

## CORPORATE INFORMATION

### Board of Directors :

Mr. R.C. Mansukhani  
Mr. J.C. Mansukhani  
Mr. J.L. Mansukhani  
Mr. Kirit N. Damania  
Mr. Vijay G. Kalantri  
Mr. Sudatta Mandal  
Mr. R.C. Jindal

Chairman  
Vice Chairman & Managing Director  
Director  
Director  
Director  
Director (Nominee EXIM Bank)  
Director – Operation

### Management Team:

Mr. Ajay Jain  
Mr. K.G. Mantri  
Mr. Umesh Kumar  
Mr. Lalit Tolwani  
Mr. Prakash Deshmukh  
Mr. A.K. Pathak  
Mr. Anil Wadhvani  
Mr. Ashok Gupta  
Mr. Sanjay Shinde  
Mr. Rajesh Saxena  
Mr. D. K. Jethani  
Mr. K. R. Patidar  
Mr. Sanjay Sohani  
Mr. Devendra Chelawat

Group CFO  
Senior Vice President – Corporate Affairs  
Senior Vice President – HR & Global Venture  
Senior Vice President - Operations  
Vice President – Procurement  
Vice President - Projects  
Associate Vice President – Procurement  
Asst. Vice President – Finance & Accounts  
Asst. Vice President – Marketing  
Asst. Vice President – Projects Procurement  
Asst. Vice President – Production  
Asst. Vice President – Projects  
Asst. Vice President – Production & Maintenance  
Asst. Vice President - Projects

### Company Secretary & Compliance Officer

Ms. Sujal Sharma

### Auditors:

Rohira Mehta & Associate  
Chartered Accountants  
Mumbai

### Bankers:

State Bank of India  
ICICI Bank Limited  
Axis Bank  
Bank of Baroda  
Corporation Bank  
ABN Amro Bank  
HSBC Bank

Commercial Branch, Indore & Overseas Branch, Mumbai  
Mumbai Main Branch, Fort, Mumbai  
Fort, Mumbai  
Fort, Mumbai  
IFB Fort, Mumbai  
Nariman Point, Mumbai  
Fort, Mumbai

### Registered Office:

MAN House, 102, S.V. Road, Opp. Pawan Hans,  
Vile Parle (W), Mumbai – 400056 Phone 022-66477500

### Plants :

Pipe and Coating Complex, Anjar  
Khedoi Village, Taluka Anjar,  
Dist. Kutch (Gujarat) Phone 02836-249160

Pipe and Coating Complex, Pithampur  
Plot No. 257/258 B, Sector 1, Pithampur Industrial Area,  
Pithampur, Dist: Dhar (M.P.) Phone 07292-253666

### Registered and Share Transfer Agent

Intime Spectrum Registry Ltd;  
C/13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (W), Mumbai – 400078

**Phone** – 022-25963838

**Fax** – 022-25946969

**E-mail:** isrl@vsnl.com

## CHAIRMAN'S SPEECH

Dear Shareholders,

It gives me immense pleasure in welcoming you to the 20<sup>th</sup> Annual General Meeting of your Company. I would like to update you on your Company's performance across all operating and financial parameters. The Indian economy is now booming with its real GDP to be estimated to have grown at 8.7% and is poised to grow further. The high growth rate is mainly due to structural increase rather than cyclical upturn, driven by favorable demographics, high investment and productivity growth.

The Indian pipe industry with presence across all categories of pipe is among the top three manufacturing hubs after Japan and Europe. India is also becoming a major export hub to countries like USA, Europe and Middle East.

Man Group has emerged out as a well diversified industrial conglomerate by the virtue of the vision and the dynamic leadership of its management; it has established itself well in the market.

Your Company endeavors to ensure complete satisfaction to its worldwide customers by supplying quality products at optimum prices and within the scheduled delivery time and to establish the company in the league of leading players in its sphere of activities. The company has calculated plans for continuous technological enhancement on fast decision making for implementation of strategies for faster growth, which is quite evident from the operations of past 20 years.

Man Industries ensures utmost quality in products. The Quality testing procedures of the plant comply with National and International standards. As a testimony to this fact, Man Industries has achieved various quality certifications such as API, ISO-9001, ISO-9002, ISO-14001, and ISO-18001. These certifications have helped the company to establish a strong foot-hold globally.

In spite of turbulence in the global market, your Company anticipates a good year ahead in 2008-09 and we look forward to our future with confidence. The core values of your Company which include identifying the need of the customers, delivering value for money product and services, optimum utilization of resources and maximizing long term value for the stakeholders have been the strength of your Company. With intense global competition, the challenges will be great but with the spirit, commitment and dedication displayed by employees and the management of your Company, these challenges will continue to be met and overcome.

I would like to take the opportunity to thank our customers, our team, our investors, our Board members and all stakeholders for their continuous support.

Chairman

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of Man Industries (India) Limited will be held on 26<sup>th</sup> day of September, 2008 at Hotel Karl Residency, Lallubhai Park Road, Andheri (West), Mumbai – 400 058, at 3.00 P.M to transact the following business:

### **Ordinary Business:**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2008, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Share for the Financial Year 2007-08.
3. To appoint a director in place of Mr. Kirit Damania, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Vijay G. Kalantri, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **Special Business**

#### **6. To consider and if thought fit to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to section 293(1) (d) and other applicable provisions of the Companies Act, 1956 consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/ moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 20,000,000,000 (Rupees Two Thousand Crores Only).

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution”

#### **7. To consider and if thought fit to pass the following resolution as a Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act 1956, or any statutory modifications or re-enactments thereof, Mr. R. C. Jindal who was appointed as additional Director on 16<sup>th</sup> May 2008 pursuant to the provisions of Section 260 of the Companies Act 1956, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** in accordance with the provisions of Section 198, 269, 309 and 310, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to the payment of remuneration, benefits and amenities to Mr. R. C. Jindal, as Director- Operations with effect from 26<sup>th</sup> September, 2008 for a period of one year, on the following terms and conditions.

**SALARY:** Rs.3, 00,000/- per month

**HOUSING:** Free furnished accommodation. In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance in lieu thereof @ 40% of Basic Salary. Value of perquisite to be calculated as per Income Tax Act.

**MEDICAL REIMBURSEMENT:** Expenses incurred for self and family, equivalent to one month salary every year.

**LEAVE TRAVEL CONCESSION / ALLOWANCE:** Expenses incurred for self and family. Value of perquisite to be calculated as per Income Tax Act.

**PERSONAL ACCIDENT INSURANCE:** Actual Premium to be paid by the Company for self and family.

**LEAVE:** Leave accumulated shall be encashable at the end of the tenure as per the Company rules.

**CAR, DRIVER AND TELEPHONE/CELL PHONE:** Car, Driver and phone including mobile phone facilities will be provided by the Company for personal and official use. Expenses related to personal use to be treated as perquisites as per IT Rules.

**GRATUITY AND RETIREMENT BENEFITS:** To be paid as per the rules of the Company.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to Mr. R.C.Jindal as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

**“RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, Mr. R. C. Jindal shall be entitled to be paid remuneration by way of salary, perquisites, amenities or any other allowances as referred to above, not exceeding the limits specified under Section II Part II of Schedule XIII to the Act as may be amended from time to time or any equivalent statutory enactment(s) thereof.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, usual proper or expedient to give effect to this resolution.”

#### **8. To consider and if thought fit to pass the following resolution as a Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 310, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to approval of Central Government, if required, the consent of the members be and is hereby accorded to the re-appointment and to the payment of remuneration, benefits and amenities to Mr. R. C. Mansukhani, Chairman of the Company, as Whole-Time Director with effect from 26<sup>th</sup> September, 2008 for a period of five years, on the following terms and conditions :

**SALARY (Basic):** Rs.12,00,000-2,00,000-25,00,000

**COMMISSION:** Commission based on net profits of the Company in a particular year, which put together with salary and perquisites shall be subject to overall ceiling laid down in Sections 198 and 309 of the Companies Act'1956 shall be paid.

**HOUSING:** Free furnished accommodation. In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance in lieu thereof @ 60% of salary. Value of perquisite to be calculated as per Income Tax Act.

**MEDICAL REIMBURSEMENT:** Expenses incurred for self and family, equivalent to one month Salary every year or three months salary in five years.

**LEAVE TRAVEL CONCESSION / ALLOWANCE:** Expenses incurred for self and family. Value of perquisite to be calculated as per Income Tax Act.

**PERSONAL ACCIDENT INSURANCE:** Actual Premium to be paid by the Company for self and family.

**LEAVE:** Leave accumulated shall be encashable at the end of the tenure as per the Company rules.

**MEDICAL INSURANCE:** Actual premium to be paid by the Company for self and family.

**CAR , DRIVER & TELEPHONE/CELL PHONE:** Car, Driver and phone including mobile phone facilities will be provided by the Company for personal and official use. Expenses related to personal use to be treated as perquisites as per IT Rules.

**REIMBURSEMENT OF CLUB AND ENTERTAINMENT EXPENSES:** Actual expenses to be borne by the Company.

**PROVIDENT FUND:** Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act'1961.

**GRATUITY AND RETIREMENT BENEFITS:** To be paid as per the rules of the Company.

“**RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, Mr. R.C. Mansukhani shall be entitled to be paid remuneration by way of salary, perquisites, amenities or any other allowances as referred to above, not exceeding the limits specified under Section II Part II of Schedule XIII to the Act as may be amended from time to time or any equivalent statutory enactment(s) thereof.”

“**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Whole-Time Director as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration”.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, usual proper or expedient to give effect to this resolution.”

**9. To consider and if thought fit to pass the following resolution as a Ordinary Resolution:**

“**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 310, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to approval of Central Government, if required, the consent of the members be and is hereby accorded to the re-appointment and to the payment of remuneration, benefits and amenities to Mr. J. L. Mansukhani, as Whole-Time Director with effect from 26<sup>th</sup> September 2008, for a period of five years, on the following terms and conditions.

**SALARY (Basic):** Rs.4, 00,000-1, 00,000-8, 00,000

**COMMISSION:** Commission based on net profits of the Company in a particular year, which put together with salary and perquisites shall be subject to overall ceiling laid down in Sections 198 and 309 of the Companies Act,1956 shall be paid.

**HOUSING:** Free furnished accommodation. In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance in lieu thereof @ 60% of Salary. Value of perquisite to be calculated as per Income Tax Act.

**MEDICAL REIMBURSEMENT:** Expenses incurred for self and family, equivalent to one month Salary every year or three months salary in five years.

**LEAVE TRAVEL CONCESSION / ALLOWANCE:** Expenses incurred for self and family. Value of perquisite to be calculated as per Income Tax Act.

**PERSONAL ACCIDENT INSURANCE:** Actual Premium to be paid by the Company for self and family.

**LEAVE:** Leave accumulated shall be encashable at the end of the tenure as per the Company rules.

**MEDICAL INSURANCE:** Actual premium to be paid by the Company for self and family.

**CAR, DRIVER & TELEPHONE/CELL PHONE:** Car, Driver and phone including mobile phone facilities will be provided by the Company for personal and official use. Expenses related to personal use to be treated as perquisites as per IT Rules.

**REIMBURSEMENT OF CLUB AND ENTERTAINMENT EXPENSES:** Actual expenses to be borne by the Company.

**PROVIDENT FUND:** Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act'1961.

**GRATUITY AND RETIREMENT BENEFITS:** To be paid as per the rules of the Company.

**“RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of this appointment, the Company has no profits or its profits are inadequate the remuneration payable to the Whole-Time Director as salary, perquisites and any other allowances shall be governed by, and be subject to the ceilings provided under section II of Part II of Schedule XIII to the Companies Act 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration”.

**“RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, Mr. J. L. Mansukhani shall be entitled to be paid remuneration by way of salary, perquisites, amenities or any other allowances as referred to above, not exceeding the limits specified under Section II Part II of Schedule XIII to the Act as may be amended from time to time or any equivalent statutory enactment(s) thereof.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, usual proper or expedient to give effect to this resolution.”

**10. To consider and if thought fit to pass the following resolution as a Ordinary Resolution**

**“RESOLVED THAT** in supersession to the resolution passed by the members at the Annual General Meeting held on 15<sup>th</sup> September, 2006 and in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the relevant Articles of the Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) [including any statutory modification(s) or re-enactment of the Act or the Guidelines for the time being in force]and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or to the benefit of such person(s) who are eligible /in permanent employment of the Company, including Directors of the Company, whether whole-time or working in India or overseas or otherwise, except the Promoter Directors) under an Employees Stock Option Plan (hereinafter referred to as the “ESOP Scheme” or “Plan”) such number of equity shares and/or equity linked instruments (including options), and/or any other instruments or securities (hereinafter collectively referred to as “Securities”) of the Company not exceeding 5% of the issued equity share capital of the Company on 28<sup>th</sup> June, 2008, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the guidelines or other applicable provisions of the law or guidelines issued by relevant Authority as may be prevailing at that time.”

**“RESOLVED FURTHER THAT** the said Securities may be allotted directly to such employees/directors or in accordance with an ESOP Scheme framed in that behalf.”

**“RESOLVED FURTHER THAT** the issue of securities to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary in this regard.”

**“RESOLVED FURTHER THAT** the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing equity shares of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under the Scheme, on the stock exchanges where the Company’s shares are listed as per the terms and conditions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Securities, the Board / Committee of the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect the ESOP Scheme and make any modifications, changes, variations, alterations or revisions in the said ESOP Scheme or to suspend, withdraw or revive the ESOP Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company”.

**11. To consider and if thought fit to pass the following resolution as a Special Resolution**

**“RESOLVED THAT** the benefits of the ESOP Scheme proposed under Resolution No.10 contained in this Notice be extended to or to the benefit of such person(s) who are in permanent employment of the subsidiary company(ies) whether Indian subsidiaries or foreign subsidiaries (including the Directors of the subsidiary company(ies), whether working in India or out of India, except the Promoter Directors) on the terms and conditions as may be decided by the Board of Directors of the Company or the Compensation Committee within the overall limit of 5% of the issued equity share capital of the Company on 28th June, 2008.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to agree, make and accept all such condition(s), modification(s) and alteration(s), if any, stipulated by any relevant authorities while according approvals or consents to the issue as may be considered necessary, proper or expedient, to effect such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to that end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

By order of the Board of Directors  
For Man Industries (India) Limited

Date: 1<sup>st</sup> September, 2008  
Place: Mumbai

Sujal Sharma  
Company Secretary



**Notes:**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- 2) The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
- 3) Explanatory Statement with respect to Item No.6 to 11 is annexed and forms part of the Notice.
- 4) Members/Proxies should bring Attendance-Slip duly filled in for attending the meeting.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2008 to 26<sup>th</sup> September, 2008 (both days inclusive).
- 6) The Dividend on Equity Shares as recommended by the Board of Directors, if any, declared at the meeting, will be payable to those shareholders whose names appear in the Register of Members as on 22<sup>nd</sup> September, 2008 and in respect of shares held in Electronic form the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
- 7) Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date to enable the management to keep the information ready.
- 8) Members are requested to bring their copy of Annual Report to the meeting.
- 9) The Equity Shares of the Company are compulsorily traded in demat form and the share holders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialisation.
- 10) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the **Investor Education and Protection Fund (IEPF)** established by the Central Government, pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

<b>Financial Year Ended</b>	<b>Date of declaration of Dividend</b>	<b>Last Date for Claiming Dividend</b>
31.03.2003	30.09.2003	30.10.2010
31.03.2004	28.09.2004	28.10.2011
31.03.2005	24.09.2005	24.10.2012
31.03.2006	15.09.2006	15.10.2013
31.03.2007	14.09.2007	14.10.2014

According to the provisions of the Act, Shareholders are requested to note that no claims shall lie against the Company or said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claims.

- 11) In order to provide protection against fraudulent encashment of the warrants, Members holding Share Certificates in physical form are requested to notify any change in their addresses or bank mandates immediately, in any event not later than 22<sup>nd</sup> September, 2008 to the **Company's Registrar and Transfer Agent, Intime Spectrum Registry Ltd. C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 Maharashtra .**
- 12) Non-Resident Indian Shareholders are requested to inform immediately Intime Spectrum Registry Ltd. C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 Maharashtra.
  - a) The change in the Residential status on return to India for permanent settlement.
  - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
- 13) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
- 14) All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m.
- 15) **Information required under Clause 49 of the Listing Agreement on Directors Re- appointment/ Appointment:**
  - (i) **Mr. R.C. Mansukhani**  
Mr. R.C. Mansukhani, aged 52 is a promoter of the Company. He is Director of the Company since incorporation. He has done Post Graduation in Economics and LLB. He has career spanning of over 35 years of contribution in the field of manufacturing. He has

created a successful business set up in UK, UAE and India. He is also very active in keeping up the welfare activities and social obligations. He holds 90,52,324 shares of the Company in his name as on 31<sup>st</sup> March, 2008. He is on the board of following companies.

- Man Aluminium Limited
- Man Infraprojects Limited
- Merino Shelters Private Limited
- Man USA Inc.

**(ii) Mr. J.L Mansukhani**

Mr. J. L. Mansukhani, aged 74 is a businessman and industrialist. He has been involved in the construction, metal trading and steel industry for over five decades. He holds 740,128 shares of the Company in his name as on 31<sup>st</sup> March, 2008. He has been on the Company's Board since its incorporation in 1988.

**(iii) Mr. Kirit N. Damania**

Mr. Kirit N. Damania, aged 74 years is leading solicitor in Mumbai and is a senior partner in Kirit N. Damania & Co., Advocate & Solicitors. He is a Director of the Company since 11<sup>th</sup> July 1989. He is not holding any shares in the Company. Mr. Kirit N. Damania is the Chairman of the Audit Committee and Shareholders'/Investors' Grievance Committee of the Company. He is also on the Board of Living Room Life Style Ltd.

**(iv) Mr. Vijay Kalantri**

Mr. Vijay Kalantri, aged 58 years is an industrialist and President of AIAI. He is on the board of many corporates in India and having wide experience of more than 25 years in various industries. He is not holding any shares of the Company and a member of the Audit Committee and Shareholders'/Investors' Grievance Committee of the Company. He is holding Directorship in the following Companies:

- i. Balaji Infra Projects Limited
- ii. Balaji Infrastructure & Dev. Co. Limited
- iii. Dighi Port Limited
- iv. Hindustan Housing Finance & Development Corporation Limited
- v. Sovereign Diamond Limited
- vi. VIP Industries Limited
- vii. Metropolitan Traders Private Limited
- viii. Vindyachal Hydro Power Limited
- ix. Gannon Pressure Vessels Co. Limited
- x. S.Kumar Nationwide Limited
- xi. Simpark Infrastructure Private Limited
- xii. Laqshya Media Private Limited
- xiii. Zicom Electronic Security Systems Limited
- xiv. Shree Ram Mills Limited
- xv. SAB Industries Limited
- xvi. Balaji Shipping & Logistic Limited
- xvii. Dighi Project Development Co. Private Limited

He is also member of the Audit Committee of the following Companies:

- i. S. Kumars Nationwide Limited
- ii. VIP Industries Limited
- iii. Zicom Electronic Security Systems Limited

**Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956.**

**Item 6**

The company proposes to borrow money to meet ongoing expansion and general capex requirement of business activities. To facilitate the borrowings of funds for these activities, the Board of Directors of the Company are required to be given authority to borrow money on behalf of the Company. As per the estimated expenditure on expansion the sum for which the authority will be required to be given by the members of the company is estimated to be Rs. 20,000,000,000 (Rupees Two Thousand Crores Only). The Board of Directors recommend that the resolution be passed.

None of the Directors are concerned or interested in the Resolution.

**Item 7**

Mr. R. C. Jindal was appointed on the Board of Directors of the Company as the Additional Director on 16<sup>th</sup> May 2008 till the next Annual General Meeting. The Board of Directors recommends appointing him on the Board of Directors as Director of the Company. Taking into consideration the responsibilities casted on him, it is proposed to give him remuneration accordingly. The Annual increment will be merit based and will take into account the Company's performance.

Mr. R. C. Jindal director of the Company is interested in the Resolution.

The Directors recommend the Resolution to be passed by the members.

**Item 8**

At the Annual General Meeting held on 10<sup>th</sup> September 2003, the members of the Company had appointed Mr. R. C. Mansukhani, as the Whole-Time Director of the Company. Mr. R. C. Mansukhani is the promoter of the Company. He has contributed substantially to the growth of the Company over the years with his vast knowledge and extensive contact both in India and abroad. It is proposed to appoint Mr. R. C. Mansukhani as a Whole – Time Director of the Company effective from 26<sup>th</sup> September, 2008 for a period of 5 years on the terms and conditions including remuneration, as decided upon. The Annual increment will be merit based and will take into account the Company's performance.

Mr. R. C. Mansukhani, Mr. J. L. Mansukhani and Mr. J. C. Mansukhani being related to one another may be considered as interested in the resolution. None of the other directors have any interest therein.

The Directors recommend the Resolution to be passed by the members.

**Item 9**

At the Annual General Meeting held on 10<sup>th</sup> September 2003, the members of the Company had appointed Mr. J. L. Mansukhani, as the Whole-Time Director of the Company. Mr. J. L. Mansukhani is the promoter of the Company. Considering Mr. J. L. Mansukhani's deep knowledge of the industry and his wide experience, knowledge and contribution to the growth of the Company, his re-appointment on the terms will be beneficial to the Company. It is proposed to appoint Mr. J. L. Mansukhani as a Whole – Time Director of the Company effective from 26<sup>th</sup> September, 2008 for a period of 5 years on the terms and conditions including remuneration, as decided upon. The Annual increment will be merit based and will take into account the Company's performance.

Mr. R. C. Mansukhani, Mr. J. L. Mansukhani and Mr. J. C. Mansukhani being related to one another may be considered as interested in the resolution. None of the other directors have any interest therein.

The Directors recommend the Resolution to be passed by the members.

**Item 10 & 11**

The salient features of the Employees Stock Option Scheme are set out below :

**Total Options to be granted** Not exceeding 5% of the issued equity share capital of the Company. Identification of classes of employees entitled to participate in the ESOP All permanent/eligible "employees" of the Company working in India and overseas including Directors of the Company, whether executive or non-executive, excluding the promoter Directors.

**Requirements of vesting and period of vesting** Vesting of options may commence after one year from the date of grant, and may extend upto Three years as determined by the Compensation Committee. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as may be stipulated by the Compensation Committee, in its discretion.

**Exercise Price of Options** In accordance with SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. **Exercise Period and the Process of Exercise** The exercise period will commence from the end of date of vesting, and will expire as determined by the Compensation Committee in its discretion. The Options will be exercisable by the Employees by a written application to the Company to exercise the Options, in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The Options will lapse if not exercised within the specified exercise period.

**Appraisal Process for determining the eligibility of employees to ESOP** The appraisal process for determining the eligibility of the employees will be specified by the Compensation Committee, and will be based on criteria such as the seniority of the employees, length of service, CTC of the employee and/or any such other criteria that may be determined by the Compensation Committee at its sole discretion.

**Maximum number of options to be issued per employee and in aggregate** The maximum number of Options per optionee per year shall be determined by the Compensation Committee time to time within the aggregate limit.

The Company shall conform to the Accounting Policies specified in SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and its amendments, if any, or such other Guidelines as may be issued by SEBI or any other Authority in this respect.

Section 81 of the Companies Act, 1956 provides *inter alia*, that whenever it is proposed to increase the subscribed capital of a company by a further issue of equity shares, such shares shall be offered to the existing Members of the Company in the manner laid down in the said Section, unless the Members in General Meeting decide otherwise by Special Resolution. To enable the Company to introduce ESOP, consent of the Members is sought for issue of shares as set out in the Resolution at Item No. 10 & 11.

The directors recommend the passing of the special resolution as set out in Item no. 10 & 11 and seek the approval of shareholders.

The Directors of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any Stock Options that may be granted to them and the resultant equity shares issued, as applicable.

Copies of Memorandum and Articles of Association of the Company shall be available for inspection on all working days between 10:a.m. to 1:00 p.m. at the registered office of the Company at 102, Man House, S.V. Road, Vile Parle (West), Mumbai- 400 056.

By order of the Board of Directors  
For Man Industries (India) Limited

**Date:** 1<sup>st</sup> September, 2008

**Place:** Mumbai

Sujal Sharma  
Company Secretary



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

Pipes are used in various industries and applications, including in water, oil and natural gas and related products and sewage transportation as well as in oil refineries, petrochemical plants, OCTG applications and in mechanical, structural, chemical, automobile and general engineering industries. The steel pipes industry in India did not develop until the 1980s, primarily due to a shortage in the supply of flat steel, both in the form of steel plates as well as in the form of hot-rolled steel coils. The addition of steel plants and increased capacities for the manufacture of hot rolled steel coils and steel plates in the early 1990s led to the growth of the steel pipes industry in India.

Submerged arc welded (SAW) pipes are a category of pipes that are primarily used in the energy industry, particularly for oil and natural gas transportation. SAW pipes are made from steel plates and steel coils. LSAW pipes are generally used in transportation of oil and natural gas in high temperature and pressure applications in refineries and petrochemical units and HSAW pipes are generally used for transportation of crude and refined petroleum products and natural gas under low pressure conditions as well as for water and sewage transportation.

Large diameter SAW pipes are internationally the preferred mode of transportation in the oil and natural gas industry as it is a safer and more reliable, environment friendly and cost efficient mode of transportation. Demand for SAW pipes is significantly dependent upon the level of exploration activities and transportation of oil and natural gas in India and globally. Many factors, such as the supply and demand for oil and natural gas, general economic conditions and global weather patterns affect these prices. Based on installed capacities, MAN is one of India's leading producers of submerged arc welded pipes and a leading provider of anti-corrosion coatings and cement mortar coatings for SAW pipes.

### Global Industry Overview

India has emerged as one of the four global hubs for pipe production along with Japan, China & Europe. The outlook of the pipeline sector is strongly linked to growth in Exploration and Production (E&P) activities in both domestic and international market, which is being driven up by strong crude oil prices. Strong growth expected in infrastructure, power, construction and housing sector would also lead to a spurt in the demand for pipes. Large gas finds in the Middle East, Russia, Alaska, K. G. Basin in India etc. have also provided major boost for the pipe industry. A recent entrant in the growth drivers of pipes is the demand arising from the replacement of old pipelines, dominantly in the U. S. A. and Russia. These pipes had been laid in the late 1960's and 1970's. The average life of a pipe used for transportation is approximately 25 years to 30 years. These pipelines which have outlived their economic life, have led to a pressing need for replacement to ensure the smooth flow of operations. Thus the replacement market has additionally pushed the demand for pipes even further. Pipeline methods cost just one-third when compared to rail and road transportation. As such we expect the demand for pipes to increase substantially.

The following points are to consider in the global scenario:

- Global Demand for pipelines expected to remain buoyant - driven by increased investments in hydrocarbon sector as oil prices continue to remain firm.
- It is Cost-effective, eco-friendly mode of transportation and the safest form of Transportation.
- Rise in need for Oil & Gas infrastructure due to a high demand of it.
- Increasing E & P activity to drive demand further.
- Global Pipeline Capex on rise.
- Increase in refining capacity:
- Need to create water transport infrastructure
- Need to connect marginal oil fields with main hubs
- Robust replacement & refurbishment demand from US & Russia.

Worldwide, consumption of natural gas rose from 19% of global primary energy in 1980 to 24% in 2002. Demand for natural gas is expected to grow at 3.9% per year between 2001 and 2025. The Indian natural gas market is relatively underdeveloped compared to other regions of the world. By 2024-2025, the share of natural gas would increase to 20% of total primary energy consumption, according to Hydrocarbon Vision 2025. With growth in consumption, we believe that the transportation infrastructure would also see traction. Higher usage of natural gas requires better & economical transportation medium and thus more pipelines.

The setting up of transportation infrastructure in the wake of burgeoning crude prices is increasing the demand for SAW pipes. SAW pipe demand is likely to remain robust due to diverse point of uses of crude and concentration of source of crude in the Middle East. Indian pipes manufacturers have the advantage of being in the close proximity to Middle East vis-à-vis other major pipe manufacturers in Japan or Europe. Transportation cost is a major cost for the pipe manufacturers to ship the pipes to Middle East, which around half as compared to that from Japan. Moreover the domestic demand is also high with various organizations have put their plans to lay pipeline infrastructure for oil transportation. Seamless pipes' demand is also likely to take a leap on account of depleting reserves and rising complexity in the oil exploration and production (E&P) process.

### Domestic Industry Overview

The Indian pipe manufacturing industry has come of age. Over the last five years, Industry majors have consolidated their position, leveraging low cost of production, economies of scale, tax sops, in-house capabilities for pipe coating, and location advantages. Most of the companies have port based plant locations, thereby providing savings on freight and logistics costs. Traditionally, Europe, Japan and Korea have been pipe manufacturing hubs. India has joined the league off late. Continuously expanding their capacities, the Indian pipe producers have emerged stronger to face global competition and have bagged numerous prestigious projects across the world.

Having gained a strong foothold in neighboring markets of Asia and Middle East, the companies are now setting up overseas plants in China and U.S. to exploit massive opportunities arising in those countries.

### **Future Outlook**

We further intend to decrease our operating costs by widening our supplier base and practising just-in-time procurement processes. In order to reduce electrical power costs, we have set up a 7MW captive power plant and wind power generation facilities of 7MW.

There have been many Oil and Gas pipeline announcements on the International front as well, particularly in the Middle East, North and East Africa, and South East Asian countries. The proximity of these regions to India provides the domestic players with a cost advantage over many international SAW pipe manufacturers located away in Japan and Europe.

According to The Simdex Future Pipeline Projects Worldwide guide July -2008 statistics worldwide construction figures for the 2007 to 2009 is 1,43,577 miles of new Oil and Gas pipelines are under construction and planned. Of these, North American pipeline companies are constructing, planning and designing 38,410 miles of Oil and Gas pipelines. The remaining 1, 05,167 miles represent international pipeline projects planned and under construction.

### **Quality Control**

The Company's growth and good performance can mainly be attributed to the strict quality norms being followed through out the production process. The quality control related procedures, methods and technology are being constantly updated and upgraded. As a result the Company enjoys a high reputation for consistently offering a quality product to its customers.

### **Internal Controls Systems and their adequacy.**

The Company has an intricate system of internal control procedures commensurate with the size and nature of business covering all financial and operating functions. The qualified, experienced and independent Audit Committee of the Board of Directors regularly reviews plans, significant audit findings, internal control adequacy, compliance with the accounting standards and other legal requirements relating to financial statements. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. This internal control provides for well administered policies, guidelines, and authorization and approval procedures.

### **Risk Management**

Man Industries (India) Limited sells the products in highly competitive markets, and competition in these markets is based primarily on demand and price which is typically determined on a tender basis. As a result, to remain competitive in our markets, we must continuously strive to reduce our production, transportation and distribution costs and improve our operating efficiencies.

Your Company is one of the largest manufacturers of LSAW pipes in India on the basis of installed capacity and compete primarily with other significant Indian manufacturers. We also compete with several international SAW pipe producers.

Following are concerns about the industry.

1. Pipeline orders are project related, any delay in taking off/cancellation could be negative.
2. Any unexpected increase in prices of HR plates and/or HR coils could seriously impact profits as sale price contracts are sans cost escalation clauses. Companies normally make back-to-back bookings of all essential raw materials like coil and/or plate to protect the price, which has been taken into consideration while making bids.

### **Factors affecting Saw Pipes Industry**

- Prices of HR Coil & Plate
- Levy of any additional statutory duties
- Currency exchange rates
- Increasing Sea Freight
- Funding constraints at Govt. levels.
- Other trade restriction.

### **Contingent Liabilities**

Details of Contingent liabilities are given in Notes on Balance Sheet and Profit & Loss Account.

### **Statutory Compliance**

All the statutory compliance with respect to SEBI regulations, provisions of the listing agreement with the stock exchanges, Income Tax Act, Sales Tax Act, Companies Act, 1956 and all other applicable Acts, Rules & Regulations are complied with.

### **Environment Management**

The Company is an ISO 9001, ISO 9002, ISO 14001 and ISO 18001 certified and all its facilities hold valid API (American Petroleum Institute) License which is a mandatory requirement for production of high pressure line pipes for hydrocarbon applications.

### **Industrial Relations & Human Resource Management**

Your Company believes in creating an environment that builds a committed workforce pursuing a shared vision of excellence. Over the years the organization has put in place practices around quality sourcing, performance management and capability enhancement among others. Efforts are continuously made to strengthen these practices to ingrain them with the organization ethos.

Your Company has a team of experienced staff and executives at different levels. It is the commitment of employees at all levels and their contribution to innovation and change that is essential to compete successfully in an increasingly competitive global market place and achieve sustained growth and profitability. Attracting, retaining and motivating employees to perform to their best of their abilities and contribute to the growth of the company along with self-development have been one of the objectives of the Company. The organization continues to regularly review people policies and implement need based revision. Industrial relations at all the Company's work and plants remained cordial through out the year.

#### **Health & Safety**

The Company continuously focuses on the health and safety of all its workers and staff. Adequate safety measures have been taken at all the plants for the prevention of accidents or other untoward incident. The necessary medical facilities are available for the workers, staff and their family members to enable them to maintain good health.

#### **Cautionary Statement**

The statements given in this report, describing the company's objectives, estimates and expectations and future plans may be construed forward looking statement within the meaning of applicable laws and/or regulations. Actual performance may differ materially from those either expressed or implied. Important factors that could effect the working of the Company include economic conditions, domestic as well as international, affecting demand and price conditions, raw material prices, interest costs, change in the government policies affecting investments, change in the government regulations tax laws and other statutes, high prices of petro products affecting energy and transportation cost etc.

## CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

With the globalization of the economy, corporatisation of the enterprises and institutionalization of the capital markets, the freedom and the liberty of the corporates and business institutions have increased manifold together with the responsibility towards the stakeholders. Corporate Governance which encompasses the moral, ethical and legal framework within which an organization functions has become imperative today. Good governance practices stem from the culture and mindset of the organization.

The traditional analysis of corporate governance focused on the allocation of power and duty among the Board of Directors, management, and shareholders. As the sole residual claimants on company assets, shareholders were presumed to have the most incentive to maximize company value. According to that perspective, the Board of Directors acted as the shareholders' agent and management was responsible for daily operations. In today's scenario, the Board and the Management play the role of trustees.

Effective corporate governance requires a clear understanding of the respective roles of the Board and the senior management, and their relationships with others in the corporate structure. The relationship of the Board and the Management with shareholders should be characterized by candor; their relationship with employees should be characterized by fairness; their relationship with the communities in which they operate should be characterized by good citizenship; and their relationship with the government should be characterized by a commitment to compliance.

We believe that sound corporate governance is critical to enhance and retain stakeholders' trust. Accordingly, we always seek to ensure that we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of Law and not just the letter of law.
- Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Comply with the laws in all the countries in which we operate.
- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

### Corporate Governance Monitoring and Review Process at Man:

Man continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also constantly endeavors to implement the best international practices of Corporate Governance, in the over all interest of all stakeholders.

Some of the major initiatives taken by the Company towards strengthening its corporate governance systems and practices include the following :

#### (a) Secretarial Audit :

The Company has appointed an independent practicing Company Secretary to conduct secretarial audit. The quarterly audit reports are placed before the Board and the annual audit report placed before the Board is included in the Annual Report. This audit has been introduced to report to the management as well as the shareholders of the status of compliance with various applicable corporate and securities laws.

#### (b) Role of the Company Secretary in Overall Governance Process:

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements. Transforming India is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

#### (c) Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India :

The Institute of Company Secretaries of India (ICSI) is one of the premier professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings and Transmission of Shares. Though these standards are recommendatory in nature, the Company adheres to the standards voluntarily.

**BOARD OF DIRECTORS:**

The Board of Directors of the company comprises of three promoter directors, three non-executive and independent directors and one executive director. The board met six times in the last year on 27.06.2007, 31.07.2007, 30.10.2007, 24.11.2007, 28.01.2008 and 17.03.2008.

**Directors' Profile**

Brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships/chairmanships of Board Committees and their shareholding in the Company are provided below :

**Mr. R.C. Mansukhani**

Mr. R.C. Mansukhani , aged 52 is a promoter of the Company . He is Director of the Company since incorporation. He has done Post Graduation in Economics and LLB. He has career spanning of over 35 years of contribution in the field of manufacturing. He has created a successful business set up in UK, UAE and India. He is also very active in keeping up the welfare activities and social obligations. He holds 90,52,324 shares of the Company in his name as on 31<sup>st</sup> March, 2008. He is on the board of following companies.

- Man Aluminium Limited
- Man Infraprojects Limited
- Merino Shelters Private Limited
- Man USA Inc.

**Mr. J.C. Mansukhani**

Mr. J.C. Mansukhani, aged 49 is a Graduate in Arts. He is Director of the Company since incorporation. He has career spanning of over 20 years of contribution in the field of manufacturing. He is an efficient and enthusiastic young/entrepreneur as well with enormous capacity to work hard and had played a significant role in the exponential growth of the Man Group. He holds 92,31,062 shares of the Company in his name as on 31<sup>st</sup> March, 2008. He is on the board of following companies.

- Man Aluminium Limited
- Man Infraprojects Limited
- JPA Holdings Private Limited

**Mr. J.L Mansukhani**

Mr. J. L. Mansukhani, aged 74, is a business man and industrialist. He has been involved in the construction, metal trading and steel industry for over five decades. He holds 7,40,128 shares of the Company in his name as on 31<sup>st</sup> March, 2008. He has been on the Company's Board since its incorporation in 1988.

**Mr. Kirit N.Damania**

Mr. Kirit N. Damania, aged 74, is leading solicitor in Mumbai and is a senior partner in Kirit N.Damania & Co., Advocate & Solicitors. He is a Director of the Company since 11<sup>th</sup> July 1989. He is not holding any shares in the Company. Mr. Kirit N. Damania is the Chairman of the Shareholders'/Investors' Grievance Committee and of the Audit Committee of the Company. He is on the Board of Living Room Life Style Ltd. and Kirit Damania Investment & Consultancy Pvt. Ltd.

**Mr. Vijay Kalantri**

Mr. Vijay Kalantri, aged 58 years is an industrialist and President of AIAI. He is on the board of many corporates in India and having wide experience of more than 25 years in various industries. He is not holding any shares of the Company. Mr. Kalantri is a member of the Audit Committee and Shareholders'/Investors' Grievance Committee of the Company. He is holding Directorship in the following Companies:

- i. Balaji Infra Projects Limited
- ii. Balaji Infrastructure & Dev. Co. Limited
- iii. Dighi Port Limited
- iv. Hindustan Housing Finance & Development Corporation Limited
- v. Sovereign Diamond Limited
- vi. VIP Industries Limited
- vii. Metropolitan Traders Private Limited
- viii. Vindyachal Hydro Power Limited
- ix. Gannon Pressure Vessels Co. Limited
- x. S.Kumar Nationwide Ltd.
- xi. Simpark Infrastructure Private Limited
- xii. Laqshya Media Private Limited
- xiii. Zicom Electronic Security Systems Limited
- xiv. Shree Ram Mills Limited
- xv. SAB Industries Limited
- xvi. Balaji Shipping & Logistic Limited
- xvii. Dighi Project Development Co. Private Limited



He is also member of the Audit Committee of the following Companies:

- i. S. Kumars Nationwide Limited
- ii. VIP Industries Limited
- iii. Zicom Electronic Security Systems Limited

#### Mr. Sudatta Mandal

Mr. Sudatta Mandal, aged 40 holds Bachelors degree in Engineering and a Masters degree in Business Administration. He has worked with EXIM Bank and has corporate experience of approximately 15 years. He is not holding any shares of the Company. He is a nominee of EXIM Bank on our Board and was appointed in 2005.

#### Mr. Ramesh Chandra Jindal

Mr. Ramesh Chandra Jindal, aged 60 has 30 years experience in Oil & Gas Industry. He has an expertise in construction, operations, projects, Engineering, Materials and Maintenance Function. He was appointed as Additional director of the Company on 16<sup>th</sup> May, 2008 to hold office till Annual General Meeting. He is not holding any shares of the Company. Board has recommended his appointment as Director in their meeting.

#### Composition, nature of Directorship, the number of meetings attended and the Directorships in other companies, of the Board of Directors as on 31st March, 2008:

Name of the Director	Nature of Directorship	Date of Joining the Board	Attendance		Directorship in other Companies**	Membership & Chairmanship of the Board of other Companies	
			At the Board Member	At the last AGM		Committee Member	Committee Chairman
Mr. R. C. Mansukhani	Promoter & Chairman	19-05-1988	6	Yes	2	-	-
Mr. J. C. Mansukhani	Promoter & Managing Director	01-10-1996	5	Yes	2	-	-
Mr. J. L. Mansukhani	Promoter & Executive Director	01-01-1989	6	Yes	-	-	-
Mr. Kirit N. Damania	Non-Executive Independent Director	11-07-1989	5	Yes	1	-	-
Mr. Vijay G. Kalantri	Non-Executive Independent Director	15-02-2001	6	Yes	13	3***	-
Mr. Sudatta Mandal	Nominee Director of EXIM Bank	22-06-2005	5	Yes	-	-	-
*Mr. R. C. Jindal	Executive Director	16-05-2008	NIL	No	-	-	-

#### Note:

\*Mr. R. C. Jindal was appointed by the Board of Directors on 16<sup>th</sup> May 2008 as the Additional Director on the Board.

\*\*Excludes directorship in Man Industries (India) Limited. Also excludes directorship in Indian Private Limited Companies, Foreign Companies and Alternate Directorships. As per the disclosure(s) received from the Directors, the Directors do not hold directorship in more than 15 Companies.

\*\*\*For the purpose of considering the limit of the committee memberships and chairmanships of a Director, the Audit Committee and the Shareholders' Grievance Committee of public listed committees have been considered.

The Board of Directors meet at least once in every four months and the maximum time gap between two meetings does not exceed four months. The date(s) on which the quarterly and annual results are proposed to be declared in the next financial year are determined in advance and published elsewhere in the Annual Report. Additional meetings are convened as and when necessitated.

## BOARDS PROCEDURE

Agenda papers consisting of all the necessary information and material for ensuring effective deliberations and discussions at the meetings of the Board are circulated in advance to all the directors. The proceedings of every meeting are recorded and minutes are prepared accordingly. The draft minutes is circulated to the members of the Board, for their noting and approval, after which the same is signed by the Chairman. The Board has complete access to all the information and data, relevant to understand the business of the Company in general as well as the agenda items circulated are comprehensive in nature.

Following information *inter-alia* is supplied to the Board on a periodical basis:

- Annual budgets, operating plans and budgets, capital budgets,
- Quarterly, half yearly and annual results of the Company and its operating divisions or business segments along with the consolidated results of the group,
- Minutes of meetings of the audit committee and other committee(s) of the Board,
- Information on recruitment and remuneration of senior officers just below the Board level,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially significant effluent or pollution problems,
- Any materially relevant defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions,
- Significant initiatives and developments on the human resource and industrial relations fronts,
- Sale of a material nature of investments, subsidiaries and assets, which are not in the normal course of business,
- Investment of funds of the Company,
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement,
- Status on legal cases,
- Proposals for investments, divestments, loans, guarantees, mergers and acquisitions.
- Approval of related party transactions,
- Compliance reports of all laws applicable to the Company,
- Minutes of the meetings of the Board of Directors of unlisted subsidiary companies and statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies,
- Disclosures made by the senior management personnel as to all material financial and commercial transactions, where they have personal interest.
- All other information which is relevant for decision making by the Board.

## COMMITTEES OF THE BOARD

Currently there are two committees of the Board : Audit Committee & Shareholder's Investor Grievance Committee. The terms of reference of the Committee(s) detailing their scope of work are determined by the Board from time to time. The Board periodically reviews the minutes of the meetings of Audit Committee & Shareholder's Investor Grievance Committee. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed.

### AUDIT COMMITTEE

The Audit Committee plays a key role, standing at the intersection of management, independent auditors and the Board of Directors. Audit Committee needs to ensure accountability on the part of management & external auditors and safeguard the overall objectivity of the financial reporting and internal controls process.

The composition, procedures, roles, powers and the terms of reference of the Audit Committee are as stipulated in Section 292A of the Companies Act 1956 and Clause 49 of the listing agreement.

The Audit Committee of your Company consists of the Managing Director and two Independent Directors. Company Secretary of the Company is the Secretary to the Committee.

During the year the meetings of the members of the Audit Committee were held on 27.06.2007, 27.07.2007, 30.10.2007 and 28.01.2008 dates. Details as to attendance of the members of the Committee during the financial year ended 31<sup>st</sup> March 2008 are as follows:

Name of Members	Designation	Meeting held during the year	Attendance	Whether Attended last AGM
Mr. Kirit N. Damania	Chairman	4	3	Yes
Mr. Vijay G. Kalantri	Member	4	4	Yes
Mr. J. C. Mansukhani	Member	4	3	Yes

**The role of Audit Committee inter alia includes the following:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub section (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with Internal Auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committees of Directors of the Company.
12. To review the following information :
  - The management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
13. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of Company.
14. Review of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).

**REMUNERATION COMMITTEE**

The remuneration policy of the Company based on the fundamental rule of rewarding performance as against benchmarked objectives. The policy is revised from time to time to make it commensurate with the industry standards. The aim is to attract, retain, develop and motivate talent within the organization.

The Board has not constituted a separate committee as Remuneration Committee. It is proposed to constitute one. The details of the payments made to the board of Directors during the year are as follows:

Name of Director	Salary (Rs.)	Sitting Fees (Rs.)
Mr. R. C. Mansukhani	2,42,11,284	-
Mr. J. C. Mansukhani	1,94,40,000	-
Mr. J. L. Mansukhani	55,16,122	-
Mr. Kirit N. Damania	-	40,000
Mr. Vijay G. Kalantri	-	70,000
Mr. Sudatta Mandal	-	40,000
Mr. R. C. Jindal	-	-

**SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE**

The Board has constituted Shareholders/ Investor Grievances Committee chaired by Non – Executive and Independent Directors to specifically look into the redressal of shareholders complaints.

The Share Holders'/Investors' Grievance Committee consists of the following:

Name of the Director	Designation
Mr. Kirit N. Damania	Chairman
Mr. J.L. Mansukhani	Member
Mr. Vijay G. Kalantri	Member

#### Compliance officer

Ms. Sujal Sharma  
 Company Secretary  
 Man House, 102, S.V. Road, Vile Parle (West)  
 Mumbai – 400 056  
 Email id: [sujal.sharma@maninds.org](mailto:sujal.sharma@maninds.org)

The terms of reference of the Committee include the following:

- To specifically look into complaints received from the shareholders of the Company.
- To oversee the performance of the Registrar and Transfer Agent of the Company.
- To recommend measurements for overall improvement in the quality of services to the investors.

Details pertaining to the numbers of complaints received and resolved and the status thereof during the financial year ended 31<sup>st</sup> March 2008 are given as follows:

Nature of Complaints	Received during the year	Addressed during the year
Non receipt of Share certificates lodged for transfer	26	26
Non-receipt of dividend warrant	33	33
Other/ Miscellaneous	32	32
<b>Total</b>	<b>91</b>	<b>91</b>

#### **SUBSIDIARY COMPANIES**

Your Company in terms of Clause 49 (III) of the Listing Agreement, does not have a material non-listed Indian subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

The Audit Committee reviews the financial statements including investments by the unlisted subsidiary Companies of the Company. Also, copies of the minutes of the subsidiary companies of the Company are placed before the Board of the Company on periodical basis.

#### **CEO/M.D.'S CERTIFICATION**

As required by Clause 49(V) of the listing agreement the CEO/CFO certificate signed by Mr. J. C. Mansukhani, Managing Director was placed before the Board of Directors at their meeting held on 28<sup>th</sup> June, 2008.

#### **GENERAL BODY MEETINGS**

(i) The details of Annual General Meeting held in last three years are as follows:

AGM	Day	Date	Time	Venue
17 <sup>th</sup>	Saturday	24-Sep-2005	3.00 p.m.	Hotel Karl Residency, Lallubhai Park Road, Andheri (W) Mumbai - 400058
18 <sup>th</sup>	Friday	15-Sep-2006	3.00 p.m.	Hotel Karl Residency, Lallubhai Park Road, Andheri (W) Mumbai - 400058
19 <sup>th</sup>	Friday	14-Sep-2007	5.00 p.m.	Hotel Karl Residency, Lallubhai Park Road, Andheri (W) Mumbai - 400058

- (ii) All special resolutions set out in the notices were passed by requisite majority by the shareholders in the respective meeting.  
 (iii) There were no resolutions passed by the members through postal ballot during the year ended on 31<sup>st</sup> March 2008.

**DISCLOSURES**

- Disclosure on materially significant related party transactions:  
The Company has not entered into any other transaction of a material nature with the promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- Disclosure of compliance (s) by the Company:  
The Company has complied with all the requirements of the Stock Exchanges or Securities Exchange Board of India on matters related to capital markets as applicable from time to time. There were no penalties imposed or strictures passed against the Company by the Statutory Authorities in this regard.
- Disclosure of Accounting Treatment:  
The Company follows Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act 1956 and in preparation of the financial statements the company has not adopted a treatment different from that prescribed in the Accounting Standard(s).
- Disclosure of compliance with the provisions of Clause 49 of the Listing Agreement.  
The Company has complied with the provisions of Clause 49 of the Listing Agreement.
- Code of Conduct for the Board of Directors and Senior Management personnel of the Company.
- Code of conduct for prevention of Insider Trading.
- Management Discussion and Analysis.  
This Annual Report has a detailed section on Management Discussion and Analysis.

**MEANS OF COMMUNICATION**

**Quarterly Results:** Quarterly Results are published in the Economic Times & The Maharashtra Times.

**News Releases Presentations etc.:** Official news releases are displayed on the Company's website.

**Website:** Detailed information regarding the Company are available for the investors at the Company's website [www.mangroup.com](http://www.mangroup.com).

**Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor Report, Corporate Governance Report along with Management Discussion & Analysis are circulated to members and others entitled thereto.

**E-mail:** [investor.relation@maninds.org](mailto:investor.relation@maninds.org) mail id has been formed exclusively for investor servicing.

**GENERAL SHAREHOLDER INFORMATION****Annual General meeting**

Date : 26th September, 2008  
 Venue : Hotel Karl Residency,  
 Lallubhai Park Road,  
 Andheri (W) Mumbai - 400058  
 Time : 3.00 p.m.

**Financial Calendar**

1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009

**Book Closure**

22<sup>nd</sup> September 2008 to 26<sup>th</sup> September 2008 (both days inclusive)

**Dividend**

A final dividend of Rs. 1.50 per share (30%) was recommended by the Board of Directors in their meeting held on 28<sup>th</sup> June, 2008 subject to the approval of the members in the Annual General Meeting of the company.

Dividends paid in the last five years are as follows:

Year	Rate	Dividend Per Share
2002-03	10%	Rs. 1.00
2003-04	20%	Rs. 2.00
2004-05	20%	Rs. 2.00
2005-06	25%	Rs. 2.50
2006-07	30%	Rs. 3.00



## Listing

The Companies Shares are listed on the following:

- Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, 25<sup>th</sup> Floor,  
Dalal Street, Mumbai – 400023
- National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
“G” Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

The Companies GDRs are listed on the following:

- Dubai International Financial Exchange.

The Company has paid the annual listing fees for the financial year 2008-09 to all the exchanges and has also paid the custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2008-09.

## ISIN No.

The International Security Identification Number (ISIN) allocated to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is INE993A01018.

## Stock Codes

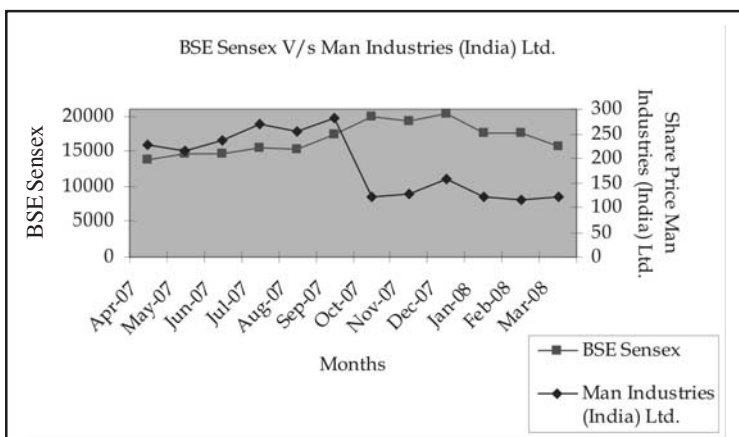
Stock Exchange	Code
National Stock Exchange of India Limited	Maninds
Bombay Stock Exchange Limited	Manind

## \* Stock Price Data

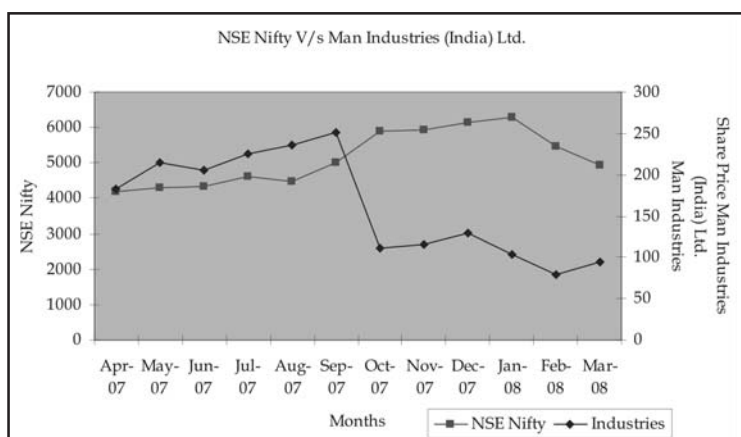
Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 07	238.00	183.50	706,018	230.00	183.50	895,772
May 07	239.90	214.90	3,184,181	250.00	214.50	607,822
June 07	290.00	208.40	3,565,661	269.00	206.25	3,270,365
July 07	332.00	233.50	2,190,574	332.90	225.10	2,442,446
Aug 07	278.05	235.00	335,300	320.00	236.20	469,225
Sep 07	300.00	251.55	642,190	295.00	251.50	745,709
Oct 07	309.90	111.00	1,310,262	310.00	111.10	2,446,615
Nov 07	141.90	115.20	1,873,440	140.00	115.00	2,096,810
Dec 07	165.00	129.00	3,636,578	165.00	129.50	3,235,502
Jan 08	177.00	101.10	3,787,915	178.00	104.10	3,251,763
Feb 08	128.90	91.50	1,893,194	128.80	79.00	2,466,936
Mar 08	124.95	93.50	1,481,090	125.90	95.00	1,497,537

\* Share of the company were sub-divided on 15<sup>th</sup> October, 2007. Face value of Share was Previously Rs. 10/- & after sub-division Rs. 5/-

## Stock Price Movement in BSE



### Stock Price Movement in NSE



### Share Transfer System

The applications and requests received by your Company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under the Companies Act 1956 and the Listing Agreement. A summary of all the transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time for their review.

### Distribution of Shareholding

The distribution of Shareholding of the Company by number of shares held on 31<sup>st</sup> March 2008:

Particulars	Shareholders		Share Allotted	% of total
	Number	% of Total		
1 - 500	24,360	87.27	3,900,214	7.32
501 - 1000	2,074	7.43	1,653,427	3.10
1001 - 2000	828	2.97	1,316,754	2.47
2001 - 3000	238	0.85	621,054	1.17
3001 - 4000	135	0.49	500,467	0.94
4001 - 5000	63	0.23	295,502	0.56
5001 - 10000	104	0.37	791,524	1.48
10001 and above	110	0.39	44,205,932	82.96

### Distribution of Shareholding

The distribution pattern of shareholding of your Company as on 31<sup>st</sup> March 2008 by ownership and size class respectively is given as follows:

	Category of Shareholders	Total No. of Shares	Percentage of total no. of Shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
(a)	Individuals/HUF	15,005,858	28.17
(b)	Others	12,800	0.02
(c)	Foreign Holdings of Promoters	6,625,092	12.43
	<b>Total Shareholding of Promoters &amp; promoter Group (A)</b>	<b>15,018,658</b>	<b>40.62</b>
<b>(B)</b>	<b>Public Shareholding</b>		
1.	Institutions		
(a)	Mutual Funds/UTI	5,938,837	11.15
(b)	Financial Institutions/Banks	3,060,964	5.74
(c)	FII's	2,150,645	4.04
(d)	Trusts	1,000	0.00
	<b>Sub-Total (B1)</b>	<b>11,150,446</b>	<b>20.93</b>

	Category of Shareholders	Total No. of Shares	Percentage of total no. of Shares
2.	Non-Institutions		
(a)	Bodies Corporate	6,263,935	11.76
(b)	Individual		
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	8,320,309	15.61
	ii) Individual shareholders holding nominal capital in excess of Rs. 1 lakh.	472,283	0.89
(c)	Clearing Members	6,625,092	12.43
(d)	Market Maker	163,034	0.31
(e)	Non – Resident Indians	463,133	0.87
(f)	Foreign Companies	287,060	0.54
	<b>Sub Total (B2)</b>	<b>15,970,754</b>	<b>29.97</b>
	<b>Total Public Shareholding B = (B1)+(B2)</b>	<b>33,746,292</b>	<b>50.90</b>
(C)	Shares held by custodian	4,519,924	8.48
	<b>Total (C)</b>	<b>4,519,924</b>	<b>8.48</b>
	<b>Total (A) + (B) + (C)</b>	<b>53,284,874</b>	<b>100.00</b>

#### Outstanding GDRs/ADRs/ Warrants/ Convertible Instruments and their impact on equity

**GDRs :** Outstanding GDRs as on March 31, 2008 represent 45,19,924 equity shares constituting 8.48% of the Paid up Equity Share Capital of the Company. Each GDR represents one underlying equity shares in the Company. GDR is not a specific time-bound instrument and can be surrendered any time and converted into the underlying equity shares in the Company. The shares so released in favor of the investors upon surrender of GDRs can either be held by the investors concerned in their name or sold off in the Indian secondary markets for cash.

#### Details of public funding obtained in the last three years

Your Company has not obtained any public funding in the last three years.

#### Other Information:

##### Corporate Identification Number

L99999MH1988PLC047408

#### Top ten Shareholders of the Company in the non-promoter group as on 31st March 2008

SR. NO.	NAME OF THE SHAREHOLDER	NO. OF SHARES	% OF CAPITAL
1	ICICI Prudential Life Insurance Company	3,562,159	6.69
2	United India Insurance Company Limited	1,789,666	3.36
3.	Goldman Sachs Investments (Mauritius)	1,452,498	2.73
4.	Mangal Keshav Securities Limited	1,420,654	2.67
5.	HDFC Trustee Company Limited - HDFC Capital	1,315,506	2.47
6.	SBI Mutual Fund – Magnum Tax Gain 1993	1,084,800	2.04
7.	Reliance Capital Trustee Co Ltd – Reliance	1,013,311	1.90
8.	General Insurance Corporation of India	767,498	1.44
9.	SBI Mutual Fund A/C Magnum Global Fund	650,692	1.22
10	Morgan Stanley Mauritius Company Limited	500,000	0.94

#### Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, a Qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors.

#### Electronic Clearing Scheme (ECS) for dividend.

The Reserve Bank of India (RBI) has provided an Electronic Clearance Scheme (ECS) to the investors as an option to receive dividend directly through their bank accounts rather than receiving the same in the form of Dividend Warrants. Under this option, an investors bank account is directly credited and an intimation thereof is sent by the Company to the Shareholder.

This service provides instantaneous credit to the shareholders account and protects against fraudulent interception and encashment of dividend warrant but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/ issue of duplicate warrants.

#### **Shareholders holding share in physical form**

Investors who would like to avail this facility and are holding shares in physical form may send in their ECS Mandate Form, duly filled in to the Company's Registrar and Transfer Agent, Intime Spectrum Registry Limited, C/13 Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400078. The ECS mandate form is annexed at the end of the Annual Report. The ECS Mandate Instruction should be under the signature of the shareholder as per the specimen signature records lodged by the Company.

#### **Shareholders holding share in Electronic/Demat Form**

Investors holding shares in demat or electronic form may send in their ECS Mandate Form, duly filled in to the concerned Depository Participant(DP) directly in the format prescribed by the DP. Pursuant to the depository regulations, the Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or the Registrar & Transfer Agent cannot make any change in the records received from the Depository.

#### **Unpaid/Unclaimed Dividend**

In terms of section 205A and 205C of the companies Act 1956, the company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the **Investor Education and Protection Fund (IEPF)**. Shareholders are requested to ensure that they claim the dividend (s) from the Company before transfer to the Investor Education and Protection Fund.

<b>Financial Year</b>	<b>Due date for transfer to IEPF</b>
2002-03	30.10.2010
2003-04	28.10.2011
2004-05	24.10.2012
2005-06	15.10.2013
2006-07	14.10.2014

#### **Registrar & Transfer Agent**

Intime Spectrum Registry Limited is the Registrar & Transfer Agent of the Company. Shareholders, beneficial owners and depository participants are requested to send the correspondence relating to the Company's share transfer activity etc. to Intime Spectrum Registry Limited at the following address:

#### **M/s Intime Spectrum Registry Ltd.**

C/13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai – 400 078  
Ph: 022-25963838  
Fax: 022- 25946969  
Email: [isrl@vsnl.com](mailto:isrl@vsnl.com)

#### **E-mail id for investor grievance**

The e-mail address of the Company for investor grievance is [investor.relation@maninds.com](mailto:investor.relation@maninds.com).

#### **Plant Location**

1. Village: Khedoi, Taluka: Anjar  
District: Kutch (Gujarat)  
Ph: 02836-249160
2. Plot No. 257/258B, Sector No. 1, Pithampur Industrial Area  
Pithampur (Near Indore), District: Dhar (MP)  
Ph: 07292-253666

#### **Address for correspondence**

Registered Office:  
Man House, 102, S. V. Road, Opp. Pawan Hans,  
Vile Parle (W), Mumbai - 400056 Ph : 022-66477500

**Declaration of Compliance with the code of conduct (by the Managing Director)**

To ,  
The Members of  
Man Industries (India) Limited,

I, J. C. Mansukhani, Managing Director of Man Industries (India) Limited declares that to the best of my knowledge and belief, all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2008.

Place : Mumbai  
Date : 28<sup>th</sup> June, 2008

**J. C. Mansukhani**  
**Managing Director**

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**Auditors Report on Corporate Governance**

To,  
The Members of  
MAN INDUSTRIES (INDIA) LIMITED

We have examined the compliance of conditions of corporate governance by **Man Industries (India) Limited** for the year ended 31<sup>st</sup> March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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 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 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 ROHIRA MEHTA & ASSOCIATES**  
Chartered Accountants

Place : Mumbai  
Date : 28<sup>th</sup> June, 2008

**Nirav B. Mehta**  
Partner  
Membership No. 106294



To,  
 The Board of Directors  
 Man Industries (India) Limited  
 102, Man House, Opp.Pawan Hans,  
 S.V.Road, Vile Parle (w),  
 Mumbai- 400 056

We have examined the registers, records and documents of Man Industries (India) Limited (“the Company”) for the financial year ended on March 31, 2008 maintained under the provisions of –

- a) The Companies Act, 1956 and the Rules made under that Act;
  - b) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)
    - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - The Equity Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited and GDR Listing Agreement with DIFX and FCCB Listing Agreement with Singapore Stock Exchange.
1. We report that, based on our examination and verification of the registers, records and documents produced to us and according to the information and explanations given to us by the Company, the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 (“the Act”) and the Rules made under the Act, and Memorandum and Articles of Association of the Company, with respect to:
- a) maintenance of statutory registers and documents and making in them necessary entries;
  - b) closure of Register of Members;
  - c) returns, forms, documents and resolutions required to be filed with the Registrar of Companies;
  - d) service of documents by the Company on its Members and Registrar of Companies;
  - e) Notice of Board meetings and Committee meetings of Directors;
  - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) the 19<sup>th</sup> Annual General Meeting held on September 14, 2007;
  - h) minutes of proceedings of General Meetings and of Board and other meetings;
  - i) approvals of shareholders, the Board of Directors, the Committee of Directors and government authorities, wherever required;
  - j) constitution of the Board of Directors and appointment, retirement and re-appointment of Directors;
  - k) appointment and remuneration of Auditors;
  - l) transfers and transmissions of the Company’s shares and issue and delivery of original and duplicate certificates of shares;
  - m) giving guarantees in connection with loans taken by subsidiaries and associate companies;
  - n) borrowings and registration, modification and satisfaction of charges;
  - o) investment of the Company’s funds including inter corporate loans and investments;
  - p) contracts, common seal, registered office and publication of name of the Company; and
2. We further report that:
- a. the Directors of the Company have obtained Director Identification Number as per Section 266A of the Act.
  - b. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
  - c. there was no prosecution initiated against, or show cause notice received by, the Company and no fines or penalties were imposed on the Company under the Companies Act and Rules, Regulations and Guidelines framed under the Acts.
3. We further report that, the Company has complied with:
- a) the requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange Limited and GDR Listing Agreement with DIFX and FCCB Listing Agreement with Singapore Stock Exchange.
  - b) the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to the disclosures and maintenance of records required under the Regulations.
  - c) the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

**For A. K. Jain & Co.**  
 Company Secretaries

Place : Mumbai  
 Date : 28<sup>th</sup> June, 2008

**Ashish Kumar Jain**  
 Proprietor

## Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report of your Company and the Audited Accounts for the financial year ended 31st March, 2008.

### FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	For the year 2007-08	For the year 2006-07
Profit before Depreciation	13,684.30	10,088.47
Less: Depreciation	2,817.24	1692.98
Disposable Profit	10,867.06	8,395.49
Less : Taxation	3,745.77	2,866.45
Profit after Tax	7,121.29	5529.04
Add: Profit brought forward	10,434.28	8,631.39
<b>Total profit available for appropriation</b>	<b>17,555.57</b>	<b>14,160.43</b>
<b>APPROPRIATIONS:</b>		
Previous year adjustments	255.06	2238.14
Transfer to General Reserve	712.12	552.90
Proposed dividend	799.27	799.27
Provision for taxation - dividend	135.84	135.84
<b>Balance carried to Balance Sheet</b>	<b>15,653.28</b>	<b>10,434.28</b>

### RESULTS OF OPERATIONS

Net sales and other income for the standalone entity increased to Rs. 1,50,000 Lakhs from Rs. 1,13,310 Lakhs in the previous year – a growth of 32.38%. The operating profit (PBDIT) increased by 3.22%, from Rs. 13,180 Lakhs to Rs. 16,826 Lakhs. The profit after tax (PAT) increased to Rs. 7,121 Lakhs from Rs. 5,530 Lakhs, representing a growth of 1.40%.

### CONSOLIDATED ACCOUNTS

As per Section 212 of the Companies Act, 1956 accounts of subsidiaries is given as a separate section to the Annual Report. In accordance with the Accounting Standard (AS 21), Consolidated Financial Statements presented by your Company include the financial information of its subsidiary.

### DIVIDEND

For the year under review, the Directors have recommended a dividend of Rs.1.5 per share [ Face Value Rs. 5] ( Rs.3 per share for the previous year [Face Value Rs. 10] ), on the Ordinary ( Equity) Shares of the Company.

### TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 712.12 Lakhs to the General Reserve.

### MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

### SAFETY, HEALTH AND ENVIRONMENT

Your Company is committed to providing a safe environment to all its employees. During the year 2007-08, the Company continued its efforts on improving the safety capability in the plants. Further, your Company undertook steps to strengthen the existing safety management system at the plants.

### HUMAN RESOURCES

It is the commitment of employees at all levels and their contribution to innovation and change that is essential to compete successfully in an increasingly competitive global market-place and achieve sustained growth and profitability. Attracting, retaining and motivating employees and creating an environment that nurtures them to deliver their best have been a constant challenge for your Company. Your Company continues to invest in training, refining its goal setting and performance evaluation processes through which employees can share best practices and seek support to drive change and improvement.

## **RESEARCH & DEVELOPMENT**

Your Company is executing an integrated strategy for technology development and deployment. The technology function is supporting your Company's strategy around four missions: technology development, development of substantially new products, productivity improvement, and cost reductions. The focus for your Company in the financial year 2007-08 had been to lay the foundation for improving its research and development capabilities and further improve the productivity of the technology function.

## **FUTURE OUTLOOK**

India much like its Asian neighbors is an energy intensive economy. Given the nature and quantum of investments in the production and refining of crude oil/natural gas in the region, it has become imperative to create support infrastructure to enable efficient and reliable supply of oil/gas products to key industrial/ individual users. Supported by robust global economic growth, backed by well established brand image, global reach and focused approach, the strong demand for steel pipes will continue in future.

The challenges would be making available the right raw material at required time and keeping inventory under control, efficient raw material procurement looking to high volatility market of the critical materials, and quickly servicing as customers would need material at a short notice. The Company has geared up to meet these challenges by improving the organizational as well as managerial efficiency through constantly upgrading its systems and controls.

The company has also announced plans to locate a new manufacturing facility on a 162 acre site at the Little Rock Port in Arkansas, USA. The Company will invest approximately \$100 million. Production will begin by 2009. This unit will have the capability of producing 3,00,000 tonnes of HSAW pipes annually. These pipes will be used primarily in the petroleum industry.

## **LISTING & DEMAT OF SHARES:**

The equity shares of the Company are listed with National Stock Exchange of India Limited and the Bombay Stock Exchange Limited and the listing fee has been paid to the said Stock Exchanges.

The GDRs of the Company are listed with Dubai International Financial Exchange.

As on 31<sup>st</sup> March, 2008, 51,323,074 Equity shares of the Company, representing 96.32% of its issued capital, were held in dematerialized form and the balance 3.68 % representing 1,961,800 shares were held in physical form.

## **CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49(VII) of the Listing Agreement, a separate report on Corporate Governance forms part of the Annual Report. Your Company is compliant with the requirements of the Listing Agreement and necessary disclosures have been made in this regard in the Corporate Governance Report.

A certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

## **FIXED DEPOSITS**

Your Company has not accepted any fixed deposits during the year 2007-2008 and there are no outstanding fixed deposits from the public as on 31<sup>st</sup> March, 2008.

## **INSURANCE**

All the insurable interests of your Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details relating to the conservation of energy and technology absorption and foreign exchange earnings and out goings are given in separate annexure forming part of this report as required as per section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988.

## **PERSONNEL**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, names and other particulars of the employees are required to be set out in the annexure to this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Annual Accounts of the Company sent to the shareholders do not contain the said annexure. Any shareholders desirous of obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed.
- The accounting policies have been selected and applied consistently and the judgements and estimates made, are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- Proper and sufficient care has been taken 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.
- The annual accounts have been prepared on a going concern basis.

**DIRECTORS**

Mr. Kirit Damania and Mr. Vijay G. Kalantri are due to retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Appropriate resolutions for their re-appointment are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Corporate Governance Section of this report. Your Directors recommend their re-appointment as Directors of your Company.

**AUDITORS**

M/s Rohira Mehta & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting and are eligible for re-appointment. The members are requested to consider their re-appointment for the current financial year 2008 -2009 and authorize the Board of Directors to fix their remuneration. The retiring auditors have, under Section 224 (1B) of the Companies Act, 1956, furnished certificate of their eligibility for the appointment.

**APPRECIATION**

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation of banks and other financial institutions, shareholders, dealers and consumers for their continued support.

For and on behalf of the Board  
Chairman

Date : 28<sup>th</sup> June, 2008  
Place : Mumbai

**ANNEXURE TO THE DIRECTORS' REPORT**  
**(UNDER SECTION 217(1) (e) of the COMPANIES ACT, 1956)**

**I) CONSERVATION OF ENERGY****A) Energy conservation measures taken.**

- (a) Energy conservation devices have been installed and the equipments are maintained properly to reduce energy consumption.  
(b) The new system are being devised to reduce electric power, fuel, and water Consumption industrial lighting in the plant area has been optimized.

**B) Additional investment and proposals for reduction of consumption of energy.**

- (a) By improving the available equipments, energy, conservation measures are being implemented and major investment have not been made for equipments so far.  
(b) By installation of Wind Turbines to generate cheaper energy.

**C) Impact of above measures:**

- (a) The impact of above measures taken results in lower energy consumption per tonne of production.

**D) Total energy consumption and energy consumption per unit production.**

FORM "A"	For the year 2007-08	For the year 2006-07
<b>POWER AND FUEL CONSUMPTION :</b>		
(i) Electricity Purchased (Units)	23,697,474	17,690,439
Total Amount (Rs.)	122,549,010	86,057,659
Rate per Unit	5.17	4.86
(ii) Own Generation through D.G.Set:		
Generation Unit	399,588	6,687,810
Unit per liter of Oil	2.39	3.53
Cost per Unit.	9.64	5.52
<b>CONSUMPTION PER UNIT OF PRODUCTION</b>	<b>(In kgs)</b>	
Production in kgs	335,30,799	235,822,200
Consumption per unit of Production (per kg.) Units	0.10	0.10

**II) TECHNOLOGY ABSORPTION****Form B****1) SPECIFIC AREAS IN WHICH RESEARCH AND DEVELOPMENT CARRIED OUT BY THE COMPANY**

R & D was carried in product development, process development, energy conservation, environment protection, cost reduction and automation.

**2) BENEFITS DERIVED**

With the installation of various additional equipments it was possible to achieve consistency in production and quality of finished product.

**3) EXPENDITURE ON R & D**

Development and improvement of products is an inbuilt and ongoing activity within existing manufacturing facilities. Expenditure on R & D is not separately allocated and identified.

**Technology Absorption, Adaptation & Innovation**

1. Effort made towards Technology Absorption, Adaptation and innovation
2. Benefit derived as a result of the above efforts **NIL**
3. Imported Technology **NIL**
  - a) Technology imported
  - b) Year of import
  - c) Has technology been fully absorbed?
  - d) If not fully absorbed, reasons and future course of action

**III) FOREIGN EXCHANGE EARNING AND OUTGO**

(Rs. in Lakhs)

	For the year 2007-08	For the year 2006-07
<b>FOREIGN EXCHANGE EARNINGS &amp; OUTGO</b>		
a) Foreign Exchange Earnings (FOB Value of Exports)	94,939.28	41,627.60
b) Other Receipts	-	-
c) Foreign Exchange Outgo	1,03,968.47	60,375.25

**AUDITORS' REPORT**

To,  
**The Members of  
Man Industries (India) Limited**

1. We have audited the attached Balance Sheet of Man Industries (India) Limited as at 31st March, 2008 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 amounts 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 statements presentation. The audited financial statements of the Company incorporate the audited financial statements of the Dubai branch, which have been audited by another auditor reflecting the total capital employed of Rs. 1274.36/- Lakhs as at 31<sup>st</sup> March 2008, and total revenues amounting to Rs. 30803.39/- Lakhs for the year ended on that date and that we have relied on the report of the other auditor. Further we believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ("CARO") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ("the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - 1) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - 3) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
  - 4) In our opinion, the Balance Sheet, Profit and Loss Account 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 Act.
  - 5) On the basis of the written representations received from the directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - 6) Subject to the above, in our opinion and to the best of our information and according to the information and according to the explanations given to us, the said accounts read together with the "Notes" thereon, give the information required by the Act 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, 2008;
    - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

**For Rohira Mehta & Associates**  
Chartered Accountants

**(Nirav B. Mehta)**  
Partner  
Membership No. 106294

Place : Mumbai  
Dated : 28<sup>th</sup> June, 2008.



Annexure referred to in paragraph 3 of our report of even date

1. (i) The Company is in the process of updating its records showing full particulars including quantitative details and situation of fixed assets at their plant at Pithampur and at Anjar.  
(ii) *The fixed assets of the Company have not been physically verified.*  
(iii) The Company has not disposed off substantial part of the fixed assets during the year and going concern status is not effected.
2. (i) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(ii) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(iii) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book stocks were not material having regard to the size of the operations.
3. (i) The Company has granted loans to 2 (Two) parties covered in the registered maintained under section 301 of the Companies Act, 1956 the amount to Rs. 10078.55 Lakhs. The amount outstanding at year end was Rs. 9909.86 Lakhs.  
(ii) In our opinion and according to explanation and information given to us, the rate of interest and other terms and conditions on which the loans have been granted by the Company are not, prima facie, prejudicial to the interest of the Company.  
(iii) In our opinion and according to explanation and information given to us, the receipt of the principal amount and interest thereon are regular.  
(iv) In respect of Loans granted, the Company has taken reasonable steps for recovery of the principal and interest thereon in respect of amount overdue of more than one Lakh.  
(v) The Company has taken Loans from 11(Eleven) parties covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs.630.79 Lakhs. The amount outstanding at the year end was Rs. 125.44 Lakhs.  
(vi) In our opinion and according to explanation and information given to us, the rate of interest and other terms and conditions on which the loans have been taken by the Company are not, prima facie, prejudicial to the interest of the Company.  
(vii) In our opinion and according to explanation and information given to us, the payment of the principal amount and interest thereon are regular.
4. In our opinion and 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 purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these area.
5. (i) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section.  
(ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 and exceeding the value of Rupees Five Lakhs during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Act and rules there under, to the extent applicable, have been complied with. The management further informs us that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposit.
7. During the year, the Company has taken steps to strengthen the internal audit system. In our opinion it needs to be further strengthening.
8. We have broadly reviewed the books of account and records maintained pursuant to the order made by the Central Government for maintenance of cost records under section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and record have been made and maintained. We, however, have not made a detailed examination of such accounts and record with view to determine whether they are accurate or complete.
9. (i) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth –tax, customs duty, excise-duty, service tax, cess and other statutory dues wherever applicable with the appropriate authorities. *However in few cases the statutory dues have been delayed for few days.*  
(ii) According to the records of the Company, there are no dues outstanding of sales tax, income-tax, customs duty, wealth tax, excise duty, service tax or cess on account of any dispute, other than the following:

Name of the Statue	Amount (Rs. In Lakhs)	Forum where dispute
Central Excise Act, 1944.	321.89	CESTAT
Sales Tax, CST, Entry Tax	48.96	Commissioner Appeals
Income Tax Act, 1961	8.04	Commissioner Appeals

10. The Company has no accumulated losses as at 31<sup>st</sup> March 2008 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank, as may be applicable at the balance sheet date.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investment and timely entries have generally been made therein. All shares, debentures and other securities have been held by the Company, in its own name.
15. In our opinion, and according to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions during the year. Further the terms and conditions of the guarantee are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, no Term Loan was raised during the year.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not issued any debentures during the year.
19. The Company has not raised money through a public issue.
20. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Rohira Mehta & Associates**  
Chartered Accountants

**(Nirav B. Mehta)**  
Partner  
Membership No. 106294

Place : Mumbai  
Dated : 28<sup>th</sup> June, 2008.

**MAN INDUSTRIES (INDIA) LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2008**

(Rupees)

PARTICULARS	Sch. No.	31st March 2008	31st March 2007
<b>SOURCES OF FUND</b>			
1. <b>Shareholders Funds</b>			
Share Capital	1	266,424,370	266,424,370
Reserves and Surplus	2	3,395,541,138	2,802,428,920
		<b>3,661,965,508</b>	<b>3,068,853,290</b>
2. <b>Loan Funds</b>			
Secured Loans	3	1,026,841,690	2,453,712,613
Unsecured Loans	4	2,068,208,518	18,688,938
		<b>3,095,050,209</b>	<b>2,472,401,551</b>
3. <b>Deferred Tax Liability</b>		<b>421,295,982</b>	<b>368,288,299</b>
<b>TOTAL</b>		<b>7,178,311,699</b>	<b>5,909,543,140</b>
<b>APPLICATION OF FUNDS</b>			
1. <b>Fixed Assets</b>			
a. Gross Block	5	3,764,438,567	3,305,413,931
Less : Accumulated Depreciation		938,929,800	658,038,759
Net Block		2,825,508,767	2,647,375,172
b. Capital Work in Progress.		1,052,079,223	239,611,151
		<b>3,877,587,991</b>	<b>2,886,986,323</b>
2. <b>Investments</b>	6	333,821,117	11,460,840
3. <b>Current Assets, Loans and Advances</b>			
a. Inventories	7	2,783,147,924	1,797,142,936
b. Sundry Debtors	8	2,165,499,570	3,326,130,957
c. Cash and Bank Balances	9	1,162,259,186	145,756,912
d. Loans and Advances	10	2,635,379,496	1,813,595,028
		<b>8,746,286,176</b>	<b>7,082,625,832</b>
Less: Current Liabilities and Provisions	11	5,829,644,520	4,071,529,854
<b>Net Current Assets</b>		<b>2,916,641,656</b>	<b>3,011,095,978</b>
4. <b>Miscellaneous Expenditure</b>		50,260,936	
<b>TOTAL</b>		<b>7,178,311,699</b>	<b>5,909,543,140</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	18		

As per our Report attached

For and on behalf of Board

Nirav B. Mehta  
Partner  
Membership No. 106294

R.C. Mansukhani  
Chairman

J.C. Mansukhani  
Managing Director

For and on behalf of  
Rohira Mehta & Associates  
Chartered Accountants

J. L. Mansukhani  
Director

Kirit N. Damania  
Director

Place : Mumbai  
Date : 28th June 2008

Vijay Kalantri  
Director

Sujal Sharma  
Company Secretary

**MAN INDUSTRIES (INDIA) LIMITED**
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2008**

(Rupees)

PARTICULARS	Sch. No.	31st March 2008	31st March 2007
<b>INCOME</b>			
Sales and Other Income	12	15,078,431,972	11,955,524,717
Less: Excise Duty		77,679,760	624,495,050
<b>TOTAL</b>		<b>15,000,752,212</b>	<b>11,331,029,667</b>
<b>EXPENDITURE</b>			
Cost of Material	13	11,576,834,855	8,733,445,444
Increase/(Decrease) in Stock	14	(579,200,070)	(80,135,649)
Employment Cost	15	327,338,131	265,123,698
Interest and Financial Charges	16	314,189,063	309,142,017
Operating and Other Expenses	17	1,993,160,141	1,094,607,334
<b>TOTAL</b>		<b>13,632,322,120</b>	<b>10,322,182,844</b>
Profit Before Depreciation		1,368,430,092	1,008,846,823
Depreciation		281,723,999	169,297,938
<b>Profit Before Tax</b>		<b>1,086,706,093</b>	<b>839,548,885</b>
Provision For Taxation		374,577,316	286,645,043
Current Tax		318,359,543	177,396,019
Deferred Tax		53,007,683	106,428,419
Fringe Benefit Tax		3,210,090	2,820,604
<b>Profit After Tax</b>		<b>712,128,777</b>	<b>552,903,842</b>
Balance Brought Forward		1,043,428,243	863,139,533
Disposable Profit		1,755,557,020	1,416,043,375
<b>APPROPRIATIONS</b>			
General Reserve		(71,212,878)	(55,290,384)
Proposed Dividend		(79,927,311)	(79,927,311)
Corporate Dividend Tax		(13,583,647)	(13,583,647)
Previous year Adjustment		-	(223,563,790)
Profit and Loss approp.		(25,505,600)	(250,000)
Balance Carried to Balance Sheet		<b>1,565,327,584</b>	<b>1,043,428,243</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	<b>18</b>		

As per our Report attached

For and on behalf of Board

 Nirav B. Mehta  
 Partner  
 Membership No. 106294

 R.C. Mansukhani  
 Chairman

 J.C. Mansukhani  
 Managing Director

 For and on behalf of  
 Rohira Mehta & Associates  
 Chartered Accountants

 J. L. Mansukhani  
 Director

 Kirit N. Damania  
 Director

 Place : Mumbai  
 Date : 28th June 2008

 Vijay Kalantri  
 Director

 Sujal Sharma  
 Company Secretary

**MAN INDUSTRIES (INDIA) LIMITED****SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008****(Rupees)**

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
1. Authorised 70,000,000 (Previous Year 35,000,000 of Rs. 10/- each) Equity Share of Rs.5/- each (During the year company has splitted equity share of Rs. 10/- into two equity shares of Rs. 5/- each)	350,000,000	350,000,000
2. Issued, Subscribed and Paid-up 53,284,874 (Previous Year 26,642,437 of Rs. 10/- each) Equity Shares of Rs.5/- each (During the year company has splitted equity share of Rs. 10/- into two equity shares of Rs. 5/- each)	266,424,370	266,424,370
<b>TOTAL</b>	<b>266,424,370</b>	<b>266,424,370</b>
<b>OF THE ABOVE EQUITY SHARES:</b>		
- 13,461,540 equity shares of Rs. 5/- each issued on 22nd March, 2006 as underlying shares to the Global Depository Receipt (each representing one equity share)		

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
i) Profit and Loss Account	1,565,327,584	1,043,428,244
ii) Share Premium (Net of Issue Expenses)	1,600,286,174	1,600,286,174
iii) General Reserve	229,927,380	158,714,502
<b>TOTAL</b>	<b>3,395,541,138</b>	<b>2,802,428,920</b>
- Share Premium includes Rs. 145.15 crores received on 6,730,770 underlying equity shares.		

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
From Financial Institutions and Banks		
<b>Working Capital Loans</b>		
Cash Credit /WCDL/ FCNR-B	295,863,156	1,476,221,029
	<b>295,863,156</b>	<b>1,476,221,029</b>
<b>Term Loans</b>		
i) Rupee Term loans	368,051,289	131,030,469
ii) Foreign Currency Term Loan	362,927,245	846,461,115
	<b>730,978,535</b>	<b>977,491,584</b>
<b>TOTAL</b>	<b>1,026,841,690</b>	<b>2,453,712,613</b>
- Term Loans from Banks and Financial Institutions are secured by way of first pari-passu charge on fixed assets of the Company & further secured by personal guarantee by the promoter Directors.		
- Working Capital facilities by banker's are secured by first pari-passu charge on all the movable assets of the Company and second charge on the immovable assets of the Company.		
- Vehicle finance is secured by way of mortgage of the specific assets.		

**MAN INDUSTRIES (INDIA) LIMITED**
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008**

(Rupees)

PARTICULARS	31st March 2008	31st March 2007
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
i) From Shareholders	3,000,000	-
ii) From Directors	9,000,000	-
iii) Intercorporate Deposits	26,208,518	18,688,938
iv) Foreign Currency Convertible Bonds	2,030,000,000	-
<b>TOTAL</b>	<b>2,068,208,518</b>	<b>18,688,938</b>

PARTICULARS	31st March 2008	31st March 2007
<b>SCHEDULE - 5</b>	<b>ATTACHED SEPARATELY</b>	

PARTICULARS	31st March 2008	31st March 2007
<b>SCHEDULE - 6</b>		
<b>CURRENT INVESTMENTS</b>		
Quoted Shares	17,489,838	11,460,840
Un-Quoted Shares	175,044	-
Investment In Subsidiary 1,600,000 shares of Man Infraprojects Limited.	16,000,000	-
Investment in Mutual funds		
Franklin Tempelton Mutual Funds	156,235	-
SBI Mutual Funds	300,000,000	-
(Valued at market price or cost whichever is lower)	300,156,235	-
<b>TOTAL</b>	<b>333,821,117</b>	<b>11,460,840</b>

PARTICULARS	31st March 2008	31st March 2007
<b>SCHEDULE - 7</b>		
<b>INVENTORIES</b>		
(As certified by the Management )		
i) Raw Materials	1,441,541,513	1,031,845,627
ii) Stock In Process	326,006,251	659,830,306
iii) Finished Goods	1,015,600,160	105,467,003
<b>TOTAL</b>	<b>2,783,147,924</b>	<b>1,797,142,936</b>

PARTICULARS	31st March 2008	31st March 2007
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS</b>		
( Unsecured Considered Good)		
Debtors over Six Months	457,644,708	724,808,586
Other Debtors	1,707,854,861	2,601,322,371
<b>TOTAL</b>	<b>2,165,499,570</b>	<b>3,326,130,957</b>



**SCHEDULE 5**  
**MAN INDUSTRIES (INDIA) LIMITED**  
**SCHEDULE OF FIXED ASSETS AS AT 31st MARCH-2008**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2007	ADDITIONS IN THE YEAR	SALES	AS AT 31.03.2008	AS AT 01.04.2007	FOR THE YEAR	ADJUSTMENT ON SALE/OTHER	AS AT 31.03.2008	AS AT 31.03.2007	AS AT 31.03.2008
LAND	21,383,133	5,021,136	-	26,404,269	-	-	-	-	21,383,133	26,404,269
FACTORY BUILDING	362,276,493	130,469,475	-	492,745,968	51,244,616	13,854,866	-	65,099,482	311,031,876	427,646,486
OFFICE PREMISES	34,810,540	152,251	-	34,962,791	1,791,015	568,852	-	2,359,867	33,019,525	32,602,924
PLANT & MACHINERY	2,342,704,383	275,906,098	-	2,618,610,481	553,728,183	212,287,416	-	766,015,599	1,788,976,200	1,852,594,882
OFFICE EQUIPMENTS	13,240,658	1,831,835	88,487	14,984,006	3,524,720	892,514	24,226	4,393,008	9,715,938	10,590,998
FURNITURE & FIXTURES	25,240,887	2,633,565	13,778	27,860,675	4,837,505	1,649,013	1,112	6,485,406	20,403,382	21,375,268
ELEC. EQUIPMENTS	77,486,883	39,933,944	-	117,420,826	12,331,705	7,035,287	-	19,366,992	65,155,177	98,053,834
VEHICLES	27,814,047	2,983,298	2,113,625	28,683,720	5,911,159	2,700,616	800,988	7,810,787	21,902,888	20,872,933
COMPUTERS	22,416,092	2,327,851	18,925	24,725,017	10,938,342	3,799,777	6,632	14,731,487	11,477,749	9,993,530
WINDMILL	376,553,754	-	-	376,553,754	13,731,513	38,935,658	-	52,667,171	362,822,241	323,886,583
GARDEN	1,487,061	-	-	1,487,061	-	-	-	-	1,487,061	1,487,061
<b>TOTAL</b>	<b>3,305,413,930</b>	<b>461,259,452</b>	<b>2,234,815</b>	<b>3,764,438,567</b>	<b>658,038,759</b>	<b>281,723,999</b>	<b>832,958</b>	<b>938,929,800</b>	<b>2,647,375,171</b>	<b>2,825,508,767</b>
CAPITAL WORK IN PROGRESS	239,611,151	1,260,268,719	447,800,646	1,052,079,223	-	-	-	-	239,611,151	1,052,079,223
<b>GRAND TOTAL</b>	<b>3,545,025,081</b>	<b>1,721,528,171</b>	<b>450,035,461</b>	<b>4,816,517,790</b>	<b>658,038,759</b>	<b>281,723,999</b>	<b>832,958</b>	<b>938,929,800</b>	<b>2,886,986,322</b>	<b>3,877,587,991</b>

**MAN INDUSTRIES (INDIA) LIMITED**
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008**

(Rupees)

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCE</b>		
<u>Balances With Schedule Banks</u>		
- In Current Accounts	76,725,746	8,726,231
- In Fixed Deposits	1,083,988,777	136,011,362
Cash in Hand	1,544,663	1,019,319
<b>TOTAL</b>	<b>1,162,259,186</b>	<b>145,756,912</b>
(Fixed Deposits as on 31.03.2008 includes deposit of Rs. 93.99 crores with Banks being un-utilized funds of FCCB issue.)		

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured and Considered Good except otherwise stated)		
Advances Recoverable in Cash or kind or for value to be received		
i) Prepaid Expenses	8,276,585	9,553,589
ii) Deposits/claims with Govt. Departments	148,445,973	817,128,205
iii) Export Incentives receivable	490,511,815	430,719,930
iv) Balance with Central Excise	99,811,677	18,108,544
v) Other Advances	1,888,333,446	538,084,760
<b>TOTAL</b>	<b>2,635,379,496</b>	<b>1,813,595,028</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 11</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
i) Sundry Creditors		
- Goods and Services	4,581,470,731	2,614,641,873
- Capital Goods	54,331,379	41,718,939
ii) Unclaimed Dividend	3,847,548	2,885,201
iii) Proposed Dividend	79,927,311	79,927,311
iv) Others Liabilities and Provisions	1,110,067,551	1,332,356,530
<b>TOTAL</b>	<b>5,829,644,520</b>	<b>4,071,529,854</b>

**MAN INDUSTRIES (INDIA) LIMITED****SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008****(Rupees)**

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 12</b>		
<b>SALES AND OTHER INCOME</b>		
i) Gross Sales including incentives	14,545,546,341	11,818,534,910
ii) Interest Income	5,189,852	35,174,789
iii) Other Income (Including Exchange gain on Export Realisation)	527,695,778	101,815,018
<b>TOTAL</b>	<b>15,078,431,972</b>	<b>11,955,524,717</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 13</b>		
<b>COST OF RAW MATERIALS</b>		
Opening Stock of Raw Materials.	1,019,347,798	406,289,414
Add:- Purchases	11,999,028,571	9,364,309,277
Sub Total :	13,018,376,369	9,770,598,691
Less:- Closing Stock of Raw Materials.	1,441,541,513	1,037,153,247
<b>TOTAL</b>	<b>11,576,834,855</b>	<b>8,733,445,444</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 14</b>		
<b>INCREASE / ( DECREASE ) IN STOCK</b>		
Opening Stock of Finished Goods & Stock in process	762,406,341	679,854,040
Less: Closing Stock of Finished Goods and Stock in Process	1,341,606,411	759,989,689
<b>TOTAL</b>	<b>(579,200,070)</b>	<b>(80,135,649)</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 15</b>		
<b>EMPLOYMENT COST</b>		
Salaries and Staff Expenses	327,338,131	265,123,698
<b>TOTAL</b>	<b>327,338,131</b>	<b>265,123,698</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 16</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest to Financial Institutions	37,965,864	46,029,900
Interest to Banks	210,645,574	198,774,369
Bank Charges	65,577,625	64,337,747
<b>TOTAL</b>	<b>314,189,063</b>	<b>309,142,017</b>

**MAN INDUSTRIES (INDIA) LIMITED**
**SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008**

(Rupees)

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 17</b>		
<b>OPERATING AND OTHER EXPENSES</b>		
<b>A) MANUFACTURING EXPENSES</b>		
i) Power Expenses	128,969,744	156,672,619
ii) Stores & Spares	75,372,594	101,338,415
iii) Repairs & Maintenance		
- Plant & Machinery	4,855,988	3,905,198
- Building & Others	4,041,958	4,463,024
iv) Other Manufacturing Expenses	375,594,450	123,191,356
<b>B) ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
i) Telephone & Telex	7,827,571	5,244,801
ii) Rent, Rates & Taxes	8,833,290	8,627,740
iii) Insurance Premium	11,913,536	11,430,631
iv) Legal & Professional charges	14,393,813	17,576,710
v) Other Administrative Expenses	29,931,944	31,122,335
<b>C) SELLING &amp; DISTRIBUTION EXPENSES</b>		
i) Freight & Transportation	984,898,358	455,337,730
ii) Forwarding Expenses	64,041,493	49,735,543
iii) Travelling Expenses	31,104,918	26,324,606
iv) Other Selling Expenses	238,889,715	99,636,625
<b>D) PRELIMINARY EXPENSES WRITTEN OFF</b>	12,490,769	-
<b>TOTAL</b>	<b>1,993,160,141</b>	<b>1,094,607,333</b>

**SCHEDULE - 18****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF  
ACCOUNTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2008****I. SIGNIFICANT ACCOUNTING POLICIES:****A) Basis of Preparation of Financial Statements :**

The financial statements have been prepared under the historical cost convention. In accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income & expenditure items having a material bearing on the financial statements are recognized on accrual basis, except in respect of insurance claims, liquidated damages, where the exact quantum cannot be ascertained.

**B) Income Recognition :**

- a) Revenue in respect of sale of goods is recognized on dispatch of goods from the factory on the basis of excise invoice. The sales are inclusive of excise duty but net of value added tax. Further the materials returned/rejected are accounted for in the year of return/rejection.
- b) For services rendered the Company recognizes revenue on the basis of Completed Contract Method.
- c) Exports incentives & other miscellaneous incomes are recognized on accrual basis except dividend on investments which are accounted in the year of receipt.

**C) Fixed Assets :**

- a) Valuation of Fixed Assets  
Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the assets to its working condition and exclusive of cenvat credit on capital account. Further in case of impairment of assets, the fixed assets are carried at cost or recoverable amount whichever is less.
- b) Depreciation  
Depreciation on Fixed Assets is provided on straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

**D) Valuation of Inventories :**

- a) Raw materials are valued at cost or net realizable value whichever is lower. Cost is computed using first in first out method.
- b) Work In progress includes the cost of purchase, appropriate share of cost of conversion and other overheads incurred in bringing the inventories to its present location and condition.
- c) Finished goods includes cost of purchase, cost of conversion and other overhead incurred in bringing the inventory to its present location and condition.
- d) Other stores and spares/consumable are valued at cost after providing for cost of obsolescence, if any.

**E) Investments :**

Long-term investments are valued at cost, less any diminution in value that is other than temporary. Current investments are valued at lower of cost and fair value. Income thereon is accounted for as and when realized.

**F) Miscellaneous Expenditure:**

Miscellaneous Expenditure is written off to the Profit and Loss Account over a period of up to ten years depending upon the nature and expected future benefit of such expenditure. However Deferred Revenue Expenditure comprising of foreign currency convertible bond issue expense is written off to the Profit and Loss Account over a period of up to five years.

**G) Foreign exchange transactions:**

Foreign currency transactions during the year are recognized at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt with in the Profit and Loss Account except those relating to acquisition of fixed assets acquired from outside India, which are adjusted in the cost of the assets. Foreign currency Current Assets, Current Liabilities and Loans other than for financing fixed assets and, outstanding at the year end are translated at the rates of exchange prevailing at the close of the year and the resultant gain/losses are recognized in the Profit and Loss Account of the year. In respect of forward contract entered for speculation purpose and expired during the year, the difference in forward exchange booking rate and spot rate on the date of expiry of contract is dealt in the Profit and Loss Account. In respect of forward contract entered for speculative purpose and carried forward in next accounting period, the difference between the forward exchange booking rate and closing inter bank rate prevailing at the close of the year are dealt in the Profit and Loss Account.

**H) Retirement Benefits :****i) Defined Contribution :**

Company's contribution paid / payable during the year towards Provident Fund Scheme & Employee State Insurance Scheme are recognised in the Profit & Loss account .

**ii) Defined Benefit Plan :**

Company's liability towards gratuity are determined by the independent actuary, using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using the discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognized immediately in the statement of Profit & Loss Account as income or expense.

Gratuity liability has been covered by policy of Life Insurance Corporation of India.

**D) Taxation :**
**a) Current Tax :**

Current Tax provision is computed for the current income based on tax liability after considering allowances and exemptions.

**b) Deferred Tax Provision :**

Deferred Tax arising from timing difference between the book profit and tax profit is accounted for, at the future rate of tax, to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are not recognized on unabsorbed depreciation and carry forward losses unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**c) Fringe Benefit Tax :**

Fringe Benefit Tax is determined at the current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

**J) Contingent Liabilities:**

Contingent liabilities are not provided for in the accounts but are separately disclosed by way of a note.

**K) Borrowing Costs :**

Borrowing Costs are accounted on accrual basis.

**L) Earning Per Share :**

Earning per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year.

**M) Provisions :**

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. Where the Company expects provisions to be reimbursed, is recognized as a separate asset, only when such reimbursement is virtually certain.

**N) Impairment Of Assets :**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

**II. NOTES FORMING PART OF ACCOUNTS**
**1. Contingent Liabilities not provided in respect of:**

(Rs. in Lakhs)

Sr. No.	Particulars	As on 31st March 2008	As on 31st March 2007
a)	Guarantees / Letter of Credit Outstanding	73,128.05	35,738.58
b)	Excise Duty Matters	88.17	273.72
c)	Sales Tax Matters	39.70	44.07
d)	Income Tax Matters	8.04	98.21
e)	Estimated amount of contract remaining to be executed on capital account (net of advances)	2,315.00	172.00
f)	Service Tax Matters	-	114.47
g)	Corporate Guarantee Issued	8,024.00	-
	<b>TOTAL</b>	<b>83,602.96</b>	<b>36,441.05</b>

2. a. Term Loans from Financial Institutions/Banks are secured by first charge on all the Company's fixed assets and by way of second charge on the Current Assets of the Company.

b. Working capital facilities are secured by hypothecation of stock of raw material, work in progress / finished goods, stores & spares and book debts and by way of second charge on the fixed assets of the Company.

3. Balances of Sundry Creditors and Debtors are subject to confirmations, reconciliation and consequent adjustments, if any.

4. (i) The Company had raised US \$ 500 Lakhs (Rs. 20300 Lakhs) by way of Zero Coupon Foreign Currency Convertible Bonds during the year ended 31<sup>st</sup> March, 2008. The Bondholders have an option to convert these Bonds into equity shares, at an initial conversion



price of Rs. 143.50 per share with a fixed rate of exchange on conversion of Rs. 41.1475 = US \$ 1 at the option of the Bondholders at any time on or after 1 July 2007. The conversion price is subject to adjustment in certain circumstances. The Bonds may be redeemed in whole, at the option of the Company, at any time on or after 22<sup>nd</sup> May, 2010 subject to satisfaction of certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the Bonds will be redeemed on 23<sup>rd</sup> May, 2012 at 146.572 per cent of the principal amount so as to give a gross yield of 7.795% per annum to the bondholder.

- (ii) The part proceeds received from the issue of FCCB of Rs. 10900 Lakhs have been utilized for the object of the issue viz. for funding of expansion of Pipe and Coating Complex at Anjar. The issue proceeds of Rs. 9399.72 Lakhs (net of unrealized exchange gain of Rs. 112.46 lakhs pending utilization) have been invested in short term deposits with Banks outside India.
  - (iii) The Board is of the opinion that it is more likely that bondholders would opt for conversion rather than redemption of bonds accordingly, believes that the payment on premium on redemption, if any, is contingent in nature, hence at this stage, provision of redemption premium is not considered necessary and has not been recognized in the financial statements. The amount of premium on the entire quantum of bonds determined on time proportion basis till March 31, 2008 aggregates to Rs. 1364.79 lakhs.
5. Directors of the Company have certified that the Current Assets, Loans & Advances and Current Liabilities have a value on realization at least equal to the amount at which they are stated in the Balance Sheet.
  6. During the year, the Company has deferred the expenses amounting to Rs. 624.54 Lakhs incurred for issue of Foreign Currency Convertible Bond by writing off the same over a period of up to five year. The profit before tax/reserves are over stated by Rs.499.63 Lakhs.
  7. Segmental Reporting as required under Accounting Standard – 17 is not applicable as the Company operates in one segment.
  8. The Company has not received any intimation from ‘suppliers’ regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regards as per Schedule VI of the Companies Act, 1956 could not be provided.
  9. Arbitration cases between Company and

(Rs. in Lakhs)

Sr. No.	Particulars	As on 31st March 2008	As on 31st March 2007
1	Indian Oil Corporation Limited		
	a) for recovery of dues	234.88	234.88
	b) for encashment of performance bank guarantee	549.77	-
2	Gujarat Water Supply & Sewerage Board for recovery of dues	617.59	617.59
3	GAIL for recovery of dues	1,953.66	1,953.66

**10. Related Party Disclosures:**

Related party disclosure as required by Accounting Standard – 18 “ Related Party Disclosures” issued by “Institute of Chartered Accountants of India” are given below :

**a) Names of the parties where control exists :**

- i. Man Infraprojects Limited – Subsidiary of the Company.
- ii. Merino Shelters Private Limited – Wholly owned subsidiary of Man Infraprojects Limited
- iii. Man USA Inc. – Wholly owned subsidiary.

**b) Names of the Enterprise in which Management has significant interest:**

- i. Man UK Limited
- ii. JPA Holdings Private Limited
- iii. Man Aluminum Limited
- iv. Man Global FZC, UAE.

**c) Names of the Key Management Personnel :**

- i. Mr. R.C. Mansukhani – Chairman
- ii. Mr. J.C. Mansukhani – Managing Director
- iii. Mr. J.L. Mansukhani – Executive Director

**d) Names of the Relatives of Management Personnel :**

- i. Mrs. Kimatdevi Mansukhani
- ii. Mrs. Anita Mansukhani
- iii. Mrs. Deepa Mansukhani
- iv. Mr. Nikhil Mansukhani
- v. Ms. Heena Mansukhani

(Rs. in Lakhs)

Sr. No.	Name of the Parties	Transaction During the Year ended		Outstanding Balance as on	
		31st March 2008	31st March 2007	31st March 2008	31st March 2007
<b>1</b>	<b>Man UK Limited</b>				
a)	Sales	-	1,509.23	-	0.30
b)	Purchases	-	4,836.92	-	-
c)	Commission	-	405.08	-	-
d)	Loan Taken	8.42	-	7.07	-
<b>2</b>	<b>Man Infraprojects Limited</b>				
a)	Investment in Equity Shares	160.00	-	160.00	-
b)	Share application Money	2,500.00	-	2,500.00	-
c)	Inter Corporate Deposit	9,900.74	-	9,900.74	-
d)	Interest received	248.95	-	248.95	-
<b>3</b>	<b>JPA Holdings Pvt. Ltd.</b>				
a)	Loans received	185.00	-	-	-
b)	Interest Paid	6.79	-	-	-
<b>4</b>	<b>Man Aluminium Limited</b>				
a)	Loan recd (Net)	75.20	-	262.28	-
b)	Purchases	3.53	-	-	-
c)	Sales	2.91	-	-	-
<b>5</b>	<b>Man Global FZC, UAE</b>				
a)	Investment in Equity Shares	1.63	-	1.63	-
<b>6</b>	<b>Man USA Inc.</b>				
a)	Investment in Equity Shares	0.12	-	0.12	-
<b>7</b>	<b>Others</b>				
a)	Rent Deposit	590.00	-	-	-
b)	Salary	465.21	264.22	-	-
c)	Rent	66.71	54.00	-	-
d)	Interest	5.56	-	-	-
e)	Loan Taken	429.00	-	-	-
f)	Loan Repaid	346.50	-	-	-

**11. Disclosure as per amendment to clause 32 of the Listing Agreement**

(Rs. in Lakhs)

Sr. No.	Name of the Parties	Transaction During the Year ended		Outstanding Balance as on	
		31st March 2008	31st March 2007	31st March 2008	31st March 2007
<b>1</b>	<b>Loans to Subsidiary Co.</b>				
a)	Man Infraprojects Limited	9,900.74	-	9,900.74	-
<b>2</b>	<b>Unsecured Loans where there are no Repayment Schedule</b>				
a)	Man UK Limited	8.42	-	7.07	-
b)	JPA Holdings Pvt. Ltd.	185.00	-	-	-
c)	Man Aluminum Limited	75.20	-	262.28	-

**12. Deferred Tax Liability**

(Rs. in Lakhs)

Sr. No.	Particulars	Deferred Tax Liability / Assets as at 31st March 2008	Deferred Tax Liability / Assets as at 31st March 2007
1	Opening Deferred Tax Liability	3,682.89	2,618.60
2	Deferred Tax Liability on account of		
a)	Difference between book and tax Depreciation	407.57	1068.85
b)	Deferred Revenue Expenditure	169.82	(4.56)
c)	Others	(47.32)	-
3	Closing Deferred Tax Liability	4,212.96	3,682.89

**13. Earning per share (EPS) computed in accordance with Accounting Standard 20 "Earning Per Share".****(Rs. in Lakhs)**

Sr. No.	Particulars	As on 31st March 2008	As on 31st March 2007
a)	Basic / Diluted Earning Per Share		
	Net Profit attributable to Equity Shareholders	7,121.29	5,526.19
b)	Weightage average nos. of shares outstanding during the year (Nos.)	53,284,874	53,284,874
c)	Basic / Diluted Earning Per Share (Rs.)	13.36	10.37

14. The Company has taken certain premises on operating lease. The tenure of such agreements ranges from eleven months to thirty six months.

**(Rs. in Lakhs)**

Sr. No.	Particulars	Total minimum lease payment outstanding	
		As on 31st March 2008	As on 31st March 2007
a)	Not later than one year	43.79	-
b)	Later than one year but not later than 5 years	54.26	-
c)	Later than 5 years	-	-

15. Remuneration payable to Managing Director and Whole – time Directors paid/payable during the year, under section 198 of the Companies Act, 1956.

**(Rs. in Lakhs)**

Sr. No.	Particulars	As at 31st March 2008	As at 31st March 2007
a)	Salaries & Perquisites	460.71	258.22
b)	Directors Fees	1.75	1.15

16. Payment to Auditors

**(Rs. in Lakhs)**

Sr. No.	Particulars	As on 31st March 2008	As on 31st March 2007
a)	Audit Fees	12.50	10.00
b)	Tax Audit Fees	2.00	1.50
c)	In other Capacity	0.50	0.50

17. Foreign currency exposure at the year end not hedged by derivative instrument.

**(Rs. in Lakhs)**

Sr. No.	Particulars	As at 31st March 2008	As at 31st March 2007
a)	<b>Receivable against exports of goods and services</b>		
	Rupees	15,123.02	18,172.64
	US dollar	304.02	416.36
	Euros	72.93	1.78
b)	<b>Advance received from customers</b>		
	Rupees	4,408.31	6,055.93
	US dollar	109.88	139.54
c)	<b>Payable against import of goods and services</b>		
	Rupees	38,196.31	18,632.57
	US dollar	945.48	106.27
	Euros	4.00	242.15
	GBP	0.12	-
d)	<b>Advance payment to suppliers</b>		
	Rupees	1,634.48	173.20
	US dollar	10.31	1.24
	Euros	26.37	0.16
	GBP	-	1.32

**18. Employee Defined Benefits : Defined benefit plans as per Actuarial valuation on 31<sup>st</sup> March, 2008.**

(Rs. in Lakhs)

Sr. No.	Particulars	Gratuity Plan
<b>I.</b>	<b>Expense Recognised in the Statement of Profit &amp; Loss Account for the year ended 31st March, 2008</b>	
	1 Current Service Cost	31.08
	2 Interest	11.28
	3 Expected Return on plan assets	(8.67)
	4 Actuarial (Gain)/Loss	56.75
	5 Total Expense	90.45
<b>II.</b>	<b>Net (Asset) / Liability recognised in the Balance Sheet as at 31st March, 2008</b>	
	1 Present value of Defined Benefit obligation	232.34
	2 Fair Value of plan assets	109.99
	3 Funded Status [Surplus/(Deficit)]	122.35
	4 Net (Asset)/Liability	122.35
<b>III.</b>	<b>Change in the obligation during the year ended 31st March, 2008</b>	
	1 Present value of Defined Benefit obligation as at the beginning of the year	137.59
	2 Current service cost	31.08
	3 Interest Cost	11.28
	4 Benefit payments	(5.22)
	5 Actuarial (Gain)/Loss	57.60
	6 Present value of Defined Benefit obligation as at the end of the year	232.34
<b>IV.</b>	<b>Change in Fair Value of Assets during the year ended 31st March, 2008</b>	
	1 Fair Value of plan assets at the beginning of the year	105.69
	2 Expected return on plan assets	8.67
	3 Contributions by employer	-
	4 Actual Benefits paid	(5.22)
	5 Actuarial Gain/(Loss) on plan assets	0.84
	6 Fair Value of plan assets at the end of the year	109.99
	7 Total Actuarial Gain/(Loss) to be recognised	(56.75)
<b>V.</b>	<b>The major Categories of plan assets as a percentage of total plan</b>	
	Funded with LIC	
<b>VI.</b>	<b>Actuarial Assumptions</b>	
	1 Discount Rate	8.20%
	2 Expected rate of return on plan assets	8.20%
	3 In-service Mortality	LIC 1994 -96 Ultimate
	4 Salary Rise	7.00%

**General Description of the Defined Benefit Plan :**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, which ever is earlier. The benefits vests after five year of continuous service

**19. Additional information pursuant to paragraphs 3 & 4 II of Schedule VI of the Companies Act, 1956.****A) Particulars in respect of licensed and installed capacities and actual production as certified by the Management****(Rs. in Lakhs)**

Sr. No.	Particulars	Quantity (M.T.)	As on 31st March 2008	Quantity (M.T.)	As on 31st March 2007
a)	Pipes Division (Pipes)				
	i) Installed Capacity	1,000,000*		1,000,000*	
	ii) Opening Stock	2,467.64	1,054.67	13,093.36	4,100.20
	iii) Production/Coating in India	259,977.99	-	189,677.20	-
	Overseas	75,330.00	-	46,145.00	-
	iv) Turnover in India	236,988.55	113,875.28	200,279.00	91,253.23
	Overseas	75,330.00	30,803.39	46,145.00	14,710.32
	v) Closing Stock	25,457.56	10,156.00	2,467.64	1,054.67

\* Including capacity under implementation.

**B) Raw Material Consumption****(Rs. in Lakhs)**

Sr. No.	Particulars	Quantity (M.T.)	As on 31st March 2008	Quantity (M.T.)	As on 31st March 2007
a)	H. R. Plates, Coils and Pipes	344,221.30	110,134.61	232,172.95	77,276.03

**C) Finished Goods Stock**

Sr. No.	Particulars	Closing Stock on 31st March 2008	Closing Stock on 31st March 2007
a)	Manufacturing Pipes (M.T.)	25,457.56	2,467.64

**D) C.I.F. Value of Imports****(Rs. in Lakhs)**

Sr. No.	Particulars	As on 31st March 2008	As on 31st March 2007
	i) Raw Materials	85,903.75	56,057.14
	ii) Capital Goods	5,345.06	403.72
	iii) Others	226.87	-

**E) Expenditure in Foreign Currency****(Rs. in Lakhs)**

Sr. No.	Particulars	As on 31st March 2008	As on 31st March 2007
	i) Interest	245.39	1,839.86
	ii) Travelling	17.09	75.17
	iii) Commission	2,065.98	1,065.10
	iv) Others	10,164.33	934.26

**F) F.O.B Value of Exports****(Rs. in Lakhs)**

Sr. No.	Particulars	As on 31st March 2008	As on 31st March 2007
	F.O.B Value of Exports	94,939.28	41,627.60

- G. Based on the information available with the Company, the Sundry Creditors include Rs 2,564,178/- due to small scale industrial undertaking which are due for more than 30 days as on Balance Sheet date. The names of small scale industrial undertaking are as follows:

Action Engineers, Adhar Enterprises, Amin Machinery, Anand Metal Roofing, Arihant Bearing Services P. Ltd., Bhandari Techno Trade P. Ltd., Biren Industries, Carbonic Industries, Dewas Metal Sections Ltd., Diagnostic Automation & Control, Digital Integrator P. Ltd., Dwekam Electrodes P. Ltd., Economos India P. Ltd., Ghanshyam Engineering P. Ltd., Goma Engineering P. Ltd., Hawa Valves Automation, Hydmark Applicon, Jacktech Hydrolics, K – Electronics, M. D. Engineering, Mechno – Tech Engineering, Padmini Industries Limited, Shashwat Systems P. Ltd., Tiwari Engineering, Well Bore Engineering Co., East West Engineering & Electro.

The above information regarding small scale industrial undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

20. Previous year figures have been regrouped /reclassified, wherever necessary.

**As per our Report attached**

**For and on behalf of  
Rohira Mehta & Associates  
Chartered Accountants**

**Nirav B. Mehta  
Partner  
Membership No. : 106294**

**Place : Mumbai  
Date : 28th June 2008**

**For and on behalf of Board**

**R.C. Mansukhani  
Chairman**

**J. L. Mansukhani  
Director**

**Vijay Kalantri  
Director**

**J.C. Mansukhani  
Managing Director**

**Kirit N. Damania  
Director**

**Sujal Sharma  
Company Secretary**



**MAN INDUSTRIES (INDIA) LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2008****(Rupees)**

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Taxes & Extraordinary Activities	<b>1,086,706,093</b>	<b>839,548,886</b>
<b>Adjustment for :</b>		
Depreciation	281,723,999	169,297,938
Diminution in value of Investments	649,910	(622,903)
Interest	314,189,063	309,142,017
Loss on sale of Assets	636,257	92,930
Other Income	(532,885,630)	(624,891,480)
Operating Profit before W. Capital changes	<b>1,151,019,691</b>	<b>692,567,386</b>
<b>Adjustment for :</b>		
Trade & Other Receivables	1,160,631,387	(2,433,261,103)
Inventories	(986,004,988)	(694,748,341)
Loans & Advances	(821,784,469)	(641,134,055)
Trade & Other Payables	1,758,114,665	2,141,252,925
Income Tax	(321,569,633)	(177,396,019)
<b>Net Cash from Operating Activities(A)</b>	<b>1,940,406,654</b>	<b>(1,112,719,206)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,271,492,710)	(696,066,742)
Sale of Fixed Assets	765,600	5,541,376
Purchase of Investments	(322,360,277)	(14,210,520)
Other Income	532,885,630	624,891,480
Decrease in Preliminary Expenses	(50,260,936)	-
<b>Net Cash from Investing Activities(B)</b>	<b>(1,110,462,692)</b>	<b>(79,844,406)</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase in Share Capital (Incl. Share Premium)	-	81,000,000
Interest Paid	(314,189,063)	(309,142,017)
Dividend Paid & Other Adjustments	(121,901,283)	(44,382,499)
Increase in Borrowings	622,648,658	43,425,540
<b>Net Cash used in Financing Activities(C)</b>	<b>186,558,312</b>	<b>(229,098,976)</b>
<b>Net Increase/ Decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,016,502,275</b>	<b>(1,421,662,587)</b>
<b>Cash &amp; Cash Equivalents (OP Bal)</b>	<b>145,756,911</b>	<b>1,567,419,498</b>
<b>Cash &amp; Cash Equivalents (CL Bal)</b>	<b>1,162,259,185</b>	<b>145,756,911</b>

As per our Report attached

For and on behalf of Board

For and on behalf of  
Rohira Mehta & Associates  
Chartered Accountants

R.C. Mansukhani  
Chairman

J.C. Mansukhani  
Managing Director

Nirav B. Mehta  
Partner  
Membership No. : 106294

J. L. Mansukhani  
Director

Kirit N. Damania  
Director

Place : Mumbai  
Date : 28th June 2008

Vijay Kalantri  
Director

Sujal Sharma  
Company Secretary

**AUDITORS CERTIFICATE**

To,  
The Board of Directors  
Man Industries (India) Limited  
102, Man House, S. V. Road,  
Vile Parle (W), Mumbai - 400 056.

We have examined the attached Cash Flow Statement of Man Industries (India) Limited for the year ended 31st March, 2008. The statement has been prepared by the Company in accordance with the requirement of listing agreement clause 32 with Mumbai Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet of the Company covered by our report of 28th June, 2008 to the members of the Company.

**Nirav B. Mehta**  
**Partner**  
**Membership No. : 106294**

**Place : Mumbai**  
**Date : 28th June, 2008**

**For and on behalf of**  
**Rohira Mehta & Associates**  
**Chartered Accountants**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**  
**AS PER PART (IV) OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**

**I. Registration Details**

Registration No.	<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="8"/>	State Code	<input type="text" value="1"/> <input type="text" value="1"/>
Balance Sheet Date	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="8"/>		

**II. Capital Raised During the Year (Amount in Rs. Thousands)**

Public Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Right Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)**

Total Liabilities	<input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="2"/>	Total Assets	<input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="2"/>
Sources of funds		Application of Funds	
Paid-up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="4"/>	Net Fixed Assets	<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="8"/>
Reserves & Surplus	<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="7"/>	Investments	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/>
Secured Loans	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="2"/>	Net Current Assets	<input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="2"/>
Unsecured Loans	<input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="9"/>	Miscellaneous Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="1"/>
		Accumulated Loses	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

**IV Performance of Company (Amount in Rs.Thousands)**

Turnover	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="2"/>	Total Expenditure	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="6"/>
Profit before Tax	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="6"/>	Profit After Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/>
Earnings per Share in Rs.	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="3"/> <input type="text" value="6"/>	Dividend	<input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> <input <="" td="" type="text" value="%"/>

**V Generic Names of Three Principal Products/ Services of company (As per Monetary terms)**ITEM Code No.  
(ITC Code)

Product Description

<input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="5"/>	<input type="text" value="S"/> <input type="text" value="U"/> <input type="text" value="B"/> <input type="text" value="M"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="G"/> <input type="text" value="E"/> <input type="text" value="D"/> <input type="text" value=""/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="C"/> <input type="text" value=""/> <input type="text" value="W"/> <input type="text" value="E"/> <input type="text" value="L"/> <input type="text" value="D"/> <input type="text" value="E"/> <input type="text" value="D"/> <input type="text" value=""/> <input type="text" value="P"/> <input type="text" value="I"/> <input type="text" value="P"/> <input type="text" value="E"/> <input type="text" value="S"/>
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**AUDITORS' REPORT**

To,  
**The Members of Man Industries (India) Limited**

1. We have audited the attached Balance Sheet of Man Industries (India) Limited Group, as at 31st March, 2008 and also the Consolidated Profit and Loss Account and the Consolidated Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Man Industries (India) Limited's management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 amounts 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 statements presentation. The audited financial statements of the Group incorporate the audited financial statements of the Dubai branch, which have been audited by another auditor reflecting the total capital employed of Rs. 1274.36 Lakhs as at 31<sup>st</sup> March 2008, and total revenues amounting to Rs. 30803.39 Lakhs for the year ended on that date and that we have relied on the report of the other auditor. Further we believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by Man Industries (India) Limited's management in accordance with the requirement of Accounting Standard (AS) 21, 'Consolidated Financial Statements' notified by Companies (Accounting Standard) Rules, 2006.
4. Attention is invited to clause no. 5 of part II of schedule 19.

Subject to the foregoing, based on our audit and on the other financial information of the component, and to the best of the our information, and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair value in conformity with the accounting principles generally accepted in India :

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of Man Industries (India) Limited Group as at 31<sup>st</sup> March, 2008 ;
- b) in case of the Consolidated Profit & Loss account, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash –flow statement, of cash –flows for the year ended on that date.

**For Rohira Mehta & Associates**  
**Chartered Accountants**

**(Nirav B. Mehta)**  
Partner  
Membership No. 106294

Place : Mumbai  
Dated : 28<sup>th</sup> June, 2008.

**MAN INDUSTRIES (INDIA) LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

(Rupees)

PARTICULARS	Sch. No.	Amount
<b>SOURCES OF FUND</b>		
<b>1. Shareholders Funds</b>		
Share Capital	<b>1</b>	266,424,370
Reserves and Surplus	<b>2</b>	3,404,835,751
		<b>3,671,260,121</b>
<b>2. Loan Funds</b>		
Secured Loans	<b>3</b>	1,026,841,690
Unsecured Loans	<b>4</b>	2,068,208,518
		<b>3,095,050,209</b>
<b>3. Minority Interest</b>		<b>790,549</b>
<b>4. Deferred Tax Liability</b>		421,304,032
<b>TOTAL</b>		<b>7,188,404,911</b>
<b>APPLICATION OF FUNDS</b>		
<b>1. Fixed Assets</b>		
a. Gross Block	<b>5</b>	4,265,902,372
Less : Accumulated Depreciation		938,932,032
Net Block		3,326,970,340
b. Capital Work in Progress.		1,052,079,223
		<b>4,379,049,564</b>
<b>2. Investments</b>		
	<b>6</b>	317,809,081
<b>3. Current Assets, Loans and Advances</b>		
a. Inventories	<b>7</b>	3,515,674,782
b. Sundry Debtors	<b>8</b>	2,165,499,570
c. Cash and Bank Balances	<b>9</b>	1,169,991,046
d. Loans and Advances	<b>10</b>	1,475,336,966
		<b>8,326,502,363</b>
Less: Current Liabilities and Provisions	<b>11</b>	5,886,487,235
<b>Net Current Assets</b>		<b>2,440,015,129</b>
<b>4. Deffered Tax Assets</b>		1,102,564
<b>5. Miscellaneous Expenditure</b>	<b>12</b>	50,428,574
<b>TOTAL</b>		<b>7,188,404,911</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	<b>19</b>	

As per our Report attached

For and on behalf of Board

For and on behalf of  
Rohira Mehta & Associates  
Chartered Accountants

R.C. Mansukhani  
Chairman

J.C. Mansukhani  
Managing Director

Nirav B. Mehta  
Partner  
Membership No. : 106294

J. L. Mansukhani  
Director

Kirit N. Damania  
Director

Place : Mumbai  
Date : 28th June 2008

Vijay Kalantri  
Director

Sujal Sharma  
Company Secretary

**MAN INDUSTRIES (INDIA) LIMITED**
**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**
**(Rupees)**

<b>PARTICULARS</b>	<b>Sch. No.</b>	<b>Amount</b>
<b>INCOME</b>		
Sales and Other Income	<b>13</b>	15,203,251,981
Less: Excise Duty		77,679,760
<b>TOTAL</b>		<b>15,125,572,221</b>
<b>EXPENDITURE</b>		
Cost of Material	<b>14</b>	11,662,424,500
Increase/(Decrease) in Stock	<b>15</b>	(579,200,070)
Employment Cost	<b>16</b>	329,406,716
Interest and Financial Charges	<b>17</b>	329,389,046
Operating and Other Expenses	<b>18</b>	1,994,454,367
<b>TOTAL</b>		<b>13,736,474,559</b>
Profit Before Depreciation		1,389,097,662
Depreciation		281,726,230
<b>Profit Before Tax</b>		1,107,371,432
<u>Provision For Taxation</u>		385,381,111
Current Tax		330,145,924
Deferred Tax		52,017,455
Fringe Benefit Tax		3,217,733
<b>Profit After Tax</b>		721,990,321
<b>Minority Interest</b>		290,549
Balance Brought Forward		1,043,431,872
Disposable Profit		1,765,131,643
<b>APPROPRIATIONS</b>		
General Reserve		(71,212,878)
Proposed Dividend		(79,927,311)
Corporate Dividend Tax		(13,583,647)
Previous year Adjustment		-
Share Issue Expenses		(280,010)
Profit and Loss approp.		(25,505,600)
Balance Carried to Balance Sheet		<b>1,574,622,197</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	<b>19</b>	

As per our Report attached

For and on behalf of Board

For and on behalf of  
Rohira Mehta & Associates  
Chartered Accountants

R.C. Mansukhani  
Chairman

J.C. Mansukhani  
Managing Director

Nirav B. Mehta  
Partner  
Membership No. : 106294

J. L. Mansukhani  
Director

Kirit N. Damania  
Director

Place : Mumbai  
Date : 28th June 2008

Vijay Kalantri  
Director

Sujal Sharma  
Company Secretary

**MAN INDUSTRIES (INDIA) LIMITED****SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008****(Rupees)**

<b>PARTICULARS</b>	<b>AMOUNT</b>
<b>SCHEDULE - 1</b>	
<b>SHARE CAPITAL</b>	
1. Authorised Share Capital 70,000,000 (Previous Year 35,000,000 of Rs. 10/- each) Equity Share of RS.5/- each (During the year Company has splitted equity share of Rs. 10/- into two equity shares of Rs. 5/- each)	350,000,000
2. Issued, Subscribed and Paid-up 53,284,874 (Previous Year 26,642,437 of Rs. 10/- each) Equity Shares of Rs.5/- each (During the year Company has splitted equity share of Rs. 10/- into two equity shares of Rs. 5/- each)	266,424,370
<b>TOTAL</b>	<b>266,424,370</b>
<b>OF THE ABOVE EQUITY SHARES:</b>	
- 13,461,540 equity shares of Rs. 5/- each issued on 22nd March, 2006 as underlying shares to the Global Depository Receipt (each representing one equity share)	

<b>PARTICULARS</b>	<b>AMOUNT</b>
<b>SCHEDULE - 2</b>	
<b>RESERVES AND SURPLUS</b>	
i) Profit and Loss Account	1,574,622,197
ii) Share Premium (Net of Issue Expenses)	1,600,286,174
iii) General Reserve	229,927,380
<b>TOTAL</b>	<b>3,404,835,751</b>

<b>PARTICULARS</b>	<b>AMOUNT</b>
<b>SCHEDULE - 3</b>	
<b>SECURED LOANS</b>	
From Financial Institutions and Banks	
<b>Working Capital Loans</b>	
Cash Credit /WCDL/ FCNR-B	295,863,156
	<b>295,863,156</b>
<b>Term Loans</b>	
i) Rupee Term loans	368,051,289
ii) Foreign Currency Term Loan	362,927,245
	<b>730,978,535</b>
<b>TOTAL</b>	<b>1,026,841,690</b>
- Term Loans from Banks and Financial Institutions are secured by way of first pari-passu charge on fixed assets of the Company & further secured by personal guarantee by the promoter Directors.	
- Working Capital facilities by banker's are secured by first pari-passu charge on all the movable assets of the Company and second charge on the immovable assets of the Company.	
- Vehicle finance is secured by way of mortgage of the specific assets.	

<b>PARTICULARS</b>	<b>AMOUNT</b>
<b>SCHEDULE - 4</b>	
<b>UNSECURED LOANS</b>	
i) From Shareholders	3,000,000
ii) From Directors	9,000,000
iii) Intercorporate Deposits	26,208,518
iv) Foreign Currency Convertible Bonds	2,030,000,000
<b>TOTAL</b>	<b>2,068,208,518</b>



**MAN INDUSTRIES (INDIA) LIMITED**
**SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**
**(Rupees)**

PARTICULARS	AMOUNT
<b>SCHEDULE - 5</b>	ATTACHED SEPARATELY

PARTICULARS	AMOUNT
<b>SCHEDULE - 6</b>	
<b>CURRENT INVESTMENTS</b>	
Quoted (Valued at cost or market price whichever is lower)	317,809,081
<b>TOTAL</b>	<b>317,809,081</b>

PARTICULARS	AMOUNT
<b>SCHEDULE - 7</b>	
<b>INVENTORIES</b>	
(As certified by the Management )	
i) Raw Materials	1,441,541,513
ii) Works in Progress	732,526,858
iii) Stock In Process	326,006,251
iv) Finished Goods	1,015,600,160
<b>TOTAL</b>	<b>3,515,674,782</b>

PARTICULARS	AMOUNT
<b>SCHEDULE - 8</b>	
<b>SUNDRY DEBTORS</b>	
( Unsecured Considered Good)	
Debtors over Six Months	457,644,708
Other Debtors	1,707,854,861
<b>TOTAL</b>	<b>2,165,499,570</b>

PARTICULARS	AMOUNT
<b>SCHEDULE - 9</b>	
<b>CASH AND BANK BALANCE</b>	
Balances With Schedule Banks	
- In Current Accounts	84,354,582
- In Fixed Deposits	1,083,988,777
Cash in Hand	1,647,687
<b>TOTAL</b>	<b>1,169,991,046</b>

- (Fixed Deposits as on 31.03.2008 includes deposit of Rs. 93.99 crores with Banks being un-utilized funds of FCCB issue.)

**MAN INDUSTRIES (INDIA) LIMITED**  
**SCHEDULE OF CONSOLIDATED FIXED ASSETS AS AT 31ST MARCH-2008**

(Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01.04.2007	ADDITIONS IN THE YEAR	SALES	AS AT 31.03.2008	AS AT 01.04.2007	FOR THE YEAR	ADJUSTED ON SALES	AS AT 31.03.2008	AS AT 31.03.2008
LAND	21,383,133	5,021,136	-	26,404,269	-	-	-	-	26,404,269
FACTORY BUILDING	362,276,493	130,469,475	-	492,745,968	51,244,616	13,854,866	-	65,099,482	427,646,486
OFFICE PREMISES	34,810,540	152,251	-	34,962,791	1,791,015	568,852	-	2,359,867	32,602,924
PLANT & MACHINERY	2,342,704,383	275,906,098	-	2,618,610,481	553,728,183	212,287,416	-	766,015,599	1,852,594,882
OFFICE EQUIPMENTS	13,240,658	1,851,487	88,487	15,003,658	3,524,720	892,570	24,226	4,393,064	10,610,594
FURNITURE & FIXTURES	25,240,887	2,633,565	13,778	27,860,675	4,837,505	1,649,013	1,112	6,485,406	21,375,268
ELEC. EQUIPMENTS	77,486,883	39,933,944	-	117,420,826	12,331,705	7,035,287	-	19,366,992	98,053,834
VEHICLES	27,814,047	2,983,298	2,113,625	28,683,720	5,911,159	2,700,616	800,988	7,810,787	20,872,933
COMPUTERS	22,416,092	2,410,951	18,925	24,808,117	10,938,342	3,801,953	6,632	14,733,663	10,074,454
WIND MILL	376,553,754	-	-	376,553,754	13,731,513	38,935,658	-	52,667,171	323,886,583
GARDEN	1,487,061	-	-	1,487,061	-	-	-	-	1,487,061
GOODWILL ON CONSOLIDATION	-	501,361,053	-	501,361,053	-	-	-	-	501,361,053
<b>TOTAL</b>	<b>3,305,413,930</b>	<b>962,723,257</b>	<b>2,234,815</b>	<b>4,265,902,372</b>	<b>658,038,759</b>	<b>281,726,231</b>	<b>832,958</b>	<b>938,932,032</b>	<b>3,326,970,340</b>
CAPITAL WORK IN PROGRESS	239,611,151	1,260,268,719	447,800,646	1,052,079,223	-	-	-	-	1,052,079,223
<b>GRAND TOTAL</b>	<b>3,545,025,081</b>	<b>2,222,991,976</b>	<b>450,035,461</b>	<b>5,317,981,595</b>	<b>658,038,759</b>	<b>281,726,231</b>	<b>832,958</b>	<b>938,932,032</b>	<b>4,379,049,564</b>

**MAN INDUSTRIES (INDIA) LIMITED**
**SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**
**(Rupees)**

<b>PARTICULARS</b>	<b>AMOUNT</b>
<b>SCHEDULE - 10</b>	
<b>LOANS AND ADVANCES</b>	
(Unsecured and Considered Good except otherwise stated)	
Advances Recoverable in Cash or kind or for value to be received	
i) Advances	5,000,000
ii) Prepaid Expenses	8,276,585
iii) Deposits/claims with Govt. Departments	148,485,973
iv) Export Incentives receivable	490,511,815
v) Balance with Central Excise	100,159,311
vi) Other Advances	722,903,281
<b>TOTAL</b>	<b>1,475,336,966</b>

<b>PARTICULARS</b>	<b>AMOUNT</b>
<b>SCHEDULE - 11</b>	
<b>CURRENT LIABILITIES AND PROVISIONS</b>	
i) Sundry Creditors	
- Goods and Services	4,589,434,268
- Capital Goods	54,331,379
ii) Unclaimed Dividend	3,847,548
iii) Proposed Dividend	79,927,311
iv) Others Liabilities and Provisions	1,158,946,728
<b>TOTAL</b>	<b>5,886,487,235</b>

<b>PARTICULARS</b>	<b>AMOUNT</b>
<b>SCHEDULE - 12</b>	
<b>MISC. EXPENSES TO THE EXTENT NOT WRITTEN OFF</b>	
As per Last Year's Balance Sheet	-
Add : Additions during the year	62,940,792
	<b>62,940,792</b>
Less : Written off During the year	12,512,218
<b>TOTAL</b>	<b>50,428,574</b>

**MAN INDUSTRIES (INDIA) LIMITED****SCHEDULE FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	(Rupees) AMOUNT
<b>SCHEDULE - 13</b>	
<b>SALES AND OTHER INCOME</b>	
i) Gross Sales including incentives	14,660,882,547
ii) Interest Income	14,673,655
iii) Other Income (including Exchange gain on Export realisation)	527,695,778
<b>TOTAL</b>	<b>15,203,251,981</b>

PARTICULARS	AMOUNT
<b>SCHEDULE - 14</b>	
<b>COST OF RAW MATERIALS</b>	
Opening Stock of Raw Materials.	1,019,347,798
Add:- Purchases	12,056,587,042
Add : Contractors Charges	28,031,174
Sub Total :	13,103,966,014
Less:- Closing Stock of Raw Materials.	1,441,541,513
<b>TOTAL</b>	<b>11,662,424,500</b>

PARTICULARS	AMOUNT
<b>SCHEDULE - 15</b>	
<b>INCREASE / ( DECREASE ) IN STOCK</b>	
Opening Stock of Finished Goods and Stock in process	762,406,341
Less: Closing Stock of Finished Goods and Stock in Process	1,341,606,411
<b>TOTAL</b>	<b>(579,200,070)</b>

PARTICULARS	AMOUNT
<b>SCHEDULE - 16</b>	
<b>EMPLOYMENT COST</b>	
Salaries and Staff Expenses	329,406,716
<b>TOTAL</b>	<b>329,406,716</b>

PARTICULARS	AMOUNT
<b>SCHEDULE - 17</b>	
<b>INTEREST AND FINANCIAL CHARGES</b>	
Interest to Financial Institutions	53,092,443
Interest to Banks	210,645,574
Bank Charges	65,651,029
<b>TOTAL</b>	<b>329,389,046</b>

**MAN INDUSTRIES (INDIA) LIMITED**
**SCHEDULE FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

<b>PARTICULARS</b>	<b>(Rupees)</b> <b>AMOUNT</b>
<b>SCHEDULE - 18</b>	
<b><u>OPERATING AND OTHER EXPENSES</u></b>	
<b>A) MANUFACTURING EXPENSES</b>	
i) Power Expenses	128,969,744
ii) Stores & Spares	75,372,594
iii) Repairs & Maintenance	
- Plant & Machinery	4,855,988
- Building & Others	4,041,958
iv) Other Manufacturing Expenses	375,594,450
<b>B) ADMINISTRATIVE &amp; OTHER EXPENSES</b>	
i) Telephone & Telex	7,842,112
ii) Rent, Rates & Taxes	8,915,792
iii) Insurance Premium	11,913,536
iv) Legal & Professional charges	14,957,723
v) Other Administrative Expenses	30,201,203
<b>C) SELLING &amp; DISTRIBUTION EXPENSES</b>	
i) Freight & Transportation	985,080,210
ii) Forwarding Expenses	64,041,493
iii) Travelling Expenses	31,132,429
iv) Other Selling Expenses	239,022,917
<b>D) PRELIMINARY EXPENSES WRITTEN OFF</b>	12,512,218
<b>TOTAL</b>	<b>1,994,454,367</b>

**SCHEDULE -19****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF  
ACCOUNTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2008****I. SIGNIFICANT ACCOUNTING POLICIES:****A) Basis of Preparation of Financial Statements :**

The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956. All income & expenditure items having a material bearing on the financial statements are recognized on accrual basis, except in respect of insurance claims, liquidated damages, where the exact quantum cannot be ascertained.

**B) Income Recognition :****i) Manufacturing Division :**

- a) Revenue in respect of sale of goods is recognized on dispatch of goods from the factory gate on the basis of excise invoice. The sales are inclusive of excise duty but net of value added tax. Further the materials returned/rejected are accounted for in the year of return/rejection.
- b) In respect of services rendered, the revenue is recognized on the basis of Completed Contract Method.
- c) Exports incentives & other miscellaneous incomes are recognized on accrual basis except dividend on investments which are accounted in the year of receipt.

**ii) Construction & Real Estate Division :****(a) Construction Contracts:**

In respect of construction contracts, the percentage of completion method of accounting for revenue recognition as per Accounting Standard 7 is followed and the revenue is recognised in proportion to the actual cost incurred as against the total estimated cost of the project under execution. As the project progresses, estimated cost are revised based on the current cost indices and other information available.

**(b) Real Estate Development**

In respect of real estate development, the percentage of completion method of accounting for revenue recognition is followed. Since no project has been commenced, no revenue is recognised in real estate division.

**C) Fixed Assets :****a) Valuation of Fixed Assets**

Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the assets to its working condition and exclusive of cenvat credit on capital account. Further in case of impairment of assets, the fixed assets are carried at cost or recoverable amount whichever is less.

**b) Depreciation**

Depreciation on Fixed Assets is provided on straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. In respect of Man Infraprojects Limited, depreciation on Fixed Assets is provided on written down value method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

**D) Valuation of Inventories :**

- a) Raw materials are valued at cost or net realizable value whichever is lower. Cost is computed using first in first out method.
- b) Work In progress includes the cost of purchase, appropriate share of cost of conversion and other overheads incurred in bringing the inventories to its present location and condition.
- c) Finished goods includes cost of purchase, cost of conversion and other overhead incurred in bringing the inventory to its present location and condition.
- d) Other stores and spares/consumable are valued at cost after providing for cost of obsolescence, if any.
- e) Work in progress in respect of real estate and construction division are valued at cost.

**E) Investments :**

Long-term investments are valued at cost, less any diminution in value that is other than temporary. Current investments are valued at lower of cost and fair value. Income thereon is accounted for as and when realized.

**F) Miscellaneous Expenditure :**

Miscellaneous Expenditure is written off to the Profit and Loss Account over a period of up to ten years depending upon the nature and expected future benefit of such expenditure. However Deferred Revenue Expenditure comprising of foreign currency convertible bond issue expense is written off to the Profit and Loss Account over a period of up to five years.

**G) Foreign Exchange Transactions :**

Foreign Currency transactions during the year are recognized at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt with in the Profit and Loss Account except those relating to acquisition of fixed assets acquired from outside India, which are adjusted in the cost of the assets. Foreign currency Current Assets, Current Liabilities and Loans other than for financing fixed assets and, outstanding at the year end are translated at the rates of exchange prevailing at the close of the year and the resultant gain/losses are recognized in the Profit and Loss Account of the year. In respect of forward contract entered for speculation purpose

and expired during the year, the difference in forward exchange booking rate and spot rate on the date of expiry of contract is dealt in the Profit and Loss Account. In respect of forward contract entered for speculative purpose and carried forward in next accounting period, the difference between the forward exchange booking rate and closing inter bank rate prevailing at the close of the year are dealt in the Profit and Loss Account.

**H) Retirement Benefits :**

**i) Defined Contribution :**

Contribution paid / payable during the year towards Provident Fund Scheme & Employee State Insurance Scheme are recognised in the Profit & Loss account .

**ii) Defined Benefit Plan :**

Liability towards gratuity is determined by the independent actuary, using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using the discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognized immediately in the statement of Profit & Loss Account as income or expense.

Gratuity liability has been covered by policy of Life Insurance Corporation of India. (refer clause no 4 of part II of notes forming part of accounts)

**D) Taxation :**

**a) Current Tax :**

Current Tax provision is computed for the current income based on tax liability after considering allowances and exemptions.

**b) Deferred Tax Provision :**

Deferred Tax arising from timing difference between the book profit and tax profit is accounted for, at the future rate of tax, to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets are not recognized on unabsorbed depreciation and carry forward losses unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

**c) Fringe Benefit Tax :**

Fringe Benefit Tax is determined at the current applicable rates on expenses falling within the ambit of “Fringe Benefit” as defined under the Income Tax Act, 1961.

**J) Contingent Liabilities:**

Contingent liabilities are not provided for in the accounts but are separately disclosed by way of a note.

**K) Borrowing Costs :**

Borrowing Costs are accounted on accrual basis.

**L) Earning Per Share :**

Earning per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of equity share outstanding during the year.

**M) Provisions :**

Provisions are recognized when there is a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. Where the provisions are to be reimbursed, is recognized as a separate asset, only when such reimbursement is virtually certain.

**N) Impairment Of Assets :**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

**O) Principal of Consolidation :**

i) The consolidated financial statements are based on the audited financial statements of subsidiaries for their respective financial years.

ii) The financial statements of the parent company and its subsidiaries have been combined to the extent possible on line by line basis by adding together like items of assets, liabilities, income and expenses. All significant intra group balances and transactions have been eliminated on consolidation. The amount in shown in respect of reserves comprises the amount of relevant reserves as per Balance Sheet of the parent company and its share in the post – acquisition increase in the relevant reserves of subsidiaries.

iii) The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and presented to the extent possible, and in same manner as the parent's company financial statements.

iv) Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately.



**II. NOTES FORMING PART OF ACCOUNTS****1. Contingent Liabilities not provided in respect of:****(Rs. in Lakhs)**

Sr. No.	PARTICULARS	As At 31st March, 2008
1.	Guarantess / Letter of Credit Outstanding	73,128.05
2.	Excise Duty Matters	88.17
3.	Sales Tax Matters	39.70
4.	Income Tax Matters	8.04
5.	Estimated amount of contract to be executed on capital account (net of advances)	2,315.00
6.	Corporate Guarantee Issued	8,024.00
	<b>TOTAL</b>	<b>83,602.96</b>

- The Group has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regards as per Schedule VI of the Companies Act, 1956 could not be provided.
- The Management of the Group have certified that the Current Assets, Loans & Advances and Current Liabilities have a value on realization at least equal to the amount at which they are stated in the Balance Sheet.
- In respect of Man Infraprojects Limited, this being the first year of operation, no long term benefit as per AS – 15 : Accounting for Retirement Benefit of Employees in the Financial Statement of the Employers has been provided.
- During the year, the Parent Company has deferred the expenses amounting to Rs. 624.54 Lakhs incurred for issue of foreign currency convertible bond by writing off the same over a period of up to five year. The profit before tax / reserves are over stated by Rs. 499.63 Lakhs

**6. Details of Subsidiaries :****Direct Subsidiaries :**

Sr. No.	PARTICULAR	Country of incorporation	% of Voting Power
1.	Man Infraprojects Limited	India	97%
2.	Man USA Inc.	U. S. A.	100%

**Indirect Subsidiaries :****Subsidiary of Man Infraprojects Limited**

Sr. No.	PARTICULAR	Country of incorporation	% of Voting Power
1	Merino Shelters Private Limited	India	100%

- Earning per share (EPS) computed in accordance with Accounting Standard 20 "Earning Per Share".

**(Rs. In Lakhs)**

Sr. No.	PARTICULARS	AMOUNT
	Basic/Diluted Earning Per Share	
a)	Net Profit attributable to Equity Shareholders	7,217.00
b)	Weightage average nos. of shares outstanding during the year (Nos.)	53,284.874
c)	Basic / Diluted Earning Per Share (Rs.)	13.54

**8. Related Party Disclosures:**

Related party disclosure as required by Accounting Standard – 18 "Related Party Disclosures" issued by "Institute of Chartered Accountants of India" are given below :

**a) Names of the Enterprise in which Management has significant interest:**

- Man UK Limited
- JPA Holdings Private Limited
- Man Aluminum Limited
- Man Global FZC, UAE

**b) Names of the Key Management Personnel :**

- i. Mr. R.C. Mansukhani
- ii. Mr. J.C. Mansukhani
- iii. Mr. J.L. Mansukhani

**c) Names of the Relatives of Management Personnel :**

- i. Mrs. Kimatdevi Mansukhani
- ii. Mrs. Anita Mansukhani
- iii. Mrs. Deepa Mansukhani
- iv. Mr. Nikhil Mansukhani
- v. Ms. Heena Mansukhani

(Rs. in Lakhs)

Sr. No.	NAME OF THE PARTIES	Transaction during the Year ended 31st March, 2008	Outstanding Balance as on 31st March, 2008
1.	<b>Man UK Limited</b>		
a)	Loan Taken	8.42	7.07
2.	<b>Man Aluminium Limited</b>		
a)	Loan recd (Net)	75.20	262.28
b)	Purchase	3.53	-
c)	Sales	2.91	-
3.	<b>Man Global FZC, UAE</b>		
	Investment in Equity Shares	1.63	1.63
4.	<b>JPA Holdings Private Limited</b>		
a)	Loan recd	185.00	-
b)	Interest Paid	6.79	-
5.	<b>Others</b>		
a)	Rent Deposit	590.00	-
b)	Salary	465.21	-
c)	Rent	66.71	-
d)	Interest	5.56	-
e)	Loan Taken	429.00	-
f)	Loan Repaid	346.50	-

**9. Foreign currency exposure at the year end not hedged by derivative instrument.**

(Rs. in Lakhs)

Sr. No.	PARTICULARS	AS AT 31 March 2008
a)	<b>Receivable against exports of goods and services</b>	
	Rupees	15,123.02
	US dollar	304.02
	Euros	72.93
b)	<b>Advance received from customers</b>	
	Rupees	4,408.31
	US dollar	109.88
c)	<b>Payable against import of goods and services</b>	
	Rupees	38,196.31
	US dollar	945.48
	Euros	4.00
	GBP	0.12
d)	<b>Advance Payment to supplier</b>	
	Rupees	1,634.48
	US dollar	10.31
	Euros	26.37
	GBP	-

10. Employee Defined Benefits: Defined benefit plans as per Actuarial valuation on 31<sup>st</sup> March, 2008.

(Rs. in Lakhs)

Sr. No.	PARTICULARS	Gratuity Plan
<b>I.</b>	<b>Expense Recognised in the Statement of Profit &amp; Loss Account for the year ended 31st March, 2008</b>	
1	Current Service Cost	31.08
2	Interest	11.28
3	Expected Return on plan assets	(8.67)
4	Actuarial (Gain)/Loss	56.75
5	Total Expense	90.45
<b>II.</b>	<b>Net (Asset) / Liability recognised in the Balance Sheet as at 31st March, 2008</b>	
1	Present value of Defined Benefit obligation	232.34
2	Fair Value of plan assets	109.99
3	Funded Status [Surplus/(Deficit)]	122.35
4	Net (Asset)/Liability	122.35
<b>III.</b>	<b>Change in the obligation during the year ended 31st March, 2008</b>	
1	Present value of Defined Benefit obligation as at the beginning of the year	137.59
2	Current service cost	31.08
3	Interest Cost	11.28
4	Benefit payments	(5.22)
5	Actuarial (Gain)/Loss	57.60
6	Present value of Defined Benefit obligation as at the end of the year	232.34
<b>IV.</b>	<b>Change in Fair Value of Assets during the year ended 31st March, 2008</b>	
1	Fair Value of plan assets at the beginning of the year	105.69
2	Expected return on plan assets	8.67
3	Contributions by employer	-
4	Actual Benefits paid	(5.22)
5	Actuarial Gain/(Loss) on plan assets	0.84
6	Fair Value of plan assets at the end of the year	109.99
7	Total Actuarial Gain/(Loss) to be recognised	(56.75)
<b>V.</b>	<b>The major Categories of plan assets as a percentage of total plan</b>	
	Funded with LIC	
<b>VI.</b>	<b>Actuarial Assumptions</b>	
1	Discount Rate	8.20%
2	Expected rate of return on plan assets	8.20%
3	In-service Mortality	LIC 1994 -96 Ultimate
4	Salary Rise	7.00%

**General Description of the Defined Benefit Plan :**

The Parent Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, whichever ever is earlier. The benefits vests after five year of continuous service

11. Based on the information available with the Group, the Sundry Creditors include Rs 25,64,178/- due to small scale industrial undertaking which are due for more than 30 days as on Balance Sheet date. The names of small scale industrial undertaking are as follows:

Action Engineers, Adhar Enterprises, Amin Machinery, Anand Metal Roofing, Arihant Bearing Services P. Ltd., Bhandari Techno Trade P. Ltd., Biren Industries, Carbonic Industries, Dewas Metal Sections Ltd., Diagnostic Automation & Control, Digital Integrator P. Ltd., Dwekam Electrodes P. Ltd., Economos India P. Ltd., Ghanshyam Engineering P. Ltd., Goma Engineering P. Ltd., Hawa Valves Automation, Hydmark Applicon, Jacktech Hydraulics, K – Electronics, M. D. Engineering, Mechno – Tech Engineering, Padmini Industries Limited, Shashwat Systems P. Ltd., Tiwari Engineering, Well Bore Engineering Co., East West Engineering & Electro.

The above information regarding small scale industrial undertaking has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the Auditors.

12. Previous year figures have not been given as this being the first year of the Consolidation.

As per our Report attached

For and on behalf of Board

For and on behalf of  
Rohira Mehta & Associates  
Chartered Accountants

R.C. Mansukhani  
Chairman

J.C. Mansukhani  
Managing Director

Nirav B. Mehta  
Partner  
Membership No. : 106294

J. L. Mansukhani  
Director

Kirit N. Damania  
Director

Place : Mumbai  
Date : 28th June 2008

Vijay Kalantri  
Director

Sujal Sharma  
Company Secretary

**MAN INDUSTRIES (INDIA) LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2008**

(Rupees)

	<b>PARTICULARS</b>	<b>31st March 2008</b>
<b>A.</b>	<b>Cash Flow from Operating Activities</b>	
	Net Profit before Taxes & Extraordinary Activities	1,107,371,432
	<b>Adjustment for :</b>	
	Depreciation	281,726,230
	Diminution in value of Investments	649,910
	Interest	329,389,046
	Loss on sale of Assets	636,257
	Other Income	(542,369,433)
	Operating Profit before W. Capital changes	1,177,403,441
	<b>Adjustment for :</b>	
	Trade & Other Receivables	1,160,631,387
	Inventories	(1,351,567,476)
	Loans & Advances	338,258,623
	Trade & Other Payables	1,813,730,416
	Income Tax	(333,363,656)
	<b>Net Cash from Operating Activities(A)</b>	<b>2,805,092,735</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>	
	Purchase of Fixed Assets	(770,345,462)
	Sale of Fixed Assets	765,600
	Purchase of Investments	(1,308,860,277)
	Other Income	542,369,433
	Decrease in Preliminary Expenses	(50,239,487)
	<b>Net Cash from Investing Activities(B)</b>	<b>(1,586,310,192)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>	
	Increase in Share Capital (Incl. Share Premium)	-
	Interest Paid	(329,389,046)
	Dividend Paid & Other Adjustments	(122,181,293)
	Increase in Borrowings	253,223,093
	<b>Net Cash used in Financing Activities(C)</b>	<b>(198,347,246)</b>
	<b>Net Increase/ Decrease in</b>	
	<b>Cash &amp; Cash Equivalents(A+B+C)</b>	<b>1,020,435,298</b>
	<b>Cash &amp; Cash Equivalents(OP Bal)</b>	<b>149,555,748</b>
	<b>Cash &amp; Cash Equivalents(CL Bal)</b>	<b>1,169,991,045</b>

As per our Report attached

For and on behalf of Board

 For and on behalf of  
 Rohira Mehta & Associates  
 Chartered Accountants

 R.C. Mansukhani  
 Chairman

 J.C. Mansukhani  
 Managing Director

 Nirav B. Mehta  
 Partner  
 Membership No. : 106294

 J. L. Mansukhani  
 Director

 Kirit N. Damania  
 Director

 Place : Mumbai  
 Date : 28th June 2008

 Vijay Kalantri  
 Director

 Sujal Sharma  
 Company Secretary

**AUDITORS CERTIFICATE**

To,  
The Board of Directors  
Man Industries (India) Limited  
102, Man House, S. V. Road,  
Vile Parle (W), Mumbai - 400 056.

We have examined the attached Consolidated Cash Flow Statement of Man Industries (India) Ltd for the year ended 31st March, 2008. The statement has been prepared by the Company in accordance with the requirement of listing agreement clause 32 with Mumbai Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet of the Company covered by our report of 28th June, 2008 to the members of the Company.

**For Rohira Mehta & Associates  
Chartered Accountants**

**(Nirav B. Mehta)  
Partner  
Membership No. 106294**

**Place : Mumbai  
Dated : 28<sup>th</sup> June, 2008.**

**AUDITORS' REPORT**

To,  
**The Members of  
Man Infraprojects Limited**

1. We have audited the attached Balance Sheet of Man Infraprojects Limited as at 31st March, 2008 and also the Profit and Loss Account and the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 amounts 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 statements presentation. Further we believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ("CARO") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ("the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - 1) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - 3) The Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
  - 4) In our opinion, the Balance Sheet, Profit and Loss Account 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 Act.
  - 5) On the basis of the written representations received from the directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - 6) Subject to the above, in our opinion and to the best of our information and according to the information and according to the explanations given to us, the said accounts read together with the "Notes" thereon, give the information required by the Act 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, 2008;
    - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) In the case of the Cash flow statement, of the cash flows for the year ended on that date.

**For Rohira Mehta & Associates  
Chartered Accountants**

**Nirav B. Mehta  
Partner  
Membership No.: 106294**

**Place : Mumbai  
Dated : 27th June 2008**

**MAN INFRAPROJECTS LIMITED**

Annexure referred to in paragraph 3 of our report of even date

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (ii) As explained to us all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to size of the Company and nature of its assets. No material discrepancies were noticed on physical verification.
  - (iii) The Company has not disposed off a substantial part of fixed assets during the year and hence going concern assumption has not affected
2. (i) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (ii) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (iii) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book stocks were not material having regard to the size of the operations.
3. (i) The Company has granted loan to 1 (One) party covered in the register maintained under section 301 of the Companies Act, 1956 the maximum amount involved during the year was Rs. 4277.95 Lakhs. The amount outstanding at year end was Rs. 4177.95 Lakhs.
  - (ii) In our opinion and according to explanation and information given to us, the rate of interest and other terms and conditions on which the loans have been granted by the Company are not, prima facie, prejudicial to the interest of the Company.
  - (iii) In our opinion and according to explanation and information given to us, the receipt of the principal amount and interest thereon are regular.
  - (iv) In respect of loans granted, the Company has taken reasonable steps for recovery of the principal and interest thereon in respect of amount overdue of more than one Lakh.
  - (v) The Company has taken loan from 1(One) party covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs.9900.74 Lakhs. The amount outstanding at the year end was Rs.9900.74 Lakhs.
  - (vi) In our opinion and according to explanation and information given to us, the rate of interest and other terms and conditions on which the loans have been taken by the Company are not, prima facie, prejudicial to the interest of the Company.
  - (vii) In our opinion and according to explanation and information given to us, the payment of the principal amount and interest thereon are regular.
4. In our opinion and 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 purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. (i) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section.
  - (ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 and exceeding the value of Rupees Five Lakhs during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Act and rules there under, to the extent applicable. The management further informs us that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposit.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of business.
8. The maintenance of cost records prescribed by the Central Government under the clause (d) of the sub –section (1) of section 209 of the Companies Act, is not applicable to the Company.
9. (i) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth –tax, customs duty, excise-duty, service tax, cess and other statutory dues wherever applicable with the appropriate authorities.
  - (ii) According to the records of the Company, there are no dues outstanding of sales tax, income-tax, customs duty, wealth tax, excise duty, service tax or cess on account of any dispute.
10. The Company has no accumulated losses as at 31st March 2008 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank, as may be applicable at the balance sheet date.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. The Company has not dealt or traded in shares, securities, debentures and other investments. Hence clause (xiv) of paragraph 4 of Companies (Auditor's Report) Order is not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not raised any term loan. Thus clause (xvi) of paragraph 4 is not applicable to the company.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not issued any debentures during the year.
19. The Company has raised money by the way of issue of shares.
20. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Rohira Mehta & Associates  
**Chartered Accountants**

**Nirav B. Mehta**  
Partner  
Membership No.: 106294

Place : Mumbai  
Dated : 27th June 2008

**MAN INFRAPROJECTS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2008**

(Rupees)

PARTICULARS	Sch. No.	31st March 2008	31st March 2007
<b>SOURCES OF FUND</b>			
<b>1. Shareholders Funds</b>			
Share Capital	1	266,500,000	500,000
Reserves and Surplus	2	9,592,937	-
		<b>276,092,937</b>	<b>500,000</b>
<b>2. Loan Funds</b>			
Secured Loans	3	-	-
Unsecured Loans	4	990,074,319	-
		<b>990,074,319</b>	<b>-</b>
<b>3. Deferred Tax Liability</b>			
		<b>8,050</b>	<b>-</b>
<b>TOTAL</b>		<b>1,266,175,305</b>	<b>500,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	5	102,752	-
Less : Accumulated Depreciation		2,231	-
Net Block		100,521	-
b) Capital Work in Progress.		-	-
		<b>100,521</b>	<b>-</b>
<b>2. Investments</b>			
	6	501,250,000	-
<b>3. Current Assets, Loans and Advances</b>			
a. Inventories	7	298,917,231	-
b. Sundry Debtors	8	-	-
c. Cash and Bank Balances	9	7,307,716	321,800
d. Loans and Advances	10	496,733,776	-
		<b>802,958,723</b>	<b>321,800</b>
Less: Current Liabilities and Provisions	11	39,287,497	-
<b>Net Current Assets</b>		<b>763,671,226</b>	<b>321,800</b>
<b>4. Deferred Tax Assets</b>			
		993,179	-
<b>5. Miscellaneous Expenditure</b>			
	12	160,380	178,200
<b>TOTAL</b>		<b>1,266,175,305</b>	<b>500,000</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	18		

As per our Report attached

For and on behalf of Board

For and on behalf of  
Rohira Mehta & Associates  
Chartered Accountants

R.C. Mansukhani  
Director

J.C. Mansukhani  
Director

Nirav B. Mehta  
Partner  
Membership No. : 106294

Kumar Mordani  
Director

Place : Mumbai  
Date : 27th June 2008

**MAN INFRAPROJECTS LIMITED**
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

(Rupees)

PARTICULARS	Sch. No.	31st March 2008	31st March 2007
<b>INCOME</b>			
Sales and Other Income	13	124,774,175	-
<b>TOTAL</b>		<b>124,774,175</b>	-
<b>EXPENDITURE</b>			
Cost of operations	14	85,589,645	-
Employment Cost	15	2,068,585	-
Interest and Financial Charges	16	15,197,456	-
Operating and Other Expenses	17	1,234,417	-
<b>TOTAL</b>		<b>104,090,103</b>	-
Profit Before Depreciation		20,684,072	
Depreciation		2,231	-
<b>Profit Before Tax</b>		<b>20,681,841</b>	-
<u>Provision For Taxation</u>		-	-
Current Tax		11,786,381	-
Deferred Tax		(985,129)	-
Fringe Benefit Tax		7,643	-
<b>Profit After Tax</b>		<b>9,872,947</b>	-
Balance Brought Forward		-	-
Disposable Profit		9,872,947	-
<b>APPROPRIATIONS</b>			
Share Issue Expenses		280,010	-
Profit and Loss approp.			-
Balance Carried to Balance Sheet		<b>9,592,937</b>	-
<b>Significant Accounting Policies and Notes on Accounts</b>	<b>18</b>		

As per our Report attached

For and on behalf of Board

 Nirav B. Mehta  
 Partner  
 Membership No. : 106294

 R.C. Mansukhani  
 Director

 J.C. Mansukhani  
 Director

 For and on behalf of  
 Rohira Mehta & Associates  
 Chartered Accountants

 Kumar Mordani  
 Director

 Place : Mumbai  
 Date : 27th June 2008

**MAN INFRAPROJECTS LIMITED****SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008****(Rupees)**

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
1. Authorised 5,000,000 (Previous Year 1,000,000 of Rs. 10/- each) Equity shares of Rs.10 Each	50,000,000	10,000,000
2. Issued, Subscribed and Paid-up 1,650,000 (Previous Year 500,000 of Rs. 10/- each) Equity shares of Rs.10 Each	16,500,000	500,000
3. Share Application Money	250,000,000	-
<b>TOTAL</b>	<b>266,500,000</b>	<b>5000,000</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
Profit and Loss Account	9,592,937	-
<b>TOTAL</b>	<b>9,592,937</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
From Financial Institutions and Banks	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE -4</b>		
<b>UNSECURED LOANS</b>		
Intercompany Deposits	990,074,319	-
<b>TOTAL</b>	<b>990,074,319</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE -5</b>	<b>ATTACHED SEPARATELY</b>	

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 6</b>		
<b>CURRENT INVESTMENTS</b>		
Un Quoted (Valued at cost)	501,250,000	-
<b>TOTAL</b>	<b>501,250,000</b>	<b>-</b>

**MAN INFRAPROJECTS LIMITED**  
**SCHEDULE OF FIXED ASSETS AS AT 31ST MARCH, 2008**

**SCHEDULE 5**

(Rupees)

SR. NO.	NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.2007	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL AS ON 31.03.2008	UPTO 01.04.2007	DURING THE YEAR	ADJUSTED ON SALES	TOTAL AS ON 31.03.2008	AS ON 31.03.2008	
1	OFFICE EQUIPMENT	-	19,652	-	19,652	-	56	-	56	19,596	
2	COMPUTER	-	83,100	-	83,100	-	2,175	-	2,175	80,925	
	<b>TOTAL</b>	<b>-</b>	<b>102,752</b>	<b>-</b>	<b>102,752</b>	<b>-</b>	<b>2,231</b>	<b>-</b>	<b>2,231</b>	<b>100,521</b>	

**MAN INFRAPROJECTS LIMITED****SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008****(Rupees)**

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 7</b>		
<b>WORK IN PROGRESS</b> (As certified by the Management )		
a) Bandra, Mumbai Project	55,243,509	-
b) Indore Project	243,673,722	-
<b>TOTAL</b>	<b>298,917,231</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS</b>	-	-

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCE</b>		
Balances With Scheduled Banks		
- In Current Accounts	7,240,554	321,800
Cash in Hand	67,162	-
<b>TOTAL</b>	<b>7,307,716</b>	<b>321,800</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured Considered Good except otherwise stated)		
Advances Recoverable in Cash or kind or for value to be received		
i) Advances	5,000,000	-
ii) Deposits/claims with Govt. Departments	40,000	-
iii) Service Tax	347,634	-
iv) Other Advances	491,346,142	-
<b>TOTAL</b>	<b>496,733,776</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 11</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
i) Sundry Creditors		
- Goods and Services	178,557	-
ii) Others Liabilities and Provisions	39,108,940	-
<b>TOTAL</b>	<b>39,287,497</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 12</b>		
<b>MISC. EXPENSES TO THE EXTENT NOT WRITTEN OFF</b>		
As per Last Year's Balance Sheet	178,200	-
Add : Additions during the year	-	178,200
	178,200	178,200
Less : Written off During the year	17,820	-
<b>TOTAL</b>	<b>160,380</b>	<b>178,200</b>

**MAN INFRAPROJECTS LIMITED**
**SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008**
**(Rupees)**

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 13</b>		
<b>SALES AND OTHER INCOME</b>		
i) Income from Construction Contracts	115,336,206	-
ii) Interest Income	9,437,969	-
<b>TOTAL</b>	<b>124,774,175</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 14</b>		
<b>COST OF OPERATIONS</b>		
Purchases of material	57,558,471	-
Contractors charges	28,031,174	-
<b>TOTAL</b>	<b>85,589,645</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 15</b>		
<b>EMPLOYMENT COST</b>		
Salaries and Staff Expenses	2,068,585	-
<b>TOTAL</b>	<b>2,068,585</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 16</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest to Others	15,126,579	-
Bank Charges	70,877	-
<b>TOTAL</b>	<b>15,197,456</b>	<b>-</b>

<b>PARTICULARS</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
<b>SCHEDULE - 17</b>		
<b>OPERATING AND OTHER EXPENSES</b>		
<b>A) ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
i) Telephone & Telex	14,541	-
ii) Rent, Rates & Taxes	82,502	-
iii) Legal & Professional charges	563,910	-
iv) Other Administrative Expenses	206,979	-
v) Repairs & Maintenance others	6,100	-
<b>B) SELLING &amp; DISTRIBUTION EXPENSES</b>		
i) Freight & Transportation	181,852	-
ii) Travelling Expenses	27,511	-
iii) Other Selling Expenses	133,202	-
<b>C) PRELIMINARY EXPENSES WRITTEN OFF</b>	17,820	-
<b>TOTAL</b>	<b>1,234,417</b>	<b>-</b>



**SCHEDULE – 18****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF  
ACCOUNTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2008.****I. SIGNIFICANT ACCOUNTING POLICIES:****A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention. In accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income & expenditure items having a material bearing on the financial statements are recognized on accrual basis.

**B) INCOME RECOGNITION :****a) Construction Contracts:**

The Company follows the percentage of completion method of accounting for revenue recognition as per Accounting Standard 7 and recognize's the revenue in proportion to the actual cost incurred as against the total estimated cost of the project under execution with the Company. As the project progresses, estimated cost are revised based on the current cost indices and other information available to the Company.

**b) Real Estate Development**

The Company follows the percentage of completion method of accounting for revenue recognition in respect of real estate development. Since no project has been commenced, no revenue is recognised in real estate division.

**C) FIXED ASSETS :****a) VALUATION OF FIXED ASSETS**

Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the assets to its working condition and exclusive of modvat credit on capital account.

**b) DEPRECIATION**

Depreciation on Fixed Assets is provided on written down value method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

**D) VALUATION OF INVENTORIES :**

The Company does not have any inventory at the Balance Sheet date. Further the work – in – progress is valued at cost.

**E) TAXATION:****a) Current Tax :**

Current Tax provision is computed for the current income based on tax liability after considering allowances and exemptions.

**b) Deferred Tax Provision :**

Deferred Tax arising from timing difference between the book profit and tax profit is accounted for, at the future rate of tax, to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets are not recognized on unabsorbed depreciation and carry forward losses unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**c) Fringe Benefit Tax :**

Fringe Benefit Tax is determined at the current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

**F) CONTINGENT LIABILITIES :**

Contingent Liabilities are not provided for in the accounts but are separately disclosed by way of a note.

**G) BORROWING COSTS:**

Borrowing costs are accounted on accrual basis.

**H) PROVISIONS:**

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. Where the Company expects provisions to be reimbursed, is recognized as a separate asset, only when such reimbursement is virtually certain.

**I) RETIREMENT BENEFITS:****Short Term Employee Benefit :**

Short Term Employee Benefit as per AS : 15 "Accounting for Retirement Benefit of Employees in Financial Statement of the Employers" are recognised in the profit & loss account for the year in which the same are incurred.

**Long Term Employee Benefit :**

Being the first year of operation of the Company , no Long Term Employee Benefit as per AS : 15 “Accounting for Retirement Benefit of Employees in Financial Statement of the Employers” has been provided by the Company.

**J) IMPAIRMENT OF ASSETS :**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset’s net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

**II. NOTES FORMING PART OF ACCOUNTS**

1. Balances of sundry creditors and debtors are subject to confirmations, reconciliation, and consequent adjustments, if any.

2. As informed to us by the management there are no contingent liabilities.

**3. Related Party Disclosures :**

Related party disclosure as required by Accounting Standard 18 “Related Party Disclosures” issued by “Institute of Chartered Accountants of India” are given below.

**a) Name of the Related Parties where control exists.**

- i) Man Industries (India) Limited. – Holding Company
- ii) Merino Shelters Private Limited – Subsidiary of the Company

Sr. No.	Name of the Parties	Transaction as on 31st March 2008	Outstanding as on 31st March 2008
1)	<b>Merino Shelters Pvt. Ltd.</b>		
a)	Loan Given	427,795,000	417,795,000
b)	Interest Recd.	9,411,257	9,411,257
2)	<b>Man Industries (India) Limited</b>		
a)	Loan Taken	990,074,319	990,074,319
b)	Share Application Money Recd	250,000,000	250,000,000
c)	Equity Shares Issued	16,000,000	16,000,000
d)	Interest Paid	24,894,882	24,894,882

**4. Earning Per Share :**

Sr. No.	Particulars	As on 31st March 2008
1)	Basic / Diluted Earning Per Share	
a)	Net Profit attributable to Equity Shareholders	9,618,406
b)	Weightage average nos. of shares outstanding during the year	135,246
c)	Basic Earning Per Share	71

**5. Deferred Tax Liability**

Sr. No.	Particulars	Deferred Tax Liability/ Assets as on 31st March 2008
1)	<b>Deferred Tax Liabilities</b>	
a)	Opening Deferred Tax Liabilities	-
b)	Deferred Tax liabilities on account of	
i)	Difference between Book & Tax depreciation	8,049
c)	Closing Deferred Tax Liabilities	8,049
2)	<b>Deferred Tax Assets</b>	
a)	Opening Deferred Tax Assets	-
b)	Deferred Tax Assets on account of	
i)	Disallowance Under Income Tax Act, 1961	993,179
c)	Closing Deferred Tax Assets	993,179

**6. Remuneration to Auditors :**

Sr. No.	Particulars	As on 31st March, 2008
a)	Audit / Tax Audit Fees	75,000

7. The Directors of the Company have certified that the Current Liabilities, Loans & Advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet.
8. Other Additional information pursuant to paragraphs 3 & 4 II of Schedule VI of the Companies Act, 1956 has not been furnished as same is not applicable to the Company.
9. As there were no operation carried on in the previous year, the previous year figures have not been given.

**As per our Report Attached**

**Nirav B. Mehta**  
Partner  
Membership No. : 106294

**For and on behalf of**  
**Rohira Mehta & Associates**  
Chartered Accountants

**Place : Mumbai**  
**Date : 27th June 2008**

**For and an behalf of Board**

**R.C. Mansukhani**  
Director

**J.C. Mansukhani**  
Director

**Kumar Mordani**  
Director

**MAN INFRAPROJECTS LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

(Rupees)

PARTICULARS	31st March 2008	31st March 2007
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Taxes & Extraordinary Activities	20,681,841	-
<b>Adjustment for :</b>		
Depreciation	2,231	-
Diminution in value of Investments	-	-
Interest	15,197,456	-
Loss on sale of Assets	-	-
Other Income	(9,437,969)	-
Operating Profit before W. Capital changes	26,443,559	-
<b>Adjustment for :</b>		
Trade & Other Receivables	-	-
Inventories	(298,917,231)	-
Loans & Advances	(496,733,776)	-
Trade & Other Payables	39,287,497	-
Income Tax	(11,794,023)	-
<b>Net Cash from Operating Activities(A)</b>	<b>(741,713,974)</b>	-
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(102,752)	-
Sale of Fixed Assets	-	-
Purchase of Investments	(501,250,000)	-
Other Income	9,437,969	-
Decrease in Preliminary Expenses	17,820	(178,200)
<b>Net Cash from Investing Activities(B)</b>	<b>(491,896,963)</b>	(178,200)
<b>C. Cash Flow from Financing Activities</b>		
Increase in Share Capital (Incl. Share Premium)	266,000,000	500,000
Interest Paid	(15,197,456)	-
Dividend Paid & Other Adjustments	(280,010)	-
Increase in Borrowings	990,074,319	-
<b>Net Cash used in Financing Activities(C)</b>	<b>1,240,596,853</b>	<b>500,000</b>
<b>Net Increase/ Decrease in Cash &amp; Cash Equivalents(A+B+C)</b>	<b>6,985,916</b>	<b>321,800</b>
<b>Cash &amp; Cash Equivalents(OP Bal)</b>	<b>321,800</b>	-
<b>Cash &amp; Cash Equivalents(CL Bal)</b>	<b>7,307,716</b>	<b>321,800</b>

As per our Report attached

For and an behalf of Board

 Nirav B. Mehta  
 Partner  
 Membership No. : 106294

 R.C. Mansukhani  
 Director

 J.C. Mansukhani  
 Director

 For and on behalf of  
 Rohira Mehta & Associates  
 Chartered Accountants

 Kumar Mordani  
 Director

 Place : Mumbai  
 Date : 27 June 2008

**AUDITORS CERTIFICATE**

To,  
The Board of Directors  
Man Infraprojects Limited  
102, Man House, S. V. Road,  
Vile Parle (W), Mumbai - 400 056.

We have examined the attached Cash flow statement of Man Infraprojects Limited for the year ended 31st March, 2008. The statement has been prepared by the Company in accordance with the requirement of listing agreement clause 32 with Mumbai Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet of the Company covered by our report of 27th June, 2008 to the members of the Company.

Nirav B. Mehta  
Partner  
Membership No.: 106294

Place : Mumbai  
Dated : 27th June 2008

**For Rohira Mehta & Associates**  
**Chartered Accountants**

**FORM OF PROXY**

I/We.....of.....  
 being a member/members of Man Industries (India) Limited hereby appoint.....  
 .....of.....  
 or failing him .....of .....  
 or failing him..... of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Friday, the 26th September, 2008 and at any adjournment thereof.

As witness my/our Hand(s) this \_\_\_\_\_ day \_\_\_\_\_ 2008

Signed this.....day of.....2008.

<p><i>Please affix Re.1 revenue Stamp</i></p>
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**NOTE :**

The proxy form must be deposited at the Registered Office of the Company at Man House, 102, S.V. Road,Opp. Pawan Hans, Vile Parle (W), Mumbai - 400 056 not less than 48 hours before the meeting.

----- Please cut here -----

**ATTENDANCE SLIP**

Please fill in this Attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

Name of the attending member (in BLOCK LETTERS)		Member's Ledger Folio
Name of the Proxy (in Block Letters) (to be filled in if the Proxy attended instead of the Members)		

No. of shares held \_\_\_\_\_

I hereby record my presence at the Twentieth Annual General Meeting of the Company at Hotel Karl Residency, Lallu Bhai Park Road, Andheri (W), Mumbai - 400 058 on Friday, 26th September, 2008 at 3.00 p.m.

\_\_\_\_\_  
Member's / Proxy's Signature