632)	(Cedi -62317 Equivalent to (Rs.-1970227)	(Nepalees Rs. 419566 Equivalent to (Rs.262229)	Naira 9971920 Equivalent to Rs.3004828	GEL 16684041 Equivalent to Rs.428112492
2 Increase / (-)Decrease in Investments	NIL	NIL	NIL	NIL	NIL
3 Increase / (-)Decrease in Money Lent	(Naira -39679987) Equivalent to (Rs.-11956729)	NIL	NIL	NIL	NIL
4 Increase / (-)Decrease in Money Borrowed	(Naira 48513073) (Rs.14618393)	NIL	(Nepalees Rs 4000) Equivalent to (Rs.2500)	NIL	GEL 9541000 equivalent to Rs.244822060
B Whether there has been any change in the holding company's interest in the subsidiary between the end of financial year of subsidiary and the end of the holding company's financial year	No	No	No	No	No

Annexure B

**Information on Subsidiary Companies pursuant to Section 212 of the Companies Act 1956
(Pursuant to Approval dtd 27/07/2010 & 08/11/2010 from Ministry of Corporate Affairs)**

(Figures in lacs)

Name of the Subsidiary Company	Issued and Subscribed capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
MINIL Limited	NGN 9,078.98 INR 2,831.17	NGN 109,269.91 INR 34,074.48	NGN 185,365.69 INR 57,804.02	NGN 185,365.69 INR 57,804.02	NGN 277.99 INR 86.69	NGN 229,965.65 INR 71,711.97	NGN 32,751.38 INR 10,213.12	NGN 929.99 INR 290.01	NGN 31,821.39 INR 9,923.11	NGN 907.90 INR 283.12
Dynatech Industries Ghana Ltd	GHS 8.44 INR 271.51	(GHS 0.50) (INR 16.09)	GHS 46.33 INR 1,490.44	GHS 46.33 INR 1,490.44	-	GHS 171.79 INR 5,526.48	GHS 0.47 INR 15.12	GHS 0.06 INR 1.93	GHS 0.40 INR 12.87	-
Marks Steel Ltd	INR 300.00	INR 901.71	INR 5,327.79	INR 5,327.79	INR 4.25	INR 5,677.84	INR 148.75	INR 20.05	INR 128.70	-
Euroasian Venture FZE	AED 250.00 INR 3,180.60	AED 243.79 INR 3,101.60	AED 1,732.46 INR 22,041.07	AED 1,732.46 INR 22,041.07	AED 344.08 INR 4,377.53	AED 395.76 INR 5,035.02	AED 67.63 INR 860.42	-	AED 67.63 INR 860.42	-
Crescent Industries (Nepal) Pvt Ltd	NPR 1,520.00 INR 950.00	(NPR 719.13) (INR 449.46)	NPR 834.86 INR 521.79	NPR 834.86 INR 521.79	-	NPR 9.14 INR 5.71	(NPR 12.12) (INR 7.58)	-	(NPR 12.12) (INR 7.58)	-
Manaksia Global Ltd	US\$0.11 INR 4.94	(US\$0.48) (INR 21.55)	US\$23.50 INR 1,055.03	US\$23.50 INR 1,055.03	-	-	US\$0.26 INR 11.67	-	US\$0.26 INR 11.67	-
Solex Chemicals Ltd.	INR 1.00	-	INR 2.57	INR 2.57	-	-	-	-	-	-
Jebba Paper Mills Ltd	NGN 200 INR 62.00	NGN 1847.21 INR 572.64	NGN 19475.40 INR 6037.37	NGN 19475.40 INR 6037.37	-	NGN 9209.80 INR 2855.04	NGN 1847.21 INR 572.64	-	NGN 1847.21 INR 572.64	-
Euroasian Steels LLC	GL 167 INR 4285.22	-	GL 429.41 INR 11018.66	GL 429.41 INR 11018.66	-	GL 0.8 INR 20.53	GL 0.18 INR 0.46	-	GL 0.02 INR 0.51	-

The aforesaid data in respect of subsidiary companies is for 12 months as on 31st March 2010 other than Dynatech Industries Ghana Ltd and Jebba paper Mills Ltd, where it is as on 31st December 2009.

Exchange Rate as on 31st March 2010

INGN = 0.31
 IGHS = 32.17
 IAED = 12.72
 IUS\$ = 44.90
 INPR = 0.63
 IGL = 25.66

Directors' Report

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 the Directors' Report for the year ended 31st March 2010.

I. Conservation of Energy:

a. Energy Conservation measures taken during the year:

The thrust on energy conservation continued during the year across all manufacturing locations through combined use of systems and devices. The various measures taken during the year include –

- Installation of Alternative Energy General Devices in the form of Biomass Gasifiers for both power generation and thermal application.
- Reduction in wastage through better control and tight vigil.
- Conducting training programmes at various factories for conservation of energy.
- Replacement of old inefficient equipment with new energy efficient equipment.
- Replacement of motors running below the optimum capacity.

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 modernisation / replacement program taking 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 considerable saving and have thereby effectively 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

	2009-10 Current Year	2008-09 Previous Year
1. ELECTRICITY		
A) Purchased		
Units (KWH in thousand)	22,555	14,413
Total Amount (Rs. Lacs)	1175	699
Rate/Unit (Rs.)	5.21	4.85
B) Own generation		
i) Through Diesel generator		
Units (KWH Lacs)	-	-
Units per litre of diesel oil	-	-
Cost/Unit (Rs.)	-	-
ii) Through steam turbine/generator		
Unit	-	-
Units per litre of fuel oil / gas	-	-
Cost/Unit (Rs.)	-	-
2. COAL		
Quantity	-	-
Total cost	-	-
Average rate	-	-
3. FURNACE OIL		
Quantity	-	-

Total cost	-	-
Average rate	-	-

4. OTHERS/INTERNAL GENERATION

Quantity	-	-
Total cost	-	-
Average rate	-	-

B. CONSUMPTION PER TONNE OF PRODUCTION

PARTICULARS	Aluminium Products	Steel Products
Electricity (KWH/MT)	968.76	366.56
Furnace Oil (Ltrs.)	135.80	28.15
Coal (Kgs)	36.25	-
Others	-	-

II. Technology Absorption:

Efforts made in technology absorption

(A) Research and Development (R&D)

a. Specific areas in which the Company carried out R&D -

- Productivity improvement in respect of current production processes and refining them with reference to quality yield and effluents.
- Development of New Products
- Environment protection
- Energy Conservation
- Capacity utilization
- Improvement in safety and reliability of the Plant.

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

- Plants operating at higher capacities with better efficiencies
- Decrease in waste and rejection
- Better quality product
- Reduction in overall energy cost
- Increase in-house capability

c. Future plan of action

Continuous efforts towards energy conservation, reduction of Costs, protection of environment and minimization of waste.

d. Expenditures on R&D (Rs. in lakhs)

(a) Capital	-
(b) Recurring	14.39
(c) Total	14.39
(d) Total R & D expenditure as a percentage of total turnover	0.02%

(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

- Cost Reduction
- 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	52277.56
b. Foreign Exchange Outgo:	
CIF Value of Imports	50729.04
c. Other Expenditure in Foreign Currency	1453.39