

ANNUAL REPORT 2011-12





## 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

### Auditors

M/s. SRB & Associates

### 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

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

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**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the Twenty Eighth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

**FINANCIAL RESULTS:**

	Rs. in lacs	
	2011-12	2010-11
<b>Total Revenue</b>	<b>114,121.22</b>	<b>93,650.88</b>
<b>Profit before exceptional items and tax</b>	<b>5,037.94</b>	<b>3,304.93</b>
Less: Exceptional Items	3,945.87	(700.97)
<b>Profit before tax</b>	<b>1,092.07</b>	<b>4,005.60</b>
Less: Provision for Taxation	361.00	1,020.00
Short/(Excess) provision for Taxation for Earlier year	-	59.68
<b>Profit After Tax</b>	<b>731.07</b>	<b>2,925.92</b>
Surplus brought forward from previous year	29.52	7.73
Transfer from Exchange Fluctuation Reserve	-	200.00
<b>Total Amount available for appropriation</b>	<b>760.59</b>	<b>3,133.65</b>
Appropriation to :		
(i) General Reserves	-	300.00
(ii) Debenture Redemption Reserves	150.00	900.00
(iii) Dividend on Equity Shares	-	1,638.35
(iv) Tax on Dividend	-	265.78
Surplus Carried to Balance Sheet	610.59	29.52
	<b>760.59</b>	<b>3,133.65</b>

**DIVIDEND**

The Board due to strain on earnings and Cash Flows coupled with wild fluctuations in foreign exchange, which had considerable adverse impact on profitability, has decided not to recommended any dividend for the Financial year ended 31<sup>st</sup> March 2012.

**OPERATIONS AND BUSINESS PERFORMANCE**

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

**NON- CONVERTIBLE DEBENTURES**

During the period under review, the Company in accordance to the terms of issuance of 11.95% Non-Convertible Debentures aggregating to Rs 60 crores, has redeemed Debentures of Rs 18 crores within due date.

**DEPOSITS**

During the period under review, the Company has not accepted any deposit nor has 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.

## EARNINGS IN FOREIGN EXCHANGE

During the year the export earnings of the Company amounted to Rs 64,000.96 lacs from the previous year level of Rs. 55355.70 lacs. Foreign currency expenditure of your Company amounted to Rs. 1324.82 lacs as against Rs. 921.62 lacs last year.

## ENVIRONMENT

Your 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, 'A1+' (A ONE PLUS) rating by CARE for short term debt instruments and 'A1+' (A ONE PLUS) rating by ICRA for commercial paper, which represent high security for timely servicing of debt instruments and carrying very low credit risk. The Company's financial discipline and prudence are reflected from the good Credit ratings by leading international agencies.

## PARTICULARS OF EMPLOYEES

During the period under review, no employee of the Company has drawn remuneration in excess of the limits specified under Companies (Particulars of Employees) Amendment, Rules, 2011 and hence no disclosure has been made under Section 217 (2A) of the Companies Act, 1956 in the Annual Report.

## 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 31<sup>st</sup> March 2012, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- b) That we have selected such accounting policies and have applied them consistently and have made judgements and estimates that are 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 STATEMENTS

During the year under review, the Company has sold its 100% equity stake in Solex Chemicals Private Limited at a consideration amount of US\$ 1.50 million equivalent to Rs 724.93 lacs. As reported in previous year's Directors' Report, during the year under review, the Company has invested in 50,000 Equity shares of Rs 10 each equivalent to 100% Equity Capital in Manaksia Industries Ltd, thereby making it wholly owned subsidiary company. The Company has also made investments of AED 64000 equivalent to Rs 8.57 lacs through subscription of the Equity Capital of a wholly owned foreign subsidiary company in the name of UNI Metals FZE at Sharjah, UAE. 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 attached with Report as **Annexure "A"**.

In terms of circular issued by Ministry of Corporate Affairs, the Board has given its consent for not attaching the Balance Sheet, Profit & Loss Account, Report of the Board of Directors, Auditors' Report and other documents of the subsidiary

companies 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 Company and at the respective subsidiary companies registered offices. The Company will furnish hard copy of the annual accounts of subsidiary Companies to any member on demand. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31<sup>st</sup> March 2012 is attached as **Annexure "B"**.

As required under the Listing Agreement with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiary companies is attached. The consolidated financial statements has been prepared in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India and shows the financial resources, assets, liabilities, income, profits and other details of the Company and its subsidiary companies.

### **DELISTING OF EQUITY SHARES**

The Equity Shares of the Company were voluntary delisted under SEBI (Delisting of Equity Shares) Regulations, 2009 from The Calcutta Stock Exchange Ltd. w.e.f. 8<sup>th</sup> December 2011. The Company continues to be listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd.(NSE).

### **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, is attached as Annexure-**"C"**..

### **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on the Corporate Governance forms part of the Annual Report. However, the requisite certificate from the Auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached with the Report as **Annexure-"D"**.

### **ABRIDGED ANNUAL FINANCIAL STATEMENTS**

In terms of provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 read with Clause 32 of the Listing Agreement and to support the **"GREEN INITIATIVE"** measures of the Ministry of Corporate Affairs, the Board has decided to circulate the Abridged Annual Report containing the salient features of the Balance Sheet and Profit & Loss Account to the shareholders for the financial year 2011-12. The Complete Annual Report would be available on the Company's website [www.manaksia.com](http://www.manaksia.com) and will be available for inspection at the Registered Office, during business hours of the Company. The Company on receipt of the request from the shareholder would provide free of cost, a copy of the complete Annual Report.

### **DIRECTORS**

Mr Sunil Kumar Agrawal, Mr Suresh Kumar Agrawal and Mr Mahabir Prasad Agrawal, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

### **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. A Certificate from the Auditors has 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 and that they are not disqualified for re-appointment within the meaning of Section 226 of the Companies Act 1956. The Auditors have also confirmed that they have subjected themselves to the peer review, the 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 after approval of the Central Government, appointed M/s V K Jain & Co., Cost Accountants, Kolkata, as Cost Auditors for the Aluminium & Steel Products manufactured by it during the financial year 2011-12. The due date for filing the Cost Audit Reports for the financial year ended 31<sup>st</sup> March 2012 is 27<sup>th</sup> September 2012 and the Cost Auditors are expected to file the Reports with the Central Government within the due date.

## CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) of the Company is aimed to provide social, environmental and economic benefits for the communities and geographies in which it operates. The CSR activities are focused on education, healthcare, family welfare, environment care and social initiatives amongst others. Some of the initiatives of the Company undertaken as a part of CSR are as follows:

### In India

- Installation of Solar Street lights in various villages.
- Organising Eye Camp in villages for free eye check up and providing free spectacles.
- Contribution towards establishment of a Eye Hospital.
- Supporting some of the Municipality schools by sponsorship of English teaching classes.
- Donation for construction of Building at Municipality Schools for upliftment of the under privileged.
- Sponsoring 100 schools for one year for the betterment of under-privileged tribals.

### In Nigeria by MINL Ltd.

- Construction of Drainage on a portion of Industrial Estate Road to allow free flow of water.
- Substantial financial assistance to the local community for purchase of transformer to restore power supply.
- Water Supply system developed which included borehole, overhead tank pumping machine and connection to electricity.
- Donations to schools for implementation of various school projects for benefit of the under privileged.
- Donations to State hospital for providing medical services to weaker section of the society.
- Financial Assistance towards wall fencing of local police station.

### In Nigeria, by Jebba Paper Mills Ltd

- Installation of water pipe line across the village which has substantially reduced the water problems of the habitants.
- The Company has set up a DEMO FARM. The technical assistance and knowledge transfer to the local farmers are being provided for improving yield per hectare of crops being cultivated by them.

## 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 best possible manner 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, professionalism and enthusiastic contribution towards the working of the Company during the year under review.

Your Directors look forward to the future with hope and conviction.

On behalf of the Board  
Sd/-  
R N Sengupta  
CHAIRMAN

Kolkata, 30<sup>th</sup> June 2012

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

Figures in Lakhs except for number of shares

	Name of the Subsidiary Company	MINTL Ltd.	Dynatech Industries Ghana Ltd.	Mark Steels Ltd.	Euroasian Ventures FZE	Jebba Paper Mills Ltd.	Euroasian Steels LLC	UNI Metals FZE	Manaksia Aluminium Co. Ltd.	Manaksia Overseas Ltd.	Manaksia Coated Metals & Industries Ltd.	Manaksia Ferro Industries Ltd.	Manaksia Steels Ltd.	Manaksia Industries Ltd.
1	The Financial Year of the Subsidiary Company ended on	31-Dec-11	31-Dec-11	31-Mar-12	31-Mar-12	31-Dec-11	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12
2	Date from which it became subsidiary company	23-Aug-95	4-Oct-01	31-Mar-03	4-Jul-05	14-Jul-06	1-Apr-08	3-Oct-11	1-Apr-10	1-Apr-10	1-Apr-10	1-Apr-10	1-Apr-10	1-Apr-11
3 (a)	Number of shares held by Holding Company 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 ₹ 10 each	25 Ordinary Shares of AED 10,00,000 each	2,00,00,000 Ordinary Shares of Naira 1 each fully paid up	1,56,56,250 Shares of GEL 1 each	01 Ordinary Share of AED 64,000 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 10 each	50,000 Equity Shares of ₹ 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%	93.75%	100%	100%	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	Profit of ₹ 9833.50	Profit of ₹ 141.65	Profit of ₹ 110.64	Profit of ₹ 42.55	Profit of ₹ 2351.28	Loss of ₹ 126.77	Loss of ₹ 28.37	Loss of ₹ 2.19	Loss of ₹ 2.19	Loss of ₹ 2.19	Loss of ₹ 2.19	Loss of ₹ 1.74	NIL
(a)	Not dealt with Holding Company's Account	Profit of ₹ 37776.71	Profit of ₹ 102.85	Profit of ₹ 998.32	Profit of ₹ 2708.72	Profit of ₹ 2022.68	NIL	N.A.	NIL	NIL	NIL	NIL	Loss of ₹ 1.82	N.A.
(b)	Dealt with Holding Company's Account	Dividend received ₹ 2795.41	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(i) For the Financial Year	Dividend received ₹ 2055.35	NIL	NIL	Dividend received ₹ 80.43	NIL	NIL	N.A.	NIL	NIL	NIL	NIL	NIL	N.A.
	(ii) For the previous financial years of the Subsidiary Companies since it became Holding Company's Subsidiary													



## Annexure-A .... (Contd.)

**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 31<sup>st</sup> March 2012**

Figures in Lakhs

Name of the Subsidiary	MINL Ltd	Jebba Paper Mills Ltd	Dynatech Industries Ghana Ltd
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			
Increase/(-) Decrease in Fixed Assets	(₹ 927.62)	(₹ 25.03)	₹ 54.01
Increase/(-) Decrease in Investments	Nil	Nil	Nil
Increase/(-) Decrease in Money Lent	Nil	Nil	Nil
Increase/(-) Decrease in Money Borrowed	₹ 1465	Nil	Nil
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 Company pursuant to Section 212 of the Companies Act 1956**

₹ in Lakhs

Name of the Subsidiary Company	Issued & Subscribed Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
MINL Ltd.	2,929.95	51,943.42	77,874.85	77,874.85	-	104,759.25	13,301.00	72.10	13,228.90	4,101.93
Jebba Paper Mills Ltd.	64.54	5,049.54	10,566.39	10,566.39	-	9,309.08	2,335.95	-	2,335.95	-
Mark Steels Ltd.	300.00	1,161.78	7,133.93	7,133.93	4.25	7,839.89	162.70	52.06	110.64	-
Euroasian Ventures FZE	3,465.26	2,751.14	18,381.53	18,381.53	0.28	2,296.36	42.55	-	42.55	-
Euroasian Steels LLC	4,856.36	(135.22)	18,224.73	18,224.73	-	8,926.11	(135.22)	-	(135.22)	-
Dynatech Industries Ghana Ltd.	241.19	74.68	6,724.56	6,724.56	-	15,494.09	(154.65)	-	(154.65)	-
UNI Metals FZE	8.87	(28.37)	6.89	6.89	-	-	(28.37)	-	(28.37)	-
Manaksia Aluminium Co. Ltd.	5.00	(2.19)	2.90	2.90	-	-	(2.19)	-	(2.19)	-
Manaksia Overseas Ltd.	5.00	(2.19)	2.88	2.88	-	-	(2.19)	-	(2.19)	-
Manaksia Coated Metals & Industries Ltd.	5.00	(2.19)	2.90	2.90	-	-	(2.19)	-	(2.19)	-
Manaksia Ferro Industries Ltd.	5.00	(2.19)	2.88	2.88	-	-	(2.19)	-	(2.19)	-
Manaksia Steels Ltd.	5.00	(3.56)	1.51	1.51	-	-	(1.74)	-	(1.74)	-
Manaksia Industries Ltd.	5.00	-	5.07	5.07	-	-	-	-	-	-

Notes:

The aforesaid data in respect of Subsidiary Companies is for 12 months except as stated below:

For Manaksia Industries Ltd from the date of incorporation i.e. 25<sup>th</sup> March 2011 to 31<sup>st</sup> March 2012

For UNI Metals FZE from the date of incorporation 3<sup>rd</sup> October 2011 to 31<sup>st</sup> March 2012

Exchange Rate as on:

**31<sup>st</sup> March 2012**

IGh₹ = INR 28.58

INGN = INR 0.32

IAED = INR 13.86

IGEL = INR 29.08

**31<sup>st</sup> December 2011**

IGh₹ = INR 33.33

INGN = INR 0.31



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 Directors' Report for the year ended 31<sup>st</sup> March 2012

**I Conservation of Energy:**

**a. Energy Conservation measures taken during the year:-**

The thrust for 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:

- i. Strengthening of capacitor banks to improve power factor.
- ii. Process has been initiated for Installation of Gasifier to save fuel.
- iii. Installation of Thermal fluid heating system for drying of Mosquito Coils.
- iv. Installation of Hot air generator for drying of Mosquito Coils.
- v. Optimization of loading efficiency of furnace to overcome rise in fuel price.
- vi. Conducting training programmes at various factories for conservation of energy.
- vii. Replacement of old inefficient equipments with energy efficient equipment.

**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 modernization / 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**

Sl. No.	PARTICULARS	2011-12 Current Year	2010-11 Previous Year
<b>I. ELECTRICITY</b>			
A) Purchased			
	Units (KWH in thousand)	23284.61	22171.63
	Total Amount (Rs. Lacs)	1269.61	1352.80
	Rate/Unit (Rs./unit.)	5.45	6.10
B) Own generation			
i) Through Diesel generator			
	Units (KWH Lacs)	-	-
	Units per litre of diesel oil	-	-
	Cost/Unit (Rs.)	-	-
ii) Through steam turbine/ generator			
	Units	-	-
	Unit per litre of fuel oil/gas	-	-
	Cost/Unit (Rs)	-	-

**2. COAL (Hard Coke For Generation of Steam)**

Quantity (Tonnes)	36992.97	37273.22
Total cost (Rs in lacs)	270.95	210.48
Average rate (Rs/kg)	7.32	5.65

**3. FURNACE OIL**

Quantity (k Lts)	2170.13	2295.14
Total cost (Rs in lacs)	884.99	708.13
Average rate (Rs/Lt)	40.79	30.86

**4. OTHERS/INTERNAL GENERATION**

Quantity	-	-
Total cost	-	-
Average rate	-	-

**B. CONSUMPTION PER UNIT OF PRODUCTION**

**A. CONSUMPTION PER TONNE OF PRODUCTION**

PARTICULARS	Aluminium Products		Steel Products	
	2011-12	2010-11	2011-12	2010-11
Electricity (KWH/MT)	0.88	0.69	0.32	0.33
Furnace Oil (Lts/MT)	100.64	84.43	20.46	25.03
Coal (Hard Coke/Steam Coal) (Kgs/MT)	243.42	193.70	--	--
Others	--	--	--	--

**II. Technology Absorption:**

Efforts made in technology absorption as per Form –B given below

**(A) Research and Development (R&D)**

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

- i. Development of New Products
- ii. Environment protection
- iii. Energy Conservation
- iv. Capacity utilization
- v. Improvement in safety and reliability of the Plant.

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

- i. Decrease in waste and rejection
- ii. Better quality product
- iii. Reduction in overall energy cost
- iv. 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.

<b>d. Expenditure on R&amp;D</b>	<b>(Rs in Lakhs)</b>
(a) Capital	-
(b) Recurring	15.07
(c) Total	15.07
(d) Total R & D expenditure as a percentage of total turnover	0.01%

**(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 -**

- i. Cost Reduction
- ii. 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>B. Total Foreign Exchange Used and Earned:</b>	<b>(Rs in Lakhs)</b>
a. Foreign Exchange Earnings	64,000.96
b. Foreign Exchange Outgo:	
CIF Value of Imports	63,611.22
c Other Expenditure in Foreign Currency	1324.82

## Annexure-D

### CERTIFICATE ON CORPORATE GOVERNANCE REPORT

#### TO THE MEMBERS OF MANAKSIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Manaksia Limited, for the year ended 31<sup>st</sup> March, 2012, 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 Company.

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

FRN: 310009E

Sd/-

**Sanjeet Patra**

(Partner)

Membership No. 056121

Place : Kolkata

Date: 30<sup>th</sup> June, 2012

# Management Discussion and Analysis Report

## Economic Overview

The turmoil in the Global economy, coupled with domestic monetary tightening, high level of crude prices and inflation had adversely affected the economic momentum of the country. The high interest rate and rising input cost with pressure of domestic policies slowed economic reforms resulting in the Country's growth expansion to a nine year low of 6.5% p.a.

## Industry Structure and Developments

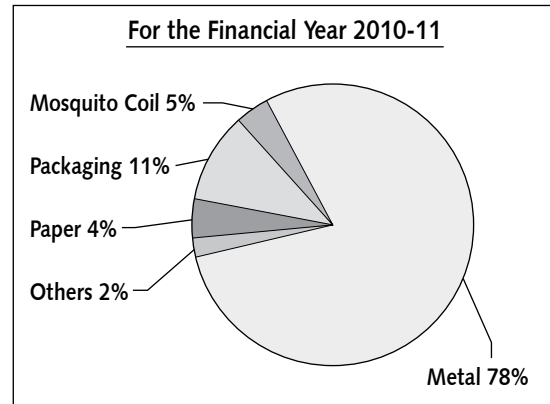
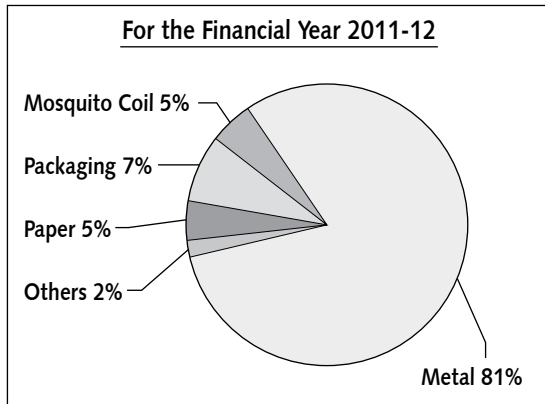
Steel is a significant barometer of economic development of a country. The Steel industry is basically driven by changes in domestic and global market trends. The prices are influenced by trends in raw material prices, demand-supply conditions amongst others. The demand for steel in the world stems from growth and development of the sectors that are end users of steel such as manufacturing, housing, infrastructure, automobile, etc. During the second half of the Financial year under review, the Global economy entered into an uneven and uncertain territory on account of Financial turbulence in Euro Zone, weak demand in United States and political turmoil in Middle East/ North Africa, which had an overall impact on the growth of the Steel Industry. Weak Global steel demand and slowing growth in Asia had sent the global Steel prices plummeting. The demand for Steel is expected to improve in the current financial year, on recovery demand from end markets.

Aluminum is one of the most consumed base metals. The Aluminium Industry is power intensive and there is a trend of continuous increase in power tariff. The demand for Aluminium has been affected due to weakness in the global economy, particularly due to European sovereign-debt crises and subdued aluminum imports from China. However, the demand of the metal is expected to increase in the emerging and developing economies.

The global packaging industry is growing fast. Rapid growth in packaging usage in fast growing economies has resulted in new opportunities for the packaging industry. However, rising input cost is a concern for the industry.

## Business

Manaksia's business consists of packaging products and value added metal products: both aluminium and steel. It is an outsourced manufacturer of mosquito repellent coils. The Company, through subsidiary companies manufactures value added products and operates a paper mill in Nigeria, manufactures steel roofing sheets in Ghana. The Company also has a steel long product manufacturing facility at Georgia. The share of the revenue in the various segments is shown in the Pie-Chart below:



## Results

During the year under review, the revenue of your Company grew from ₹ 931.98 crores to ₹ 1084.14 crores on a standalone basis and from ₹ 1433.28 crores to ₹ 1943.80 crores, on a consolidated basis. The increase in costs of raw materials and other input costs without increase in the sale realizations had squeezed the margins, thereby affecting the overall profitability. Further fluctuation in the rupee dollar exchange has adversely impacted the performance of the Company, as reflected in the financial results of the Company during the year under review. The net profit of the Company on a standalone basis decreased from ₹ 29.26 crores to ₹ 7.31 crores while the net profit on a consolidated basis increased from ₹ 112.73 crores to ₹ 118.98 crores. The total secured debt of the Company has reduced primarily on account of part-payment of long term liabilities and non-availing of some of the working capital facilities due to better management of available funds.

## Segment-wise performance

The table below shows the performance in the various product groups of the Company:

₹ in lacs

	Sales (2011-12)		Sales (2010-11)	
	S#	C#	S#	C#
<b>Metal Products</b>	89889.79	162742.49	75377.78	115215.58
<b>Packaging Products</b>	11864.80	14972.23	12516.73	15812.23
<b>Mosquito Coils</b>	9709.66	9709.66	6861.85	6861.85
<b>Engineering</b>	1907.33	3724.63	2491.83	3595.33
<b>Paper</b>	–	9048.65	–	6520.11

#S : Standalone , C : Consolidated

### METAL PRODUCTS SEGMENT

Value-added metal products, manufactured by the Company are principal contributors to the revenues and profits for the Company and its subsidiary companies.

The metals segment as a whole contributed to 81% of revenue and 78% of profits before interest and tax.

#### Steel Products

The Steel division of Company has geared itself to cater to the increasing global demands. The major thrust of the Company is to adopt the best modern technology, which in addition to being cost effective, would be energy efficient and environment friendly.

Manaksia manufactures and sells value added steel products, comprising Cold rolled sheets used in interior and exterior panels of automobiles, buses and commercial vehicles, Galvanised Corrugated Sheets, which find use in the rural housing sector and factory sheds and Galvanised Plain Sheets, used in the manufacture of containers and water tanks. The Company has a steel cold rolling plant in Haldia for the manufacture of Cold Rolled Coils and Sheets and a Galvanized steel plant at Bankura, West Bengal. Both the plants have a strong Quality Management System with in-house testing facilities and are ISO 9001:2008 certified. The Company has also put up a new facility at Kutch, Gujarat for further value addition of Steel Products where Cold Rolled Galvanized Sheets are pre-painted /colour coated and sold to construction, housing, consumer durables and other industries. The Company has also facility for Roll Forming/Profiling for direct supply to projects for Industrial roofing as a part of value addition.

An improvement in operating efficiency, coupled with new marketing initiatives have improved the performance of the Company in this segment and has contributed significantly to the overall profitability of the Company.

#### Aluminium Products

The Company has aluminium plants at Bankura and Haldia in West Bengal and at Kutch in Gujarat, with a reliable quality management system and ISO 9001:2008 accreditation. Aluminium coils / sheets are being increasingly used in construction and in the manufacture of white goods, automobiles, utensils, pilfer proof closure, railway coaches, electrical items, industrial machinery and ship / boat building. In addition to manufacturing plain aluminium coils and sheets, the division also manufactures corrugated, profiled and patterned aluminium sheets. The Company is also manufacturing various grades of Aluminium Alloy Ingots for application in automobiles, consumer durables, machinery manufacturing and supplying mostly to Original Equipment Manufacturers.

Increase in input costs and relatively less price realization on the back of a lower London Metal Exchange (LME) has impacted the profitability of the segment. The volatility in the commodity prices on the LME has also adversely impacted the performance. In addition to focus on value added products by improving market penetration, the Company has taken initiatives for reducing the escalating costs.

### PACKAGING PRODUCTS SEGMENT

Increase in the costs of raw materials have put pressure on the margins and therefore impacted the overall profitability and performance of the segment. Further efforts have been initiated for product diversification through widening of the product horizon and improving the existing product portfolios.

### ENGINEERING SEGMENT

Lower orders affected the turnover of the segment.

## **MOSQUITO COILS SEGMENT**

The Company has, in addition to the curtailments in overhead cost, taken various initiatives to increase the overall efficiency and productivity. This is reflected by the improved profitability and performance of the segment.

## **PAPER SEGMENT**

Improved Market penetration, coupled with enhanced capacity utilization and better price realization contributed significantly to the increased revenue and profitability.

## **Opportunities and Threats**

Increase in operating costs, primarily due to volatile commodity prices, steep depreciation of the Indian Rupee against dollar, trend of continuous increase in power tariffs and hardening of interest rates are some of the specific difficulties that the Company continues to mitigate by careful planning, active treasury management and use of alternative borrowing instruments. Further cost saving measures adopted across all segments of the Company would expectedly help in improving the margins in an otherwise difficult market.

The Company is also actively searching for growth opportunities and new markets in all its product segments.

## **Risks and Concerns**

A varied product portfolio and wide geographical presence and reach, both domestic and international, have helped the Company to significantly de-risk its business. The Company is focused on enhancing value added products across profit centres. Improvement in safety performance is of utmost priority, for which the Company has constantly being initiating measures to make its operation safe. Multiple manufacturing units in various states of the country have enabled the Company to cater to the needs of its customers, meeting delivery deadlines at prescribed locations. The improvement in operating performance, coupled with new market initiatives should improve the overall profitability of the Company. The Company has sales and technical servicing offices at Mumbai, Delhi, Chennai, Bangalore, Hyderabad, Guwahati and Bhopal. Multi-locational presence has reduced distribution and inventory costs and delivery times.

## **FUTURE OUTLOOK**

The Company is in the process of consolidating the existing projects and expansion activities that it had undertaken in the past and also continues to explore new business opportunities.

## **INTERNAL CONTROL SYSTEMS**

The Company has adequate system of internal controls in place, to ensure that the resources of the Company are used efficiently and effectively, all its assets are safeguarded and protected and all transactions are authorised, recorded and reported correctly. The ERP system 'SAP' adopted by the Company facilitates to ensure that the transactions are authorized and recorded and material errors and irregularities are either detected timely and/or prevented.

To ensure adequate internal controls, the Company has appointed a firm of Chartered Accountants as Internal Auditors. The Internal Auditors independently evaluate the adequacy of the internal controls. Regular internal audits are conducted to test compliances with the statutory requirements. The Internal Auditors report key findings to the Senior Management and periodically submit reports to the Audit Committee of the Board of Directors, to ensure independence and transparency.

## **HUMAN RESOURCES**

Employee relations continued to be cordial throughout the year and recruitments were made commensurate with the needs of business. The Company employs about 5000 people at all centers, domestic and abroad taken together.

## **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis Report, describing the company's objectives, outlook and expectation, may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied expectations, projections, etc. Several factors make a significant difference to the company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and other such factors over which the company does not have any direct control.



**CORPORATE GOVERNANCE REPORT**

*(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange/s)*

**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. As such the Company aims at always remaining progressive, competent and trustworthy, creating and enhancing value of stakeholders and customers to their complete satisfaction. For achieving the above goals at all spheres of its activities, the Company constantly seeks to ensure adoption of :

- 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.

**BOARD OF DIRECTORS**

**Composition of the Board:**

As on 31<sup>st</sup> March, 2012 the composition of the Board of Directors is detailed below. Their attendance at the meetings during the year and number of other directorships in Indian public companies and memberships of the Committee of the Board of such companies as on 31<sup>st</sup> March 2012 are as follows:

Name of the Directors	Category	No. of Directorship(s) held in other public companies		No. of other Board/ Committee (s) of which he/she is a member/ Chairman	
		Chairman	Member	Chairman	Member
Rabindra Nath Sengupta, Chairman	NEI	None	None	None	None
Ajay Kumar Chakraborty	NEI	None	2	None	2
Basant Kumar Agrawal, Managing Director	WTD	None	7	None	None
Debabrata Guha	WTD	None	None	None	None
Dr. Kali Kumar Chaudhuri	NEI	None	2	None	1
Mahabir Prasad Agrawal	NE	None	3	None	None
Nadia Basak	NE	None	None	None	None
Smita Khaitan	NEI	None	None	None	None
Sunil Kumar Agrawal	WTD	None	3	None	None
Suresh Kumar Agrawal	WTD	None	2	None	None
Sushil Kumar Agrawal	WTD	None	1	None	None

NEI: Non Executive Independent Director, NE: Non Executive Director, WTD: Whole Time Director.

As mandated by Clause 49 none of the Directors are member of more than ten (10) Board level Committees nor are they Chairman of more than five (5) Committees in which they are members.

Chairmanship /Membership of Board Committee includes membership of Audit and Shareholders'/ Investors Grievance Committee in other public limited companies. Mr Suresh Kumar Agrawal, Mr Mahabir Prasad Agrawal, Mr Sunil Kumar Agrawal and Mr Sushil Kumar Agrawal are relatives within the meaning of Section 6(c) of the Companies Act 1956.

**Board Agenda:**

The meetings of the Board are governed by a structured agenda. The Board members in consultation with the Chairman may bring upon other matters for consideration at the Board Meeting. Members of the Senior Management are present in the meeting as a special invitee as and when required.

**Information placed before the Board:**

Necessary information as required under statute and as per the guidelines on Corporate Governance are placed before the Board, from time to time. As required under Clause 49 of the Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company. Draft Minutes are circulated amongst the members for their comments. The minutes of the proceedings of the meetings are entered in the Minutes Book.

**Number of Board Meetings held and attended by Directors:**

Seven meetings of the Board of Directors were held during the year and gap between the meetings did not exceed 4 months. In case of any exigency/emergency resolutions are passed through circulation. The dates on which the Board meetings were held are 30<sup>th</sup> May 2011, 27<sup>th</sup> July 2011, 13<sup>th</sup> August 2011, 14<sup>th</sup> November 2011, 30<sup>th</sup> January 2012, 14<sup>th</sup> February 2012 and 31<sup>st</sup> March 2012.

The attendance record of each of the directors at the Board Meetings during the year ended on 31<sup>st</sup> March 2012 and of the last Annual General Meeting is as under:

Name of Directors	No. of Board Meetings during the year 2011-12		Attendance at the last AGM
	Held	Attended	Yes/No
Rabindra Nath Sengupta	7	7	Yes
Ajay Kumar Chakraborty	7	7	Yes
Basant Kumar Agrawal	7	6	Yes
Debabrata Guha	7	-	No
Dr. Kali Kumar Chaudhuri	7	7	Yes
Mahabir Prasad Agrawal	7	7	Yes
Nadia Basak	7	-	Yes
Smita Khaitan	7	7	Yes
Sunil Kumar Agrawal	7	7	Yes
Suresh Kumar Agrawal	7	3	Yes
Sushil Kumar Agrawal	7	6	No

**Code of Conduct**

The Company has adopted ‘Code of Conduct’ for the Directors and senior executives of the Company. The code anchors ethical and legal behaviour within the organisation. The Code is available on the Company website ‘[www.manaksia.com](http://www.manaksia.com)’.

All Board members and senior executives have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of the Report.

**Disclosure regarding re-appointment of the Directors**

The brief resume and other information required to be disclosed under this Section is provided in the Notice of the Annual General Meeting.

**Managing Director/Sr. Vice President (Accounts) Certification**

The Managing Director and Sr. Vice President (Accounts) of the Company have given a certificate to the Board of Directors of the Company under Clause 49(V) of the listing agreement for the year ended 31<sup>st</sup> March 2012. Pursuant to Clause 41 of the Listing Agreement, Managing Director and Sr Vice President (Accounts) also give quarterly certification on financial results while placing the same before the Board.

**BOARD COMMITTEES:**

Manaksia has five Board level committees:

- (a) Audit Committee
- (b) Committee of Directors
- (c) Remuneration & Selection Committee
- (d) Shareholders'/Investors' Grievance Committee
- (e) Restructuring Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms and reference for members of various committees. The minutes of all the Board and Committee meetings are placed before the Board and noted by the Directors present at the meetings. The role and composition of the Committees including the number of meeting(s) held and the related attendance during financial year 2011-12 are as follows:

**AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee includes the powers as laid down in Clause 49 (II)(C) and role as stipulated in Clause 49(II)(D) of the Listing Agreement with Stock Exchanges. The Audit Committee also reviews the information as per the requirement of Clause 49(II) (E) of the Listing Agreement.

The Audit Committee also complies with relevant provisions of the Companies Act, 1956.

**Terms of Reference:**

The brief description of the terms of reference of the Audit Committee in line with Clause 49 of the Listing Agreement is:

- (a) Oversight of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Review with the management quarterly and annual financial statements before submission to the Board.
- (c) Review with the management performance of the statutory and internal auditors and adequacy of Internal control system.
- (d) Recommending to the Board re-appointment of Statutory Auditors and the fixation of their Audit Fees.
- (e) Recommending to the Board appointment of Cost Auditor.
- (f) Discussion with the internal auditor on any significant findings and follow up thereon.
- (g) Review of related party transactions.
- (h) And generally all items listed in Clause 49(II)(D) of the Listing Agreement

The Audit Committee may also review such other matters as considered appropriate by it or referred to it by the Board.

The Audit Committee is also provided with the following information on the related party transactions (whenever applicable):

- (i) A statement in summary form of transactions with related parties in the ordinary course of business.
- (ii) Details of material individual transactions with related parties, which are not in the normal course of business.
- (iii) Details of material individual transactions with related parties or others, which are not on an arm's length basis, together with Management's justification for the same.

**Composition:**

The composition of the Audit Committee is in accordance with the requirement of Clause 49(II)(A) of the Listing Agreement. As on 31<sup>st</sup> March 2012, the Committee comprised of 5 Non Executive Directors out of which 4 including the Chairman of the Committee were independent directors. As per the requirement of Corporate Governance all members of the Audit Committee are financially literate with at least one member having accounting or related financial management expertise.

Mr. A K Chakraborty (Chairman of the Committee ), Mr. R N Sengupta, Dr. K K Chaudhuri, Mr. M P Agrawal and Ms Smita Khaitan were members of the Committee as on 31<sup>st</sup> March 2012.

The Audit Committee is normally attended by V P (Accounts), representatives of Statutory Auditors, representatives of Internal Auditors and Senior Executives of the Company, if required. The Company Secretary acts as Secretary to the Committee. As per the MCA circular, the Cost Auditor shall also be an invitee to the Audit Committee meeting, as and when required. The Chairman of the Audit Committee attended the Annual General Meeting held on 2<sup>nd</sup> September 2011 to answer shareholders queries.

**Meetings and Attendance**

Six Audit Committee meetings were held during the year ended 31<sup>st</sup> March 2012. The meetings were held on 30<sup>th</sup> May 2011, 27<sup>th</sup> July 2011, 13<sup>th</sup> August 2011, 14<sup>th</sup> November 2011, 14<sup>th</sup> February 2012 and 30<sup>th</sup> March 2012 and the gap between the 2 meetings did not exceed 4 months. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2011-12	
	Held	Attended
Ajay Kumar Chakraborty	6	6
Dr. Kali Kumar Chaudhuri	6	6
Mahabir Prasad Agrawal	6	6
Rabindra Nath Sengupta	6	6
Smita Khaitan	6	6

**COMMITTEE OF DIRECTORS**

The Committee is empowered to do all such acts, deeds and things which the Board sub-delegates to it, from time to time . The Committee meets as and when necessary to attend to important business matters sub-delegated to it by the Board.

**Composition**

As on 31<sup>st</sup> March 2012, the Committee of Directors consist of 2 Nos. Non Executive Directors and 3 Nos. Whole Time Directors. Mr R N Sengupta (Chairman of the Committee), Mr B K Agrawal, Mr M P Agrawal, Mr Sunil Kumar Agrawal and Mr Suresh Kumar Agrawal are members of the Committee. The Company Secretary acts as Secretary to the Committee.

**Meetings and Attendance**

Five Committee of Directors meetings were held during the year ended 31<sup>st</sup> March 2012. These were held on 2<sup>nd</sup> May 2011, 6<sup>th</sup> July 2011, 18<sup>th</sup> October 2011, 26<sup>th</sup> December 2011 and 6<sup>th</sup> March 2012. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2011-12	
	Held	Attended
Rabindra Nath Sengupta	5	5
Basant Kumar Agrawal	5	4
Mahabir Prasad Agrawal	5	5
Sunil Kumar Agrawal	5	4
Suresh Kumar Agrawal	5	4

## REMUNERATION & SELECTION COMMITTEE

The Committee is responsible for recommending to the Board the remuneration package of Managing Director/Whole Time Director(s) and on such other matters as may be required, from time to time, under the provisions of the Companies Act, 1956 and Listing Agreement with Stock Exchanges.

### Composition:

As on 31<sup>st</sup> March 2012, the Committee comprised of 5 Non -Executive Directors out of which 4 including the Chairman of the Committee are Independent Directors. Mr R N Sengupta (Chairman), Dr K K Chaudhuri, Mr M P Agrawal, Ms Smita Khaitan and Mr. A K Chakraborty are members of the Committee. The Company Secretary acts as Secretary to the Committee.

### Meeting and Attendance

During the year, two meetings of the Remuneration & Selection Committee were held on 27<sup>th</sup> July 2011 and 31<sup>st</sup> March 2012. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2011-12	
	Held	Attended
Rabindra Nath Sengupta	2	2
Dr. Kali Kumar Chaudhuri	2	2
Mahabir Prasad Agrawal	2	2
Smita Khaitan	2	2
Ajay Kumar Chakraborty	2	2

### Remuneration Policy

The remuneration paid to the Wholetime Directors is approved by the Board of Directors on the recommendation of the Remuneration & Selection Committee. The payment of remuneration to Managing Director/ Whole time Director(s) is in accordance to the approval of the shareholders in the general meeting. The Agreement with the Managing Director/Wholetime Director may be terminated at any time by either party by giving not less than three months notice in writing. The Agreement does not provide for payment of any severance fees.

The Non- Executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof as per the prescribed limit and as approved by the shareholders in the Annual General Meeting. The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Audit Committee is Rs 7500/- per meeting and for attending Other Committee meetings is Rs 5000/- per meeting. The remuneration paid to the Executive Directors is within the limits approved by the Shareholders.

### Details of Remuneration paid to Executive Directors

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs)
Basant Kumar Agrawal	12,00,000/-	Nil
Suresh Kumar Agrawal	12,00,000/-	Nil
Sushil Kumar Agrawal	6,00,000	Nil
Sunil Kumar Agrawal	6,00,000/-	Nil
Debabrata Guha	3,96,000/-	Nil

The agreements entered with the Managing Director/ Whole Time Director(s) are for a period of 5 years from the respective dates of appointment/re-appointment.

**Details of Sitting Fees paid to Non Executive Directors**

During the year, the Company has not made any payments to Non Executive Directors except sitting fees as detailed hereunder:

Name of the Director	Sitting Fees (Rs.)
Rabindra Nath Sengupta	1,37,500
Ajay Kumar Chakraborty	1,12,500
Dr. Kali Kumar Chaudhuri	1,07,500
Mahabir Prasad Agrawal	1,37,500
Smita Khaitan	1,07,500

During the year, there were no pecuniary relationships or transactions between the Company and it's Non Executive Directors.

**Details of Equity Shares/ Non Convertible instruments held by Non Executive Directors as on 31<sup>st</sup> March 2012:**

Name of the Director	Shares	Non Convertible Instruments
Nadia Basak	22,900	N A
Mahabir Prasad Agrawal	41,72,515	N A

The Company does not have any Employee Stock Option Scheme.

**SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

The Committee oversees the redressal of complaints of shareholders and investors such as transfer of shares, issue of duplicate share certificates, etc. The Board of Directors has sub-delegated the authority to the Committee to approve share transfers / transmission / rematerialisation / dematerialisation/split-up/sub-division and consolidation of shares certificates , etc. The Committee meets once in a fortnight, if required, to dispose off all matters relating to share transfers, transmissions, etc.

**Composition:**

As on 31<sup>st</sup> March 2012, the Committee comprised of 3 Non-Executive Directors and 2 Executive Directors. Mr R N Sengupta (Chairman), Mr A K Chakraborty, Mr B K Agrawal, Mr M P Agrawal and Mr Suresh Kumar Agrawal are the members of the Committee. The Company Secretary acts as Secretary to the Committee.

**Meeting and Attendance**

During the year one Committee meeting was held on 11.01.2012. The details of attendance of members are as under:

Name of the Members	No. of meetings during the year 2011-12	
	Held	Attended
Rabindra Nath Sengupta	1	1
Basant Kumar Agrawal	1	1
Mahabir Prasad Agrawal	1	1
Suresh Kumar Agrawal	1	1
Ajay Kumar Chakraborty	1	1

**Compliance Officer**

Mr Anubhav Maheshwari, Company Secretary of the Company has been designated as Compliance officer for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges.

**Investor's Complaints**

Details of Investors Complaints received and redressed during the year

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	34	33	1 (Since Resolved)

It is the endeavor of the Company to attend investors' complaints and other correspondence within 15 days except where constrained by disputes or legal impediments. In terms of SEBI circular the Company has obtained necessary SCORES (SEBI Complaints Redressal System) authentication, This would facilitate the investors to view online status of the action taken against the complaints made by logging on to SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in). As on date of the Report, the Company affirms that no shareholder's complaint was lying pending under SCORES.

**RESTRUCTURING COMMITTEE**

The Board has constituted a Committee called 'Restructuring Committee' to review the current business profile of the Company and to recommend to the Board creation of a suitable structure through division/ consolidation of different production/business units to bring them under homogeneous and unified command for improved efficiency and control.

**Composition:**

As on 31<sup>st</sup> March 2012, the Committee comprised of 2 Non-Executive Directors and 3 Executive Directors. Mr R N Sengupta (Chairman), Mr A K Chakraborty, Mr B K Agrawal, Mr Suresh Kumar Agrawal, Mr Sushil Kumar Agrawal are the members of the Committee. The Company Secretary acts as Secretary to the Committee. The Committee also have professional consultants.

During the year no meeting of the Committee was held.

**GENERAL BODY MEETINGS**

**(A) ANNUAL GENERAL MEETINGS:**

The location and time of last three AGMs held are as under:

No.	Financial Year / Time	Date	Venue	No. of Special Resolution passed
27 <sup>th</sup> AGM	2010-11 10.30 A.M	02.09.11	GYAN MANCH", 11 Pretoria Street, Kolkata- 700 071	1
26 <sup>th</sup> AGM	2009-10 10.00 A.M	28.12.10	"-Do-	1
25 <sup>th</sup> AGM	2008-09 10.30 A.M	29.09.09	-Do-	3

**(B) Extra-Ordinary General Meeting**

During the year no Extra Ordinary General Meeting was held.

**(C) Whether any special resolution is proposed through Postal Ballot**

No special Resolution was passed through the Postal Ballot during F.Y 2011-12. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of special resolution through postal ballot.

**(D) Procedure for postal ballot**

Prescribed procedure under the Companies Act, 1956 and Companies (Passing of Resolutions through Postal Ballot) Rules, 2011, as amended, from time to time, shall be complied as and when necessary.



## DISCLOSURES

- The details of the significant related party transactions have been disclosed by way of Note No. 28 of Annual Report 2011-12. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. All related party transactions are negotiated on arms length basis and intended to further the interests of the Company.
- In preparation of the financial statements the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.
- There have been no strictures or penalties imposed on the Company by either SEBI or any of the Stock Exchange(s) or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.
- The Company has robust systems for Internal Audit and an appropriate risk management and minimizing policy. The Board quarterly reviews the Foreign Exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- **NON-MANDATORY REQUIREMENTS**

### Remuneration Committee

The Company has a Remuneration & Selection Committee. The details of the Remuneration & Selection Committee have been covered elsewhere in the report.

### Shareholders Right

The quarterly, half yearly and annual financial results of the Company are published in the leading newspapers and are also posted on the Company's website.

### Audit Qualifications

There are no qualifications in the Auditors' Report to the members on the financial statements for the year ended 31<sup>st</sup> March 2012.

### Other Non- mandatory Requirements

The Company would implement the other non mandatory requirements in due course as and when required and /or deemed necessary by the Board.

## SUBSIDIARY COMPANIES

The Company does not have material non listed Indian Subsidiary companies as defined under Clause 49 of the Listing Agreement. The Board and the Audit Committee reviews the financial statements of subsidiary companies and the minutes of the subsidiary companies are placed at the Board meetings of the Company. The statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies ,as and when required, is placed before the Board.

## 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 Bombay Stock Exchange and National Stock Exchange, which have also been published in leading newspapers like Business Standard, Economic Times, Dainik Statesman (Bengali), EK Din (Bengali), etc.

The financial results and the official news releases of the Company are displayed on the website of the Company.

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.

The Company has not made any presentation to the institutional investors /analysis during the year

Management Discussion and Analysis Report forms part of the Annual Report.

In compliance with the requirement of the Listing Agreement, the official website of the Company contains information about its business, shareholding pattern, compliance with corporate governance, contact information of the compliance officer, etc. and the same are updated at any given point of time.

The Company also electronically files quarterly Shareholding Pattern and Corporate Governance Report on NSEAPS (NSE Electronic Application Processing System) website i.e. [www.connect2nse.com](http://www.connect2nse.com).

### GENERAL SHAREHOLDER INFORMATION

**a) Annual General Meeting :**

**Date :** 28<sup>th</sup> September 2012

**Time:** 10.30 a.m.

**Venue:** Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata-71

**b) Financial Year:**

1<sup>st</sup> April – 31<sup>st</sup> March. The Financial results will be declared as per the following schedule:

Particulars	Schedule
Quarter ended 30 <sup>th</sup> June 2012	On or before 14 <sup>th</sup> August 2012 (Tentative)
Quarter ending 30 <sup>th</sup> September 2012	On or before 14 <sup>th</sup> November 2012 (Tentative)
Quarter ending 31 <sup>st</sup> December 2012	On or before 14 <sup>th</sup> February 2013 (Tentative)
Annual Results of 2012-13	On or before 30 <sup>th</sup> May 2013 (Tentative)

**c) Dates of Book Closure:**

22<sup>nd</sup> September 2012 to 28<sup>th</sup> September 2012(Both days inclusive).

**d) Dividend Payment**

The Board of Directors of the Company do not recommend any dividend on Equity Shares for the year under review.

**e) Listing on Stock Exchanges:**

(i) National Stock Exchange of India Limited (NSE)

(ii) Bombay Stock Exchange Limited (BSE)

*The annual listing fees have been paid to all the Stock Exchanges for the year 2012-13.*

In terms of the requirements of Clause 7(d) of the SEBI (Delisting) of the Equity Shares Regulations 2009, the Company hereby declares that the Equity Shares has been delisted from Calcutta Stock Exchange Ltd. w.e.f. 8<sup>th</sup> December 2011.

**f) Custodial Fees to Depositories:**

The Company has paid the custodial fees for the year 2012-13 to National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL).

**g) Unclaimed shares lying in the Demat Suspense Account:**

The Company has opened a separate demat account in the name of “Manaksia Limited-Suspense Account” in order to credit the unclaimed shares of the IPO which could not be allotted to the rightful shareholders due to insufficient/incorrect information or any other reason . The voting rights in respect of said shares will be frozen till the time the rightful owner claims such shares. In terms of requirement of Clause 5A of the listing Agreement, the details of shares lying in the aforesaid Demat account are as :

Particulars	No. of Shares	No. of shareholders
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. 1 <sup>st</sup> April 2011.	3484	39
Number of shareholders who approached Company for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31 <sup>st</sup> March 2012	3484	39

Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split, etc., shall also be credited to aforesaid suspense account. Shareholders who have yet not claim their shares are requested to immediately approach the Company/Registrar & Share Transfer Agent of the Company along with documentary evidence, if any.

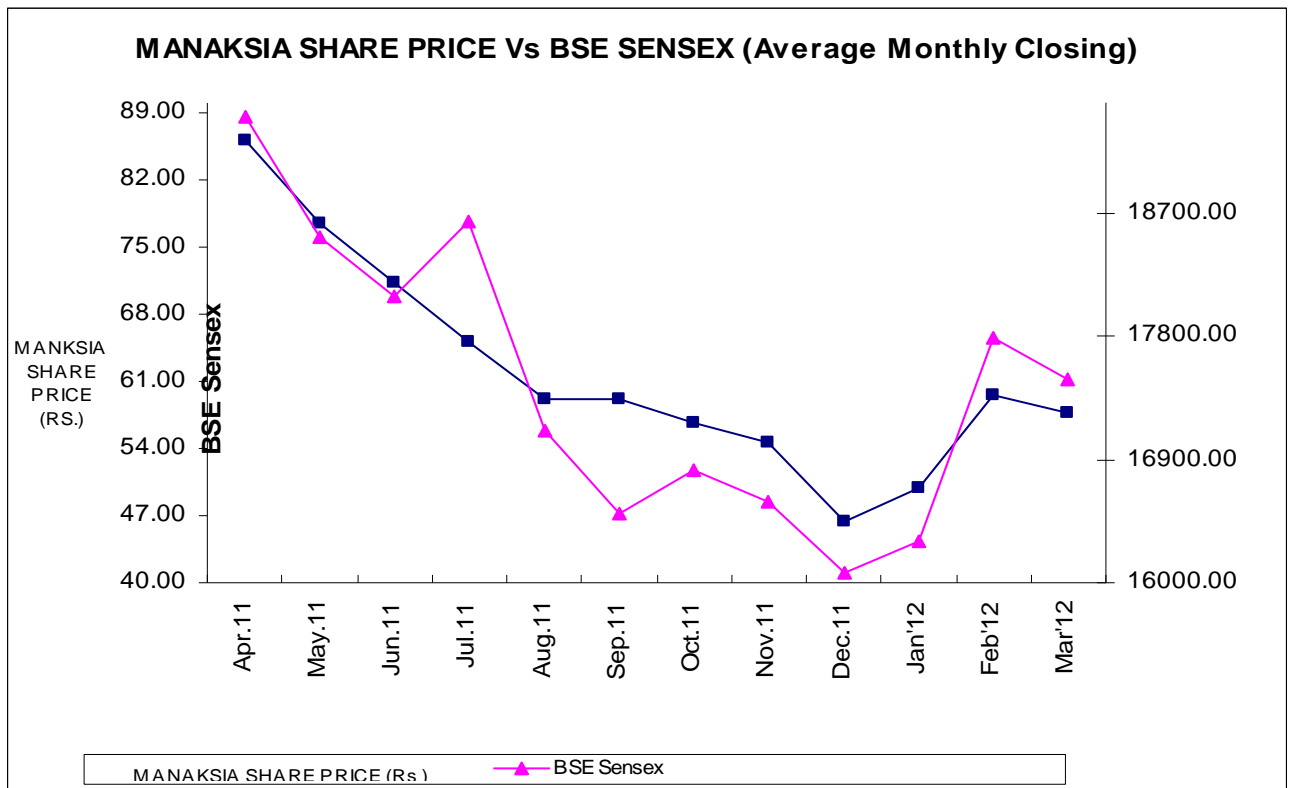
h) **Stock Code:** ISIN No. INE015D01022  
National Stock Exchange of India Limited MANAKSIA  
Bombay Stock Exchange Limited 532932

i) **Market Price Data**

The details of monthly high and low quotations of the equity shares of the Company traded at BSE and NSE during the financial year 2011-12 are given hereunder:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited(NSE)		
	High (Rs.)	Low (Rs.)	Total Number of Shares Traded	High (Rs.)	Low (Rs.)	Total Number of Shares Traded
April'2011	92.00	80.20	2,60,597	91.90	80.10	5,69,566
May'2011	83.65	71.15	79,993	83.90	71.45	1,56,525
June'2011	77.00	65.70	1,05,579	78.00	65.20	1,99,329
July'2011	69.90	60.40	1,11,985	69.75	60.05	2,52,305
August'2011	64.40	53.85	80,335	63.30	54.00	3,47,572
September'2011	62.60	55.60	39,766	63.80	55.55	1,25,745
October'2011	59.70	53.50	30,841	59.90	53.50	1,05,553
November'2011	60.00	49.25	60,662	63.90	49.60	1,66,610
December'2011	51.90	41.05	34,092	52.00	40.05	88,557
January'2012	56.00	43.70	44,391	54.00	40.65	77,937
February'2012	66.75	52.45	1,79,318	66.45	52.50	2,10,700
March'2012	64.25	51.10	1,24,700	64.20	51.50	1,68,662

*Note: There has been no trading in the equity shares of the Company on the Calcutta Stock Exchange Limited during the period 1<sup>st</sup> April 2011 to 8<sup>th</sup> December 2011 i.e. the date of delisting of the shares.*



**j) Registrar and Share Transfer Agents (RTA):**

Link Intime India Private Limited is acting as the Registrar and Share Transfer Agent of the Company. The address of the above Registrar is given hereunder:

Link Intime India Private Limited  
 59C, Chowringhee Road, 3<sup>rd</sup> Floor,  
 Room No.5, Kolkata – 700 020  
 Ph: +91-033-2289 0540, Fax: +91-033-2289 0539

Contact Person: Mr. S P Guha, Email id: [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)

**k) Share Transfer System:**

94.38% of shares of the Company is held in electronic mode. Transfer of these shares is done through the depositories i.e. NSDL & CDSL with no involvement of the Company.

For transfer of shares in physical mode, the transfer documents should be sent to the office of the RTA at the above mentioned address. All share transfers are completed within the stipulated statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Shareholder’s Investor’s/ Grievance Committee has been delegated with the authority to approve transfer and/or transmissions of shares and other related matters.

As required under Clause 47 C of the Listing Agreement, a certificate on half yearly basis confirming due compliance of the share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time.

**l) Distribution of Equity Shareholding as on March 31, 2012**

No. of Equity shares held From - To	Shareholders		Shares	
	Number	% Total Holders	Number	% Total Capital
1 – 500	33827	95.28	3520698	5.37
501 – 1000	821	2.31	646162	0.99
1001 – 2000	354	1.00	535207	0.82
2001- 3000	140	0.39	354153	0.54
3001 – 4000	64	0.18	230199	0.35
4001 – 5000	59	0.17	281582	0.43
5001 -10000	83	0.23	624918	0.95
10001 - And above	154	0.44	59341131	90.55
<b>TOTAL</b>	<b>35502</b>	<b>100.00</b>	<b>65534050</b>	<b>100.00</b>

**m) Categories of Equity Shareholders as on March 31, 2012**

Sl. No.	Category	No. of Shares	%of share-Holdings
1	Promoters Group	4,12,55,940	62.95
2.	Mutual Funds & UTI	NIL	NIL
3.	Financial Institutions / Banks	19208	0.03
4.	Central Government / State Government(s)	Nil	Nil
5.	Venture Capital Fund	Nil	Nil
6.	Foreign Institutional Investors	3,10,665	0.47
7.	Foreign Venture Capital Investors	Nil	Nil
8.	Bodies Corporate	1,53,93,325	23.49
9.	Public	84,85,027	12.95
10.	NRI's / OCB's / Foreign National	69,885	0.11
	<b>TOTAL</b>	<b>6,55,34,050</b>	<b>100.00</b>

**n) Dematerialization of Equity Shares**

The shares of the Company are currently traded only in dematerialized form and the company has entered into agreements with the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares are INE015D01022. As on 31<sup>st</sup> March 2012, 6,18,51,541 equity shares representing about 94.38% of the share capital is held in dematerialized form.

**o) Outstanding GDRs / ADRs / Warrants / Other Convertible instruments: Nil**
**p) Listing of Debt Securities:**

The Secured Redeemable Non -Convertible Debentures issued on private placement basis by the Company are listed on the Wholesale Debt Market (WDM) of Bombay Stock Exchange Ltd (BSE).

**q) Debenture Trustees**

IDBI Trusteeship Services Ltd, Asian Building, Ground Floor,  
17, R Kamani Marg, Ballard Estate, Mumbai-400 001

**r) Plants Locations (Manufacturing Units) –**

✓ Plot No. 125B, Shree Venkatesh Co-Op Industrial Area, IDA, Vill- Bollaram, Dist. Medak	✓ Brahmanpara, P.S. Haripal, Dist:Hooghly
✓ 161/2, Village – Khutli ,Dudhni Road, Silvassa	✓ 471, Birsinghpur, P.O & P.S: Barjora
✓ Plot no.25 & 24A, Anrich Indus. Est.Bollaram, Medak,	✓ 4, Garden Reach Rd., Slipway-III, Pan Bazar, Shalimar
✓ 45-C, Phase-I, IDA, Jedimetla, R R District, Hyderabad	✓ Vill & P.O Bhunia Raichak, Haldia
✓ 15, B.K. Pal Temple Road, Belur, Howrah	✓ EPIP, Amingaon, North Guwahati
✓ 43/1 Garden Reach Road, Kolkata	✓ Plot No. 15, New Indus.Area-II, Mandideep, Dist: Raisen
✓ Plot No. 125A, Shree Venkatesh Co-op Industrial Area, IDA, Vill- Bollaram, Dis. Medak	✓ Plot No. 16, New Indus.Area-II, Mandideep, Dist: Raisen
✓ 12, Duffer Street, Liluah, Howrah	✓ 9 & 12 AI, New Indus.Area-II, Mandideep, Dist: Raisen
✓ Survey No. 396, Chandrani, Taluka Anjar, Dist. Kutch	

**S) Address for Correspondence:**

Manaksia Limited  
 8/1, Lalbazar Street,Kolkata – 700 001  
 Phone Nos: +91 033 2231 0050 / 51 / 52  
 Fax Nos: +91 033 2230 0336 / 2242 8470  
 Email: [investor.relations@manaksia.com](mailto:investor.relations@manaksia.com),  
 Website: [www.manaksia.com](http://www.manaksia.com)

**CERTIFICATION OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY**

This is to confirm that the Company has received declarations affirming compliance of the Code of Conduct from the persons concerned for the Financial Year ended 31<sup>st</sup> March, 2012.

Place: Kolkata  
 Date: 30<sup>th</sup> May 2012

Sd/-  
 B.K. Agrawal  
 Managing Director

**CERTIFICATION UNDER CLAUSE 49V OF THE LISTING AGREEMENT**

**The Board of Directors  
 Manaksia Limited**

Dear Sirs

In terms of Clause 49 of the Listing Agreement, we do hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the financial year 2011-12 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2011-12 are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - i significant changes, if any, in internal control over financial reporting during the year;
  - ii significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 30<sup>th</sup> May 2012  
 Place: Kolkata

**For Manaksia Limited**  
 Sd/-  
 B K Agrawal  
 Managing Director

Sd/-  
 Sandeep Sultania  
 Sr Vice President- Accounts

# Auditors' Report

## To the Members of Manaksia Limited

### Report on the Financial Statements

1. We have audited the attached Balance Sheet of Manaksia Ltd as at 31<sup>st</sup> March' 2012, the Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date annexed there to, all of which we have signed under reference to this report. These Financial Statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Financial Statements based on our Audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred under Para 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appear from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and the Additional Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - (ii) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
    - (iii) In the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For **SRB & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No: 310009E

Sd/-

**Sanjeet Patra**  
(Partner)

Membership No: 056121

Place: Kolkata

Date: 30<sup>th</sup> May, 2012



# Annexure to Auditors' Report of Manaksia Limited for the year ended 31<sup>st</sup> March, 2012

## Referred to in paragraph 3 of our report of even date

1. In respect of its fixed assets
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. In respect of its inventories:
  - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
3. The Company has not taken or given any loans, secured or unsecured from/to Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal controls system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - a. The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - b. Where each of such transaction is in excess of ₹ 5 Lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Therefore the provisions of clause (vi) of the Companies (Auditor's Report) Order 2003 are not applicable.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed Cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. According to the information and explanations given to us in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed Statutory dues, including Employees Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as on 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
  - c. Details of dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2012 on account of disputes are given below:

<b>Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Amount involved (₹ In Lakhs)</b>
Central Excise Act, 1944	Excise Duty	Hon'ble High Court, Kolkata	99.32
		Commissioner, Central Excise	408.66
		Additional Commissioner, Central Excise	21.53
		Asst. Commissioner, Central Excise	26.52
		Joint Commissioner, Central Excise	0.31
		Deputy Commissioner, Central Excise	7.88
		Appellate Commissioner	35.36
	Superintendent of Central Excise	1.37	
Central Excise Act, 1944	Service Tax	Superintendent of Service Tax	51.92
Sales Tax / VAT Act	Sales Tax	W.B. Commercial Taxes Appellate and Revisional Board, Deputy Commissioner of Commercial Taxes (Appeals) - Hyderabad	98.73
Income Tax Act, 1961	Income Tax Demand	C.I.T (Appeals)	73.53
Municipal Act, West Bengal	Municipal Tax	Haldia Municipality West Bengal	49.99
Customs Act, 1962	Customs Duty and Interest	Commissioner of Customs	15.15
West Bengal Taxation Laws (Amendment) Act, 2003	Stamp Duty	Commissioner of Haldia Municipality	49.45

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions, debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, mutual fund debentures and other investments and timely entries have been made therein. All shares, debentures, mutual fund and other investments have been held by the Company in its own name except to the extent of exemption granted U/s 49 of Companies Act 1956.
15. The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interests of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investment.
18. The Company has not made any preferential allotment of share to parties and companies covered in the register maintained under section 301 of The Companies Act 1956.
19. According to the information and explanation given to us the Company has not issued any secured debentures during the year under audit.
20. The Company has not raised any money through public issue during the year.
21. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **SRB & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No: 310009E

sd/-  
**Sanjeet Patra**  
(Partner)

Membership No: 056121

Place: Kolkata  
Date: 30<sup>th</sup> May, 2012

**BALANCE SHEET AS AT 31ST MARCH 2012**

(₹ in lacs)

Particulars	Note No.	31st March 2012	31st March 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	1	1,310.68	1,310.68
(b) Reserves and Surplus	2	48,057.00	47,325.93
		49,367.68	48,636.61
<b>Foreign Currency Monetary Item Translation Account</b>			
		(311.00)	-
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	3	7,890.57	10,011.49
(b) Deferred tax liabilities (Net)	4	4,825.00	4,675.00
(c) Long term provisions	5	604.69	505.90
		13,320.26	15,192.39
<b>Current Liabilities</b>			
(a) Short-term borrowings	6	5,981.84	4,633.45
(b) Trade payables	7	27,478.98	24,979.83
(c) Other current liabilities	8	5,074.84	3,281.87
(d) Short-term provisions	9	618.93	2,464.95
		39,154.59	35,360.10
<b>Total</b>		<b>101,531.53</b>	<b>99,189.10</b>
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	31,040.56	32,155.80
(ii) Intangible assets	10	42.12	76.14
(iii) Capital work-in-progress	10	3,663.56	2,739.77
(b) Non-current investments	11	6,943.07	6,930.50
(c) Long Term Loans & Advances	12	795.40	774.11
		42,484.71	42,676.32
<b>Current assets</b>			
(a) Inventories	13	22,697.61	25,054.64
(b) Trade receivables	14	19,526.73	18,084.46
(c) Cash and cash equivalents	15	99.37	348.20
(d) Short-term loans and advances	16	16,723.11	13,025.48
		59,046.82	56,512.78
<b>Total</b>		<b>101,531.53</b>	<b>99,189.10</b>

**Significant Accounting Policies  
Notes To The Financial Statements**

1-35

In terms of our Report of even date

For and on Behalf on the Board

For SRB & Associates  
Chartered Accountants  
FRN No. 310009E

Sd/-  
R N Sengupta  
Chairman

Sd/-  
B K Agrawal  
Managing Director

Sd/-  
Sanjeet Patra  
(Partner)  
Membership No. 56121

Sd/-  
Anubhav Maheshwari  
Company Secretary

Kolkata  
Dated : 30th May 2012

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

(₹ in lacs)

Particulars	Note No.	2011-2012	2010-2011
<b>Income</b>			
Revenue from operations	17	108,413.67	93,198.12
Other Income	18	5,707.55	452.76
<b>Total Revenue</b>		<b>114,121.22</b>	<b>93,650.88</b>
<b>Expenses</b>			
Cost Of Materials Consumed (including trading goods)	19	81,051.20	71,426.20
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade	20	2,341.09	(4,245.91)
Employee Benefit Expense	21	3,824.52	3,214.89
Finance Cost	22	3,202.57	3,146.63
Depreciation And Amortization Expense	10	2,091.87	2,015.26
Other Expenses	23	16,572.03	14,789.18
<b>Total Expenses</b>		<b>109,083.28</b>	<b>90,346.25</b>
<b>Profit before exceptional items and tax</b>		<b>5,037.94</b>	<b>3,304.63</b>
<b>Exceptional Items</b>			
Exchange Fluctuation	33	3,945.87	(700.97)
<b>Profit before tax</b>		<b>1,092.07</b>	<b>4,005.60</b>
<b>Tax Expense</b>			
Current Tax		211.00	865.00
Deferred Tax		150.00	155.00
Short/(Excess) Provision for Taxation for Earlier Years		-	59.68
<b>Profit for the year</b>		<b>731.07</b>	<b>2,925.92</b>
<b>Basic and diluted Earnings per equity share of face value of ₹ 2 each.</b>			
EPS after exceptional items		₹ 1.12	₹ 4.33
EPS before exceptional items		₹ 7.14	₹ 3.29

**Significant Accounting Policies  
Notes To The Financial Statements**

1-35

In terms of our Report of even date

For and on Behalf on the Board

**For SRB & Associates**  
Chartered Accountants  
FRN No. 310009E

Sd/-  
R N Sengupta  
Chairman

Sd/-  
B K Agrawal  
Managing Director

Sd/-  
Sanjeet Patra  
(Partner)  
Membership No. 56121

Sd/-  
Anubhav Maheshwari  
Company Secretary

Kolkata  
Dated : 30th May 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

(₹ in laacs)

PARTICULARS	31st March 2012	31st March 2011
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before Tax :</b>	<b>1,092.07</b>	<b>4,005.60</b>
<b>Adjustment for:</b>		
Depreciation/ Amortisation	2,091.87	2,015.26
Provision for Doubtful Debts / (written back)	0.10	5.09
Profit on sale of Investment	(723.93)	419.97
Finance Cost & Interest (Net)	2,360.47	2,886.46
Profit on Fixed Assets Sold / Discarded (Net)	0.72	(5.79)
Prior Period & Exceptional Items (Net)	(36.04)	(107.81)
Amortisation of Foreign Currency Monetary Translation A/c	-	(93.69)
Dividend Income	(4,005.57)	(317.53)
<b>Operating Profit before Working Capital Changes</b>	<b>779.69</b>	<b>8,807.56</b>
<b>Adjustment for:</b>		
Change in Trade & Other Receivables	(4,937.49)	(6,117.17)
Change in Inventories	2,357.03	(9,528.19)
Change in Trade & other Payable	3,124.10	12,607.32
<b>Cash Generated from Operations</b>	<b>1,323.33</b>	<b>5,769.52</b>
Direct Taxes Paid	(242.84)	(856.43)
Cash Flow before Prior Period & Exceptional items	1,080.49	4,913.09
Prior Period & Exceptional Items (Net)	36.04	107.81
<b>Net Cash Flow from Operating Activities</b>	<b>1,116.53</b>	<b>5,020.90</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets and change in Capital work in progress	(2,386.22)	(2,388.11)
Sale of Fixed Assets	339.07	130.30
Purchase of Investments	(13.57)	(25.00)
Sale of Investments	-	2,740.53
(Purchase)/Sale of Investment in Subsidiary Co	724.93	394.78
Interest Received	783.85	243.68
Dividend Received	4,005.57	317.53
<b>Net Cash Flow from/(Used in) Investing Activities</b>	<b>3,453.63</b>	<b>1,413.71</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Buy back of shares	-	(4,014.11)
Repayment of Long Term Borrowings (Net)	(1,064.38)	(306.58)
(Repayment of )/ Proceeds from Short Term Borrowings (Net)	1,348.39	2,860.91
Payment of Dividend on Equity Shares	(1,634.21)	(1,611.53)
Dividend Tax Paid	(265.78)	(267.66)
Interest etc. Paid	(3,203.01)	(3,126.62)
<b>Net Cash Flow From/(Used in ) Financing Activities</b>	<b>(4,818.99)</b>	<b>(6,465.59)</b>
<b>D: Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(248.83)</b>	<b>(30.98)</b>
<b>Cash and Cash Equivalents as at 1st April</b>	<b>348.20</b>	<b>379.18</b>
<b>Cash and Cash Equivalents as at 31st March</b>	<b>99.37</b>	<b>348.20</b>

Note: Previous year's figures have been rearranged and regrouped wherever necessary.

For and on Behalf on the Board

For SRB & Associates  
Chartered Accountants  
FRN No. 310009E

Sd/-  
R N Sengupta  
Chairman

Sd/-  
B K Agrawal  
Managing Director

Sd/-  
Sanjeet Patra  
(Partner)  
Membership No. 56121

Sd/-  
Anubhav Maheshwari  
Company Secretary

Kolkata  
Dated : 30th May 2012

## SIGNIFICANT ACCOUNTING POLICIES

### i) Basis of Preparation of Financial Statements

The financial statements are prepared under the Historical cost convention method, using the accrual system of accounting in accordance with the Generally Accepted Accounting Principles in India & the requirements of the Companies Act, 1956, including the Notified Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.

### ii) Revenue Recognition

Revenue from sale of goods and services rendered is recognized upon transfer of title and rendering of services to the customers.

### iii) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties ( net of CENVAT/VAT), taxes, borrowing costs directly attributable to acquisition, incidental expenses and erection /commissioning etc., upto the date, the asset is ready for its intended use.

### iv) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factor. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the assets. The estimated cash flows considered for determining the value in use, are discounted to the present value at weighted average cost of capital.

### v) Foreign Currency Transactions

#### a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### c) Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

### vi) Depreciation

a) Depreciation on all Fixed Assets is provided under Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956

b) Depreciation includes amortisation of leasehold land over the period of lease.

c) Depreciation is provided on prorata basis on additions and deletions of Fixed Assets during the year except for assets costing ₹ 5000/- or less on which 100% Depreciation is provided.

d) Depreciation on individual items of plant and machinery costing ₹ 5000/- or less is being provided at normal applicable rates, whenever aggregate cost of such items constitute more than 10% of the total cost of plant and machinery in accordance with amendments to Schedule XIV to the Companies Act, 1956 vide Notification No. GSR No. 101(E) dated 01.03.1995.

e) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

f) Computer software costs capitalised are amortised using the Straight Line Method over estimated useful life of 5 years, as estimated at the time of capitalisation.

## SIGNIFICANT ACCOUNTING POLICIES

### vii) Investments

Long term Investments are stated at Cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment. Investments in foreign companies are considered at the exchange rates prevailing on the date of their acquisition. Current investments are carried at lower of cost or fair value of each investment. Short term Investments in liquid fund scheme of mutual funds have been stated at their NAV on year end date or purchase price whichever is less.

### viii) Inventories

Inventories are valued as under –

a) Raw materials, Finished goods, Stock in trade, Work in process, Packing materials and stores & spares are valued at lower of cost and net realisable value. Closing stock has been valued on Weighted Average basis.

b) Saleable scraps, whose cost is not identifiable, are valued at estimated realisable value.

### ix) Research & Development

Research and development expenditure of revenue nature are charged to Profit & Loss Account, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred.

### x) Employee Benefits

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related services is rendered.

ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account/Project Development Expenditure Account.

### xi) Earning per Share

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### xii) Excise Duty and Custom Duty

Excise duty on finished goods stock lying at factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods as on the Balance Sheet date. Custom duty on imported material in transit / lying in bonded warehouse is accounted for at the time, the same are released from Customs/ Bonded warehouse.

### xiii) Financial Derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid, gains/losses on settlement and provision for losses for cash flow hedges are recognised in the Profit and Loss Account, except in case where they relate to borrowing costs that are attributable to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

### xiv) Borrowing Costs

Borrowing Costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.



## SIGNIFICANT ACCOUNTING POLICIES

### xv) Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

### xvi) Segment Reporting

#### a) Identification of segments

The company has identified its business segments as the primary segments . The company's businesses are organized and managed separately according to the nature of products/ services, with each segment representing a strategic business unit that offers different product / services and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the company are located.

#### b) Allocation of Common Costs

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head " Unallocated".

The accounting policies adopted for segment reporting are in line with those of the Company.

### xvii) Lease Assets

The Company's significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements which are not non-cancellable and range between 1 year to 3 years generally and are renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Lease rent under Note 23.

### xviii) Sales

- a) Sales includes trade sales.
- b) Gross Sales include applicable taxes unless separately charged and are net of discount.
- c) Sales are recognised on despatch except consignment sales which are recognised on receipt of statement of accounts from the agent.

### xix) Prior Period Expenses/Income

Material items of prior period expenses/income are disclosed separately.

### xx) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

(₹ in lacs)

31st March 2012	31st March 2011
-----------------	-----------------

**1 SHARE CAPITAL**

**Authorised :**

70,000,000 (70,000,000) Equity Shares of ₹ 2/- each	1,400.00	1,400.00
1,250,000 (1,250,000) Preference Shares of ₹ 20/- each	250.00	250.00
	<b>1,650.00</b>	<b>1,650.00</b>

**Issued, Subscribed & Paid up**

65,534,050 (65,534,050) Equity Shares of ₹ 2/- each fully paid up	1,310.68	1,310.68
	<b>1,310.68</b>	<b>1,310.68</b>

1.1 Details of aggregate number of shares, allotted without payment being received in cash, allotted as bonus shares and bought back, if any, for the period of five years immediately preceeding the Balance Sheet date:

4,000,000 (P.Y 4,000,000) Equity Shares of Face Value of ₹ 2/- each were bought back and extinguished.

**1.2 Shareholders holding more than 5% shares**

Name of the Shareholder	No. Of Shares	
	31st March 2012	31st March 2011
Basant Kumar Agrawal	3,383,130	5,366,060
Suresh Kumar Agrawal	8,127,010	5,643,000
Mahabir Prasad Agrawal	4,172,515	1,964,925
Basudeo Agrawal	8,224,385	5,774,625

**1.3 Reconciliation of number of shares outstanding is set out below:**

	31st March 2012	31st March 2011
	No of Shares	No of Shares
Equity Shares at the beginning of the period	65,534,050	69,534,050
Less: Shares cancelled on Buy- Back of Equity Shares	-	4,000,000
<b>Equity Shares at the end of the period</b>	<b>65,534,050</b>	<b>65,534,050</b>

**1.4 Terms/Rights attached to each class of shares**

**Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in lacs)

31st March 2012	31st March 2011
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**2 RESERVES & SURPLUS**

**Capital Reserve**

As per last Balance Sheet	128.68	128.68
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**Investment Reserve**

As per last Balance Sheet	89.58	89.58
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**Amalgamation Reserve**

As per last Balance Sheet	123.45	123.45
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**Exchange Fluctuation Reserve**

As per last Balance Sheet	-	200.00
Less : Transfer to Profit & Loss A/c during the Year	-	200.00
	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

(₹ in lacs)

	31st March 2012	31st March 2011
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	18,983.55	22,917.66
Less : Premium paid on Buy Back of Shares	-	3,934.11
	<u>18,983.55</u>	<u>18,983.55</u>
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	317.40	237.40
Add : Created during the year on Buy-Back	-	80.00
	<u>317.40</u>	<u>317.40</u>
<b>Debenture Redemption Reserve</b>		
As per last year Balance Sheet	1,350.00	450.00
Add : Created during the year	150.00	900.00
	<u>1,500.00</u>	<u>1,350.00</u>
<b>General Reserve</b>		
As per last Balance Sheet	26,303.75	26,016.95
Add: Provision for Dividend on Shares Cancelled Written Back	-	66.80
Less: Transfer to Capital Redemption Reserve Account	-	80.00
Add : Transfer from Profit & Loss A/c	-	300.00
	<u>26,303.75</u>	<u>26,303.75</u>
<b>Surplus</b>		
As per last Balance Sheet	29.52	7.73
Add : Profit for the year	731.07	2,925.92
	<u>760.59</u>	<u>2,933.65</u>
Less : Appropriations		
Transfer to General Reserve	-	300.00
Transfer to Debenture Redemption Reserve	150.00	900.00
Dividend on Equity Shares	-	1,638.35
Tax on Dividend	-	265.78
Add : Transfer from Exchange Fluctuation Reserve	-	200.00
	<u>610.59</u>	<u>29.52</u>
	<u>48,057.00</u>	<u>47,325.93</u>

(₹ in lacs)

	31st March 2012		31st March 2011	
	Non-Current	Current	Non-Current	Current
<b>3 LONG TERM BORROWINGS</b>				
<b>Secured</b>				
Debentures (Privately Placed)	2,400.00	1,800.00	4,200.00	1,800.00
Term Loans				
From Bank				
Foreign Currency Loan	2,723.42	1,361.71	3,219.84	-
<b>Unsecured</b>				
Deferred Payment Liabilities (Under Sales				
Tax Deferral scheme-Interest Free)	2,767.15	72.00	2,591.65	66.17
	<u>7,890.57</u>	<u>3,233.71</u>	<u>10,011.49</u>	<u>1,866.17</u>

3.1 The Current part of Long Term Borrowings, as above, have been shown under Other Current Liabilities (Note No.8), as Current Maturities of long term debt, as per the requirement of revised Schedule VI.

**3.2 Debentures:**

Non Convertible Debentures outstanding as on 31st March 2012 amounting to ₹ 4,200 lacs (Prev.Yr. ₹ 6,000 lacs) are secured by way of creation of exclusive first charge in favour of Debenture holder on the immovable assets of the Company located at Aluminium Rolling Mill Unit at Haldia and on Company's freehold land at Mehsana, Gujarat.

These Debentures of ₹ 10 lacs each were issued for a total amount of ₹ 6,000 lacs redeemable in three tranches with 1st Instalment due on 19.12.2011 and the last one due on 19.12.2013. The Company has duly paid the 1st instalment on the due date. The outstanding amount of the debentures are redeemable as follows:

19-Dec-12	₹ 1,800 Lacs
19-Dec-13	₹ 2,400 Lacs

3.3 The Rate of Interest on the Non Convertible Debentures is 11.95% p.a.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

**3.4 Foreign Currency Term Loans :**

Foreign Currency Term Loan amounting to ₹ 4,085.14 Lacs (Prev.Yr. ₹ 3,219.84 Lacs) is secured by First Charge on all immovable assets of the Company excluding the immovable assets located at Aluminium Rolling Mill Unit, Haldia ,Assam Manufacturing unit and Land at Mehsana, Gujarat. The amount is further secured by way of creation of second charge on the moveable assets of the Company excluding the movable assets located at Aluminium Rolling Mill Unit, Haldia and Assam manufacturing Unit. In respect of the immovable properties at Kutch the First charge ranks pari passu with ICICI Bank for its Non Fund based Limit to the extent of ₹ 3500 lacs.

3.5 The Foreign Currency Term Loan is repayable in 3 equal instalments on 6th October 2012, 6th October 2013 & 6th January 2015.

(₹ in lacs)

31st March 2012	31st March 2011
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**4 DEFERRED TAX LIABILITIES (NET)**

a. Deferred Tax Liability		
Timing difference in depreciable assets	5,072.00	5,012.36
b. Deferred Tax Assets		
Expenses allowable against taxable income in future years	(247.00)	(337.36)
Net Deferred tax Liability (a-b)	<u>4,825.00</u>	<u>4,675.00</u>

(₹ in lacs)

31st March 2012	31st March 2011
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**5 LONG TERM PROVISIONS**

Provision for Employee Benefits	<u>604.69</u>	<u>505.90</u>
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(₹ in lacs)

31st March 2012	31st March 2011
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**6 SHORT TERM BORROWINGS**

Secured		
Loans repayable on Demand (Working Capital Loans)		
From Banks		
Foreign Currency Loan	2,981.84	4,633.45
Unsecured		
Other Loans and Advances		
From Banks		
Rupee Loan	<u>3,000.00</u>	<u>-</u>
	<u>5,981.84</u>	<u>4,633.45</u>

6.1 Working Capital loans amounting to ₹ 2,981.84 Lacs (Prev.Yr. ₹ 4,633.45 Lacs) are secured by way of creation of First Charge on the movable assets of the Company ranking pari passu with other Working Capital Banks excluding moveable assets at manufacturing unit at Kutch. The amount is further secured by creation of second charge on all immovable properties ranking pari passu with Working Capital Banks excluding immovable properties situated at Aluminium Rolling Mill Haldia, Manufacturing unit at Kutch and Land at Mehsana, Gujarat. Some of the credit facilities are further secured by personal guarantee of some of the promoter directors of the Company.

6.2 Other Loans and advances from banks include Commercial Paper of ₹ 3,000.00 Lacs (Previous Year ₹ Nil)

(₹ in lacs)

31st March 2012	31st March 2011
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**7 TRADE PAYABLES**

Micro, Small and Medium Enterprise *	25.96	10.32
Others	<u>27,453.02</u>	<u>24,969.51</u>
	<u>27,478.98</u>	<u>24,979.83</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

(₹ in lacs)

31st March 2012	31st March 2011
-----------------	-----------------

7.1 \* The details of amount outstanding to Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the company, are as under:

Sl.No.	Particulars		
1	Principal amount due and remaining unpaid	-	0.80
2	Interest due on (1) above and the unpaid interest	-	0.06
3	Interest paid on all delayed payments under the MSMED Act.	0.06	-
4	Payment made beyond the appointed day during the year	0.80	-
5	Interest due and payable for the period of delay towards payments already made	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

(₹ in lacs)

31st March 2012	31st March 2011
-----------------	-----------------

**8 OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debt		
Debentures	1,800.00	1,800.00
Term Loans	1,361.71	-
Deferred Payment Liabilities	72.00	66.17
Interest accrued but not due on borrowings	275.89	276.33
Unpaid dividends (Unclaimed)#	20.78	16.64
Money refundable on Public Issue allotment (Unclaimed)#	3.88	3.88
Creditors for Capital Expenditure	152.27	198.59
Income Received in advance	4.23	-
Other Payables *	1,384.08	920.26
	<u>5,074.84</u>	<u>3,281.87</u>

\* Other Payables includes Statutory Dues, Advances from Customers & Overdrawn Balances from banks.

# These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund.

(₹ in lacs)

31st March 2012	31st March 2011
-----------------	-----------------

**9 SHORT TERM PROVISIONS**

Provision for Employee Benefits	198.00	140.00
Proposed Dividend	-	1,638.35
Tax on Proposed Dividend	-	265.78
Others *	420.93	420.82
	<u>618.93</u>	<u>2,464.95</u>

\* Indicates excise duty on closing stock of Finished Goods.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**
**10 FIXED ASSETS**

(₹ in laos)

	GROSS BLOCK			Depreciation / Amortisation				NET BLOCK		
	As at 1st April 2011	Addition	Deletion/ Adjustment	As at 31st March 2012	As at 1st April 2011	Deductions/ Adjustments	For the Year	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
<b>Tangible Assets :</b>										
Land	189.14	-	-	189.14	-	-	-	-	189.14	189.14
Leasehold Land*	422.27	-	-	422.27	43.52	-	5.34	48.86	373.41	378.75
Building	8,715.21	42.09	-	8,757.30	1,988.99	-	290.06	2,279.05	6,478.25	6,726.22
Plant & Equipment	32,725.87	1,036.13	381.63	33,380.37	10,338.21	(45.25)	1,518.95	11,811.91	21,568.46	22,387.66
Electrical Installation	1,709.29	-	-	1,709.29	540.75	-	80.86	621.61	1,087.68	1,168.54
Electric Generator	692.94	-	-	692.94	271.57	-	32.21	303.78	389.16	421.37
Computers	378.94	14.11	-	393.05	296.75	(0.29)	22.55	319.01	74.04	82.19
Office Equipment	216.87	-	1.91	214.96	87.75	(0.33)	9.60	97.02	117.94	129.12
Furniture & Fixtures	288.22	25.47	0.54	313.15	156.19	(0.47)	13.65	169.37	143.78	132.03
Vehicles	1,110.31	164.59	5.44	1,269.46	569.53	(3.39)	84.62	650.76	618.70	540.78
<b>Total Tangible Assets</b>	<b>46,449.06</b>	<b>1,282.39</b>	<b>389.52</b>	<b>47,341.93</b>	<b>14,293.26</b>	<b>(49.73)</b>	<b>2,057.84</b>	<b>16,301.37</b>	<b>31,040.56</b>	<b>32,155.80</b>
<b>Intangible Assets :</b>										
Computer Software	177.36	-	-	177.36	101.22	-	34.02	135.24	42.12	76.14
<b>Total Fixed Assets</b>	<b>46,626.42</b>	<b>1,282.39</b>	<b>389.52</b>	<b>47,519.29</b>	<b>14,394.48</b>	<b>(49.73)</b>	<b>2,091.86</b>	<b>16,436.61</b>	<b>31,082.68</b>	<b>32,231.94</b>
<b>Previous Year</b>	<b>43,744.60</b>	<b>3,167.24</b>	<b>285.42</b>	<b>46,626.42</b>	<b>12,540.13</b>	<b>(160.91)</b>	<b>2,015.26</b>	<b>14,394.48</b>	<b>32,231.94</b>	<b>31,204.47</b>
<b>Capital Work in Progress</b>	<b>2,739.77</b>	<b>1,556.98</b>	<b>633.19</b>	<b>3,663.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,663.56</b>	<b>2,739.77</b>

\* Leasehold Land includes cost of 35 acre land at Haldia for which conveyance deed has not been executed.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**
**11 NON-CURRENT INVESTMENTS**

		(₹ in lacs)		
No of Shares/ Units	Face Value per Share/ Units Rs.	31st March 2012	31st March 2011	
<b>(i) Trade Investments</b>				
<b><u>Investment in Equity Instruments</u></b>				
<b>Quoted &amp; Fully Paid Up</b>				
United Spirits Ltd	47	10	0.09	0.09
Mansarovar Bottling Co. Ltd	5000	10	0.88	0.88
<b>Unquoted &amp; Fully Paid Up</b>				
Agro Co-Operative Urban Bank Ltd	300	100	0.30	0.30
<b>(ii) Other Investments</b>				
<b><u>Investment in Equity Instruments</u></b>				
<b>Unquoted &amp; Fully Paid Up</b>				
Singur - Haripal Rural Co-operative Society Ltd	90	10	0.01	0.01
AGR Capital Markets Ltd.	30000	10	6.00	6.00
Maxell Securities Limited	47500	10	4.75	4.75
<b><u>Investment in Government or Trust securities</u></b>				
<b>Unquoted &amp; Fully Paid Up</b>				
6 Years National Savings Certificates			0.54	0.54
<b><u>Investment in Equity Shares of Subsidiary Companies</u></b>				
<b>Unquoted &amp; Fully Paid Up</b>				
MINL Ltd	907,897,869	1.00 Niara	2,874.17	2,874.17
Dynatech Industries (Ghana) Ltd	843,961	10,000 Cedi	478.49	478.49
Mark Steels Ltd	3,000,000	10	300.00	300.00
Euroasian Ventures FZE	25	1,000,000 AED	3,239.27	3,239.27
Solex Chemicals Pvt Ltd	-	-	-	1.00
	(10,000)	(10)		
Manaksia Overseas Ltd	50,000	10	5.00	5.00
Manaksia Aluminium Co Ltd	50,000	10	5.00	5.00
Manaksia Ferro Industries Ltd	50,000	10	5.00	5.00
Manaksia Coated Metals & Industries Ltd.	50,000	10	5.00	5.00
Manaksia Steels Limited	50,000	10	5.00	5.00
Manaksia Industries Limited	50,000	10	5.00	-
	(-)			
Uni Metals FZE	1	64,000 AED	8.57	-
	(-)			
			6,943.07	6,930.50
<b>Aggregate amount of investments :</b>				
Quoted			0.97	0.97
Unquoted			6,942.10	6,929.53
Market Value of Quoted Investments			0.28	1.40

Note: 6 Years National Savings Certificates are lodged with Directorate of Commercial Taxes.

**12 LONG TERM LOANS & ADVANCES**

		(₹ in lacs)	
		31st March 2012	31st March 2011
<b>Unsecured Considered Good</b>			
Capital Advances		530.83	397.11
Security Deposits		264.57	377.00
		795.40	774.11

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

(₹ in lacs)

31st March 2012	31st March 2011
-----------------	-----------------

**13 INVENTORIES**

At Lower of Cost or Net Realisable Value

Raw Materials	10,907.35	11,464.32
Work-in-Process	5,150.27	6,842.70
Finished Goods	4,105.73	4,915.29
Stores & Spares	2,148.75	1,607.72

At Estimated Realisable Value

Scraps	385.51	224.61
	<u>22,697.61</u>	<u>25,054.64</u>

(₹ in lacs)

31st March 2012	31st March 2011
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**14 TRADE RECEIVABLES**

Unsecured

Considered Doubtful provided for :

Outstanding over six months	145.62	227.83
Less : Provision for Doubtful Debts	<u>145.62</u>	<u>227.83</u>
	-	-

Considered Good :

Outstanding over six months	1,162.43	2,973.84
Other Debts	<u>18,364.30</u>	<u>15,110.62</u>
	<u>19,526.73</u>	<u>18,084.46</u>

(₹ in lacs)

31st March 2012	31st March 2011
-----------------	-----------------

**15 CASH AND CASH EQUIVALENTS**

Balances with Banks	0.07	186.04
Fixed Deposits	3.44	98.06
Unclaimed Dividend & Unclaimed Public Issue Allotment Money	24.66	20.52
Cash on Hand	71.20	43.58
	<u>99.37</u>	<u>348.20</u>

Fixed Deposits are pledged with :

1. Bank as Margin Money against Bank Guarantee ₹ Nil (₹ 96.56 Lacs)
2. Commercial Tax Authorities ₹ 1.12 Lacs (₹ 1.12 Lacs)

(₹ in lacs)

31st March 2012	31st March 2011
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**16 SHORT-TERM LOANS AND ADVANCES**

Unsecured Considered Good

Loans and Advances to

Related Parties (Subsidiary)	4,962.12	4,585.20
Others	592.33	367.04

Balances with Statutory Authorities

Advance Income Tax (Net of Provision)	1,282.32	1,002.30
Other Current Assets *	<u>5,364.13</u>	<u>3,403.85</u>
	<u>16,723.11</u>	<u>13,025.48</u>

\* Other Current Assets includes, primarily, Prepaid Expenses, Advance to Creditors & Advance to Staff

**16.1 ADDITIONAL DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT**

(₹ in lacs)

Rate of Interest	31st March 2012	31st March 2011	Maximum Balance Outstanding During the F.Y 2011-12
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**LOANS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES**

Mark Steel Ltd.-Indian Subsidiary	Interest Free	NIL	174.00	524.00
Euroasian Ventures FZE-Foreign Subsidiary	5%p.a.	4,962.12	4,411.20	4962.12



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

	(₹ in lacs)	
	2011-2012	2010-2011
<b>17 REVENUE FROM OPERATIONS</b>		
Sale of Products	113,371.58	97,246.56
Income from Services	175.06	175.95
	113,546.64	97,422.51
Less : Excise Duty & Service Tax	5,132.97	4,224.39
	108,413.67	93,198.12

	(₹ in lacs)	
	2011-2012	2010-2011
<b>17.1 PARTICULARS OF SALE OF PRODUCTS</b>		
<b>Packaging Products</b>	11,864.80	12,516.73
Mosquito Coil	9,709.66	6,860.22
Metal Products	89,889.79	75,377.78
Others	1,907.33	2,491.83
	113,371.58	97,246.56

	(₹ in lacs)	
	2011-2012	2010-2011
<b>18 OTHER INCOME</b>		
Income from Long Term Investment :		
Dividend From Subsidiary Company	3,967.39	273.65
[Withholding Tax ₹ 280.65 Lacs (₹ 27.82 Lacs)]		
Income from Current Investment :		
Tax Free Dividends From Mutual Funds	38.18	43.88
Net Gain on Sale of Fixed Assets	(0.72)	5.79
Net Gain on Sale of Mutual Fund	-	140.53
Interest Income		
From Banks	3.81	11.77
From Others	838.29	248.40
[T.D.S. ₹ 58.25 Lacs (₹ 16.49 Lacs)]		
Net Gain on sale of Shares of Subsidiary Company	723.93	(560.50)
Miscellaneous Income	33.10	219.70
Other Non Operative Income	103.57	69.54
	5,707.55	452.76

	(₹ in lacs)	
	2011-2012	2010-2011
<b>19 COST OF MATERIALS CONSUMED</b>		
Opening Stock	11,464.32	6,783.34
Add : Purchases & Procurement Expenses	80,494.23	76,107.18
Less : Closing Stock	10,907.35	11,464.32
	81,051.20	71,426.20

	(₹ in lacs)	
	2011-2012	2010-2011
<b>19.1 PARTICULARS OF MATERIALS CONSUMED</b>		
Metals	75,955.31	67,044.71
Others	5,095.89	4,381.49
	81,051.20	71,426.20

	(₹ in lacs)	
	2011-2012	2010-2011
<b>19.2 PARTICULARS OF CLOSING STOCK OF WIP</b>		
Packaging Products	1,027.80	1,344.14
Mosquito Coil	192.53	291.32
Metal Products	3,068.44	4,575.62
Others	861.50	631.62
	5,150.27	6,842.70

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

	(₹ in lacs)	
	2011-2012	2010-2011
<b>20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock :		
Finished Goods	4,915.29	2,872.33
Work in Progress	6,842.70	4,529.95
Scrap	224.61	334.41
	11,982.60	7,736.69
Less :		
Closing Stock :		
Finished Goods	4,105.73	4,915.29
Work in Progress	5,150.27	6,842.70
Scrap	385.51	224.61
	9,641.51	11,982.60
	2,341.09	(4,245.91)

	(₹ in lacs)	
	2011-2012	2010-2011
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries,Wages and Bonus	2,808.78	2,257.69
Contribution to Provident and Other Funds	256.50	240.18
Staff Welfare Expenses	759.24	717.02
	3,824.52	3,214.89

	(₹ in lacs)	
	2011-2012	2010-2011
<b>21.1 Disclosure as per Accounting Standard 15 "Employee Benefits"</b>		
Provision for Employee Benefits	604.69	505.90

**Employee Benefits**
**i) Defined contribution Plan**

Contribution to defined contribution plan, recognized are charged of during the year as follows:

Employees' contribution to Provident Fund	205.47	127.58
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**ii) Defined benefit plan**

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**a) Reconciliation of opening and closing balances of defined obligation:**

1) Defined benefit obligation at the beginning of the year	505.90	412.59
2) Current service cost	57.20	47.77
3) Interest cost	43.00	34.04
4) Actuarial (gain) / loss	21.83	63.05
5) Benefit paid	(23.24)	(51.55)
6) Defined benefit obligation at the year end	604.69	505.90

**b) Reconciliation of fair value assets and obligations:**

1) Fair value of plan assets as at 31st March 2012	Nil	Nil
2) Present value of obligations as at 31st March 2012	604.69	505.90
3) Amount recognized in balance sheet	604.69	505.90

**c) Expenses recognized during the year (under the Note "Employee Benefits Expense")**

1) Current service cost	57.20	47.77
2) Interest cost	43.00	34.04
3) Actuarial (gain) / Loss	21.83	63.05
4) Net amount	122.03	144.86

**d) Actuarial assumptions**

1) Mortality table	LIC	LIC
2) Discount rate (per annum)	8.50%	8.50%
3) Rate of escalation in salary (per annum)	5%	5%
4) Expected average remaining working lives of employees(years)	19.43	19.87

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

	(₹ in lacs)	
	2011-2012	2010-2011
<b>22 FINANCE COST</b>		
Interest Expenses		
To Financial Institutions / Banks		
On Debentures	657.63	717.00
On Fixed Loans	366.38	326.00
On Others	1,711.84	1,748.77
Other Borrowing Cost	466.72	354.86
	3,202.57	3,146.63

	(₹ in lacs)	
	2011-2012	2010-2011
<b>23 OTHER EXPENSES</b>		
Consumption of Stores and Consumables		
Indigenous	1,005.27	1,030.71
Imported	64.91	70.08
Power & Fuel	4,749.14	3,817.08
Processing Charges	819.02	321.12
Clearing Charges	226.39	333.00
Carriage Inward	469.47	664.61
Lease Rent	0.30	5.87
Repairs to:		
Building	117.56	229.60
Machinery	524.88	592.02
Others	59.63	76.43
Other Manufacturing Expenses	543.97	363.95
Rent	91.68	96.21
Insurance	72.47	100.09
Rates & Taxes	312.32	101.36
Excise Duty on Stocks *	0.12	208.04
Packing Expenses	2,551.87	2,071.17
Freight, Forwarding and Handling Expenses	2,790.58	2,554.37
Communication Expenses	118.98	112.82
Travelling & Conveyance	624.49	606.84
Bad Debt	-	0.08
Provision for Doubtful Debt	0.10	5.09
Auditors' Remuneration		
Audit Fees	17.00	17.00
Tax Audit Fees	3.00	3.00
Donations	40.99	84.09
Commission	86.94	80.35
Other Miscellaneous Expenses	1,270.22	1,326.54
Prior Period Items	(36.04)	(107.81)
Director's Remuneration		
Salary	39.24	15.79
Meeting Fees	6.03	9.68
Perquisites	1.50	-
	16,572.03	14,789.18

\*Excise duty on stocks represents differential excise duty on opening and closing stock of Finished Goods.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

Balance as on	
31st March 2012	31st March 2011
(₹ in lacs)	(₹ in lacs)

**24 CONTINGENT LIABILITIES AND COMMITMENTS**
**I) Contingent Liabilities**
**A) Claims against the company/disputed liabilities not acknowledged as Debts**

1) Excise duty demands under appeal	600.95	540.43
2) Sales tax and Entry tax demand under appeal.	98.73	409.86
3) Income tax demands under appeal.	73.53	73.73
4) Excise duty liability on goods exported pending submission of proof of export.	27.50	35.83
5) Custom Duty	15.15	15.15
6) Service Tax	51.92	51.92
7) Municipal Tax	49.99	67.90
8) Demand by Haldia Development Authority towards Land Premium	332.50	332.50
9) Stamp Duty for Registration of Land	49.45	49.45

**B) Guarantees**

1) Guarantees in favour of banks/institutions against facilities granted to subsidiaries	4,730.91	14,846.13
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**II) Commitments**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	40.00	58.98
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(₹ in lacs)	
31st March 2012	31st March 2011

**25 Earnings per share (EPS)**

<b>Profit as per Profit &amp; Loss Account</b>	731.07	2,925.92
Exceptional Items	3,945.87	(700.97)
<b>Profit before Exceptional Items</b>	4,676.94	2,224.95
<b>Weighted average number of equity shares</b>	65,534,050	67,627,334
Nominal value per equity share (₹)	2	2
Basic and diluted earning per share (EPS)		
EPS after Exceptional items (₹)	1.12	4.33
EPS before Exceptional items (₹)	7.14	3.29

**26 Financial and Derivative Instruments :-**

- a) Derivative contracts entered into by the company and outstanding as on 31st March 2012
- 1) For hedging Interest rate related risk - (LIBOR Hedging) on Loan balance of USD 7.5 Million (P. Y USD7.50 Million)
  - 2) For hedging commodity related risks in Metals - Futures 1850MT (Previous Year 625MT)
- b) Foreign currency loans that are not hedged USD 29.91 Million (Previous Year USD 31.50 Million)

**27 Information pursuant to the provisions of Clause viii of the General Instructions for preparation of statement of profit and loss of the revised Schedule VI to the Companies Act, 1956.**

(₹ in lacs)	
31st March 2012	31st March 2011

**a) CIF value of import**

Capital goods	6.38	402.64
Raw materials, components and other purchases	62,989.47	51,189.98
Spares parts and chemicals.	615.37	352.68

**b) Expenditure in foreign currencies :**

Bank Charges	2.68	5.20
Commission	22.29	18.02
Foreign Travel	49.77	54.87
Interest on Loans From Banks & Financial Institutions	1,221.08	809.06
Consultancy Fees	-	4.54
Others	29.00	29.93

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

	2011-2012		2010-2011	
	(₹ in lacs)	%	(₹ in lacs)	%
<b>c) Value of Raw Materials, Components and Spare Parts Consumed</b>				
1) Raw Materials				
Indigenous	19,125.33	23.60	22,467.70	31.46
Imported	61,925.87	76.40	48,958.50	68.54
	81,051.20	100	71,426.20	100
2) Stores & Spare Parts				
Indigenous	1,005.27	93.93	1,030.71	93.63
Imported	64.91	6.07	70.08	6.37
	1,070.18	100	1,100.79	100

(₹ in lacs)	
31st March 2012	31st March 2011

**d) Amount remitted in Foreign Currency towards dividend :**

i) Number of Non Resident Shareholders	272	304
ii) Ordinary Shares Held	386,771	547,520
iii) Amount remitted and/or paid in Indian Currency (₹ in lacs)	9.67	13.14
iv) Year to Which Dividend Relates	2010-2011	2009-2010

**e) Earnings in foreign exchange :**

Export of Goods & Services (F.O.B. Value Including Freight Realised)	59,786.85	55,001.90
Interest Income from Subsidiary Co.	246.72	80.15
Dividend Income from Subsidiary Co.	3,967.39	273.65

**28 RELATED PARTY DISCLOSURES:**

a.

Name of the Party	Relationship
MINL Ltd. Dynatech Industries Ghana Ltd. Euroasian Ventures FZE Euroasian Steels LLC (Subsidiary of Euroasian Ventures FZE) Mark Steels Ltd Jebba Paper Mills Ltd (Subsidiary of MINL Ltd) Manaksia Aluminium Co Ltd Manaksia Coated Metals & Industries Ltd Manaksia Ferro Industries Ltd Manaksia Overseas Ltd Manaksia Steel Limited Manaksia Industries Ltd * Uni Metals FZE ** Solex Chemicals Pvt Ltd ***	Subsidiary Companies
Arena Machineries Ltd. Solex Chemicals Pvt Ltd ****	Associates
Mr. Basant Kumar Agrawal Mr. Suresh Kumar Agrawal Mr. Sushil Kumar Agrawal Mr. Sunil Kumar Agrawal Mr. Debarata Guha	Key Management Personnel
Mr Aditya B Manaksia Mr. B D Agrawal Ms Vishakha Agrawal Mr M P Agrawal Mr Vineet Agrawal Mr Karan Agrawal Mr Anirudha Agrawal Ms Prachi Agrawal	Relatives of Key Management Personnel

\* Became subsidiary w.e.f. 01.04.2011

\*\* Incorporated as Subsidiary w.e.f 03.10.2011

\*\*\* Ceased To be a Subsidiary w.e.f 18.08.2011

\*\*\*\* Ceased To be an Associates w.e.f 22.03.2012

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**
**b.Transactions during the year with related parties**

Nature of Transactions					(₹ in lacs)
	Subsidiaries	Associates	Key Management Personnel	Relatives	Total
<b>1.Purchase of Goods/Services from</b>					
MINL Ltd.	2,311.35				2,311.35
	(1,948.25)				(1,948.25)
Dynatech Industries Ghana Ltd.	-				-
	(85.12)				(85.12)
Euroasian Ventures FZE	41.43				41.43
	(310.52)				(310.52)
Arena Machineries Ltd		186.81			186.81
		(141.16)			(141.16)
Solex Chemicals Pvt Ltd		0.59			0.59
		-			-
Uni Metals FZE	4.95				4.95
	-				-
Euroasian Steels LLC	-				-
	(91.70)				(91.70)
<b>2.Sale of Goods to</b>					
MINL Ltd.	43,667.70				43,667.70
	(42,032.57)				(42,032.57)
Arena Machineries Ltd		122.37			122.37
		(99.87)			(99.87)
Dynatech Industries Ghana Ltd.	10,385.36				10,385.36
	(7,842.02)				(7,842.02)
Mark Steels Ltd	9.65				9.65
	(25.48)				(25.48)
Euroasian Ventures FZE	360.66				360.66
	-				-
Euroasian Steels LLC	-				-
	(27.45)				(27.45)
Jebba Paper Mills Ltd	383.17				383.17
	(291.33)				(291.33)
<b>3.Sale of Fixed Assets to</b>					
Arena Machineries Ltd		14.79			14.79
		-			-
<b>4.Sale of Shares</b>					
				(5.02)	(5.02)
<b>5.Purchase of Shares</b>					
			2.20	2.80	5.00
			(7.26)	(17.74)	(25.00)
<b>6.Finance (including loans &amp; equity contributions, advances, in cash or kind) given/repaid (Net)</b>					
Mark Steels Ltd	174.00				174.00
	(100.00)				(100.00)
Euroasian Ventures FZE	1,448.57				1,448.57
	(4,445.06)				(4,445.06)
Uni Metals FZE	24.82				24.82
	-				-
<b>7.Dividend, Interest &amp; Rent Income</b>					
MINL Ltd.	3,967.39				3,967.39
	(273.65)				(273.65)
Euroasian Ventures FZE	246.72				246.72
	(80.15)				(80.15)
Solex Chemicals Pvt Ltd		23.45			23.45
		-			-
<b>8.Security Deposit</b>					
Solex Chemicals Pvt Ltd		34.66			34.66
		-			-
<b>9.Remuneration</b>					
			40.74	12.03	52.77
			(18.32)	(11.90)	(30.22)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

(₹ in lacs)					
Nature of Transactions	Subsidiaries	Associates	Key Management Personnel	Relatives	Total
<b>10.Amount Due from as on 31st March, 2012</b>					
MINL Ltd.	7,434.71				7,434.71
	(5,770.84)				(5,770.84)
Dynatech Industries Ghana Ltd.	1,286.49				1,286.49
	(2,003.20)				(2,003.20)
Euroasian Ventures FZE	7,658.87				7,658.87
	(6,226.56)				(6,226.56)
Mark Steels Ltd	293.69				293.69
	(459.28)				(459.28)
Arena Machinerics Ltd		364.35			364.35
		(227.19)			(227.19)
Euroasian Steels LLC	11.91				11.91
	(27.45)				(27.45)
Uni Metals FZE	4.80				4.80
	-				-
Jebba Paper Mills Ltd	96.54				96.54
	(56.84)				(56.84)
<b>11.Amount Due to as on 31st March,2012</b>					
MINL Ltd.	69.00				69.00
	(382.22)				(382.22)
Solex Chemical Pvt Ltd		34.66			34.66
		-			-

Notes :

- i) No amount pertaining to the related parties have been written off or written back during the year. Transactions have taken place on arm's length basis.
- ii) No provision for doubtful debts is required to be made for the year in respect of debt due from related parties
- iii) The related party relationship is as identified by the Company and relied upon by the auditors.

(₹ in lacs)	
31st March 2012	31st March 2011

**29. Prior Period Items :**
**Expenditure :-**

Carriage Inward	0.45	3.79
Communication Expenses	0.31	1.19
Courier Charges	0.94	
Discount	1.18	
Excise Duty		0.41
Exchange Fluctuation	6.41	
Gratuity		3.28
Interest Charge To Others	0.05	0.01
Material	5.43	-
Non-extinguishment fees	0.70	
Other Miscellaneous Expenses	3.11	1.15
Processing Charges		0.01
Professional Charges	2.45	
Repairs To Electricals		0.16
Repairs To Machinery	0.99	0.59
Salaries,Wages and Bonus	2.58	
Sales		6.84
Sales Promotion	1.14	
Service Tax	34.00	-
Travelling & Conveyance	2.01	5.23
Vehicle Upkeep	3.13	2.18
	<b>64.88</b>	<b>24.84</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2012**

	(₹ in lacs)	
	31st March 2012	31st March 2011
<b>Income :-</b>		
Balance Written off	0.09	
Carriage Inward	3.38	
Commission		5.13
Communication Expenses	0.03	
Consumption Of Stores And Consumables		0.03
Capital Expenditure	26.18	
Interest(Bank)	0.36	-
Power & Fuel		64.68
Professional Charges	1.59	
Profit/Loss on DEPB	0.68	
Provision for Bad Debt Written Off	42.45	39.01
Rent		0.86
Salaries,Wages And Bonus	3.73	6.17
Service Charges	16.81	
Service Tax		1.31
Subscription Charges	4.52	
Travelling & Conveyance	0.77	
Welfare Expenses written back	0.33	15.46
	<b>100.92</b>	<b>132.65</b>
<b>TOTAL(NET)</b>	<b>(36.04)</b>	<b>(107.81)</b>

30. As per the Accounting Standard on Segment Reporting (AS-17), segment information has been provided in the Notes to the Consolidated Financial Statements.

31. Due to unexpected depreciation in the value of Rupee against the US Dollar and other foreign currencies resulting from exceptionally volatile global market developments during the current year, the loss arising out of foreign exchange fluctuations and on restatement of foreign currency monetary items have been considered as exceptional item and disclosed separately.

32. The Ministry Of Corporate Affairs, Government of India, Vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statement.

33. The Company has exercised the option as per the notification Dated 29 December 2011 of the Ministry of Corporate Affairs, Government of India, relating to the effects of Changes in Foreign Exchange Rates. The amount remaining to be amortised in subsequent periods is ₹ 311.00 Lacs.

34. Figures in bracket indicates Previous Year figures.

35. Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to confirm to the current year presentation.

**In terms of our Report of even date**

**For SRB & Associates**  
Chartered Accountants  
FRN No. 310009E

**Sd/-**  
Sanjeet Patra  
(Partner)  
Membership No. 56121

Kolkata  
Dated : 30th May 2012

**For and on Behalf on the Board**

**Sd/-**  
R N Sengupta  
Chairman

**Sd/-**  
B K Agrawal  
Managing Director

**Sd/-**  
Anubhav Maheshwari  
Company Secretary



# CONSOLIDATED AUDITORS' REPORT

## AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MANAKSIA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MANAKSIA LIMITED AND ITS SUBSIDIARY COMPANIES.

We have examined the attached Consolidated Balance Sheet of Manaksia Limited and its Subsidiaries as at 31<sup>st</sup> March 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended.

These consolidated financial statements are the responsibility of the management of Manaksia Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence, supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the Financial Statements of the subsidiary companies, MINL Ltd, Nigeria, Jebba Paper Mills Ltd, Nigeria, Dynatech Industries Ghana Ltd., Ghana, Euroasian Ventures FZE, UAE, Euroasian steels LLC, Georgia, UNIMetals FZE, Dubai and Indian Subsidiaries Manaksia Overseas Limited, Manaksia Aluminium Company Limited, Manaksia Ferro Industries Limited, Manaksia Coated Metals & Industries Limited, Manaksia Steels Limited, Mark Steels Limited, whose financial statements reflect total assets of ₹ 129,988.56 Lacs as at 31<sup>st</sup> March, 2012 and total revenues of ₹ 149,214.81 Lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts in respect of these subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Manaksia Limited and its subsidiary companies included in the aforesaid consolidation.

In our opinion, based on our audit and the report of other auditors, the consolidated financial position of Manaksia Limited and its subsidiaries as at 31<sup>st</sup> March, 2012 and of the results of their operations and Cash Flows for the year then ended are in conformity with generally accepted accounting principles in India.

**For SRB & Associates  
Chartered Accountants**

FRN:310009E

Sd/-

**Sanjeet Patra  
(Partner)**

M. No. 056121

Place: Kolkata

Date: 30<sup>th</sup> May, 2012

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012**

(₹ in lacs)

Particulars	Note No.	31st March 2012	31st March 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	1	1,310.68	1,310.68
(b) Reserves and Surplus	2	108,283.83	97,852.43
		109,594.51	99,163.11
<b>Minority Interest</b>		234.99	278.91
<b>Foreign Currency Monetary Item Translation Account</b>		(311.00)	-
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	3	17,000.06	17,938.83
(b) Deferred tax liabilities (Net)	4	5,520.00	5,376.97
(c) Long term provisions	5	604.69	357.21
		23,124.75	23,673.01
<b>Current Liabilities</b>			
(a) Short-term borrowings	6	19,563.61	25,438.53
(b) Trade payables	7	35,988.88	33,192.68
(c) Other current liabilities	8	13,320.35	11,821.58
(d) Short-term provisions	9	848.63	2,493.28
		69,721.47	72,946.07
<b>Total</b>		<b>202,364.72</b>	<b>196,061.10</b>
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	65,547.74	61,204.86
(ii) Intangible assets	10	42.47	76.14
(iii) Capital work-in-progress	10	24,153.36	21,298.96
(b) Non-current investments	11	17.04	17.02
(c) Long Term Loans & Advances	12	796.10	774.11
		90,556.71	83,371.09
<b>Current assets</b>			
(a) Inventories	13	46,766.85	53,080.27
(b) Trade receivables	14	27,149.16	19,526.24
(c) Cash and cash equivalents	15	3,110.35	4,580.11
(d) Short-term loans and advances	16	34,781.65	35,503.39
		111,808.01	112,690.01
<b>Total</b>		<b>202,364.72</b>	<b>196,061.10</b>

**Significant Accounting Policies  
Notes To The Financial Statements**

1-33

In terms of our Report of even date

For and on Behalf on the Board

Sd/-  
**For SRB & Associates**  
Chartered Accountants  
FRN No. 310009E

Sd/-  
**R N Sengupta**  
Chairman

Sd/-  
**B K Agrawal**  
Managing Director

Sd/-  
Sanjeet Patra  
**(Partner)**  
Membership No. 56121

Sd/-  
**Anubhav Maheshwari**  
Company Secretary

Kolkata  
Dated : 30th May 2012

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

(₹ in lacs)			
Particulars	Note No.	2011-2012	2010-2011
<b>Income</b>			
Revenue from operations	17	194,379.85	143,327.55
Other Income	18	2,169.35	388.43
<b>Total Revenue</b>		<b>196,549.20</b>	<b>143,715.98</b>
<b>Expenses</b>			
Cost Of Materials Consumed (including trading goods)	19	121,130.33	94,736.78
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade	20	3,047.13	(7,760.41)
Employee Benefit Expense	21	7,976.49	4,820.06
Finance Cost	22	5,927.34	4,796.30
Depreciation And Amortization Expense	10	8,322.01	5,852.34
Other Expenses	23	34,254.38	28,573.59
<b>Total Expenses</b>		<b>180,657.68</b>	<b>131,018.66</b>
<b>Profit before exceptional items and tax</b>		<b>15,891.52</b>	<b>12,697.32</b>
<b>Exceptional Items</b>			
Exchange Fluctuation	31	3,622.00	40.16
<b>Profit before tax</b>		<b>12,269.52</b>	<b>12,657.16</b>
Tax Expense			
Current Tax		332.17	1,121.37
Deferred Tax		143.03	203.45
Short/(Excess) Provision for Taxation for Earlier Years		9.97	59.73
<b>Profit before Minority Interest</b>		<b>11,784.35</b>	<b>11,272.61</b>
Add: Share of Loss Transfer to Minority Interest		113.59	-
<b>Profit for the year</b>		<b>11,897.94</b>	<b>11,272.61</b>
<b>Basic and diluted Earnings per equity share of face value of ₹ 2 each.</b>			
<b>EPS after exceptional items</b>		₹ 18.16	₹ 16.67
<b>EPS before exceptional items</b>		₹ 23.68	₹ 16.73

Significant Accounting Policies  
Notes To The Financial Statements

1-33

In terms of our Report of even date

For and on Behalf on the Board

For SRB & Associates  
Chartered Accountants  
FRN No. 310009E

Sd/-  
R N Sengupta  
Chairman

Sd/-  
B K Agrawal  
Managing Director

Sd/-  
Sanjeet Patra  
(Partner)  
Membership No. 56121

Sd/-  
Anubhav Maheshwari  
Company Secretary

Kolkata  
Dated : 30th May 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

(₹ in lacs)

PARTICULARS	31st March 2012	31st March 2011
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax :	12,269.52	12,657.16
Adjustment for:		
Depreciation/ Amortisation	8,322.01	5,852.34
Provision for Doubtful Debts / (written back)	0.10	5.09
Profit on sale of Investment	-	(140.53)
Finance Cost & Interest (Net)	5,305.12	4,535.27
Profit on Fixed Assets Sold / Discarded (Net)	(1.38)	(2.64)
Prior Period & Exceptional Items (Net)	(36.04)	(107.81)
Amortisation of Foreign Currency Monetary Translation A/c	-	(93.69)
Dividend Income	(38.18)	(43.90)
<b>Operating Profit before Working Capital Changes</b>	<b>25,821.15</b>	<b>22,661.29</b>
Adjustment for:		
Change in Trade & Other Receivables	(8,900.91)	(8,824.44)
Change in Inventories	6,313.42	(17,673.00)
Change in Trade & Other Payable	4,924.58	4,772.60
<b>Cash Generated from Operations</b>	<b>28,158.24</b>	<b>936.45</b>
Direct Taxes Paid	404.47	(1,120.93)
Cash Flow before Prior Period & Exceptional items	28,562.71	(184.48)
Prior Period & Exceptional Items (Net)	36.04	107.81
<b>Net Cash Flow from Operating Activities</b>	<b>28,598.75</b>	<b>(76.67)</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets and change in Capital work in progress	(17,499.63)	(12,878.42)
Sale of Fixed Assets	363.82	6,809.51
Purchase of Investments	(0.02)	(0.20)
Sale of Investments	-	2,740.53
Movement in Loans & advances	21.99	(774.11)
Interest Received	563.97	244.54
Dividend Received	38.18	43.90
<b>Net Cash Flow from/(Used in) Investing Activities</b>	<b>(16,511.69)</b>	<b>(3,814.25)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Buy back of shares	-	(4,014.11)
Repayment of Long Term Borrowings (Net)	139.37	11.23
(Repayment of ) / Proceeds from Short Term Borrowings (Net)	(5,874.92)	11,581.09
Payment of Dividend on Equity Shares	(1,634.21)	(1,609.81)
Dividend Tax Paid	(265.78)	(267.66)
Interest etc. Paid	(5,921.28)	(4,806.22)
<b>Net Cash Flow From/(Used in ) Financing Activities</b>	<b>(13,556.82)</b>	<b>894.52</b>
<b>D: Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(1,469.76)</b>	<b>(2,996.40)</b>
<b>Cash and Cash Equivalents as at 1st April</b>	<b>4,580.11</b>	<b>7,576.51</b>
<b>Cash and Cash Equivalents as at 31st March</b>	<b>3,110.35</b>	<b>4,580.11</b>

Note: Previous year's figures have been rearranged and regrouped wherever necessary.

For and on Behalf on the Board

For SRB & Associates  
Chartered Accountants  
FRN No. 310009E

Sd/-  
R N Sengupta  
Chairman

Sd/-  
B K Agrawal  
Managing Director

Sd/-  
Sanjeet Patra  
(Partner)  
Membership No. 56121

Sd/-  
Anubhav Maheshwari  
Company Secretary

Kolkata  
Dated : 30th May 2012

## **SIGNIFICANT ACCOUNTING POLICIES**

### **i) Basis of Preparation of Financial Statements**

The financial statements are prepared under the Historical cost convention method, using the accrual system of accounting in accordance with the Generally Accepted Accounting Principles in India & the requirements of the Companies Act, 1956, including the Notified Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.

### **ii) Revenue Recognition**

Revenue from sale of goods and services rendered is recognized upon transfer of title and rendering of services to the customers.

### **iii) Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of duties ( net of CENVAT/VAT), taxes, borrowing costs directly attributable to acquisition, incidental expenses and erection /commissioning etc., upto the date, the asset is ready for its intended use.

### **iv) Impairment of Assets**

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factor. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the assets. The estimated cash flows considered for determining the value in use, are discounted to the present value at weighted average cost of capital.

### **v) Foreign Currency Transactions**

#### **a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **b) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### **c) Exchange Differences**

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

### **vi) Depreciation**

- a) Depreciation on all Fixed Assets is provided under Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956
- b) Depreciation includes amortisation of leasehold land over the period of lease.
- c) Depreciation is provided on prorata basis on additions and deletions of Fixed Assets during the year except for assets costing ₹ 5000/- or less on which 100% Depreciation is provided.
- d) Depreciation on individual items of plant and machinery costing ₹ 5000/- or less is being provided at normal applicable rates, whenever aggregate cost of such items constitute more than 10% of the total cost of plant and machinery in accordance with amendments to Schedule XIV to the Companies Act, 1956 vide Notification No. GSR No. 101(E) dated 01.03.1995.
- e) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- f) Computer software costs capitalised are amortised using the Straight Line Method over estimated useful life of 5 years, as estimated at the time of capitalisation.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **vii) Investments**

Long term Investments are stated at Cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment. Investments in foreign companies are considered at the exchange rates prevailing on the date of their acquisition. Current investments are carried at lower of cost or fair value of each investment. Short term Investments in liquid fund scheme of mutual funds have been stated at their NAV on year end date or purchase price whichever is less.

### **viii) Inventories**

Inventories are valued as under –

a) Raw materials, Finished goods, Stock in trade, Work in process, Packing materials and stores & spares are valued at lower of cost and net realisable value. Closing stock has been valued on Weighted Average basis.

b) Saleable scraps, whose cost is not identifiable, are valued at estimated realisable value.

### **ix) Research & Development**

Research and development expenditure of revenue nature are charged to Profit & Loss Account, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred.

### **x) Employee Benefits**

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related services is rendered.

ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account/Project Development Expenditure Account.

### **xi) Earning per Share**

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **xii) Excise Duty and Custom Duty**

Excise duty on finished goods stock lying at factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods as on the Balance Sheet date. Custom duty on imported material in transit / lying in bonded warehouse is accounted for at the time, the same are released from Customs/ Bonded warehouse.

### **xiii) Financial Derivatives and Commodity Hedging Transactions**

In respect of derivative contracts, premium paid, gains/losses on settlement and provision for losses for cash flow hedges are recognised in the Profit and Loss Account, except in case where they relate to borrowing costs that are attributable to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

### **xiv) Borrowing Costs**

Borrowing Costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **xv) Taxation**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

### **xvi) Segment Reporting**

#### **a) Identification of segments**

The company has identified its business segments as the primary segments . The company's businesses are organized and managed separately according to the nature of products/ services, with each segment representing a strategic business unit that offers different product / services and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the company are located.

#### **b) Allocation of Common Costs**

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head " Unallocated".

The accounting policies adopted for segment reporting are in line with those of the Company.

### **xvii) Lease Assets**

The Company's significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements which are not non-cancellable and range between 1 year to 3 years generally and are renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Lease rent under Note 23.

### **xviii) Sales**

- a) Sales includes trade sales.
- b) Gross Sales include applicable taxes unless separately charged and are net of discount.
- c) Sales are recognised on despatch except consignment sales which are recognised on receipt of statement of accounts from the agent.

### **xix) Prior Period Expenses/Income**

Material items of prior period expenses/income are disclosed separately.

### **xx) Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

(₹ in lacs)

**1 SHARE CAPITAL**
**Authorised :**

	31st March 2012	31st March 2011
70,000,000 (70,000,000) Equity Shares of ₹ 2/- each	1,400.00	1,400.00
1,250,000 (1,250,000) Preference Shares of ₹ 20/- each	250.00	250.00
	<b>1,650.00</b>	<b>1,650.00</b>

**Issued, Subscribed & Paid up**

65,534,050 (65,534,050) Equity Shares of ₹ 2/- each fully paid up	1,310.68	1,310.68
	<b>1,310.68</b>	<b>1,310.68</b>

1.1 Details of aggregate number of shares, allotted without payment being received in cash, allotted as bonus shares and bought back, if any, for the period of five years immediately preceding the Balance Sheet date:

4,000,000 (P.Y 4,000,000) Equity Shares of Face Value of ₹ 2/- each were bought back and extinguished.

**1.2 Shareholders holding more than 5% shares**

Name of the Shareholder	No. Of Shares	
	31st March 2012	31st March 2011
Basant Kumar Agrawal	3,383,130	5,366,060
Suresh Kumar Agrawal	8,127,010	5,643,000
Mahabir Prasad Agrawal	4,172,515	1,964,925
Basudeo Agrawal	8,224,385	5,774,625

**1.3 Reconciliation of number of shares outstanding is set out below:**

	31st March 2012	31st March 2011
	No of Shares	No of Shares
Equity Shares at the beginning of the period	65,534,050	69,534,050
Less: Shares cancelled on Buy- Back of Equity Shares	-	4,000,000
<b>Equity Shares at the end of the period</b>	<b>65,534,050</b>	<b>65,534,050</b>

**1.4 Terms/Rights attached to each class of shares**
**Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in lacs)

**2 RESERVES & SURPLUS**
**Capital Reserve**

As per last Balance Sheet	128.68	128.68
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**Investment Subsidy**

As per last Balance Sheet	89.58	89.58
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**Amalgamation Reserve**

As per last Balance Sheet	123.45	123.45
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**Exchange Fluctuation Reserve**

As per last Balance Sheet	-	200.00
Less: Transfer to Profit & Loss A/c during the Year	-	200.00
	-	-

**Securities Premium**

As per last Balance Sheet	18,983.55	22,917.66
Less : Premium paid on Buy Back of Shares	-	3,934.11
	<b>18,983.55</b>	<b>18,983.55</b>



**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

(₹ in lacs)

	31st March 2012	31st March 2011
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	317.40	237.40
Add : Created during the year on Buy-Back	-	80.00
	<u>317.40</u>	<u>317.40</u>
<b>Debenture Redemption Reserve</b>		
As per last year Balance Sheet	1,350.00	450.00
Add : Created during the year	150.00	900.00
	<u>1,500.00</u>	<u>1,350.00</u>
<b>General Reserve</b>		
As per last Balance Sheet	28,766.73	28,247.23
Add : Created during the year	(1,466.55)	232.70
Add: Provision for Dividend on Shares Cancelled Written Back	-	66.80
Less: Transfer to Capital Redemption Reserve Account	-	80.00
Add : Transfer from Profit & Loss A/c	-	300.00
	<u>27,300.18</u>	<u>28,766.73</u>
<b>Surplus</b>		
As per last Balance Sheet	48,093.05	39,724.57
Add : Profit for the year	11,897.94	11,272.61
	<u>59,990.99</u>	<u>50,997.18</u>
Less : Appropriations		
Transfer to General Reserve	-	300.00
Transfer to Debenture Redemption Reserve	150.00	900.00
Dividend on Equity Shares	-	1,638.35
Tax on Dividend	-	265.78
Add : Transfer from Exchange Fluctuation Reserve	-	200.00
	<u>59,840.99</u>	<u>48,093.05</u>
	<u>108,283.83</u>	<u>97,852.43</u>

(₹ in lacs)

	31st March 2012		31st March 2011	
	Non-Current	Current	Non-Current	Current
<b>3 LONG TERM BORROWINGS</b>				
<b>Secured</b>				
Debentures (Privately Placed)	2,400.00	1,800.00	4,200.00	1,800.00
Term Loan				
From Bank				
Foreign Currency Loan	8,991.90	1,383.31	8,937.29	-
Local Currency Loan	2,841.01	-	2,209.89	-
<b>UnSecured</b>				
Deferred Payment Liabilities (Under Sales Tax Deferrment scheme-Interest Free)	2,767.15	72.00	2,591.65	66.17
	<u>17,000.06</u>	<u>3,255.31</u>	<u>17,938.83</u>	<u>1,866.17</u>

3.1 The Current part of Long Term Borrowings, as above, have been shown under Other Current Liabilities(Note No.8) as current maturities of long term debt, as per the requirement of revised Schedule VI.

**3.2 Debentures:**

Non Convertible Debentures outstanding as on 31st March 2012 amounting to ₹ 4,200 lacs (Prev.Yr. ₹ 6,000 lacs) are secured by way of creation of exclusive first charge in favour of Debenture holder on the immovable assets of the Company located at Aluminium Rolling Mill Unit at Haldia and on Company's freehold land at Mehsana, Gujarat. The amount is further secured by creation of second charge on the movable assets of the Company located at Aluminium Rolling Mill Unit, Haldia ranking pari passu with other Bank.

These Debentures of ₹ 10 lacs each were issued for a total amount of ₹ 6,000 lacs redeemable in three tranches with 1st Instalment due on 19.12.2011 and the last one due on 19.12.2013. The Company has duly paid the 1st instalment on the due date. The outstanding amount of the debentures are redeemable as follows:

19-Dec-12	₹ 1,800 Lacs
19-Dec-13	₹ 2,400 Lacs

3.3 The Rate of Interest on the Non Convertible Debentures is 11.95% p.a.

3.4 Other Loans are Secured by charge over certain fixed assets and current assets both present and future.

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

	(₹ in lacs)	
	31st March 2012	31st March 2011
<b>4 DEFERRED TAX LIABILITIES (NET)</b>		
The deferred tax liability as at		
a. Deferred Tax Liability		
Timing difference in depreciable assets	5,767.25	5,714.33
b. Deferred Tax Assets		
Expenses allowable against taxable income in future years	(247.25)	(337.36)
Net Deferred tax Liability (a-b)	5,520.00	5,376.97

	(₹ in lacs)	
	31st March 2012	31st March 2011
<b>5 LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	604.69	357.21

	(₹ in lacs)	
	31st March 2012	31st March 2011
<b>6 SHORT TERM BORROWINGS</b>		
Secured *		
Loans repayable on Demand (Working Capital Loans)		
From Banks		
Foreign Currency Loan	5,270.99	8,670.81
Unsecured		
Other Loans and Advances		
From Banks		
Local Currency Loan	14,292.62	14,877.45
From Related Parties	-	1,890.27
	19,563.61	25,438.53

\* Secured by charge over certain fixed assets and current assets both present and future. Some of the credit facilities are further secured by personal guarantee of some of the promoter directors of the Company.

	(₹ in lacs)	
	31st March 2012	31st March 2011
<b>7 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprise *	28.25	10.32
Others	35,960.63	33,182.36
	35,988.88	33,192.68

	(₹ in lacs)	
	31st March 2012	31st March 2011

7.1 \* The details of amount outstanding to Micro, Small and Medium enterprises under the Micro, Small and Medium

Enterprises Development Act, 2006 (MSMED Act), based on the available information with the company are as under:

Sl.No.	Particulars		
1	Principal amount due and remaining unpaid	-	0.80
2	Interest due on (1) above and the unpaid interest	-	0.06
3	Interest paid on all delayed payments under the MSMED Act.	0.06	-
4	Payment made beyond the appointed day during the year	0.80	-
5	Interest due and payable for the period of delay towards payments already made	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

(₹ in lacs)

**8 OTHER CURRENT LIABILITIES**

	31st March 2012	31st March 2011
Current Maturities of Long Term Debt		
Debentures	1,800.00	1,800.00
Term Loans	1,383.31	-
Deferred Payment Liabilities	72.00	66.17
Interest accrued but not due on borrowings	360.85	354.79
Unpaid dividends (Unclaimed)#	20.78	16.64
Money refundable on Public Issue allotment (Unclaimed)#	3.88	3.88
Creditors for Capital Expenditure	3,696.45	5,214.30
Income Received in advance	430.32	186.65
Other Payables *	5,552.76	4,179.15
	13,320.35	11,821.58

\* Other Payables includes Statutory Dues, Advances from Customers & Overdrawn Balances from banks.

# These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund.

(₹ in lacs)

**9 SHORT TERM PROVISIONS**

	31st March 2012	31st March 2011
Provision for Employee Benefits	211.89	153.71
Proposed Dividend	-	1,638.35
Tax on Proposed Dividend	-	265.78
Others *	636.74	435.44
	848.63	2,493.28

\* Indicates excise duty on closing stock of Finished Goods.

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**
**10 FIXED ASSETS**

(₹ in lacs)

PARTICULARS	GROSS BLOCK				Depreciation / Amortisation				NET BLOCK	
	As at 1st April 2011	Addition	Deletion/ Adjustment	As at 31st March 2012	As at 1st April 2011	Less : on Sales / Adjustments	For the Year	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
<b>Tangible Assets :</b>										
Land	1,351.85	-	-	1,351.85	-	-	-	-	1,351.85	1,351.85
Leasehold Land*	326.02	-	-	326.02	43.53	-	5.34	48.87	277.15	282.49
Building	11,740.91	737.01	-	12,477.92	2,330.41	-	422.98	2,753.39	9,724.53	9,410.50
Plant & Machinery	72,826.62	11,855.05	489.97	84,191.70	26,006.19	(141.73)	7,362.19	33,226.65	50,965.05	46,820.43
Electrical Installation	2,011.07	-	-	2,011.07	629.90	-	95.14	725.04	1,286.03	1,381.17
Electric Generator	924.50	-	-	924.50	386.63	-	36.94	423.57	500.93	537.87
Computer	477.44	15.66	-	493.10	344.28	(0.29)	24.80	368.79	124.31	133.16
Office Equipment	306.97	2.58	1.91	307.64	178.71	(0.33)	29.31	207.69	99.95	128.26
Furniture & Fixtures	443.14	27.24	0.54	469.84	257.01	(0.47)	27.93	284.47	185.37	186.13
Vehicles	2,130.52	355.70	11.77	2,474.45	1,157.52	1.07	283.29	1,441.88	1,032.57	973.00
<b>Total Tangible Assets</b>	<b>92,539.04</b>	<b>12,993.24</b>	<b>504.19</b>	<b>105,028.09</b>	<b>31,334.18</b>	<b>(141.75)</b>	<b>8,287.92</b>	<b>39,480.35</b>	<b>65,547.74</b>	<b>61,204.86</b>
<b>Intangible Assets :</b>										
Computer Software	177.36	0.42	-	177.78	101.22	-	34.09	135.31	42.47	76.14
<b>Total Fixed Assets</b>	<b>92,716.40</b>	<b>12,993.66</b>	<b>504.19</b>	<b>105,205.87</b>	<b>31,435.40</b>	<b>(141.75)</b>	<b>8,322.01</b>	<b>39,615.66</b>	<b>65,590.21</b>	<b>61,281.00</b>
<b>Previous Year</b>	<b>90,843.12</b>	<b>9,997.47</b>	<b>8,124.19</b>	<b>92,716.40</b>	<b>26,900.38</b>	<b>(1,317.32)</b>	<b>5,852.34</b>	<b>31,435.40</b>	<b>61,281.00</b>	<b>63,942.74</b>
<b>Capital Work in Progress</b>	<b>21,298.96</b>	<b>10,269.87</b>	<b>7,415.47</b>	<b>24,153.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,153.36</b>	<b>21,298.96</b>

\* Leasehold Land includes cost of 35 acre land at Haldia for which conveyance deed has not been executed.

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**  
**11 NON-CURRENT INVESTMENTS**

(₹ in lacs)

No of Shares/ Units	Face Value per Share/ Units Rs.	31st March 2012	31st March 2011
------------------------	------------------------------------	-----------------	-----------------

**(i) Trade Investments**
**Investment in Equity Instruments**
**Quoted & Fully Paid Up**

United Spirits Ltd	47	10	0.09	0.09
Mansarovar Bottling Co. Ltd	5,000	10	0.88	0.88

**Unquoted & Fully Paid Up**

Agro Co-Operative Urban Bank Ltd	300	100	0.30	0.30
Bengal Sponge Manuf. Mining (P) Ltd	42,500	10	4.25	4.25

**Others**

Manaksia Worldwide Cooperatief U.A.	N.A.	N.A.	0.22	0.20
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**(ii) Other Investments**
**Investment in Equity Instruments**
**Unquoted & Fully Paid Up**

Singur - Haripal Rural Co-operative Society Ltd	90	10	0.01	0.01
AGR Capital Markets Ltd.	30,000	10	6.00	6.00
Maxell Securities Limited	47,500	10	4.75	4.75

**Investment in Government or Trust securities**
**Unquoted & Fully Paid Up**

6 Years National Savings Certificates			0.54	0.54
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17.04	17.02
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**Aggregate amount of investments :**

Quoted	0.97	0.97
Unquoted	16.07	16.05
Market Value of Quoted Investments	0.28	1.40

Note : 6 Years National Savings Certificates are lodged with Directorate of Commercial Taxes

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

(₹ in lacs)

**12 LONG TERM LOANS & ADVANCES**

Unsecured Considered Goods

Capital Advances

Deposit

	31st March 2012	31st March 2011
	530.83	397.11
	265.27	377.00
	796.10	774.11

(₹ in lacs)

**13 INVENTORIES**

At Lower of Cost or Net Realisable Value

Raw Materials

Work-in-Process

Finished Goods

Stores &amp; Spares

	31st March 2012	31st March 2011
	27,292.08	30,821.82
	5,284.18	7,283.26
	10,759.20	11,968.15
	3,045.88	2,782.43
	385.51	224.61
	46,766.85	53,080.27

At Estimated Realisable Value

Scraps

	31st March 2012	31st March 2011

(₹ in lacs)

**14 TRADE RECEIVABLES**

Unsecured

Considered Doubtful provided for :

Outstanding over six months

Less : Provision for Doubtful Debts

	145.62	227.83
	145.62	227.83
	-	-

Considered Good :

Outstanding over six months

Other Debts

	2,973.84	6,204.12
	24,175.32	13,322.12
	27,149.16	19,526.24

(₹ in lacs)

**15 CASH AND CASH EQUIVALENTS**

Balances with Banks

Fixed Deposits

Unclaimed Dividend &amp; Application money lying in escrow account

Cash on Hand

	31st March 2012	31st March 2011
	2,801.03	4,316.03
	13.32	113.23
	24.66	20.52
	271.34	130.33
	3,110.35	4,580.11

Fixed Deposits are pledged with -

1. Bank as Margin Money against Bank Guarantee ₹ Nil (₹ 96.56 Lacs)

2. Commercial Tax Authorities ₹ 1.12 Lacs (₹ 1.12 Lacs)

(₹ in lacs)

**16 SHORT-TERM LOANS AND ADVANCES**

Unsecured Considered Goods

Loans and Advances

Balances with Statutory Authorities

Advance Income Tax (Net of Provision)

Others \*

	31st March 2012	31st March 2011
	18,977.45	568.03
	5,499.30	5,333.11
	1,347.69	1,133.06
	8,957.21	28,469.19
	34,781.65	35,503.39

\* Includes, primarily, Prepaid Expenses, Advance to Creditors &amp; Advance to Staff

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

	(₹ in lacs)	
	2011-2012	2010-2011
<b>17 REVENUE FROM OPERATIONS</b>		
Sale of Products	199,969.36	147,829.15
Income from Services	228.29	175.95
	200,197.65	148,005.10
Less : Excise Duty & Service Tax	5,817.80	4,677.55
	194,379.85	143,327.55

	(₹ in lacs)	
	2011-2012	2010-2011
<b>18 OTHER INCOME</b>		
Income from Long Term Investment :		
Dividend on Trade Investments	-	0.02
Income from Current Investment :		
Tax Free Dividends From Mutual Funds	38.18	43.88
Net Gain on Sale of Fixed Assets	1.38	2.64
Net Gain on Sale of Mutual Fund	-	140.53
Interest Income		
From Banks	20.23	52.27
From Others	601.99	208.76
[T.D.S. ₹ 58.25 Lacs (Prev. Yr. ₹ 16.49 Lacs)]		
Net Gain on sale of Shares of Subsidiary Company	723.93	(560.50)
Miscellaneous Income	680.07	431.29
Other Non Operative Income	103.57	69.54
	2,169.35	388.43

	(₹ in lacs)	
	2011-2012	2010-2011
<b>19 COST OF MATERIALS CONSUMED</b>		
Opening Stock	30,821.82	22,054.67
Add : Purchases & Procurement Expenses	117,600.59	103,503.93
Less : Closing Stock	27,292.08	30,821.82
	121,130.33	94,736.78

	(₹ in lacs)	
	2011-2012	2010-2011
<b>20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock :		
Finished Goods	11,968.15	6,589.38
Work in Progress	7,283.26	4,791.82
Scrap	224.61	334.41
	19,476.02	11,715.61
Less :		
Closing Stock :		
Finished Goods	10,759.20	11,968.15
Work in Progress	5,284.18	7,283.26
Scrap	385.51	224.61
	16,428.89	19,476.02
	3,047.13	(7,760.41)

	(₹ in lacs)	
	2011-2012	2010-2011
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	6,445.81	3,612.73
Contribution to Provident and Other Funds	297.01	272.95
Staff Welfare Expenses	1,233.67	934.38
	7,976.49	4,820.06

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

	(₹ in lacs)	
	2011-2012	2010-2011
<b>21.1 Disclosure as per Accounting Standard 15 "Employee Benefits"</b>		
<b>Provision for Employee Benefits</b>	604.69	357.21

Employee Benefits

**i) Defined contribution Plan**

Contribution to defined contribution plan, recognized are charged of during the year as follows:

Employees' contribution to Provident Fund	205.47	135.26
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**ii) Defined benefit plan**

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**a) Reconciliation of opening and closing balances of defined obligation:**

1) Defined benefit obligation at the beginning of the year	510.92	417.52
2) Current service cost	58.17	48.76
3) Interest cost	43.43	34.45
4) Actuarial (gain) / loss	21.23	61.74
5) Benefit paid	(23.24)	(51.55)
6) Defined benefit obligation at the year end	610.51	510.92

**b) Reconciliation of fair value assets and obligations:**

1) Fair value of plan assets as at 31st March 2012	Nil	Nil
2) Present value of obligations as at 31st March 2012	604.69	510.92
3) Amount recognized in balance sheet	604.69	510.92

**c) Expenses recognized during the year (under the Note "Employee Benefits Expense")**

1) Current service cost	57.20	48.76
2) Interest cost	43.00	34.45
3) Actuarial (gain) / Loss	21.83	61.74
4) Net amount	122.03	144.95

**d) Actuarial assumptions**

1) Mortality table	LIC	LIC
2) Discount rate (per annum)	8.00%	8.25%
3) Rate of escalation in salary (per annum)	5%	5%
4) Expected average remaining working lives of employees(years)	19.43	19.87

	(₹ in lacs)	
	2011-2012	2010-2011
<b>22 FINANCE COST</b>		

Interest Expenses

To Financial Institutions / Banks		
On Debentures	657.63	717.00
On Fixed Loans	872.23	399.98
On Others	3,880.19	3,257.44
Other Borrowing Cost	517.29	421.88
	5,927.34	4,796.30



**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

	(₹ in lacs)	
	2011-2012	2010-2011
<b>23 OTHER EXPENSES</b>		
Consumption of Stores and Consumables		
Indigenous	1,458.33	1,248.26
Imported	1,013.90	772.42
Power & Fuel	8,961.92	5,994.03
Processing Charges	819.02	321.12
Clearing Charges	2,869.88	2,713.27
Carriage Inward	1,297.76	1,306.07
Lease Rent	21.05	46.95
Repairs to:		
Building	743.92	757.09
Machinery	2,366.27	2,132.78
Others	229.56	304.48
Other Manufacturing Expenses	1,675.92	1,532.63
Rent	232.82	287.89
Insurance	500.49	433.40
Rates & Taxes	456.90	118.50
Excise Duty on Stocks*	0.12	207.60
Packing Expenses	2,991.91	2,386.40
Freight, Forwarding and Handling Expenses	3,989.33	3,586.17
Communication Expenses	224.04	202.54
Travelling & Conveyance	859.24	732.12
Bad Debt	334.86	0.08
Provision for Doubtful Debt	0.10	5.09
Auditors' Remuneration :		
Audit Fees	59.93	47.31
Tax Audit Fees	3.27	3.25
Donations	43.29	85.80
Commission	86.94	185.73
Other Miscellaneous Expenses	3,002.88	2,564.64
Prior Period Items	(36.04)	(107.81)
Discarding of Fixed Assets	-	680.31
Director's Remuneration		
Salary	39.24	15.79
Meeting Fees	6.03	9.68
Perquisites	1.50	-
	34,254.38	28,573.59

\*Excise duty on stocks represents differential excise duty on opening and closing stock of Finished Goods.

**NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS ON 31ST MARCH 2012**

Balance as on	
31st March 2012	31st March 2011
(₹ in lacs)	(₹ in lacs)

**24 CONTINGENT LIABILITIES AND COMMITMENTS**
**I) Contingent Liabilities**
**A) Claims against the company/disputed liabilities not**
**acknowledged as Debts**

1) Excise duty demands under appeal	600.95	540.43
2) Sales tax and Entry tax demand under appeal	98.73	409.86
3) Income tax demands under appeal	73.53	73.73
4) Excise duty liability on goods exported pending submission of proof of export	27.50	35.83
5) Custom Duty	15.15	15.15
6) Service Tax	51.92	51.92
7) Municipal Tax	49.99	67.90
8) Demand by Haldia Development Authority towards Land Premium	332.50	332.50
9) Stamp Duty for Registration of Land	49.45	49.45

**II) Commitments**

<b>Estimated amount of contracts remaining to be executed on Capital Account and not provided for ( net of advances)</b>	40.00	58.98
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**25 Earnings per share (EPS)**

(₹ in lacs)	
31st March 2012	31st March 2011

<b>Profit as per Profit &amp; Loss Account</b>	11,897.94	11,272.61
Exceptional Item	3,622.00	40.16
<b>Profit before Prior Period and Exceptional Items</b>	15,519.94	11,312.77
<b>Weighted average number of equity shares</b>	65,534,050	67,627,334
Nominal value per share (₹)	2	2
Basic and diluted earning per share (EPS)		
EPS after Exceptional items (₹)	18.16	16.67
EPS before Exceptional items (₹)	23.68	16.73

**26 Financial and Derivative Instruments :-**

- Derivative contracts entered into by the company and outstanding as on 31st March 2012
  - For hedging Interest rate related risk - (LIBOR Hedging) on Loan balance of USD 7.5 Million (Previous Year USD 7.50 Million)
  - For hedging commodity related risks in Metals - Futures 1850MT (Previous Year 625MT)
- Foreign currency loan that are not hedged USD 29.91 Million (Previous Year USD 31.50 Million)

**27 RELATED PARTY DISCLOSURES:**
**a.**

Name of the Party	Relationship
Arena Machineries Ltd. Solex Chemicals Pvt Ltd ****	Associates
Mr. Basant Kumar Agrawal Mr. Suresh Kumar Agrawal Mr. Sushil Kumar Agrawal Mr. Sunil Kumar Agrawal Mr. Debarata Guha	Key Management Personnel
Mr Aditya B Manaksia	Son of Mr. Basant Kumar Agrawal
Mr. B D Agrawal	Brother of Mr. Suresh Kumar Agrawal
Ms Vishakha Agrawal	Daughter of Mr. Suresh Kumar Agrawal
Mr M P Agrawal	Brother of Mr. Suresh Kumar Agrawal
Mr Vineet Agrawal	Brother Son of Mr. Suresh Kumar Agrawal
Mr Karan Agrawal	Son of Mr. Sushil Kumar Agrawal
Mr Anirudha Agrawal	Son of Mr. Sunil Kumar Agrawal
Ms Prachi Agrawal	Daughter of Mr. Sunil Kumar Agrawal

\*\*\*\* Ceased To be a Associates w.e.f 22.03.2012

**27 RELATED PARTY DISCLOSURES:**

**b.** **(₹ in Lacs)**

Nature of Transactions	Associates	Key Management Personnel	Relatives	Total
Purchase of Goods from Arena Machineries Ltd	186.81 (141.16)			186.81 (141.16)
Solex Chemicals Pvt Ltd	0.59 -			0.59 -
Sale of Goods to Arena Machineries Ltd	122.37 (99.87)			122.37 (99.87)
Sale of Fixed Assets to Arena Machineries Ltd	14.79 -			14.79 -
Sale of Shares Manaksia Global Ltd			- (5.02)	- (5.02)
Purchase of Shares Manaksia Industries Ltd		2.20 (7.26)	2.80 (17.74)	5.00 (25.00)
Rent Income Solex Chemicals Pvt Ltd	23.45 -			- -
Security Deposit Solex Chemicals Pvt Ltd	34.66 -			34.66 -
Remuneration		40.74 (18.32)	12.03 (11.90)	- (30.22)
Amount Due from as on 31st March Arena Machineries Ltd	364.35 (227.19)			364.35 (227.19)
Amount Due to as on 31st March Solex Chemical Pvt Ltd	34.66 -			34.66 -

Notes :

i) No amount pertaining to the related parties have been written off or written back during the year. Transactions have taken place on arm's length basis.

ii) No provision for doubtful debts is required to be made for the year in respect of debt due from related parties.

iii) The related party relationship is as identified by the Company and relied upon by the auditors.

28 Segment information as on and for the Year ended 31st March 2012 a

a) Primary Segment Information

(₹ in Lacs)

	Packaging Products		Mosquito Coil		Metal Products		Engineering & Others		Paper Products		Unallocable		Total	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011	31st March 2012	31st March 2011	31st March 2012	31st March 2011	31st March 2012	31st March 2011	31st March 2012	31st March 2011	31st March 2012	31st March 2011
<b>Segment Revenue</b>														
External Turnover	14,972.23	15,812.23	9,709.66	6,861.85	162,742.49	115,215.58	3,724.63	3,595.33	9,048.65	6,520.11	-	-	200,197.66	148,005.10
Add : Inter Segment Turnover	313.69	556.76	30.07	-	377.47	185.94	24.78	12.17	-	-	-	-	746.01	754.87
Gross Turnover	15,285.92	16,368.99	9,739.73	6,861.85	163,119.96	115,401.52	3,749.41	3,607.50	9,048.65	6,520.11	-	-	200,943.67	148,759.97
Less : Excise duty/Service Tax recovered	1,029.63	1,059.19	1,282.20	958.81	3,505.96	2,659.35	0.02	0.20	-	-	-	-	5,817.81	4,677.55
Less : Inter Segment Turnover	313.69	556.76	30.07	-	377.47	185.94	24.78	12.17	-	-	-	-	746.01	754.87
Net Turnover	13,942.60	14,753.04	8,427.46	5,903.04	159,236.53	112,556.23	3,724.61	3,595.13	9,048.65	6,520.11	-	-	194,379.85	143,327.55
<b>Segments Results</b>														
Segments Results (PBIT)	653.67	764.86	886.07	449.20	17,936.40	16,359.85	1,217.17	669.82	2,372.60	1,627.97	-	-	23,065.91	19,871.70
Less : Unallocated corporate Expenses net of unallocated income											(2,629.24)	(2,186.42)	(2,629.24)	(2,186.42)
Operating Profit	653.67	764.86	886.07	449.20	17,936.40	16,359.85	1,217.17	669.82	2,372.60	1,627.97	(2,629.24)	(2,186.42)	20,436.67	17,685.28
Interest Expenses	-	-	-	-	-	-	-	-	-	-	(5,927.34)	(4,796.30)	(5,927.34)	(4,796.30)
Interest Income	-	-	-	-	-	-	-	-	-	-	622.22	261.03	622.22	261.03
Prior Period Items	-	-	-	-	-	-	-	-	-	-	36.04	107.81	36.04	107.81
Profit / (Loss) on sale of Shares of Subsidiary Company	-	-	-	-	-	-	-	-	-	-	723.93	(560.50)	723.93	(560.50)
Exceptional Item	-	-	-	-	-	-	-	-	-	-	(3,622.00)	(40.16)	(3,622.00)	(40.16)
Profit before Tax	653.67	764.86	886.07	449.20	17,936.40	16,359.85	1,217.17	669.82	2,372.60	1,627.97	(10,796.39)	(7,214.54)	12,269.52	12,657.16
Current Tax	-	-	-	-	-	-	-	-	-	-	332.17	1,121.37	332.17	1,121.37
Deferred Tax Short/(Excess)	-	-	-	-	-	-	-	-	-	-	143.03	203.45	143.03	203.45
Provision for Taxation for Earlier Years	-	-	-	-	-	-	-	-	-	-	9.97	59.73	9.97	59.73
Net Profit	653.67	764.86	886.07	449.20	17,936.40	16,359.85	1,217.17	669.82	2,372.60	1,627.97	(11,281.56)	(8,599.09)	11,784.35	11,272.61
<b>Other Information</b>														
Segment Assets	23,135.23	24,815.66	7,792.55	7,791.39	147,256.07	130,305.95	9,897.55	6,001.69	10,556.04	10,302.63	3,727.28	16,843.78	202,364.72	196,061.10
Segment Liabilities	1,312.38	4,026.24	648.89	670.19	37,305.90	34,916.48	7,092.28	3,266.14	338.17	477.07	809.62	2,642.46	47,507.24	45,998.58
Capital Expenditure	7.85	645.73	284.06	167.24	10,310.32	3,435.46	(0.12)	(116.91)	4,487.17	231.44	254.59	668.53	15,343.87	5,031.49
Depreciation	646.31	1,055.03	418.78	401.12	6,353.32	3,850.57	55.70	59.10	726.48	353.02	121.42	133.50	8,322.01	5,852.34

**28 Segment information as on and for the Year ended 31st March 2012 a**

**b) Secondary Segment Information**

	(₹ in Lacs)	
	31st March 2012	31st March 2011
1. Segment Revenue - External Turnover		
Within India	62,284.50	48,954.87
Outside India	137,913.15	99,050.23
Total Segment Revenue	<u>200,197.65</u>	<u>148,005.10</u>
2. Segment Assets		
Within India	85,711.19	88,894.74
Outside India	116,653.53	107,166.36
Total Segment Assets	<u>202,364.72</u>	<u>196,061.10</u>
3. Capital Expenditure		
Within India	1,908.87	1,838.20
Outside India	13,435.00	3,193.29
Total Capital Expenditure	<u>15,343.87</u>	<u>5,031.49</u>

**Notes :**

**1) Primary Segment :** Business segment has been identified as primary segment on the basis of the products of the company. Accordingly, the company has identified Packaging Product, Mosquito Coil, Metal Products, Engineering & Others as the business segment.

- Packaging consists of manufacture and sale of PP Cap, Crown Closures, Metal Containers, EP Liners, Washer, EP Sheets etc.
- Mosquito Coils consists of manufacture and sale of Mosquito Repellant coils.
- Metal Product consists of manufacture and sale of Aluminium and Steel galvanized sheets, coils etc.
- Engineering & others consists of Manufacturing and Sales of Machine, Spare Parts etc.

**2) Secondary Segment :** Geographical segment has been identified as secondary segment. Geographical segments considered for disclosure are :

- Within India
- Outside India

**29 Prior Period Items :**

	(₹ in Lacs)	
	31st March 2012	31st March 2011
<b>Expenditure :-</b>		
Sales	-	3.79
Sales Promotion	1.14	-
Travelling & Conveyance	2.01	6.84
Carriage Inward	0.45	-
Gratuity	-	5.23
Vehicle Upkeep	3.13	3.28
Communication Expenses	0.31	2.18
Courier Charges	0.94	-
Discount	1.18	-
Other Miscellaneous Expenses	3.11	1.15
Repairs To Machinery	0.99	1.19
Salaries,Wages and Bonus	2.58	-
Excise Duty	-	0.59
Exchange Fluctuation	6.41	-
Repairs To Electricals	-	0.41
Processing Charges	-	0.16
Professional Charges	2.45	-
Interest Charge To Others	0.05	0.01
Service Tax	34.00	-
Material	5.43	0.01
Non-extinguishment fees	0.70	-
	<b>64.88</b>	<b>24.84</b>
<b>Income :-</b>		
Power & Fuel	-	64.68
Provision for Bad Debt Written Off	42.45	39.01
Balance Written off	0.09	-
Carriage Inward	3.38	-
Communication Expenses	0.03	-
Welfare Expenses written back	0.33	15.46
Salaries,Wages And Bonus	3.73	-
Travelling & Conveyance	0.77	-
Commission	-	6.17
Service Tax	-	5.13
Service Charges	16.81	-
Subscription Charges	4.52	-
Rent	-	1.31
Consumption Of Stores And Consumables	-	0.86
Capital Expenditure	26.18	-
Professional Charges	1.59	-
Profit/Loss on DEPB	0.68	-
Interest(Bank)	0.36	-
Gratuity	-	0.03
	<b>100.92</b>	<b>132.65</b>
<b>TOTAL(NET)</b>	<b>(36.04)</b>	<b>(107.81)</b>

**30 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.**

- a. The financial statements of the company and its subsidiaries are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealised profit/loss included therein.
- b. The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements.
- c. In respect of foreign subsidiaries figures have been converted for the purpose of Consolidation at exchange rate on balance sheet date.

d. The subsidiaries considered in the preparation of these consolidated financial statements are :

Name	Country of Incorporation	Percentage of voting power as at 31st March 2012	Percentage of voting power as at 31st March 2011
MINL Ltd	Nigeria	100.00	100.00
Jebba Paper Mills Ltd (Subsidiary of MINL Ltd)	Nigeria	100.00	100.00
Dynatech Industries Ghana Ltd.	Ghana	100.00	100.00
Mark Steels Ltd.	India	100.00	100.00
Euroasian Ventures FZE	UAE	100.00	100.00
Solex Chemicals Pvt Ltd	India	-	100.00
Euroasian Steels LLC (Subsidiary of Euroasian Ventures FZE)	Georgia	94.00	94.00
Uni Metals FZE	UAE	100.00	-
Manaksia Industries Ltd	India	-	-
Manaksia Aluminium Co Ltd	India	100.00	-
Manaksia Coated Metals & Industries Ltd	India	100.00	-
Manaksia Ferro Industries Ltd	India	100.00	-
Manaksia Overseas Ltd	India	100.00	-
Manaksia Steels Limited	India	100.00	-

31 The Company has exercised the option as per the notification Dated 29 December 2011 of the Ministry of Corporate Affairs, Government of India, relating to the effects of Changes in Foreign Exchange Rates. The amount remaining to be amortised in subsequent periods is ₹ 311.00 Lacs.

32 Figures in bracket indicates Previous Year figures.

33 Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary.

In terms of our Report of even date

For and on Behalf on the Board

For SRB & Associates  
Chartered Accountants

Sd/-  
R N Sengupta  
Chairman

Sd/-  
B K Agrawal  
Managing Director

Sd/-  
Sanjeet Patra  
(Partner)

Sd/-  
Anubhav Maheshwari  
Company Secretary

Membership No. 56121

Kolkata

Dated : 30th May 2012