



Contents

Corporate Information	01
Directors' Report	02
Management Discussion and Analysis	09
Corporate Governance Report	12
Auditors' Report	23
Financial Statements	26
Consolidated Auditors' Report	49
Consolidated Financial Statements	50

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

Auditor

M/s SRB & Associates

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
59C, Chowringhee Road,
Kolkata - 700 020

Registered Office

8/1, Lal Bazar Street
Kolkata - 700 001

Bankers

Axis Bank Ltd.
Citi Bank N. A
DBS Bank Ltd.
EXIM Bank
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 Seventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS:

₹ in lacs

	2010-11	2009-10
Total Income	94211.39	85139.09
Profit Before Tax	4005.60	3166.01
Less: Provisions for Taxation	1020.00	688.00
Net Profit	2985.60	2478.01
Transfer from Exchange Fluctuation Reserve	200.00	—
Balance brought forward from previous year	7.73	25.71
Short/(Excess) provision for Taxation for Earlier years	59.68	—
Total Amount available for appropriation	3133.65	2503.72
Which the Directors have appropriated as under to:		
(i) General Reserve	300.00	250.00
(ii) Debenture Redemption Reserve	900.00	300.00
(iii) Proposed Dividend on Equity Shares	1638.35	1668.82
(iv) Tax on Proposed Dividends	265.78	277.17
Balance Carried to Balance Sheet	29.52	7.73
Total	3133.65	2503.72

DIVIDEND

Your Directors recommend, subject to the approval of shareholders, a dividend of 125% i.e., ₹2.50 per Equity Share of ₹2/- each for the year ended 31.03.2011 (last year 120% i.e., ₹2.40 per equity share). The Dividend will be paid in compliance with the applicable regulations. The total outgo including tax on dividend would be ₹ 1904.13 lacs (last year Rs. 1945.99 lacs).

OPERATIONS AND BUSINESS PERFORMANCE

Kindly refer to 'Management Discussion & Analysis Report' and 'Corporate Governance Report' which forms part of the Annual 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 which resulted on account of better utilisation of working capital facilities.

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

Directors' Report

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 2011 is included in the annual accounts.

CHANGES IN SHARE CAPITAL

Pursuant to the resolution passed by the Board of Directors of the Company and in accordance with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 to optimise return to the shareholder and to enhance overall shareholder value, the Company had made a Public Announcement to Buy -Back upto maximum 40,00,000 Equity shares at a maximum price of ₹ 200/- per share. The Company bought back and extinguished 40,00,000 Equity shares from the open market using electronic trading facilities of Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE) at an aggregate consideration of ₹ 40.14 crores. Consequently the paid up capital of the Company has reduced from 6,95,34,050 Equity Shares to 6,55,34,050 Equity Shares of ₹ 2/- each.

EARNINGS IN FOREIGN EXCHANGE

During the year the export earnings of the Company amounted to ₹ 55355.70 lacs from the previous year level of ₹ 52274.71 lacs. Foreign currency expenditure of your Company amounted to ₹ 921.62 lacs as against ₹ 1453.39 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 'CARE 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 any outstanding deposit as defined under Section 58A of the Companies Act, 1956.

INDUSTRIAL RELATION & 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

The Ministry of Corporate Affairs by notification dated 31st March 2011, issued Companies (Particulars of Employees) Amendment Rules, 2011, wherein the disclosure required under Section 217 (2A) of the Companies Act 1956 in the Annual Report relating to remuneration payable to the employee have been modified. Since no employee of the Company draws remuneration in excess of the limits specified, no statement has been enclosed herewith.

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:

- That in the preparation of the annual accounts for the year ended 31st March 2011, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed.
- 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 the year.

Directors' Report

- 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 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 has sold its 100% equity stake in Manaksia Global Limited and Crescent Industries (Nepal) Pvt Limited at a consideration amount of ₹5.28 lacs and ₹389.50 lacs respectively. As reported in previous year's Directors' Report, during the year under review, the Company has invested in 50,000 Equity Shares of ₹10/- each equivalent to 100% Equity Capital of the relative Companies. The Company has since made further investment in 50,000 Shares of ₹10/- each equivalent to 100% equity in another new Company named Manaksia Industries Limited, thereby also making it wholly owned subsidiary company. 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 annexed hereto vide **Annexure "A"**.

In terms of circular issued by Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account, Report of the Board of Directors, Auditors' Report and other documents of the subsidiary companies are not attached 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 Manaksia Ltd and in the respective subsidiary companies registered offices. The Company will furnish a copy of details of annual accounts of subsidiaries to any member on demand. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2011 is attached with the Report as **Annexure "B"**.

As required under the Listing Agreement with the Stock Exchanges 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.

REPORT ON CORPORATE GOVERNANCE

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

- (a) Report on Corporate Governance.
- (b) Managing Director's 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

During the period under review, Mr Nadia Basak, Director resigned as Executive Director of the Company as at the close of business hours of 30th March 2011. Your Directors would like to record their appreciation of the valuable contribution made by Mr Basak during his tenure as Executive Director of the Company. However, Mr Basak would continue as Non-Executive Director of the Company to enable Board to draw upon his knowledge and vast experience.

The tenure of Mr. Basant Kumar Agrawal as Managing Director would expire on 18th December 2011. The Board of Directors in its meeting held on 27th July 2011 has recommended for approval of the Members, the re-appointment of Mr Basant Kumar Agrawal as Managing Director, not liable to retire by rotation, for a period of five years from 19th December 2011.

Directors' Report

The Board in its meeting held on 27th July 2011, has recommended for approval of the Members revision in the remuneration payable to Mr Debabrata Guha, Whole Time Director.

Mr R N Sengupta, Mr A K Chakraborty and Mr Nadia Basak, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re- appointment.

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.

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 have also confirmed that they have subjected to themselves to the peer review 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 proposed the name of a firm of a qualified Cost Auditors to the Central Government for conducting audit of Cost Accounting Records in respect of steel products manufactured by the Company. The approval of the Central Government as on the date of the Report is awaited.

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

Your Directors look forward to the future with conviction.

On behalf of the Board

Kolkata, 27th July 2011

R N Sengupta
Chairman

Annexure A

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

Figures in Lakhs except for No. of shares

Name of the Subsidiary	MINL Ltd	Dynatech Industries Ghana Ltd	Mark Steels Ltd	Euroasain Ventures FZE	Solex Chemicals Pvt Ltd	Jebba Paper Mills Ltd	Euroasain Steels LLC	Manaksia Aluminium Co Ltd	Manaksia Overseas Ltd	Manaksia Coated Metals & Industries Ltd	Manaksia Ferro Industries Ltd	Manaksia Steels Ltd
1 The Financial Year of the Subsidiary Company ended on	31-Dec-10	31-Dec-10	31-Mar-11	31-Mar-11	31-Mar-11	31-Dec-10	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11	31-Mar-11
2 Date from which they became Subsidiary Company	23-Aug-95	4-Oct-01	31-Mar-03	4-Jul-05	1-Jul-08	14-Jul-06	1-Apr-08	1-Apr-10	1-Apr-10	1-Apr-10	1-Apr-10	1-Apr-10
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	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 Rs 10 each	25 Ordinary Shares of AED 10,000 each	10,000 Ordinary shares of Rs 10 each	2,00,00,000 Ordinary Shares of Naira 1 each fully paid up	1,68,58,000 Shares of GEL 1 each	50,000 Equity shares of Rs 10 each	50,000 Equity shares of Rs 10 each	50,000 Equity shares of Rs 10 each	50,000 Equity shares of Rs 10 each	50,000 Equity shares of Rs 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%	100%	93.75%	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												
(a) Not Dealt with Holding Company's Account												
(i) (a) For the Financial Year	Profit of NGN 25193.64 Equivalent to INR 7378.65	Profit of GHS 5.82 Equivalent to INR 170.50	Profit of Rs. 96.61	Loss of AED 48.37 Equivalent to INR 588.51	Nil	Profit of NGN 4728.38 Equivalent to INR 1384.84	Nil	Nil	Nil	Nil	Nil	Loss of INR 0.15
(ii) For the previous financial years of the Subsidiary Companies since it became the Holding Company's subsidiary	Profit of NGN 97616.17 Equivalent to INR 28592.90	Profit of GHS 0.49 Equivalent to INR 14.35	Profit of Rs 901.71	Profit of AED 243.79 Equivalent to INR 2965.95	N A	Profit of NGN 1847.21 Equivalent to INR 541.07	N A	N A	N A	N A	N A	Loss of INR 1.67
(b) Dealt with Holding Company's Account												
(i) (a) For the Financial Year	Dividend received in NGN 907.90 Equivalent to INR 265.90	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) For the previous financial years of the Subsidiary Companies since it became the Holding Company's subsidiary	Dividend received in NGN 5938.52 Equivalent to INR 1789.45	Nil	Nil	Dividend received AED 6.42 Equivalent to INR 80.43	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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 2011

Figures in Lakhs

Name of the Subsidiary	MINL Ltd	Jebba Paper Mills Ltd	Dynatech Industries Ghana Ltd
A 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			
1 Increase/(-) Decrease in Fixed Assets	NGN 250.06 Equivalent to INR 73.25	NGN 322.86 Equivalent to INR 94.57	GHS 12.64 Equivalent to INR 370.07
2 Increase/(-) Decrease in Investments	Nil	Nil	Nil
3 Increase/(-) Decrease in Money Lent	Nil	Nil	Nil
4 Increase/(-) Decrease in Money Borrowed	NGN 55,889.04 Equivalent to INR 16370.55	Nil	Nil
B 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 Companies pursuant to Section 212 of the Companies Act, 1956

Figures in lakhs

Name of the Subsidiary Company	Issued and Subscribed capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision of Taxation	Profit After Taxation	Proposed Dividend
MINIL Ltd	NGN 9078.98 INR 2,659.03	NGN 122809.81 INR 35,968.20	NGN 229181.86 INR 67,122.15	NGN 229181.86 INR 67,122.15	NGN 277.99 INR 81.42	NGN 253465.29 INR 74,234.21	NGN 26602.58 INR 7,791.29	NGN 501.04 INR 146.74	NGN 26101.54 INR 7,644.55	NGN 907.90 INR 265.90
Jebba Paper Mills Ltd	NGN 200 INR 58.58	NGN 6575.59 INR 1,925.84	NGN 19569.25 INR 5,731.39	NGN 19569.25 INR 5,731.39	—	NGN 18109.90 INR 5,303.98	NGN 4728.38 INR 1,384.84	—	NGN 4728.38 INR 1,384.84	—
Mark Steels Ltd.	INR 300	INR 1023.75	INR 6053.66	INR 6053.66	INR 4.25	INR 6081.54	INR 121.47	INR 24.86	INR 96.61	—
Euroasain Ventures FZE	AED 250 INR 3,041.50	AED 195.89 INR 2,383.20	AED 1655.12 INR 20,136.13	AED 1655.12 INR 20,136.13	AED 344.08 INR 4,186.07	AED 206.90 INR 2,517.11	(AED 48.37) (INR 588.51)	—	(AED 48.37) (INR 588.51)	—
Euroasain Steels LLC	GL 168.58 INR 4,423.54	—	GL 753.40 INR 19,769.13	GL 753.40 INR 19,769.13	—	—	—	—	—	—
Dynatech Industries Ghana Ltd	GHS 8.44 INR 247.10	GHS 4.32 INR 185.10	GHS 140.85 INR 4,124.01	GHS 140.85 INR 4,124.01	—	GHS 297.76 INR 8,717.90	GHS 5.95 INR 174.20	GHS 0.13 INR 3.70	GHS 5.82 INR 170.50	—
Solex Chemicals Pvt Ltd	INR 1	—	INR 2.56	INR 2.56	—	—	—	—	—	—
Manakxia Aluminium Co Ltd	INR 5	—	INR 5.07	INR 5.07	—	—	—	—	—	—
Manakxia Overseas Ltd	INR 5	—	INR 5.07	INR 5.07	—	—	—	—	—	—
Manakxia Coated Metals & Industries Ltd	INR 5	—	INR 5.07	INR 5.07	—	—	—	—	—	—
Manakxia Ferro Industries Ltd	INR 5	—	INR 5.07	INR 5.07	—	—	—	—	—	—
Manakxia Steels Limited	INR 5	—	INR 3.25	INR 3.25	—	—	(INR 0.15)	—	(INR 0.15)	—

The aforesaid data in respect of Subsidiary companies is for 12 months as on 31st March 2011, except as stated below

For MINIL Ltd, Jebba Paper Mills Ltd and Dynatech Industries Ghana Ltd as on 31st December 2010

For Manakxia Aluminium Co Ltd, Manakxia Ferro Industries Ltd and Manakxia Coated Metals & Industries Ltd from the date of incorporation i.e. 25th March 2010 till 31st March 2011

For Manakxia Overseas Ltd from the date of incorporation i.e. 30th March 2010 till 31st March 2011

Exchange Rate as on 31st March 2011

1 US\$	=	44.65
1 GHS	=	29.28
1 AED	=	12.17
1 NGN	=	3.41
1 GL	=	26.24

Directors' Report

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 2011.

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 form of Biomass Gasifiers for both power generation and thermal application.
- Strengthening of capacitor banks to improve power factor.
- Optimization of loading efficiency of furnace.
- Installation of more fuel efficient burners and melting furnaces.
- Conducting training programmes at various factories for conservation of energy.
- Replacement of old inefficient equipment with new energy efficient equipment.
- Replacement of all the 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 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

	2010-11 Current Year	2009-10 Previous Year
1. ELECTRICITY		
A) Purchased		
Units (KWH in thousand)	22139.45	22555
Total Amount (₹ Lacs)	1351	1175
Rate/Unit (₹)	6.10	5.21
B) Own Generation		
i) Through Diesel generator		
Units	—	—
Unit per litre of diesel oil	—	—
Cost/Unit (₹)	—	—
ii) Through steam turbine/generator		
Units	—	—
Unit per litre of fuel oil/gas	—	—
Cost/Unit (₹)	—	—
2. COAL		
Quantity	—	—
Total cost	—	—
Average rate	—	—
3. FURNACE OIL		
Quantity	—	—
Total cost	—	—
Average rate	—	—

Annexure- C

4. OTHERS/INTERNAL GENERATION

Quantity	—	—
Total cost	—	—
Average rate	—	—

B. CONSUMPTION PER TONNE OF PRODUCTION

PARTICULARS	Aluminium Products		Steel Products	
	10-11	09-10	10-11	09-10
Electricity (KWH/MT)	1060.44	968.76	331.20	366.56
Furnace Oil (Lts/MT)	135.28	135.80	26.07	28.15
Coal (Hard Coke/ Steam Coal) (kgs/MT)	297.95	36.25	—	—
Others	—	—	—	—

II. Technology Absorption:

Efforts made in technology absorption as per Form -B given below:

FORM-B

(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 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

(₹ in Lakhs)

(a) Capital	—
(b) Recurring	15.07
(c) Total	15.07
(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:

(₹ in Lakhs)

a. Foreign Exchange Earnings	55,355.70
b. Foreign Exchange Outgo:	
CIF Value of Imports	51,945.30
c. Other Expenditure in Foreign Currency	921.62