

Annual Report 2008-2009



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Attendance Slip and Proxy Form

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 – Operations

Management Team:

Mr. Sunil Trehan
Mr. Harjit Singh Bedi
Mr. Ajay Jain
Mr. K. G. Mantri
Mr. Lalit Tolwani
Mr. Umesh Rastogi
Mr. D. K. Jethani
Mr. Pankaj Nigam
Mr. Devendra Chelawat
Mr. Ashok Gupta
Mr. Sanjay Shinde
Mr. Rajesh Saxena
Mr. K. R. Patidar
Mr. Sanjay Sohani

Chief Executive & Executive Director
Director – Technical
Group CFO
Senior Vice President – Corporate Affairs
Senior Vice President – Operations
Senior Vice President – Business Development & Technical Services
Vice President – Maintenance & Production
Vice President – Marketing
Associate Vice President – Projects
Asst. Vice President – Finance & Accounts
Asst. Vice President – Marketing
Asst. Vice President – Projects & Procurement
Asst. Vice President – Projects
Asst. Vice President – Project & Maintenance

Company Secretary & Compliance Officer:

Ms. Sujal Sharma

Auditors:

Rohira Mehta & Associates
Chartered Accountants
Mumbai

Bankers:

State Bank of India
ICICI Bank Limited
Axis Bank
Bank of Baroda
Corporation Bank
Bank of India
Barclays Bank

Commercial Branch, Indore & Overseas Branch, Mumbai
Mumbai Main Branch, Fort, Mumbai
Fort, Mumbai
Fort, Mumbai
IFB Fort, Mumbai
Andheri, Mumbai
Worli, 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

Registrar and Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.
C/13, Pannalal Silk Mills Compound, L.B.S. Road,
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 21st Annual General Meeting of your Company. Financial year 2008-09 witnessed the downturn in the global economy and brought along some external challenges for all of us.

Businesses across the planet are facing an unprecedented financial meltdown. Some organizations that had grown successfully for decades have either ceased to exist or are in serious financial trouble. Most of the economies are either reeling under recession, or, witnessing a dramatic reduction in growth rates. The magnitude and complexity of the current global economic turmoil is so severe that none of the usual solutions to combat slowdown seem to be working. Business managers across the globe are struggling to ensure survival of their organizations. Though the economic outlook has turned uncertain the Indian economy is expected to continue on the growth path, albeit at a slower pace than in the recent past.

In spite of turbulence in the global market, your Company anticipates a good year ahead in 2009-10 and we look forward to our future with confidence.

Your Company has received prestigious order worth Rs 1340 crores from Persian Gulf Region during the current year. The company is in the bidding stage for many projects both in International and Domestic market for supplying pipes worth Rs 5000 crores. With the latest order of Rs 1340 crores total order book of the Company stands about Rs 2,000 crores. Hence we see that the way we had perceived it, we have grown and alongside we have not only added value but have also strengthened our ties.

While we are in the midst of a global recession today, we have no doubt that at the end of it; we will emerge much stronger. The Indian pipe industry across all categories of pipe is among the top three manufacturing hubs after Japan, Europe and India is also becoming a major export hub to countries like USA and Middle East, and thus enabling us to explore many opportunities in the future.

Our business visibility remains strong and we remain confident in our ability to expand existing relationships, add new clients, identify the need of the customer's optimum utilization of resources and maximizing long term value for the stakeholders, we are confident that we can continue to drive growth and achieve our strategic corporate objectives in 2009 and beyond. I am confident that with your support your Company shall continue to march forward in the coming years.

On behalf of the Board of Directors, I take this opportunity to thank all our shareholders for their confidence and faith in the company, our bankers, customers and vendors for their continued co-operation and support. I would also like to thank all the employees of the Company, for their dedicated services.

R. C. Mansukhani
Chairman

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of Man Industries (India) Limited will be held on 22nd Day of September, 2009 at Hotel Karl Residency, Lallubhai Park Road, Andheri (West), Mumbai – 400 058 at 4.00 P.M to transact the following business:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2009, 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 2008-09.
3. To appoint a director in place of Mr. Kirit N. 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 appoint the Statutory Auditors of the Company for the Financial Year 2009-10.

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

Date : 31st July, 2009
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) Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2009 to 21st September, 2009 (both days inclusive).
- 5) 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 16th September, 2009 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.
- 6) 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.
- 7) Members are requested to bring their copy of Annual Report to the meeting.
- 8) 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.
- 9) 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:

Financial Year Ended	Date of declaration of Dividend	Last Date for Claiming Dividend
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
31.03.2008	26.09.2008	26.10.2015

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.

- 10) 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 16th September, 2009 to the **Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd., (formerly known as Intime Spectrum Registry Ltd.) C/13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (W), Mumbai 400 078, Maharashtra.**
- 11) Non-Resident Indian Shareholders are requested to inform immediately Link Intime India Pvt. Ltd. C/13, Pannalal Silk Mills Compound, L.B.S. Road, 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.
- 12) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 13) Information required under Clause 49 of the Listing Agreement on Directors Re-appointment/ Appointment:

(a) Mr. Kirit N. Damania

Mr. Kirit N. Damania, aged 76, 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 11th July 1989. He is not holding any shares in the Company. Mr. Kirit N. Damania is the Chairman of the Audit Committee of the Company. He is also on the Board of Living Room Life Style Ltd. and Mr. Kirit N. Damania Investment & Consultancy Pvt. Ltd.

(b) Mr. Vijay G. Kalantri

Mr. Vijay G. Kalantri, aged 60, 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 is a member of the Audit Committee of the Company.

He is holding Directorship in the following Companies:

- a) Balaji Infra Projects Ltd.
- b) Balaji Infrastructure Development Ltd.
- c) Man Industries (India) Ltd.
- d) Hindustan Housing Finance & Development Corp. Ltd.
- e) VIP Industries Ltd.
- f) Vindyachal Hydro Power Ltd.
- g) Zicom Electronic Security System Ltd.
- h) Shree Ram Mills Ltd.
- i) SAB Industries Ltd.
- j) Balaji Shipping Logistic Ltd.
- k) Dighi Port Ltd.
- l) Dighi Project Development Co. Ltd.
- m) S. Kumars Nationwide Ltd.
- n) Soverign Diamonds Ltd.
- o) Gannon Pressure Vessels Co. Ltd.
- p) Metropolitan Trade Pvt. Ltd.
- q) Courier Publications Pvt. Ltd.
- r) Laqshya Media Pvt. Ltd.
- s) Simpark Infrastructure Pvt. Ltd.

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

- a) S. Kumars Nationwide Ltd.
- b) VIP Industries Ltd.
- c) Zicom Electronic Security Systems Ltd.

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

**Date : 31st July, 2009
Place : Mumbai**

**Sujal Sharma
Company Secretary**

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report of your Company and the Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	2008-09	2007-08
Profit before Depreciation	10614.22	13684.30
Less: Depreciation	3499.41	2817.24
Profit Before Tax	7114.82	10867.06
Less : Taxation	2372.15	3745.77
Profit after Tax	4742.67	7121.29
Add: Profit brought forward	15653.28	10434.28
Total profit available for appropriation	20395.95	17555.57
APPROPRIATIONS:		
Profit & Loss Appropriations	60.77	255.06
Transfer to General Reserve	474.27	712.12
Proposed dividend	799.27	799.27
Provision for taxation – dividend	135.84	135.84
Balance carried to Balance Sheet	18925.80	15,653.28

RESULTS OF OPERATIONS

Sales and other income for the standalone entity changed to Rs. 1,918.85 Crores from Rs. 1,507.84 Crores in the previous year – a growth of 27.26%. The operating profit (PBDIT) changed by 10.20%, from Rs. 168.26 crores to Rs. 151.09 crores. The profit after tax (PAT) changed to Rs. 47.43 crores from Rs. 71.21 crores, representing a decline of 33.40% mainly attributed by Foreign Exchange losses during the year.

DIVIDEND

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

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 474.27 lakhs to the General Reserve.

SUBSIDIARIES

As of today, the Company has the following Subsidiaries:-

1. Man Infraprojects Limited. (Incorporated in India)
2. Man USA INC (Incorporated in USA)
3. Man Overseas Metal DMCC (Incorporated in UAE)
4. Merino Shelters Private Limited (Incorporated in India). It is the subsidiary of Man Infraprojects Limited and by virtue of Section 4 of the Companies Act, 1956 it becomes subsidiary of the Company.

SAFETY, HEALTH AND ENVIRONMENT

During the year, the Company continued to focus on resource conservation and reduction in generation of hazardous wastes and enhanced its efforts to positively impact the environment in which it operates. All the manufacturing facilities and processes are subject to regular inspections and a Safety Audit and Audit is carried out meticulously at Anjar & Pithampur plants and preventive measures are taken to ensure high standards of safety. Your Company has taken adequate insurance cover for all its plants as well as for third party liabilities and will work towards continual improvement of our environmental, health and safety management system.

HUMAN RESOURCES

In your Company, employees continue to be the key driving force of the organization and remain a strong source of our competitive advantage. We believe in aligning business priorities with the aspirations of employees leading to the development of an empowered and responsive human capital.

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 three missions: technology development, productivity improvement and cost reduction.

FUTURE OUTLOOK

Your Company has received prestigious order worth Rs 1340 crores from Persian Gulf Region during the current year. The company is in the bidding stage for many projects both in International and Domestic market for supplying pipes worth Rs 5000 crores. With the latest order of Rs 1340 crores, company's total order book stands about Rs 2,000 crores.

The company's 3rd HSAW production line commissioned at Anjar in Gujarat during last year has now been streamlined. This new production line has raised its manufacturing capacity to one million tons divided equally between HSAW and LSAW.

Securing orders worth Rs 2000 crore clearly displays the strong credentials of the company among its large clientele. Your Company has done well in the recent past and we are confident of charting out a strong growth trajectory in the near future. The Company has participated in several bids globally and expects a very healthy order intake in the coming quarters.

LISTING & DEMAT OF SHARES

The equity shares of the Company are listed with Bombay Stock Exchange Limited and National Stock Exchange Limited and the GDRs of the Company are listed with NASDAQ Dubai (Erstwhile DIFX).

As on 31st March, 2009, 51,427,864 Equity shares of the Company, representing 96.51% of its issued capital, were held in dematerialized form and the balance 3.49 % representing 1,857,010 shares were held in physical form.

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.

CORPORATE GOVERNANCE

Your Company fully adheres to the standards set out by the Securities and Exchange Board of India's Corporate Governance practices and has implemented all of its stipulations. As required by Clause 49 of the Listing Agreement of Stock Exchanges, a detailed report on Corporate Governance forms part of this Annual Report. The Company's Statutory Auditor's Certificate as stipulated under Clause 49 of the Listing Agreement is annexed to and forms part of this Annual Report.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year 2008-2009 and there are no outstanding fixed deposits from the public as on 31st March, 2009.

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, 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.

PARTICULARS UNDER 212 OF THE COMPANIES ACT

Your Company has received a letter from the Ministry of Corporate Affairs (MCA) granting exemption under Section 212(8) of the Companies Act, 1956 from attaching the financial statements of the subsidiary companies in India and abroad, both direct and indirect, to the Balance Sheet of your Company for the financial year 2008-09. A statement of summarized financials of all subsidiaries of your Company, pursuant to the approval under Section 212(8) of the Companies Act, 1956, forms part of this report. Additional information in respect of the annual report and the financial statements of the subsidiary companies of your Company will be made available to members on request. In accordance with the Accounting Standard (AS 21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by your Company include financial information of all its subsidiaries.

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 judgments 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 N. 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, who are the 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 2009 -2010 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 for 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 to the banks and other financial institutions, shareholders, customers and vendors for their continued support.

For and on behalf of the Board

Date: 19th June, 2009
Place: Mumbai

R. C. Mansukhani
Chairman

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

FORM " A "

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 tone of production.

D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT PRODUCTION:

PARTICULARS	FOR THE YEAR 2008-09	FOR THE YEAR 2007-08
POWER AND FUEL CONSUMPTION :		
(i) Electricity Purchased (Units)	23,113,901	23,697,474
Total Amount (Rs.)	131,166,295	122,549,010
Rate per Unit	5.67	5.17
(ii) Own Generation through D.G.Set:		
Generation Unit	54,323	399,588
Unit per liter of Oil	2.78	2.39
Cost per Unit	12.62	9.64
CONSUMPTION PER UNIT OF PRODUCTION	(In kgs)	
Production in kgs	252,133,160	335,307,990
Consumption per unit of Production (per kg.) Units	0.09	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 | NIL |
| 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)

Particulars	For the year 2008-09	For the year 2007-08
FOREIGN EXCHANGE EARNINGS & OUTGO		
a) Foreign Exchange Earnings (FOB Value of Exports)	1,04,375.57	94,939.28
b) Other Receipts	-	-
c) Foreign Exchange Outgo	1,05,004.21	1,03,968.47

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACRO-ECONOMIC SCENARIO

The global economy is going through one of the most extreme recessions in the last 50 years, most global economies are either contracting, or witnessing a decline in growth rates. Impact in India is lower, with limited exposure to global economy, and strong demand by the local consumption class, sectors which have been hurt more in India are those with relatively higher global exposure.

Indian managers believe the world economy has had a limited impact on Indian economy, pulling down the estimated GDP growth rate of India in 2009 to 5.8 percent.

According to the ' Perception Survey' commissioned by All India Management Association(AIMA) in June 2009, Corporate India remains optimistic about the economic situation and believes that the situation will further improve in the next 18 months and that the third world countries will become more powerful as a fallout of the global economic slowdown.

BUSINESS REVIEW

Today pipes are the most preferred mode of transport for liquids and gases globally. Different types of pipes are used for different applications and uses. The types of pipes also differ on the product being transported through it.

Pipes are generally used for transporting the following products:

- Water, sewerage, petroleum products
- Gases and other high pressure applications,

Being the most economical and dependable mode of supply, pipeline can be considered as the long-term infrastructure solution to the problem of product transport. Major advantages of this mode over other modes are as under:

- Energy consumption is least in Pipeline transportation and it is most suited mode of transportation for conversion of energy.
- Cost of Transportation is least, for large volumes and overlong leads.
- Pipeline transportation is highly environment friendly. Its impact on environments during the stages of construction, operation and mountainous is negligible, compared to other modes.
- Safely is an intrinsic feature of pipeline transportation. Vagaries of nature like floods, breaches etc. do no disrupt pipeline transport systems.

GLOBAL INDUSTRY OVERVIEW

Pipeline systems are recognized as both the safest transportation mode and the most economical way of distributing the vast quantities of oil and natural gas from production fields to refineries and from refineries to consumers. Compare to railroad , they have lower operating cost per unit and also higher capacity. The present pipeline capacity will not be able to cope up with an expected increase in energy demand. To satiate the increasing energy needs of global economies, oil & gas companies need to invest in the laying of huge pipeline systems spanning thousands of kilometers.

New demand is primarily emerging from Middle Eastern markets such as Iran, Iraq, UAE, Qatar, etc. along with markets in Africa such as Algeria, Libya, Nigeria, etc. This is on account of setting up of basic Oil & Gas transportation infrastructure in these regions.

Other demand drivers for the U.S. markets are Oil and water pipelines wherein the existing water distribution network would also need replacement over the next three decades.

DOMESTIC INDUSTRY OVERVIEW

Global availability of SAW pipes is likely to remain tight over the next few years and India pipe companies are expected to benefit on the back of the demand supply imbalance. Of the present global market size of over USD 109 bn, we expect the Indian companies to garner atleast 15% of the total pipe resulting into USD 16 bn opportunity over the next 4-5 year time frame (Source SBICAP Securities Research Report –November 2008).

The Indian Large Diameter Pipe industry is among the world's top three manufacturing hubs after Japan and Europe. North America, Middle East and south Asia is expected to be the key volume drivers for Indian Large Dia Meter Pipe companies. Of the 302,686 kms of global pipeline projects – 200,000 kms would be laid these three regions accounting for over 2/3 rd of the total demand. Indian Large Dia Meter Pipe manufacturers can exploit their comparative cost advantage to break into the overseas market in a big way (Source SBICAP Securities Research Report – November 2008).

Though we believe the local manufacturing would always be cheaper than imports, the USA domestic capacities are far lower than the actual requirements over the next 4-5 years time frame. Similarly, Middle East is high demand area for line pipes, with no significant local manufacturing and the demand has been traditionally met by European and Japanese pipe manufacturers. Indian Large Dia Meter Pipe manufacturers with close proximity to the Middle East and Africa stand to benefit from the increasing demand in this region as a result of their lower production costs and freight rates.

FUTURE OUTLOOK

In view of the excessive demand for Pipelines due to various reasons stated above, the future for Pipeline business will always be bright.

MAN has set up its Anjar Plant at such strategic location in the coastal belt of the country. This enables us to minimize transportation cost by strategically catering to our customers from our facilities depending on the geographical location of the project. Our Anjar facilities, located in close proximity to the Mundra and Kandla ports, enable us to reduce transportation cost on export orders as well as inland transportation cost on imported raw materials such as steel plates and coils. Our ability to provide anticorrosion and cement mortar coatings further enables us to reduce transportation costs.

Exports have been an important source of our growth and we intend to continue to focus on our international markets. A significant part of our exports of SAW pipes are for use in the energy industry in oil and natural gas exploration and transportation and in oil refineries in the Middle East and various African and South-East Asian countries. In financial year 2008-09 sales in our international markets comprised 55.08% of our gross revenues. We intend to continue to leverage our quality products and our long-standing relationships and credentials with our international customers to further develop our international markets.

We also intend to further strengthen our presence in strategically important international markets, such as in the Middle East and in North and South America, which have significant oil and gas reserves and high potential for large pipeline projects. We have established a regional office in the U.A.E. and intend to focus on projects in the Middle East region as well as in certain African countries. In pursuing our strategies, we seek to identify markets where we believe we can provide cost advantages to our customers.

QUALITY CONTROL

We are ISO 9001, ISO 14001 and OHSAS 18001 accredited with KVQA, API and the BIS certifications.

In order to ensure the quality of our products, we perform various tests and inspections which start from the analysis of raw materials to the finished product. In addition to the conventional forms of testing, we also carry out selective testing to ensure desired quality in our products.

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has in place, adequate systems of internal control to reasonably safeguard its assets against loss through unauthorised use and pilferage. A comprehensive system of internal controls employed by the Company ensures optimal use of the resources available at its disposal. Internal audits and checks are an ongoing process within the Company.

The internal audit department has looked into various functional areas of the Company with the following primary objectives:

- To ensure critical examination of weaknesses in the system and offer alternative solutions to overcome them;
- To identify shortcomings that may affect the Company's operations and profitability;
- To review systems and procedures in purchase, capital investments and routine operations to plug revenue leakages;
- To ensure compliance with Company policies and procedures;
- To identify non-performing assets and suggest procedures for their disposal.
- To undertake and complete any other assignments given by the management.

The internal audit department submits its reports to the management, outlining its findings, along with analytical reviews of the functional areas looked into, and providing practical solutions for the problems observed.

RISK MANAGEMENT

The nature of Company's business is such that various risks have to be confronted with not only successfully exist in the said business but even to grow at a respectable pace. However, these risks are no different than the ones faced by the industry as a whole. A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of the line managers so that risks at the transactional level are identified and steps are taken towards mitigation in a decentralized fashion.

FOLLOWING ARE CONCERNS ABOUT THE INDUSTRY

Economic slowdown to impact energy demand

Drastic downturn in the global economy leading to a negative outlook in the oil & gas prices may adversely affect future E&P activities leading to a slowdown in the order for SAW pipes.

Volatile raw material prices

Raw materials account for the major portion (70-75%) of the total costs. In case of rising raw material prices, the pipe manufacturers loose on EBDITA margins as majority of the pipe supply contracts are fixed price contracts and do not incorporate any price escalation clause. To safeguard margins, pipe manufacturers enter into back to back contracts for supply of steel plates and HR Coils Coupled with the increase in the input prices, the pipe industry has also been witnessing shortage of the petroleum grade steel plates and coils.

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

Your Company has been accredited with various certifications including American Petroleum Institute (API), ISO 9001:2000, ISO 14001 and ISO 18001 in the field of quality control, environmental management and occupational health and safety system management. These certifications ensure due compliance to well-documented procedures and systems and continuous improvement thereon for their continuous validity.

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 in this Management's Discussions and Analysis, describing the projections, estimates and expectations may be forward looking statements within the meaning of the applicable laws and regulations. Actual results may differ substantially from those expressed or implied, important developments that could affect the Company's operations include a shift in the industry structure, significant changes in political and economic environment in India and globally, tax laws, import duties, litigations and labour relations.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance which encompasses the moral, ethical and legal framework within which an organization functions has become imperative today. Good governance practices stems from the culture and mindset of the organization. Man Industries (India) Limited is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. Thus your Company envisages an attainment of transparency, accountability and propriety in total functioning of the Company and conduct of business, both internally and externally. In addition to compliance with regulatory requirements, we endeavor to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

Our governance practices stems from an inherent desire to improve and innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process. Our governance philosophy rests on five basic tenets viz., Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosure.

We are guided by the following core principles.

1. Transparency

To maintain the highest standards of transparency in all aspects of our interactions and dealings.

2. Disclosure

To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

3. Empowerment and Accountability

To demonstrate the highest levels of personal accountability and to ensure that employees consistently pursue excellence in everything they do.

4. Compliance

To comply with all the laws and regulations applicable to the Company.

5. Ethical Conduct

To conduct the affairs of the Company in an ethical manner.

6. Stakeholders' Interest

To promote the interests of all stakeholders including customers, shareholders, employees, lenders, vendors and the community.

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 endeavours to implement the best international practices of Corporate Governance, in the overall 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 seven times in the last year on 16.05.2008, 28.06.2008, 28.07.2008, 01.09.2008, 31.10.2008, 26.12.2008 and 31.01.2009.

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 53 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 20 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 97,81,232 shares of the Company in his name as on 31st March, 2009. He is on the board of following companies.

- Man Aluminium Limited
- Merino Shelters Private Limited
- Man USA Inc.
- Man Infraprojects Limited
- Mansukhani Builders Private Limited
- Man Overseas Metals, DMCC

Mr. J. C. Mansukhani

Mr. J. C. Mansukhani aged 50 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 93, 87, 276 shares of the Company in his name as on 31st March, 2009. He is on the board of following companies.

- Man Aluminium Limited
- Merino Shelters Private Limited
- Man USA Inc.
- Man Infraprojects Limited
- JPA Holdings Private Limited
- Man Overseas Metals, DMCC

Mr. J. L. Mansukhani

Mr. J. L. Mansukhani aged 76 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, 55, 128 shares of the Company in his name as on 31st March, 2009. He has been on the Company's Board since its incorporation in 1988.

Mr. Kirit N. Damania

Mr. Kirit N. Damania, aged 76 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 11th July 1989. He is not holding any shares in the Company. Mr. Kirit N. Damania is the Chairman of the Audit Committee of the Company. He is on the Board of Living Room Life Style Ltd and Kirit N. Damania Investment & Consultancy Pvt. Ltd.

Mr. Vijay G. Kalantri

Mr. Vijay G. Kalantri, aged 60 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 .He is holding Directorship in the following Companies:

- a) Balaji Infra Projects Ltd.
- b) Balaji Infrastructure Development Ltd.
- c) Man Industries (India) Ltd.
- d) Hindustan Housing Finance & Development Corp. Ltd.
- e) VIP Industries Ltd.
- f) Vindyachal Hydro Power Ltd.
- g) Zicom Electronic Security System Ltd.
- h) Shree Ram Mills Ltd.
- i) SAB Industries Ltd.
- j) Balaji Shipping Logistic Ltd.

- k) Dighi Port Limited
- l) Dighi Project Development Co. Ltd.
- m) S. Kumars Nationwide Ltd.
- n) Sovereign Diamonds Ltd.
- o) Gannon Pressure Vessels Co. Ltd
- p) Metropolitan Trade Pvt. Ltd.
- q) Courier Publications Pvt. Ltd.
- r) Laqshya Media Pvt. Ltd.
- s) Simpark Infrastructure Pvt. Ltd.

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

- a) S. Kumars Nationwide Ltd.
- b) VIP Industries Ltd.
- c) Zicom Electronic Security Systems Ltd.

Mr. Suddatta Mandal

Mr. Suddatta Mandal aged 41 holds Bachelors degree in Engineering and a Masters degree in Business Administration. He is working 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 61 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 Director of the Company on 16th May, 2008. He is not holding any shares of the Company.

Composition, nature of Directorship, the number of meetings attended and the Directorships in other companies, of the Board of Directors as on 31st March, 2009:

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 Meeting	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, Vice Chairman & Managing Director	01-10-1996	6	Yes	2	-	-
Mr. J. L. Mansukhani	Promoter & Executive Director	01-01-1989	7	Yes	-	-	-
Mr. Kirit N. Damania	Non-Executive Independent Director	11-07-1989	7	Yes	1	-	-
Mr. Vijay G. Kalantri	Non-Executive Independent Director	15-02-2001	7	No	14	3	-
Mr. Sudatta Mandal	Nominee Director of EXIM Bank	22-06-2005	5	No	-	-	-
Mr. R. C. Jindal	Executive Director	26-09-2008	7	Yes	-	-	-

Note:

*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' and Investors' 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. Additional meetings are convened as and when necessitated.

BOARDS PROCEDURE

The day to day business is conducted by the executives and the business heads of the Company under the direction of the Board led by the Chairman. The Board holds five to six meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However, in case of business exigencies or urgency of matter, the resolutions are passed by way of circulation. In addition to the regular business items, the following items/ information are regularly placed before the Board to the extent applicable:

- Annual plan, Capital budgets and updates;
- Purchase and disposal of major fixed assets;
- Quarterly and half yearly results of the Company;
- Minutes of the Audit Committee and Shareholders' and investor Grievance Committee;
- Information on recruitment and remuneration of senior management just below the Board level including appointment or removal of CFO and Company Secretary;
- Any material defaults in financial obligations to and by the Company, or substantial non-payments for goods sold by the Company;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Materially important show cause, demand, prosecution and penalty notices;
- Details of quarterly foreign exchange exposures and steps take by the management to limit the risks of adverse exchange rate movement;
- Sale of material nature, of investments and assets, which are not in the normal course of business;
- Quarterly Statutory Compliance Report;
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholder's service such as non-payment of dividend, delay in share transfer etc.;
- Investments strategy/plan;
- Proposals for investments, divestments, loans, guarantees, mergers and acquisitions.
- Approval of related party transactions,
- 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
- Significant labour problems and their proposed solutions. Also, any significant development in Human Resources/Industrial Relations front like signing of Wage Agreement, implementation of Voluntary Retirement Schemes etc.

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 of the company was constituted in 2002. Since then it has been dealing with matters prescribed by the Board of Directors on a case to case basis. In general, the primary role/objective of the Audit Committee is to review the financial statements of the Company, strengthen internal controls & look into all transactions having monetary implications on the functioning of the Company. The nomenclature, constitution and terms of reference of the Committee is as per the provisions of the Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement of the Stock Exchanges.

As on 31st March, 2009, the Committee had three Directors. Out of that two Directors are Non-Executive and Independent Directors in accordance with the prescribed guidelines. Mr. Kirit N. Damania, is the Chairman of the Committee. The other members are Mr. Vijay G. Kalantri and Mr. J.C. Mansukhani.

The members of the Committee have adequate knowledge in the field of finance, accounting, and law. The role and “terms of reference” of the Audit Committee includes the following:

- Overseeing
 - the Company’s financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending
 - the appointment, re-appointment, replacement and removal of the statutory auditor, fixation of audit fees and approving payments for any other services.
- Reviewing
 - with the management the annual financial statements with primary focus on matters required to be included in the Directors’ Responsibility Statement, changes, if any in accounting policies and practices and reasons thereof, compliance with accounting standards and guidelines of stock exchange(s), major accounting entries, qualifications in draft audit reports, related party transactions & the going concern assumption.
 - with the management, the quarterly financial statements before submission to the board for approval.
 - the adequacy of internal control systems and the internal audit function and reviewing the Company’s financial and risk management policies.
 - foreign exchange exposure.
- Complying
 - with the provisions of Listing Agreement laid down by the Stock Exchanges and legal requirements concerning financial statements.
- Discussing
 - with external auditors before the audit commences, of the nature and scope of audit. Also post audit discussion to ascertain any area of concern.

The Group CFO, AVP- Finance & Accounts and Statutory Auditors attend the meetings of the Committee on the invitation of the Chairman. Ms. Sujal Sharma , Company Secretary of the Company acts as the Secretary of the Committee.

During the year, four meetings of the Audit Committee were held on 28th June, 2008; 28th July, 2008; 31st October, 2008 and 31st January, 2009 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given as under.

Name of Members	Designation	Meeting held during the year	Attendance	Whether Attended last AGM
Mr. Kirit N. Damania	Chairman	4	4	Yes
Mr. Vijay G. Kalantri	Member	4	4	No
Mr. J. C. Mansukhani	Member	4	4	Yes

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	27,756,505	–
Mr. J. C. Mansukhani	22,600,000	–
Mr. J. L. Mansukhani	5,099,374	–
Mr. Kirit N. Damania	–	200,000
Mr. Vijay G. Kalantri	–	200,000
Mr. Sudatta Mandal	–	80,000
Mr. R. C. Jindal	3,999,116	–

SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE

The Board has constituted Shareholders/ Investor Grievances Committee to specifically look into the redressal of shareholders complaints. The Shareholders'/Investors' Grievance Committee consists of the following:

Name of the Director	Designation
Mr. R. C. Mansukhani	Chairman
Mr. J. C. Mansukhani	Member

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 over all 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 31st March, 2009 are given as follows:

Nature of Complaints	Received during the year	Addressed during the year
Non receipt of Share certificates lodged for transfer	21	21
Non-receipt of dividend warrant	60	60
Other/ Miscellaneous	48	48
Total	129	129

SUBSIDIARY COMPANIES

Your Company as per the 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 a periodical basis.

CEO/ CFO'S CERTIFICATION

The Vice Chairman & Managing Director has certified to the Board of Directors inter-alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(V) of the Listing Agreement for the year ended 31st March, 2009.

GENERAL BODY MEETINGS

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

AGM	Day	Date	Time	Venue
18 th AGM	Friday	15-Sep-2006	3.00 p.m.	Hotel Karl Residency, Lallubhai Park Road, Andheri (W) Mumbai - 400058
19 th AGM	Friday	14-Sep-2007	5.00 p.m.	Hotel Karl Residency, Lallubhai Park Road, Andheri (W) Mumbai - 400058
20 th AGM	Friday	26-Sep-2008	3.00 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 31st March 2009.

DISCLOSURES**Related Party Transactions**

The Company follows the following policy in disclosing the related party transactions to the Audit Committee:

- A Statement in the Summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.
- There are no material individual transactions with related parties, which are not in the normal course of business and which are not on an arm's length basis.

Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large.

There are no materially significant transactions made by the Company with its Promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large.

Accounting Treatment in preparation of Financial Statements

The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) have been followed in preparation of the financial statements of the Company.

Compliances by the Company

There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the stock exchanges or SEBI or any other authorities, on any matters related to capital market during the last three years.

Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive Insider Trading Code for its management, staff and relevant business associates. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on consequences of non-compliances.

Code of conduct

Code of Conduct for the Board of Directors and Senior Management personnel of the Company.

Management Discussion & Analysis

This Annual Report has a detailed section on Management Discussion and Analysis.

MEANS OF COMMUNICATION

Financial Results:

The Company has regularly sent, both by post as well as by fax (within 15 minutes of closure of the Board meeting) the annual audited as well as quarterly un-audited results to both the Stock Exchanges, BSE & NSE, after they are taken on record by the Board of Directors.

Quarterly Results and Audited Financial Results are published in The Economic Times & The Maharashtra Times.

Financial Information:

Pursuant to Clause 51 of the Listing Agreement, financial information like annual and quarterly financial statements and shareholding pattern etc. are available on the SEBI web-site www.sebidifar.nic.in. The Company Secretary being the Compliance Officer ensures the correctness and authenticity of the information filed in the said website.

News Releases Presentations etc.:

Official news releases are displayed on the Company's website.

Website: Detailed information regarding the Company is available for the investors at the Company's website www.mangroup.com.

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

E-mail: investor.relation@maninds.org mail id has been formed for exclusively for investor servicing.

GENERAL SHAREHOLDER INFORMATION

Annual General meeting

Date : 22nd September, 2009
Venue : Hotel Karl Residency,
Lallubhai Park Road,
Andheri (W) Mumbai - 400058

Time : 4.00 P.M.

Financial Calendar

Financial year: 1st April to 31st March

For the year ended 31st March, 2009 results were announced on:

First quarter ended 30th June, 2008	- 28th July, 2008
Second quarter and half year ended 30th September, 2008	- 31st October, 2008
Third quarter ended 31st December, 2008	- 31st January, 2009
Fourth quarter and year ended 31st March, 2009	- 19th June, 2009

For the year ending 31st March, 2010, results will be announced on: (Tentative and subject to change)

First quarter ending 30th June, 2009	- July 2009 (4th week)
Second quarter and half year ended 30th September, 2009	- October 2009 (4th Week)
Third quarter ended 31st December, 2009	- January 2010 (4th Week)
Fourth quarter and year ended 31st March, 2010	- June (3rd Week) 2010

Book Closure

16th September 2009 to 21st September 2009 (both days inclusive)

Dividend

A final dividend of Rs. 1.5 per share (30%) was recommended by the Board of Directors in their meeting held on 19th June, 2009 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
2003-04	20%	Rs. 2.00
2004-05	20%	Rs. 2.00
2005-06	25%	Rs. 2.50
2006-07	30%	Rs. 1.50
2007-08	30%	Rs. 1.50

Listing

The Companies Shares are listed on the following:

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

The Companies GDRs are listed on the following:

- NASDAQ Dubai Stock Exchange (Erstwhile DIFX)
Level 7, The Exchange Building, Gate District, Dubai International Financial Centre, P.O.Box 53536, Dubai (UAE)

The Company has paid the annual listing fees for the financial year 2009-10 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 2009-10.

ISIN No.

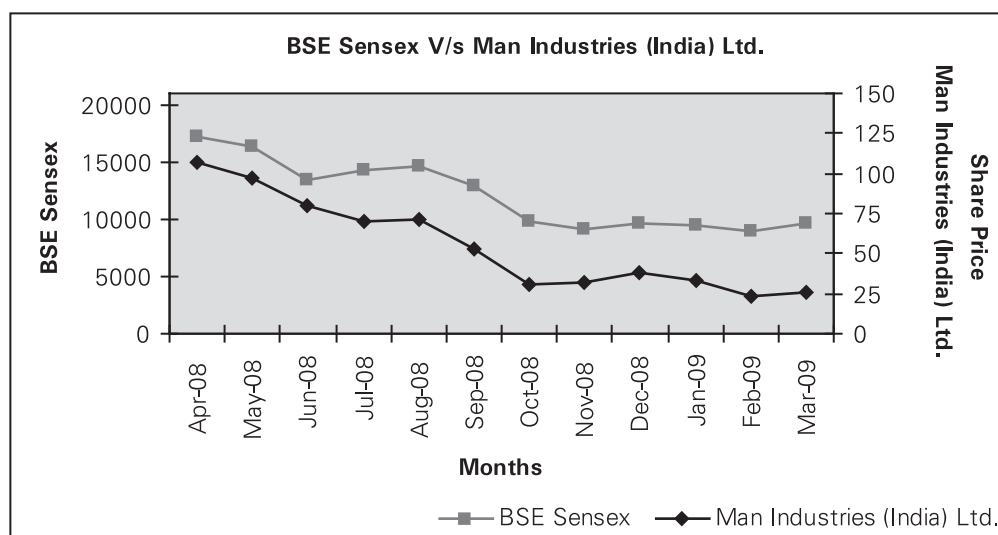
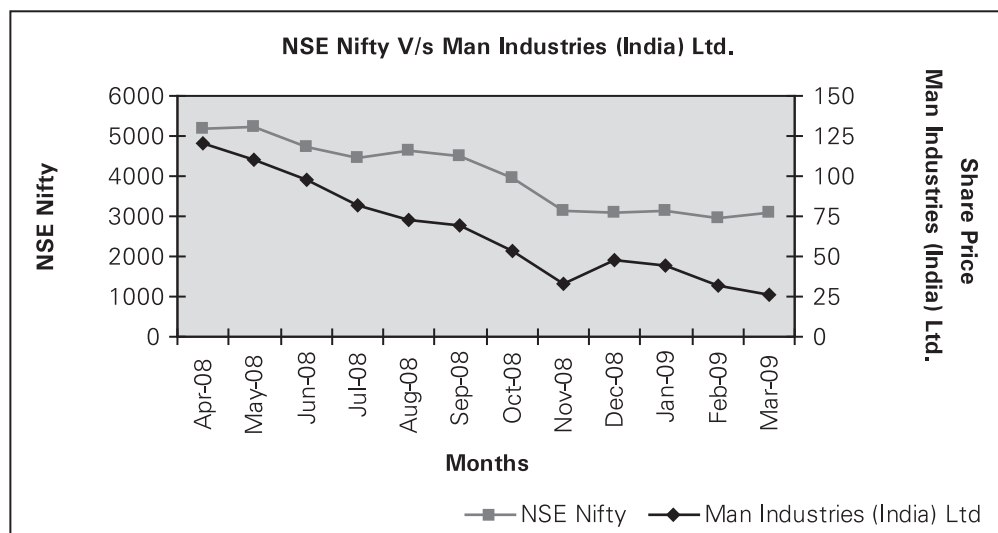
The International Security Identification Number (ISIN) allocated to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is INE993A01026.

Stock Codes

Stock Exchange	Code
National Stock Exchange of India Limited	Maninds
Bombay Stock Exchange Limited	513269

Stock Price Data

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 08	124.90	103.00	706018	125.75	102.50	541416
May 08	111.85	96.00	3184181	112.00	90.10	839421
June 08	102.00	75.25	3565661	101.75	75.25	462895
July 08	83.80	67.80	2190574	83.70	65.50	346346
Aug 08	74.50	64.50	335300	74.65	63.65	1976658
Sep 08	72.60	50.05	642190	72.70	46.25	1635798
Oct 08	55.00	27.25	1310262	54.75	27.25	679469
Nov 08	38.00	28.00	1873440	38.95	28.20	605158
Dec 08	48.95	29.85	3636578	50.50	30.00	1047630
Jan 09	47.00	31.50	3787915	46.80	30.65	614157
Feb 09	33.40	23.80	1893194	33.50	23.85	354343
Mar 09	27.00	21.50	1481090	27.00	21.10	1535969

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 31st March, 2009:

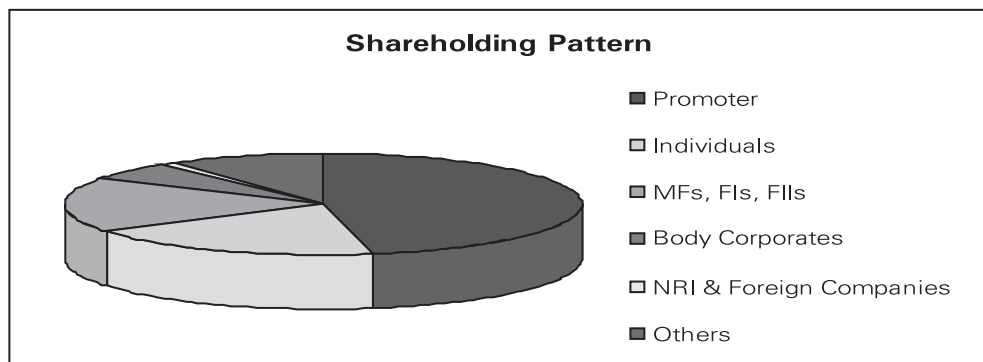
Distribution of shares	Shareholders		Share Allotted	% of total
	Number	% of Total		
001 - 500	25366	86.21	4162119	7.81
501 - 1000	2339	7.95	1869782	3.51
1001 - 2000	945	3.21	1497215	2.81
2001 - 3000	271	0.92	702028	1.32
3001 - 4000	158	0.54	582572	1.10
4001 - 5000	82	0.28	387404	0.73
5001 - 10000	131	0.45	950922	1.79
10001 and above	131	0.45	43132832	80.95

Shareholding Pattern

The Shareholding Pattern of your Company as on 31st March, 2009 by ownership and size class respectively is given as follows:

	Category of Shareholders	Total No. of Shares	Percentage of total no. of Shares
(A)	Shareholding of Promoter and Promoter Group		
(a)	Individuals/HUF	16205409	30.41
(b)	Foreign Holdings of Promoters	8408861	15.78
(c)	Others	464883	00.87
	Total Shareholding of Promoters & Promoter Group (A)	25079153	47.07
(B)	Public Shareholding		
1.	Institutions		
(a)	Mutual Funds/UTI	3916740	7.35
(b)	Financial Institutions/Banks	96100	0.18
(c)	FII's	2434852	4.57
(d)	Insurance	2905891	5.45
(e)	Trusts	1000	0.00
	Sub-Total(B1)	9354583	17.56
2.	Non-Institutions		
(a)	Bodies Corporate	3094481	5.81
(b)	Individual		
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	9257183	17.37
	ii) Individual shareholders holding nominal capital in excess of Rs. 1 lakh.	785562	1.47
(c)	Clearing Members	260665	0.49
(d)	Non Resident Indians (Repartiable)	556699	1.04
(e)	Non Resident Indians (Non-Repartiable)	92364	0.17
(f)	Foreign Companies	347722	0.65
	Sub Total (B2)	14394676	27.01
	Total Public Shareholding B = (B1) + (B2)	23749259	44.57
(C)	Shares held by custodian	4456462	8.36
	Total (C)	4456462	8.36
	Total (A) + (B) + (C)	53284874	100.00

- The Shareholding pattern as on 31st March, 2009 as



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

GDRs: Outstanding GDRs as on 31st March, 2009 represent 44,56,462 equity shares constituting 8.36% 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, 2009

Sr. No.	Name of the Shareholder	No. of Shares	% of Capital
1.	United India Insurance Company Limited	1789666	3.35
2.	ICICI Prudential Life Insurance Company	1345367	2.52
3.	SBI Mutual Fund - Magnum Tax Gain 1993	1084800	2.04
4.	Reliance Capital Trustee Co Ltd - Reliance Longterm Equity Fund	1013311	1.90
5.	Morgan Stanley Mauritius Company Limited	900000	1.69
6.	APIS Offshore Capital Ltd.	868096	1.63
7.	General Insurance Corporation of India	767498	1.44
8.	SBI Mutual Fund A/C Magnum Global Fund	600692	1.13
9.	UTI - Energy Fund	470000	0.88
10.	The New India Assurance Company Limited	348727	0.65

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 investor's bank account is directly credited and the 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, Link Intime India Pvt. Ltd. (formerly know as Intime Spectrum Registry Ltd), C/13 Pannalal Silk Mills Compound, L. B. S. Road, Bhandup (West), Mumbai - 400076. 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.

Financial Year	Due date for transfer to IEPF
2003-04	28.10.2011
2004-05	24.10.2012
2005-06	15.10.2013
2006-07	14.10.2014
2007-08	26.10.2015

Registrar & Transfer Agent

Link Intime India Pvt. Ltd. (formerly know as Intime Spectrum Registry Ltd). 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 Link Intime India Pvt. Ltd. at the following address:

M/s. Link Intime India Pvt. Ltd.

C/13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (West), Mumbai – 400 078

Ph: 022-25963838

Fax: 022- 25946969

Email: isrl@vsnl.com

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

E-mail id for investor grievance

The e-mail address of the Company for investor grievance is investor.relation@maninds.org

Plant Location

- Plot No. 257/258B, Sector No. 1, Pithampur Industrial Area, Pithampur (Near Indore), District: Dhar (MP)
Ph: 07292-253666
- Village: Khedoi, Taluka: Anjar, District: Kutch (Gujarat)
Ph: 02836-275756

Address for correspondence

Registered Office:

Man House, 102, S. V. Road, Opp. Pawan Hans, Vile Parle (W), Mumbai - 400056

Registrar & Transfer Agents Address:

M/s. Link Intime India Pvt. Ltd.

C/13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (West), Mumbai – 400 078

Ph: 022-25963838

Fax: 022- 25946969

Email: isrl@vsnl.com

Declaration of Compliance with the code of conduct (by the Vice Chairman & Managing Director)

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

I, J. C. Mansukhani, Vice - Chairman & 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 31st March, 2009.

For Man Industries (India) Limited

**Place: Mumbai
Date : 19th June, 2009**

**J. C. Mansukhani
Vice Chairman & Managing Director**

CEO/CFO CERTIFICATION

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

Sub: Certification by the Vice - Chairman & Managing Director on Financial Statements of the Company for the year ended 31st March, 2009

I, J. C. Mansukhani, Vice - Chairman & Managing Director of Man Industries (India) Limited, certify that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the financial results/ statements or figures contain therein misleading; and,
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal controls, if any and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - ii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee.

For Man Industries (India) Limited

**Place: Mumbai
Date: 19th June, 2009**

**J. C. Mansukhani
Vice - Chairman & Managing Director**

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 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, Mumbai.

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 *except that the composition of independent directors has fallen below 50% on account of appointment of new executive director on the board.*

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**

**Anil V. Rohira
Partner
Membership No. 37389**

**Date: 19th June, 2009
Place: Mumbai**

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. The real work in CSR extends beyond the statutory obligations and sees organizations and its people voluntarily taking up programmes and initiatives to improve the quality of life of the local community and also society at large. Your company has always viewed CSR as integral to its core mission of delivering value to its stakeholders. Objective of CSR is to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience.

To fulfill its obligation towards society and environment, MAN Industries has undertaken and contributed donations to the below mentioned welfare activities:-

- Development fund to Gram Panchayat, Village Khedoi, to enable them to carry out various improvement activities in infrastructure of the village Khedoi.
- Towards MUKHYAMANTRI KANYA KELAWANI NIDHI FUND.
- Setting up of stalls on the occasion of "Pad Yatra" by villagers to "MAA Ashapura Temple" during "Navratri" festivities.
- For the welfare of poor and orphaned children to Chandraprabha Charitable Trust.
- To K. D. Jain Mahajan Trust for building construction for social purposes.
- Plantation of trees at the vacant land at Khedoi production facility and at other various locations, to improve the scenic beauty and to contribute in maintaining ecological balance.
- By Depositing the Professional Tax of MAN Industries employees with Khedoi Gram Panchayat under the Gujarat Government Scheme, wherein, the amount is to be utilized for the development projects for the village.
- Adopted two children for higher education including one medical student.
- For education of underprivileged children of Village Khedoi.
- For construction of lavatories for the poor people of Village Khedoi.
- For laying of new sewage line in the village Khedoi for proper and hygienic disposal of the waste.
- For organizing cultural activities on the occasion of "Swarnim Gujarat" celebrations.

With safety, health and environment protection high on its corporate agenda MAN is committed to conducting business with a strong environment conscience, so as to ensure sustainable development, safe work places and enrichment of the quality of life of its employees, customers and the community.

SECRETARIAL AUDIT REPORT

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, 2009 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 NASDAQ Dubai 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 20th Annual General Meeting held on September 26, 2008;
 - 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 National Stock Exchange of India Limited and GDR Listing Agreement with NASDAQ Dubai and FCCB Listing Agreement with Singapore Stock Exchange *except 49(1)(A) of the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.*
 - 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 : 19th June, 2009

Ashish Kumar Jain
Proprietor
Membership No. 17978

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, 2009 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 assets of Rs. 43.66 Lakhs as at 31st March 2009, and total revenues amounting to Rs. 28152.24 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 to the extent applicable .
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 *except Accounting Standard - 11, Accounting Standard - 15 & Accounting Standard - 29 issued by the Institute of Chartered Accountants of India (Also refer to Sub clause (d) of Clause No. 1(G) & Clause No. 18 of Schedule No. 18).*
 - 5) On the basis of the written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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 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 31st March, 2009;
 - (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

Anil V. Rohira
Partner
Membership No. 37339

Place : Mumbai
Dated : 19th June 2009

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) The Company has formulated a programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of 2 years. The Company has in the first phase verified the fixed assets at their plant at Anjar and no material discrepancies were noticed on such verification. The fixed assets at the Indore plant have not been physically verified during the year.
- (iii) Fixed assets disposed during the year were not substantial and therefore do not affect the going concern assumption.
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. 14911.29 Lakhs. The amount outstanding at year end was Rs. 6667.32 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 6 (Six) parties covered in the registered maintained under section 301 of the Companies Act, 1956 amounting to Rs.393.50 Lakhs. The amount outstanding at the year end was Nil.
- (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, 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.
- (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 Statute	Amount (Rs. In Lakhs)	Forum where dispute
Central Excise Act, 1944.	3361.57	CESTAT, Revenue Authority
Sales Tax, CST, Entry Tax	262.87	Commissioner Appeals
Income Tax Act, 1961	179.47	Commissioner Appeals / ITAT

10. The Company has no accumulated losses as at 31st March 2009 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 on behalf of its subsidiaries as mentioned in Note No. 10 Notes forming part of Annual Report. 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, Term Loan's have been applied for the purpose for which they were raised .
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**

**Place : Mumbai
Dated : 19th June 2009**

**Anil V. Rohira
Partner
Membership No. 37339**

MAN INDUSTRIES (INDIA) LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCH. NO.	(Rupees)	
		AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
SOURCES OF FUND			
1. Shareholders Funds			
Share Capital	1	266,424,370	266,424,370
Reserves and Surplus	2	3,812,262,106	3,395,541,138
		4,078,686,476	3,661,965,508
2. Loan Funds			
Secured Loans	3	1,614,744,553	1,026,841,690
Unsecured Loans	4	2,030,000,000	2,068,208,518
		3,644,744,553	3,095,050,209
3. Deferred Tax Liability		527,062,247	421,295,982
TOTAL		8,250,493,276	7,178,311,699
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	5,641,994,088	3,764,438,567
Less : Accumulated Depreciation		1,288,863,521	938,929,800
Net Block		4,353,130,567	2,825,508,767
b) Capital Work in Progress.		126,709,546	1,052,079,223
		4,479,840,113	3,877,587,991
2. Investments	6	426,576,657	333,821,117
3. Current Assets, Loans and Advances			
Inventories	7	2,340,499,853	2,783,147,924
Sundry Debtors	8	5,191,510,391	2,165,499,570
Cash and Bank Balances	9	1,895,725,657	1,162,259,186
Loans and Advances	10	2,811,191,837	2,635,379,496
		12,238,927,737	8,746,286,176
Less: Current Liabilities and Provisions	11	8,932,617,605	5,829,644,520
Net Current Assets		3,306,310,132	2,916,641,656
4. Miscellaneous Expenditure		37,766,374	50,260,936
TOTAL		8,250,493,276	7,178,311,699
Significant Accounting Policies and Notes on Accounts	18		

As per our Report attached hereto

For and on behalf of Board

For and on behalf of
Rohira Mehta & Associates
Chartered Accountants

R.C. Mansukhani
Chairman

J.C. Mansukhani
Vice Chairman & Managing Director

Anil V. Rohira
Partner
Membership No. 37339

J. L. Mansukhani
Director

Kirit N. Damania
Director

Place : Mumbai
Date : 19th June 2009

Vijay Kalantri
Director

Sujal Sharma
Company Secretary

MAN INDUSTRIES (INDIA) LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCH. NO.	(Rupees)	
		YEAR 2008 - 09	YEAR 2007 - 08
INCOME			
Sales and Other Income	12	19,188,495,654	15,078,431,972
Less: Excise Duty		359,222,200	77,679,760
TOTAL		18,829,273,454	15,000,752,212
EXPENDITURE			
Cost of Material	13	14,222,147,822	11,576,834,855
Increase/(Decrease) in Stock	14	510,991,759	(579,200,070)
Employment Cost	15	400,961,596	327,338,131
Interest and Financial Charges	16	449,462,961	314,189,063
Operating and Other Expenses	17	2,184,286,593	1,993,160,141
TOTAL		17,767,850,732	13,632,322,120
Profit Before Depreciation		1,061,422,722	1,368,430,092
Depreciation		349,940,584	281,723,999
Profit Before Tax		711,482,138	1,086,706,093
Provision For Taxation		237,214,860	374,577,316
Current Tax		127,421,995	318,359,543
Deferred Tax		105,766,265	53,007,683
Fringe Benefit Tax		4,026,600	3,210,090
Profit After Tax		474,267,279	712,128,777
Balance Brought Forward		1,565,327,584	1,043,428,243
Disposable Profit		2,039,594,863	1,755,557,020
APPROPRIATIONS			
General Reserve		(47,426,728)	(71,212,878)
Proposed Dividend		(79,927,311)	(79,927,311)
Corporate Dividend Tax		(13,583,647)	(13,583,647)
Profit and Loss Appropriation		(6,077,384)	(25,505,600)
Balance Carried to Balance Sheet		1,892,579,793	1,565,327,584
Significant Accounting Policies and Notes on Accounts	18		

As per our Report attached hereto

For and on behalf of Board

 For and on behalf of
Rohira Mehta & Associates
 Chartered Accountants

R.C. Mansukhani
 Chairman

J.C. Mansukhani
 Vice Chairman & Managing Director

Anil V. Rohira
 Partner
 Membership No. 37339

J. L. Mansukhani
 Director

Kirit N. Damania
 Director

 Place : Mumbai
 Date : 19th June 2009

Vijay Kalantri
 Director

Sujal Sharma
 Company Secretary

MAN INDUSTRIES (INDIA) LIMITED**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	(Rupees)	
	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
SCHEDULE - 1		
SHARE CAPITAL		
<u>1. Authorised</u>		
70,000,000 (Previous Year 70,000,000 of Rs. 5/- each) Equity Share of Rs. 5/- each	350,000,000	350,000,000
<u>2. Issued, Subscribed and Paid-up</u>		
53,284,874 (Previous Year - 53,284,874 of Rs. 5/- each) Equity Shares of Rs.5/- each	266,424,370	266,424,370
TOTAL	266,424,370	266,424,370
OF THE ABOVE EQUITY SHARES:		
- 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.		
SCHEDULE - 2		
RESERVES AND SURPLUS		
Profit and Loss Account	1,892,579,793	1,565,327,584
Share Premium	1,600,286,174	1,600,286,174
General Reserve	277,354,108	229,927,380
Foreign Currency Translation Reserve	42,042,032	-
TOTAL	3,812,262,106	3,395,541,138
- Share Premium includes Rs. 145.15 crores received on 1,34,61,540 underlying equity shares.		
SCHEDULE - 3		
SECURED LOANS		
From Financial Institutions and Banks		
<u>Working Capital Loans</u>		
Cash Credit /WCDL/ FCNR-B	526,998,199	295,863,156
	526,998,199	295,863,156
<u>Term Loans</u>		
Rupee Term Loans	559,407,275	368,051,289
Foreign Currency Term Loans	528,339,080	362,927,245
	1,087,746,355	730,978,535
TOTAL	1,614,744,553	1,026,841,690
- Term Loans from Banks and Financial Institutions are secured by way of first pari-passu charge on fixed assets and second pari-passu charge on movable assets of the Company & further secured by personal guarantee of the Promoter Directors.		
- Working Capital facilities by banker's are secured by first pari-passu charge on all the movable assets and second pari-passu charge on the immovable assets of the Company.		
- Vehicle Loans are secured by way of charge on specific vehicle.		

MAN INDUSTRIES (INDIA) LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	(Rupees)	
	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
SCHEDULE - 4		
UNSECURED LOANS		
From Shareholders	-	3,000,000
From Directors	-	9,000,000
Intercorporate Deposits	-	26,208,518
Foreign Currency Convertible Bonds	2,030,000,000	2,030,000,000
TOTAL	2,030,000,000	2,068,208,518
SCHEDULE - 5	ATTACHED SEPARATELY	
SCHEDULE - 6		
CURRENT INVESTMENTS		
Quoted Shares (Valued at cost or market price whichever is lower)	21,384,263	17,489,838
Investment In Joint Venture	163,008	163,008
Investment In Subsidiaries	379,429,453	16,012,036
Investment in Mutual funds	-	300,156,235
Investment in Property	25,599,933	-
TOTAL	426,576,657	333,821,117
SCHEDULE - 7		
INVENTORIES (As certified by the Management)		
Raw Materials	1,332,725,272	1,441,541,513
Work In Process	629,814,923	326,006,251
Finished Goods	200,799,729	1,015,600,160
Stores & Spares	21,017,290	-
Stock-in-transit	156,142,639	-
TOTAL	2,340,499,853	2,783,147,924
SCHEDULE - 8		
SUNDRY DEBTORS (Unsecured Considered Good)		
Debtors Over Six Months	484,023,805	457,644,708
Other Debtors	4,707,486,586	1,707,854,861
TOTAL	5,191,510,391	2,165,499,570

MAN INDUSTRIES (INDIA) LIMITED
SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2009

SCHEDULE - 5

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01.04.2008	ADDITIONS IN THE YEAR	SALES	AS AT 31.03.2009	AS AT 01.04.2008	FOR THE YEAR	ADJ ON SALE/ OTHERS	AS AT 31.03.2009	AS AT 31.03.2009
LAND	26,404,269	-	-	26,404,269	-	-	-	26,404,269	26,404,269
FACTORY BUILDING	492,745,968	477,876,235	-	970,622,203	65,099,482	24,344,324	-	89,443,807	881,178,396
OFFICE PREMISES	36,449,851	-	-	36,449,851	2,359,867	967,794	-	3,327,661	33,122,190
PLANT & MACHINERY	2,618,610,481	1,371,842,556	-	3,990,453,037	766,015,599	267,613,009	-	1,033,628,608	2,956,824,429
OFFICE EQUIPMENTS	14,984,006	875,470	29,250	15,830,225	4,393,008	976,385	6,863	5,362,530	10,467,695
FURNITURE & FIXTURES	27,860,675	2,701,330	-	30,562,005	6,485,406	1,856,182	-	8,341,588	22,220,417
ELECTRICAL EQUIPMENTS	117,420,826	19,811,708	-	137,232,534	19,366,992	8,238,456	-	27,605,448	109,627,086
VEHICLES	28,683,720	2,060,425	-	30,744,145	7,810,787	2,987,054	-	10,797,841	19,946,303
COMPUTERS	24,725,017	2,417,047	-	27,142,065	14,731,487	4,021,721	-	18,753,208	8,388,857
WIND MILL	376,553,754	-	-	376,553,754	52,667,171	38,935,658	-	91,602,829	284,950,925
Sub Total	3,764,438,568	1,877,584,771	29,250	5,641,994,088	938,929,800	349,940,584	6,863	1,288,863,521	2,825,508,768
CAPITAL W.I.P.	1,052,079,223	903,957,478	1,829,327,155	126,709,546	-	-	-	-	1,052,079,223
TOTAL	4,816,517,791	2,781,542,248	1,829,356,405	5,768,703,634	938,929,800	349,940,584	6,863	1,288,863,521	3,877,587,991

(Rupees)

MAN INDUSTRIES (INDIA) LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	(Rupees)	
	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
SCHEDULE - 9		
CASH AND BANK BALANCE		
<u>Balances With Scheduled Banks</u>		
- In Current Accounts	407,189,888	76,725,746
- In Fixed Deposits	1,487,028,459	1,083,988,777
Cash in Hand	1,507,310	1,544,663
TOTAL	1,895,725,657	1,162,259,186
(Fixed Deposits as on 31.03.2009 includes deposit of Rs. 36.17 crores (Previous year Rs.93.99 crores) with Banks being un-utilized funds of FCCB.)		
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured Considered Good except otherwise stated)		
Advances Recoverable in Cash or kind or for value to be received		
Prepaid Expenses	18,525,766	8,276,585
Deposits/Claims with Govt. Departments	31,190,155	148,445,973
Export Incentives Receivable	147,538,643	490,511,815
Balances with Central Excise	733,643,206	99,811,677
Other Advances	1,880,294,068	1,888,333,446
TOTAL	2,811,191,837	2,635,379,496
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
- Goods and Services	8,167,045,169	4,581,470,731
- Capital Goods	93,206,941	54,331,379
Unclaimed Dividend	5,220,483	3,847,548
Proposed Dividend	79,927,311	79,927,311
Other Liabilities and Provisions	587,217,701	1,110,067,551
TOTAL	8,932,617,605	5,829,644,520

MAN INDUSTRIES (INDIA) LIMITED**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	(Rupees)	
	YEAR 2008 - 09	YEAR 2007 - 08
SCHEDULE - 12		
SALES AND OTHER INCOME		
Gross Sales	18,947,957,774	14,545,546,341
Interest Income	16,675,372	5,189,852
Other Income	223,862,508	527,695,778
TOTAL	19,188,495,654	15,078,431,972
SCHEDULE - 13		
COST OF MATERIALS		
Opening Stock of Materials	1,441,541,513	1,019,347,798
Add:- Purchases	14,113,331,581	11,999,028,571
Sub Total:	15,554,873,094	13,018,376,369
Less:- Closing Stock of Materials	1,332,725,272	1,441,541,513
TOTAL	14,222,147,822	11,576,834,855
SCHEDULE - 14		
INCREASE / (DECREASE) IN STOCK		
Opening Stock of Finished Goods & Stock in Process	1,341,606,411	762,406,341
Less: Closing Stock of Finished Goods and Stock in Process	830,614,652	1,341,606,411
TOTAL	510,991,759	(579,200,070)
SCHEDULE - 15		
EMPLOYMENT COST		
Salaries and Staff Expenses	400,961,596	327,338,131
TOTAL	400,961,596	327,338,131

MAN INDUSTRIES (INDIA) LIMITED
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	(Rupees)	
	YEAR 2008 - 09	YEAR 2007 - 08
SCHEDULE - 16		
INTEREST AND FINANCIAL CHARGES		
Interest to Financial Institutions	65,831,050	37,965,864
Interest to Banks (Net)	227,081,187	210,645,574
Bank Charges	156,550,724	65,577,625
TOTAL	449,462,961	314,189,063
SCHEDULE - 17		
OPERATING AND OTHER EXPENSES		
A) MANUFACTURING EXPENSES		
Power Expenses	156,035,818	128,969,744
Stores & Spares	95,548,959	75,372,594
Repairs & Maintenance		
- Plant & Machinery	4,186,655	4,855,988
- Building & Others	2,866,296	4,041,958
Other Manufacturing Expenses	362,752,593	375,594,450
B) ADMINISTRATIVE & OTHER EXPENSES		
Telephone & Talex	9,038,281	7,827,571
Rent, Rates & Taxes	13,214,560	8,833,290
Insurance Premium	12,677,673	11,913,536
Legal & Professional Charges	49,975,414	14,393,813
Other Administrative Expenses	28,928,746	29,931,944
C) SELLING & DISTRIBUTION EXPENSES		
Freight & Transportation	943,494,371	984,898,358
Forwarding Expenses	40,747,856	64,041,493
Travelling Expenses	38,682,546	31,104,918
Selling Expenses	413,646,056	238,889,715
D) PRELIMINARY EXPENSES WRITTEN OFF		
	12,490,769	12,490,769
TOTAL	2,184,286,593	1,993,160,141

SCHEDULE - 18**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS FOR YEAR ENDED 31ST MARCH, 2009****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 realised.

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:

- (a) 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.

- (b) In respect of forward exchange 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 exchange 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.
- (c) In the case of foreign branches, being non-integral foreign operations, revenue items are converted at the rate prevailing as on the date of transaction during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on conversion is recognized in the foreign fluctuation translation reserve.
- (d) The company has not restated its various foreign currency monetary assets and liabilities consisting of debtors, creditors and FCCB deposits at the closing rates of exchange. Accordingly net monetary losses aggregating to Rs 2515.79 Lakhs (net of deferred tax Rs. 1295.43 Lakhs) and mark to market losses pertaining to forward contracts amounting to Rs. 2711.08 lakhs (net of deferred tax of Rs. 1395.99 Lakhs) have not been provided in the financial statements, which is not in accordance with the Accounting Standard 11 (Revised) "The Effect of Changes in Foreign Exchange Rates" and also with the accounting policy regularly followed by the Company.

Accordingly the net profit after tax for the year and the net worth as at 31st March, 2009 are higher by Rs. 5226.87 Lakhs.

The company is of the view that these adverse foreign exchange fluctuations are temporary in nature and expect it's reversal in the forthcoming quarters.

H) Retirement Benefits :

i) Short Term Employee Benefits :

All Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which employee renders the related service except Leave Encashment .

ii) Post – employment Benefits :

a) Defined Contribution Plans

Defined contribution fund are government administered provident fund scheme, employee state insurance scheme for all employees. The Company's contribution to defined contribution plans are recognized in the Profit & Loss Account in the financial year to which they relate.

b) Defined Benefit Gratuity Plan

The Company operates a defined gratuity plan for all employees with Life Insurance Corporation of India. The Company's contribution of premium to gratuity scheme is recognized in the Profit & Loss Account in the financial year to which they relate.

I) 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 realised.

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 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 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:

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognized for an asset in prior accounting period may no longer exists or may have decreased. If any indication exists the assets recoverable amount is estimated. The carrying amount is increased to revised estimate of its recoverable amount but so that the increased carrying amount does not exceeds the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior years. A reversal of impairment loss is recognized in the Profit & Loss Account.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the assets is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

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

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
1	Guarantees / Letter of Credit outstanding	102,651.82	73,128.05
2	Excise Duty Matters	298.94	88.17
3	Entry Tax / Sales Tax Matters	243.13	39.70
4	Income Tax Matters	119.90	8.04
5	Estimated amount of contract remaining to be executed on capital account (net of advances)	215.10	2,315.00
6	Corporate Guarantee Issued	10,474.00	8,024.00
		114,002.89	83,602.96

2. a) Term Loan from Banks and Financial Institutions are by the way of first pari -passu charge on fixed assets and second pari - passu charge on moveable assets of the Company & further secured by personal guarantee of the Promoter Directors.
- b) Working Capital facilities by banker's are secured by first pari – passu charge on all the moveable assets and second pari - passu charge on the immovable assets of the Company.
- c) Vehicle Loans are secured by the way of charge on specific vehicle.
3. Balances of Sundry Creditors and Debtors are subject to confirmations, reconciliation and consequent adjustments, if any.
4. (i) The Company had raised US \$ 50 Million (Rs. 20300 Lakhs) by way of Zero Coupon Foreign Currency Convertible Bonds during the year ended 31st 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/ reset in certain circumstances. Further the initial conversion price of Rs. 143.50 has been reset to Rs. 115.00 on 3rd May, 2008, which has been further reset at Rs. 109.00 on 3rd May, 2009. The Bonds may be redeemed in whole, at the option of the Company, at any time on or after 22nd May, 2010 subject to satisfaction of certain conditions. Unless previously

converted, redeemed or repurchased and cancelled, the Bonds will be redeemed on 23rd 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. 15131.59 Lakhs have been utilised for funding of expansion of Pipe and Coating Complex at Anjar, Rs. 1549.13 Lakhs have been utilised for investment in overseas Subsidiaries / Joint Venture. The issue proceeds of Rs. 3619.28 Lakhs (net of unrealised exchange gain of Rs. 956.24 Lakhs) pending utilisation have been invested in short term deposits with banks outside India.
- (iii) The Board is of the opinion that it is more likely than not 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, 2009 aggregates to Rs. 2965.79 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. Although the Group operates in more than one segment, segmental reporting as required under Accounting Standard – 17 is not applicable as the segment revenue from other segment is lower than 10% of total revenue.
7. The Company has not initiated the process of identifying ‘suppliers’ covered 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.
8. Arbitration cases between Company and

(Rs. In Lakhs)				
SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008	CURRENT STATUS
1	Indian Oil Corporation Limited			
	a) for recovery of dues	234.88	234.88	Pending for Arbitration
	b) for encashment of performance bank guarantee	549.77	549.77	
2	Gujrat Water Supply & Sewerage Board for recovery of dues	784.95	617.59	Pending for final award
3	GAIL for recovery of dues	1,953.66	1,953.66	Pending for Arbitration
4	Midcontinent Express Pipeline LLC Encashment of stand by letter of credit *	6,878.25	–	

*As informed to us by the management the company has initiated legal proceedings against Midcontinent Pipeline LLC. (MEP) in the District Court of Harris County, Texas for fraudulently encashing the stand by letter of credit of US \$ 15 Million (Rs. 6878.25 Lakhs) and has classified the same as loans and advances under Current Assets. The Company proceeded to invoke the bank guarantee of US \$ 33 Million provided by MEP; however the same could not be encashed as it was stayed by The Texas Court. Further Bank of Tokyo & Mitsubishi (BTM), who did not honor the said bank guarantee on account of alleged discrepancies in the invocation documents. The Company has initiated legal proceedings against BTM for not honouring the invocation of Bank Guarantee, which is pending before the Honorable Supreme Court of New York, U.S.A.

9. **Donation to Political Parties**

(Rs. In Lakhs)			
SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
1	Bharatiya Janta Party	10.00	–

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:**

Man Infraprojects Limited	–	Subsidiary of the Company
Merino Shelters Private Limited	–	Wholly owned subsidiary of Man Infraprojects Limited
Man USA Inc	–	Wholly owned Subsidiary of the Company
Man Overseas Metals DMCC	–	Wholly owned Subsidiary of the Company

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

JPA Holdings Private Limited	Man Aluminum Limited
Man Global FZC, UAE	Man Futures Private Limited
Man (U.K.) Limited	

c) Names of the Key Management Personnel:

Mr. R.C. Mansukhani	–	Chairman
Mr. J.C. Mansukhani	–	Vice Chairman & Managing Director
Mr. J.L. Mansukhani	–	Executive Director

d) Names of the Relatives of Management Personnel:

Mrs. Kimatdevi Mansukhani	Mrs. Anita Mansukhani
Mrs. Deepa Mansukhani	Ms. Heena Mansukhani
Mrs. Mohini Tulsiani	

(Rs. In Lakhs)					
SR. NO.	PARTICULARS	TRANSACTION DURING THE YEAR		OUTSTANDING BALANCE	
		2008-2009	2007-2008	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
1	Man Infraprojects Limited				
	a) Investment in Equity Shares	2,500.00	160	2,660.00	160.00
	b) Share Application Money	–	2,500.00	–	2,500.00
	c) Inter Corporate Deposit (net)	(3,646.63)	9,900.74	6,254.11	9,900.74
	d) Interest received	2,203.21	248.95	–	248.95
	e) Rent - Income	1.05	–	–	–
	f) Construction Contract - Given	476.93	1,153.36	93.88	396.21
	g) Sales	3.80	–	3.80	–
2	JPA Holdings Pvt. Ltd.				
	a) Interest - Expense	0.20	6.79	–	–
	b) Loan Taken	50.50	185.00	–	–
3	Man Aluminum Limited				
	a) Inter Corporate Deposits - Taken	(262.28)	75.20	–	262.28
	b) Purchase	16.33	3.53	6.80	–
	c) Sales	–	2.91	–	–
4	Man Global FZC, UAE				
	a) Investment in Equity Shares	–	1.63	1.63	1.63
5	Man USA Inc.				
	a) Investment in Equity Shares	1,065.35	0.12	1,065.47	0.12
6	Man Overseas Metal, DMCC				
	a) Investment in Equity Shares	68.82	–	68.82	–
	b) Loan Given	413.21	–	413.21	–
7	Man Futures Pvt. Ltd.				
	Loan Taken	88.00	–	–	–
	Interest paid	1.51	–	–	–
8	Man UK Limited				
	Loan Taken	(1.40)	8.42	5.67	7.07
9	Others				
	a) Rent Deposit	–	590.00	–	–
	b) Salary	559.66	465.21	–	–
	c) Rent	72.00	66.71	–	–
	d) Interest	23.25	5.56	–	–
	e) Loan Taken	255.00	429.00	–	–
	f) Loan Repaid	365.00	346.00	–	–
10	Corporate Guarantee given for loan taken by				
	a) Man Aluminium Limited	1,350.00	–	1,350.00	–
	b) Man Infraprojects Limited	1,100.00	–	1,100.00	–
	c) Man Global FZC	–	8,024.00	8,024.00	8,024.00

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	
		AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
1	Loans to Subsidiary Co.				
a)	Man Infraprojects Limited	(3,646.63)	9,900.74	6,254.11	9,900.74
b)	Man Overseas Metals DMCC	413.21	–	413.21	–
2	Unsecured Loans where there are no Repayment Schedule				
a)	Man UK Limited	(1.40)	8.42	5.67	7.07
b)	JPA Holdings Pvt. Ltd.	50.50	185.00	–	–
c)	Man Aluminum Limited	(262.28)	75.20	–	262.28
d)	Man Futures Pvt. Ltd.	88.00	–	–	–

12. Deferred Tax Liability

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
1	Opening Deferred Tax Liability	4,212.96	3,682.89
2	Deferred Tax Liability on account of		
a)	Difference between book and tax Depreciation	1,211.82	407.57
b)	Deferred Revenue Expenditure	(42.46)	169.82
c)	Others	(111.70)	(47.32)
3	Closing Deferred Tax Liability	5,270.62	4,212.96

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

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
	Basic / Diluted Earning Per Share		
a)	Net Profit attributable to Equity Shareholders	4,742.67	7,121.29
b)	Weightage average nos. of shares outstanding during the year	53,284,874	53,284,874
c)	Basic / Diluted Earning Per Share (Rs.)	8.90	13.36

14. Pursuant to Accounting Standard (AS 19) – Leases, the following information is given:

- I. a) The Company has taken certain assets such as cars on an operating lease basis. The lease rentals are payable on a monthly basis.
 b) Future minimum lease rentals payable as at March, 31 2009 as per lease agreements:

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
a)	Not later than one year	101.10	43.79
b)	Later than one year but not later than 5 years	53.51	54.26
c)	Later than 5 years	–	–

- II. a) Future minimum lease rental receivable as at March, 31 2009 as per lease agreements:

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
a)	Not later than one year	33.43	–
b)	Later than one year but not later than 5 years	40.73	–
c)	Later than 5 years	50.62	–

15. Remuneration 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 2009	AS AT 31ST MARCH 2008
a)	Salaries & Perquisites	631.26	460.71
b)	Sitting Fees	4.80	1.75

16. Payment to Auditors

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
a)	Audit Fees	13.50	12.50
b)	Tax Audit Fees	2.50	2.00
c)	In Other Capacity	1.00	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 2009	AS AT 31ST MARCH 2008
a)	Receivable against exports of goods and services		
	Rupees	26,175.28	15,123.02
	US dollar	543.71	304.02
	Euros	0.80	72.93
b)	Advance received from customers		
	Rupees	Nil	4,408.31
	US dollar	Nil	109.88
c)	Payable against import of goods and services		
	Rupees	79,629.91	38,196.31
	US dollar	1,497.32	945.48
	Euros	136.69	4.00
	GBP	0.09	0.12
	AUD	1.51	
d)	Advance payment to supplier		
	Rupees	Nil	1,634.48
	US dollar	Nil	10.31
	Euros	Nil	26.37

18. Employee Defined Benefits : Defined benefit plans as per Actuarial valuation on 31st March, 2009.

		(Rs. In Lakhs)	
SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
I.	Expense Recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2009		
1.	Current Service Cost	60.08	31.08
2.	Interest	19.05	11.28
3.	Expected Return on Plan Assets	(9.02)	(8.67)
4.	Actuarial (Gain)/Loss	(27.78)	56.75
5.	Total Expense	42.34	90.45
II.	Net (Asset) / Liability recognised in the Balance Sheet as at 31st March, 2009		
1.	Present Value of Defined Benefit Obligation as at 31st March, 2009	279.22	232.34
2.	Fair Value of Plan Assets as at 31st March, 2009	164.17	109.99
3.	Funded Status [Surplus/Deficit]	115.05	122.35
4.	Net (Asset)/Liability as at 31st March, 2009	115.05	122.35
III.	Change in the obligation during the year ended 31st March, 2009		
1.	Present Value of Defined Benefit Obligation as at the beginning of the year	232.34	137.59
2.	Current Service Cost	60.08	31.08
3.	Interest Cost	19.05	11.28
4.	Benefit Payments	(8.52)	(5.22)
5.	Actuarial (Gain)/Loss	(23.73)	57.60
6.	Present Value of Defined Benefit Obligation as at the end of the year	279.22	232.34
IV.	Change in Fair Value of Assets during the year ended 31st March, 2009		
1.	Fair Value of Plan Assets at the beginning of the year	109.99	105.69
2.	Expected Return on Plan Assets	9.02	8.67
3.	Contributions by Employer	49.63	-
4.	Actual Benefits Paid	(8.52)	(5.22)
5.	Actuarial Gain/(Loss) on Plan Assets	4.05	0.84
6.	Fair Value of Plan Assets at the end of the year	164.17	109.99
7.	Total Actuarial Gain/(Loss) to be Recognised	27.78	(56.75)
V.	The major Categories of plan assets as a percentage of total plan Funded with LIC		
VI.	Actuarial Assumptions		
1.	Discount Rate	7.00%	8.20%
2.	Expected Rate of Return on Plan Assets	7.00%	8.20%
3.	In-service Mortality	LIC 1994 -96 Ultimate	LIC 1994 -96 Ultimate
4.	Salary Rise	7.00%	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, whichever is earlier. The benefits vests after five year of continuous service.

The Company has not made provision for leave encashment which is in contravention to Accounting Standard – 15: Accounting for Retirement Benefit of Employees in the financial statement of Employer (Revised) & Accounting Standard -29: Provision, Contingent Liabilities and Contingent Assets issued by The Institute of Chartered Accountants of India.

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 AT 31ST MARCH 2009	QUANTITY (M.T.)	AS AT 31ST MARCH 2008
a	Pipes Division (Pipes)				
i)	Installed Capacity	1,000,000.00		1,000,000.00	
ii)	Opening Stock	25,457.56	10,156.00	2,467.64	1,054.67
iii)	Production/Coating/(Bevelling) in India	207,083.16		259,977.99	
	Overseas	45,050.00		75,330.00	
iv)	Turnover in India	228,926.10	156,548.63	236,988.55	113,875.28
	Overseas	45,050.00	28,152.24	75,330.00	30,803.39
v)	Closing Stock	3,614.63	2,008.00	25,457.56	10,156.00

B) Raw Material Consumption

(Rs. In Lakhs)

SR. NO.	PARTICULARS	QUANTITY (M.T.)	AS AT 31ST MARCH 2009	QUANTITY (M.T.)	AS AT 31ST MARCH 2008
a)	H. R. Plates, Coils and Pipes	259,202.89	135,386.06	344,221.30	110,134.61

C) Finished Goods Stock

(Rs. In Lakhs)

SR. NO.	PARTICULARS	CLOSING STOCK ON 31ST MARCH, 2009	CLOSING STOCK ON 31ST MARCH, 2008
1	Manufacturing		
i)	Pipes M.T.	3,614.62	25,457.56

D) C.I.F. Value of Imports

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
i)	Raw Materials	82,358.13	85,903.75
ii)	Capital Goods	5,843.10	5,345.06
iii)	Others	992.25	226.87

E) Expenditure in Foreign Currency

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
i)	Interest	2,460.39	245.39
ii)	Travelling	8.68	17.09
iii)	Commission	3,625.60	2,065.98
iv)	Others	9,716.05	10,164.33
v)	Dividend	66.94	70.63

F) F.O.B Value of Exports

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
i)	F.O.B Value of Exports	1,04,375.57	94,939.28

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

As per our Report attached hereto

For and on behalf of Board

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

**R.C. Mansukhani
Chairman**

**J.C. Mansukhani
Vice Chairman & Managing Director**

**Anil V. Rohira
Partner
Membership No. 37339**

**J. L. Mansukhani
Director**

**Kirit N. Damania
Director**

**Place : Mumbai
Date : 19th June 2009**

**Vijay Kalantri
Director**

**Sujal Sharma
Company Secretary**

MAN INDUSTRIES (INDIA) LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS		(Rupees)	
		AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
A.	Cash Flow from Operating Activities		
	Net Profit before Taxes & Extraordinary Activities	711,482,138	1,086,706,093
	Adjustment for :		
	Depreciation	349,940,584	281,723,999
	Diminution in value of Investments	24,807,540	649,910
	Interest	449,462,961	314,189,063
	Loss on Sale of Assets	9,481	636,257
	Other Income	(240,537,880)	(532,885,630)
	Operating Profit before W. Capital Changes	1,295,164,825	1,151,019,691
	Adjustment for :		
	Trade & Other Receivables	(3,026,010,821)	1,160,631,387
	Inventories	442,648,071	(986,004,988)
	Loans & Advances	(175,812,341)	(821,784,469)
	Trade & Other Payables	3,102,973,086	1,758,114,665
	Income Tax	(131,448,595)	(321,569,633)
	Net Cash from Operating Activities(A)	1,507,514,225	1,940,406,654
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(952,215,093)	(1,271,492,710)
	Sale of Fixed Assets	12,906	765,600
	Increase / Decrease in Investments	(117,563,081)	(322,360,277)
	Other Income	240,537,880	532,885,630
	Decrease in Preliminary Expenses	12,494,562	(50,260,936)
	Net Cash from Investing Activities(B)	(816,732,825)	(1,110,462,693)
C.	Cash Flow from Financing Activities		
	Increase in Share Capital (Incl. Share Premium)	-	-
	Interest Paid	(449,462,961)	(314,189,063)
	Dividend Paid & Other Adjustments	(57,546,311)	(121,901,283)
	Increase in Borrowings	549,694,344	622,648,658
	Net Cash used in Financing Activities(C)	42,685,072	186,558,312
	Net Increase/ Decrease in Cash & Cash Equivalents(A + B + C)	733,466,469	1,016,502,275
	Cash & Cash Equivalents(OP Bal)	1,162,259,186	145,756,911
	Cash & Cash Equivalents(CL Bal)	1,895,725,657	1,162,259,186

As per our Report attached hereto

For and on behalf of Board

For and on behalf of
Rohira Mehta & Associates
Chartered Accountants

R.C. Mansukhani
Chairman

J.C. Mansukhani
Vice Chairman & Managing Director

Anil V. Rohira
Partner
Membership No. 37339

J. L. Mansukhani
Director

Kirit N. Damania
Director

Place : Mumbai
Date : 19th June 2009

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, 2009. 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 19th June, 2009 to the members of the Company.

For and on behalf of
Rohira Mehta & Associates
Chartered Accountants

Anil V. Rohira
Partner
M.No. 37339

Place : Mumbai
Date : 19th June, 2009

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.	1 1 - 4 7 4 0 8	State Code	1 1
Balance Sheet Date	3 1 0 3 2 0 0 9		

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

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

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

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

IV Performance of Company (Amount in Rs.Thousands)

Turnover	1 8 8 2 9 2 7 3	Total Expenditure	1 7 7 6 7 8 5 1
Profit before Tax	7 1 1 4 8 2	Profit After Tax	4 7 4 2 6 7
Earnings per Share in Rs.	8 . 9 0	Dividend	7 9 9 2 7 3 0 %

V Generic Names of Three Principal Products/ Services of company (As per Monetary terms)

ITEM Code No. (ITC Code)	Product Description
7 3 0 5	S U B M E R G E D A R C W E L D E D P I P E S

AUDITORS' REPORT

To,
**The Boards of Directors of
Man Industries (India) Limited**

1. We have audited the attached Consolidated Balance Sheet of Man Industries (I) Limited ('the Company') and its subsidiaries (collectively 'Group') as at 31st March, 2009, 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 Company's management and have been prepared by 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. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the 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. (a) We did not audit the financial statements of M/s. Man Overseas Metal DMCC, subsidiary of the Company, whose financial statements reflect total capital employed of Rs. 496.94 Lakhs, total revenue of Rs. Nil and Net Cash Inflow of Rs. 137.84 Lakhs for the year ended on that date. This financial statement has been audited by other auditor whose report has been furnished to us and our opinion, insofar as it relates to amount included in respect of the subsidiary is based solely on the report of other auditor.

(b) As stated in clause 14 of schedule 18, the financial statements of M/s. Man USA Inc. whose financial statement reflects the group share of total capital employed of Rs. 1268.38 Lakhs, of total revenue of Rs. Nil and net cash inflow of Rs. 24.58 Lakhs for the year ended on that date are not audited as of the date of this report and have been included in the consolidated financial statements on the basis of unaudited financial information received from the management of the such subsidiary.
4. In our opinion, the Consolidated 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 *except Accounting Standard: 11, Accounting Standard: 15 & Accounting Standard: 29 issued by Institute of Chartered Accountants of India (refer sub – clause (d) of clause I, clause 9 & clause 16 of schedule 18).*
5. Subject to the above, based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - (i) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For Rohira Mehta & Associates
Chartered Accountants**

**Anil V. Rohira
Partner
Membership No.: 37339**

**Place : Mumbai
Dated : 19th June, 2009**

MAN INDUSTRIES (INDIA) LIMITED**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	SCH. NO.	(Rupees)	
		AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
SOURCES OF FUND			
1. Shareholders Funds			
Share Capital	1	266,424,370	266,424,370
Reserves and Surplus	2	3,585,105,717	3,404,835,751
		3,851,530,087	3,671,260,121
2. Loan Funds			
Secured Loans	3	1,664,741,954	1,026,841,690
Unsecured Loans	4	3,399,344,521	2,068,208,518
		5,064,086,475	3,095,050,208
3. Minority Interest		195,349,909	790,549
4. Deferred Tax Liability		527,155,179	421,304,032
Total		9,638,121,651	7,188,404,910
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	5	5,731,944,297	3,764,541,319
Less : Accumulated Depreciation		1,288,941,195	938,932,032
Net Block		4,443,003,102	2,825,609,287
Goodwill on Consolidation.		499,721,963	501,361,053
Capital Work in Progress.		134,585,645	1,052,079,223
		5,077,310,710	4,379,049,563
2. Investments	6	64,133,479	317,809,081
3. Current Assets, Loans and Advances			
Inventories	7	3,986,435,510	3,515,674,782
Sundry Debtors	8	5,191,130,669	2,165,499,569
Cash and Bank Balances	9	1,918,987,338	1,169,991,046
Loans and Advances	10	2,397,088,273	1,475,336,965
		13,493,641,789	8,326,502,362
Less: Current Liabilities and Provisions	11	9,035,375,964	5,886,487,234
Net Current Assets		4,458,265,825	2,440,015,128
4. Deferred Tax Assets		–	1,102,564
5. Miscellaneous Expenditure		38,411,637	50,428,574
Total		9,638,121,651	7,188,404,910
Significant Accounting Policies and Notes on Accounts	18		

As per our Report attached hereto

For and on behalf of Board

For and on behalf of
Rohira Mehta & Associates
Chartered AccountantsR.C. Mansukhani
ChairmanJ.C. Mansukhani
Vice Chairman & Managing DirectorAnil V. Rohira
Partner
Membership No. 37339J. L. Mansukhani
DirectorKirit N. Damania
DirectorPlace : Mumbai
Date : 19th June 2009Vijay Kalantri
DirectorSujal Sharma
Company Secretary

MAN INDUSTRIES (INDIA) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCH. NO.	(Rupees)	
		YEAR 2008-09	YEAR 2007-08
INCOME			
Sales and Other Income	12	19,193,444,925	15,203,251,981
Less: Excise Duty		359,222,200	77,679,760
Total		18,834,222,725	15,125,572,221
EXPENDITURE			
Cost of Material	13	14,222,147,822	11,576,834,856
Increase/(Decrease) in Stock	14	510,991,759	(579,200,070)
Employment Cost	15	401,506,433	329,406,716
Interest and Financial Charges	16	669,825,319	329,389,046
Operating and Other Expenses	17	2,221,031,579	2,080,044,012
Total		18,025,502,912	13,736,474,559
Profit Before Depreciation		808,719,813	1,389,097,662
Depreciation		350,016,026	281,726,230
Profit Before Tax		458,703,787	1,107,371,432
<u>Provision For Taxation</u>		<u>242,897,204</u>	385,381,112
Current Tax		131,830,648	330,145,924
Deferred Tax		106,953,711	52,017,455
Fringe Benefit Tax		4,112,844	3,217,733
Profit After Tax		215,806,583	721,990,321
Balance Brought Forward		1,574,912,747	1,043,431,872
Disposable Profit		1,790,719,330	1,765,422,193
Minority Interest		6,849,909	290,549
Appropriation			
General Reserve		(47,426,728)	(71,212,878)
Proposed Dividend		(79,927,311)	(79,927,311)
Corporate Dividend Tax		(13,583,647)	(13,583,647)
ROC fees		(3,572,850)	-
Previous year Adjustment		-	-
Share Issue Expenses		-	(280,010)
Profit and Loss approp.		(7,716,474)	(25,505,600)
Balance Carried to Balance Sheet		1,631,642,410	1,574,622,198
Significant Accounting Policies and Notes on Accounts	18		

As per our Report attached hereto

For and on behalf of Board

 For and on behalf of
Rohira Mehta & Associates
 Chartered Accountants

R.C. Mansukhani
 Chairman

J.C. Mansukhani
 Vice Chairman & Managing Director

Anil V. Rohira
 Partner
 Membership No. 37339

J. L. Mansukhani
 Director

Kirit N. Damania
 Director

 Place : Mumbai
 Date : 19th June 2009

Vijay Kalantri
 Director

Sujal Sharma
 Company Secretary

MAN INDUSTRIES (INDIA) LIMITED**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	(Rupees)	
	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
SCHEDULE - 1		
SHARE CAPITAL		
1. Authorised		
70,000,000 (Previous Year 70,000,000 of Rs. 5/- each) Equity Share of Rs. 5/- each	350,000,000	350,000,000
2. Issued, Subscribed and Paid-up		
53,284,874 (Previous Year 53,284,874 of Rs. 5/- each) Equity Shares of Rs.5/- each	266,424,370	266,424,370
TOTAL	266,424,370	266,424,370
OF THE ABOVE EQUITY SHARES:		
-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.		
SCHEDULE - 2		
RESERVES AND SURPLUS		
Profit and Loss Account	1,631,642,410	1,574,622,197
Share Premium (Net of Issue Expenses)	1,612,286,174	1,600,286,174
General Reserve	277,354,108	229,927,380
Foreign Currency Translation Reserve	63,823,025	-
TOTAL	3,585,105,717	3,404,835,751
- Share Premium includes Rs. 145.15 crores received on 1,34,61,540 underlying equity shares.		
SCHEDULE - 3		
SECURED LOANS		
From Financial Institutions and Banks		
Working Capital Loans		
Cash Credit /WCDL/ FCNR-B	526,998,199	295,863,156
	526,998,199	295,863,156
Term Loans		
Rupee Term Loans	609,404,676	368,051,289
Foreign Currency Term Loans	528,339,080	362,927,245
	1,137,743,756	730,978,534
TOTAL	1,664,741,954	1,026,841,690
- Term Loans from Banks and Financial Institutions are secured by way of first pari-passu charge on fixed assets and second pari-passu charge on movable assets of the Company & further secured by personal guarantee of the promoter Directors.		
- Working Capital facilities by banker's are secured by first pari-passu charge on all the movable assets and second pari-passu charge on the immovable assets of the Company.		
- Vehicle Loans are secured by way of charge on specific vehicle.		

MAN INDUSTRIES (INDIA) LIMITED
SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	(Rupees)	
	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
SCHEDULE - 4		
UNSECURED LOANS		
From Shareholders	-	3,000,000
From Directors	-	9,000,000
Intercorporate Deposits	20,000,000	26,208,518
Compulsory Convertible Debentures (411 Debentures of Rs.1,000,000/ each)	411,000,000	-
From Others	938,344,521	-
Foreign Currency Convertible Bonds	2,030,000,000	2,030,000,000
TOTAL	3,399,344,521	2,068,208,518
SCHEDULE - 5	ATTACHED SEPARATELY	
SCHEDULE - 6		
CURRENT INVESTMENTS		
Quoted Shares (Valued at cost or market price whichever is lower)	21,384,263	17,489,838
Investment In Joint Venture	163,008	163,008
Investment in Mutual funds	-	300,156,235
Investment in Property	42,586,208	-
TOTAL	64,133,479	317,809,081
SCHEDULE - 7		
INVENTORIES (As certified by the Management)		
Raw Materials	1,332,725,272	1,441,541,513
Work In Process	629,814,923	326,006,251
Finished Goods	200,799,729	1,015,600,160
Stock-in-transit	156,142,639	-
Stores & Spares	21,017,290	-
Stock-in-Trade	265,931,814	-
Work In Progress (Real Estate)	1,380,003,843	732,526,858
TOTAL	3,986,435,510	3,515,674,782
SCHEDULE - 8		
SUNDRY DEBTORS (Unsecured Considered Good)		
Debtors over Six Months	484,023,805	457,644,708
Other Debtors	4,707,106,864	1,707,854,861
TOTAL	5,191,130,669	2,165,499,569

MAN INDUSTRIES (INDIA) LIMITED

SCHEDULE OF CONSOLIDATED FIXED ASSETS AS ON 31ST MARCH, 2009

SCHEDULE - 5

PARTICULARS	(Rupees)									
	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2008	ADDITIONS IN THE YEAR	SALES	AS AT 31.03.2009	AS AT 01.04.2008	FOR THE YEAR	ADJ ON SALES / OTHERS	AS AT 31.03.2009	AS AT 31.03.2008	AS AT 31.03.2009
LAND	26,404,269	117,265,684	-	143,669,953	-	-	-	-	26,404,269	143,669,953
FACTORY BUILDING	492,745,968	430,182,811	-	922,928,779	65,099,482	24,344,324	-	89,443,807	427,646,486	833,484,972
OFFICE PREMISES	36,449,851	19,449,908	-	55,899,759	2,359,867	967,794	-	3,327,661	34,089,984	52,572,098
PLANT & MACHINERY	2,618,610,481	1,371,842,556	-	3,990,453,037	766,015,599	267,613,009	-	1,033,628,608	1,852,594,882	2,956,824,429
OFFICE EQUIPMENTS	15,003,658	1,000,190	29,250	15,974,597	4,393,064	981,221	6,863	5,367,423	10,610,594	10,607,175
FURNITURE & FIXTURES	27,860,675	2,885,978	-	30,746,653	6,485,406	1,861,206	-	8,346,612	21,375,269	22,400,041
ELEC. EQUIPMENTS	117,420,826	19,811,708	-	137,232,534	19,366,992	8,238,456	-	27,605,448	98,053,834	109,627,086
VEHICLES	28,683,720	2,060,425	-	30,744,145	7,810,787	2,987,054	-	10,797,841	20,872,932	19,946,303
COMPUTERS	24,808,117	2,932,966	-	27,741,083	14,733,662	4,087,303	-	18,820,965	10,074,455	8,920,119
WIND MILL	376,553,754	-	-	376,553,754	52,667,171	38,935,658	-	91,602,829	323,886,583	284,950,925
Sub Total	3,764,541,319	1,967,432,226	29,250	5,731,944,297	938,932,031	350,016,026	6,863	1,288,941,195	2,825,609,287	4,443,003,102
CAPITAL W.I.P.	1,052,079,223	911,833,577	1,829,327,155	134,585,645	-	-	-	-	1,052,079,223	134,585,645
TOTAL	4,816,620,542	2,879,265,803	1,829,356,405	5,866,529,942	938,932,031	350,016,026	6,863	1,288,941,195	3,877,688,510	4,577,588,747

MAN INDUSTRIES (INDIA) LIMITED
SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	(Rupees)	
	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
SCHEDULE - 9		
CASH AND BANK BALANCE		
Balances With Scheduled Banks		
- In Current Accounts	429,279,439	84,354,582
- In Fixed Deposits	1,488,110,296	1,083,988,777
Cash on Hand	1,597,604	1,647,687
TOTAL	1,918,987,338	1,169,991,046
(Fixed Deposits as on 31.03.2009 includes deposit of Rs. 36.17 crores (Previous year Rs.93.99 crores) with Banks being un-utilized funds of FCCB issue.)		
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured Considered Good except otherwise stated)		
Advances Recoverable in Cash or kind or for value to be received		
Prepaid Expenses	18,525,766	8,276,585
Deposits / Claims with Govt. Departments	41,963,588	148,485,973
Export Incentives Receivable	147,538,643	490,511,815
Balances with Central Excise	733,643,206	100,159,311
Other Advances	1,455,417,070	727,903,281
TOTAL	2,397,088,273	1,475,336,965
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
- Goods and Services	8,192,920,370	4,589,434,268
- Capital Goods	83,818,983	54,331,379
Unclaimed Dividend	5,220,483	3,847,548
Proposed Dividend	79,927,311	79,927,311
Others Liabilities and Provisions	673,488,817	1,158,946,728
TOTAL	9,035,375,964	5,886,487,234

MAN INDUSTRIES (INDIA) LIMITED**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	(Rupees)	
	YEAR 2008-09	YEAR 2007-08
SCHEDULE - 12		
SALES AND OTHER INCOME		
Gross Sales	18,947,578,052	14,660,882,547
Interest Income	21,614,955	14,673,655
Other Income	224,251,918	527,695,778
TOTAL	19,193,444,925	15,203,251,981
SCHEDULE - 13		
COST OF MATERIALS		
Opening Stock of Materials	1,441,541,513	1,019,347,798
Add:- Purchases	14,113,331,581	11,999,028,571
Sub Total :	15,554,873,094	13,018,376,369
Less:- Closing Stock of Materials	1,332,725,272	1,441,541,513
TOTAL	14,222,147,822	11,576,834,856
SCHEDULE - 14		
INCREASE / (DECREASE) IN STOCK		
Opening Stock of Finished Goods & Stock in Process	1,341,606,411	762,406,341
Less: Closing Stock of Finished Goods and Stock in Process	830,614,652	1,341,606,411
TOTAL	510,991,759	(579,200,070)
SCHEDULE - 15		
EMPLOYMENT COST		
Salaries and Staff Expenses	401,506,433	329,406,716
TOTAL	401,506,433	329,406,716
SCHEDULE - 16		
INTEREST AND FINANCIAL CHARGES		
Interest to Financial Institutions	65,831,050	53,092,443
Interest Others	-	-
Interest to Banks	447,402,519	210,645,574
Bank Charges	156,591,750	65,651,029
TOTAL	669,825,319	329,389,046

MAN INDUSTRIES (INDIA) LIMITED
SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	(Rupees)	
	YEAR 2008-09	YEAR 2007-08
SCHEDULE - 17		
OPERATING AND OTHER EXPENSES		
A) MANUFACTURING EXPENSES		
Power Expenses	156,035,818	128,969,744
Stores & Spares	95,548,959	75,372,594
Repairs & Maintenance		
- Plant & Machinery	4,186,655	4,855,988
- Building & Others	2,866,296	4,041,958
Other Manufacturing Expenses	362,752,593	375,594,450
B) OPERATING EXPENSES - REAL ESTATE		
Purchases of Material	16,074,972	57,558,471
Contractors Charges	19,420,552	28,031,174
C) ADMINISTRATIVE & OTHER EXPENSES		
Telephone & Talex	9,038,281	7,842,112
Rent, Rates & Taxes	13,322,560	8,915,792
Insurance Premium	12,677,673	11,913,536
Legal & Professional Charges	49,993,831	14,957,723
Other Administrative Expenses	29,859,159	30,201,203
D) SELLING & DISTRIBUTION EXPENSES		
Freight & Transportation	943,665,554	985,080,210
Forwarding Expenses	40,747,856	64,041,493
Travelling Expenses	38,682,546	31,132,429
Other Selling Expenses	413,646,056	239,022,917
E) PRELIMINARY EXPENSES WRITTEN OFF		
	12,512,218	12,512,218
TOTAL	2,221,031,579	2,080,044,012

SCHEDULE - 18

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR YEAR ENDED MARCH 31, 2009

I. SIGNIFICANT ACCOUNTING POLICIES:

A) Basis of Preparation of consolidated 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 Group. All income & expenditure items having a material bearing on the financial statements are recognised on accrual basis, except in respect of insurance claims, liquidated damages, where the exact quantum cannot be ascertained.

B) Principal of Consolidation:

The Consolidated Financial Statements have been prepared in accordance with Accounting standard (AS -21) "Consolidated Financial Statements", on the following basis:

- a. The financial statements of the parent company and its subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired or disposed off during the year are included in the consolidated profit and loss account from the effective date of acquisition or upto the effective date of disposal, as appropriate. All significant intra group balances and transactions have been eliminated on consolidation. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post – acquisition increase in the relevant reserves of the subsidiaries.
- b. In case of foreign subsidiaries, being non – integral foreign operations, revenue items are consolidated at the rates prevailing at date of transaction. All the assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in foreign currency translation reserve until the disposal of said foreign operations.
- c. The difference between the cost of investment in the subsidiaries, over the share of equity in the subsidiaries, on acquisition date, is recognised in the financial statement as goodwill or capital reserve as the case may be.
- d. Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately. Losses applicable to minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group.
- e. The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date.

C) Revenue Recognition :

i) Manufacturing Division:

- a) Revenue in respect of sale of goods is recognised 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 Group recognizes revenue on the basis of Completed Contract Method.
- c) Exports incentives & other miscellaneous incomes are recognised on accrual basis except dividend on investments which are accounted in the year of receipt.

ii) Construction & Real Estate Division:

- a) Construction Contracts:
The Group follows the percentage of completion method of accounting for revenue recognition as per Accounting Standard 7 and recognizes the revenue in proportion to the actual cost incurred as against the total estimated cost of the project under execution with the Group. As the project progresses, estimated cost are revised based on the current cost indices and other information available to the Group.
- b) Real Estate Development:
 - a. Revenue from constructed properties is recognised on the "percentage of completion method". Total sale consideration as per the agreements to sell constructed properties entered into is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 25 per cent or more of the total estimated project cost. Project cost includes estimated construction and development cost of such properties (excluding cost of land/ development rights).

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined. However, when the total project cost (including cost of land/ development rights) is estimated to exceed total revenues from the project, the loss is recognised immediately.

- b. Sale of land and plots (including development rights) is recognised in the financial year in which the agreement to sell is executed. Where the Group has any remaining substantial obligations as per the agreements; revenue is recognised on the percentage of completion method of accounting, as per (a) above.

D) 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.

E) Goodwill:

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

F) 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) Land and plots (including land under agreements to sell) other than area transferred to constructed properties at the commencement of construction are valued at cost, approximate average cost or as revalued on conversion to stock, as applicable. Cost includes land (including Development rights) acquisition cost, estimated internal development costs and external development charges and the proportionate finance cost.
- f) Constructed properties includes the cost of land (including Development rights and land under agreements to purchase) internal development costs, external development charges, construction costs, development/construction materials, and is valued at cost or estimated cost, as applicable.

G) 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.

The Parent Company has entered in Joint Venture with Man Global FZC and has acquired 10% equity shares in Joint Venture. As per the information and explanations given by the management of the Parent Company, the Parent Company does not have joint control over Joint Venture and therefore the financial statement of Joint Venture have not been consolidated.

H) 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.

I) Foreign exchange transactions:

- (a) Foreign currency transactions during the year are recognised 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 recognised in the Profit and Loss Account of the year.
- (b) In respect of forward exchange 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 exchange 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.
- (c) In the case of foreign branches, being non-integral foreign operations, revenue items are converted at the rate prevailing as on the date of transactions during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on conversion is recognised in the foreign fluctuation translation reserve.
- (d) The company has not restated its various foreign currency monetary assets and liabilities consisting of debtors, creditors and FCCB deposits at the closing rates of exchange. Accordingly net monetary losses aggregating to Rs. 2515.79 Lakhs (net of deferred tax Rs. 1295.43 Lakhs) and the mark to market losses pertaining to forward contracts amounting to Rs. 2711.08 Lakhs (net of deferred tax of Rs.1395.99 Lakhs) have also not been provided in the financial statements, which is not in accordance with Accounting Standard – 11 (Revised) "The Effects of Changes in Foreign Exchange Rates" and also with the accounting policy regularly followed by the Company.

Accordingly the Net Profit after Tax for the year and the net worth as at March 31st, 2009 are higher by Rs. 5226.87 Lakhs.

The company is of the view that these adverse foreign exchange fluctuations are temporary in nature and expect it's reversal in the forthcoming quarters.

J) Retirement Benefits :**i) Short Term Employee Benefits :**

All Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which employee renders the related service except Leave Encashment .

ii) Post – Employment Benefits :

- a) Defined Contribution Plans
Defined contribution fund are government administered provident fund scheme, employee state insurance scheme for all employees. The Group's contribution to defined contribution plans are recognised in the Profit & Loss Account in the financial year to which they relate.
- b) Defined Benefit Gratuity Plan
The Group operates a defined gratuity plan for all employees with Life Insurance Corporation of India. The Group's contribution of premium to gratuity scheme is recognised in the Profit & Loss Account in the financial year to which they relate.

K) 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 recognised 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.

L) Contingent Liabilities:

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

M) Borrowing Costs:

Borrowing Costs are accounted on accrual basis.

N) 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.

O) Provisions:

Provisions are recognised when the Group 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 Group expects provisions to be reimbursed, is recognised as a separate asset, only when such reimbursement is virtually certain.

P) Impairment of Assets:

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Group's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting period may no longer exists or may have decreased. If any indication exists the assets recoverable amount is estimated. The carrying amount is increased to revised estimate of its recoverable amount but so that the increased carrying amount does not exceeds the carrying amount that would have been determined had no impairment loss been recognised for the asset in the prior years. A reversal of impairment loss is recognised in the Profit & Loss Account.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the assets is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

II. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities not provided in respect of:

SR. NO.	PARTICULARS	(Rs. In Lakhs)	
		AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
1	Guarantees / Letter of Credit Outstanding	102,651.82	73,128.05
2	Excise Duty Matters	3,361.57	88.17
3	Entry Tax / Sales Tax Matters	243.13	39.70
4	Income Tax Matters	119.90	8.04
5	Estimated Amount of Contract Remaning to be Executed on Capital Account (Net of Advances)	215.10	2,315.00
6	Corporate Guarantee Issued	10,474.00	8,024.00
		117,065.52	83,602.96

2. a) Term Loan from Banks and Financial Institutions are by the way of first pari -passu charge on fixed assets and second pari - passu charge on moveable assets of the Group & further secured by personal guarantee by the promoters Directors.
 - b) Working Capital facilities by banker's are secured by first pari – passu charge on all the moveable assets and second pari – passu charge on the immovable assets of the Group.
 - c) Vehicle Loans are secured by the way of charge on specific vehicle.
3. Balances of Sundry Creditors and Debtors are subject to confirmations, reconciliation and consequent adjustments, if any.

4. (i) The Parent Company had raised US \$ 50 Million (Rs. 20300 Lakhs) by way of Zero Coupon Foreign Currency Convertible Bonds during the year ended 31st 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/ reset in certain circumstances. Further the initial conversion price of Rs. 143.50 has been reset to Rs. 115.00 on 3rd May, 2008, which has been further reset at Rs. 109.00 on 3rd May, 2009. The Bonds may be redeemed in whole, at the option of the Company, at any time on or after 22nd May, 2010 subject to satisfaction of certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the Bonds will be redeemed on 23rd 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. 15131.59 Lakhs have been utilised for funding of expansion of Pipe and Coating Complex at Anjar, Rs. 1549.13 Lakhs have been utilised for investment in overseas Subsidiaries/ Joint Venture. The issue proceeds of Rs. 3619.28 Lakhs (net of unrealised exchange gain of Rs. 956.24 Lakhs) pending utilisation have been invested in short term deposits with Banks outside India.
- (iii) The Board is of the opinion that it is more likely than not 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 recognised in the financial statements. The amount of premium on the entire quantum of bonds determined on time proportion basis till March 31, 2009 aggregates to Rs. 2965.79 Lakhs.
5. Directors 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.
6. Although the Group operates in more than one segment, segmental reporting as required under Accounting Standard – 17 is not applicable as the segment revenue from other segment is lower than 10% of total revenue.
7. The Group has not initiated the process of identifying 'suppliers' covered 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.

8. Donation to Political Parties

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
1	Bharatiya Janta Party	10.00	–

9. The Group has not made provision for leave encashment which is in contravention to Accounting Standard – 29: Provisions, Contingent Liabilities and Contingent Assets issued by Institute of Chartered Accountant of India.

10. Arbitration cases

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008	CURRENT STATUS
1	Indian Oil Corporation Limited			
	a) for recovery of dues	234.88	234.88	Pending for Arbitration
	b) for encashment of performance bank guarantee	549.77	549.77	
2	Gujrat Water Supply & Sewerage Board for recovery of dues	784.95	617.59	Pending for final award
3	GAIL for recovery of dues	1,953.66	1,953.66	Pending for Arbitration
4	Midcontinent Express Pipeline LLC Encashment of stand by letter of credit *	6,878.25	–	

*As informed to us by the management the company has initiated legal proceedings against Midcontinent Pipeline LLC. (MEP) in the District Court of Harris County, Texas for fraudulently encashing the stand by letter of credit of US \$ 15 Million (Rs. 6878.25 Lakhs) and has classified the same as loans and advances under Current Assets. The Company proceeded to invoke the bank guarantee of US \$ 33 Million provided by MEP; however the same could not be encashed as it was stayed by The Texas Court. Further Bank of Tokyo & Mitsubishi (BTM), who did not honor the said bank guarantee on account of alleged discrepancies in the invocation documents. The Company has initiated legal proceedings against BTM for not honouring the invocation of Bank Guarantee, which is pending before the Honorable Supreme Court of New York, U.S.A.

11. Related Party Disclosures:

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

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

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

b) Names of the Key Management Personnel:

Mr. R.C. Mansukhani – Chairman
Mr. J.C. Mansukhani – Vice - Chairman & Managing Director
Mr. J.L. Mansukhani – Executive Director

d) Names of the Relatives of Management Personnel:

Mrs. Kimatdevi Mansukhani Mrs. Anita Mansukhani
Mrs. Deepa Mansukhani Mr. Nikhil Mansukhani
Ms. Heena Mansukhani Mrs. Mohini Tulsiani

e) Key Management Personnel, Relatives of Management Personnel, Enterprise in which Management has significant interest:

Ms. Priyal Mansukhani Mr. Bhagwan Mansukhani (Global Associates)
Mr. Kumar Mordani Ms. Reshma Mordani
Ms. Roshni Mordani Mr. Kanayalal Mordani
Ms. Gayatri Mordani

(Rs. In Lakhs)

SR. NO.	PARTICULARS	TRANSACTION DURING THE		OUTSTANDING BALANCE	
		YEAR 2008-2009	YEAR 2007-2008	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
1	JPA Holdings Pvt. Ltd.				
	Interest - Expense	0.20	6.79	–	–
	Loan Taken	250.50	185.00	200.00	–
2	Man Aluminum Limited				
a)	Inter Corporate Deposits - Taken	(262.28)	75.50	–	262.28
b)	Purchase	16.33	3.53	6.80	–
c)	Sales	–	2.91	–	–
3	Man Global FZC, UAE				
a)	Investment in Equity Shares	–	1.63	1.63	1.63
4	Man Futures Pvt. Ltd.				
a)	Loan Taken	88.00	–	–	–
b)	Interest paid	1.51	–	–	–
5	Man UK Limited				
	Loan Taken	(1.40)	8.42	5.67	7.07
6	Others				
a)	Rent Deposit	–	590.00		
b)	Salary	568.96	465.21		
c)	Rent	80.40	66.71		
d)	Brokerage paid	19.31	–		
e)	Professional Fees paid	17.05	–		
f)	Interest - Expenses	56.44	5.56		
g)	Loan Taken	627.00	429.00		
h)	Advance paid towards purchase of Office Premises	1,181.70	–		
i)	Equity Shares issued	2,000.00	–		
j)	Loan Given	10.00	–		
k)	Loan Repaid	365.00	346.50		
7	Corporate Guarantee given for Loan taken by				
	Man Aluminium Limited	1,350.00		1,350.00	
	Man Global FZC	–	8,024.00	8,024.00	8,024.00

12. Deferred Tax Liability

		(Rs. In Lakhs)	
SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
	Deferred Tax Liability		
1	Opening Deferred Tax Liability	4,213.04	3,682.89
2	Deferred Tax Liability on account of		
a)	Difference between book and tax Depreciation	1,212.66	407.65
b)	Deferred Revenue Expenditure	(42.46)	169.82
c)	Others	(111.70)	(47.32)
3	Closing Deferred Tax Liability	5,271.55	4,213.04
	Deferred Tax Assets		
1	Opening Deferred Tax Assets	11.03	1.04
2	Deferred Tax Assets on account of		
a)	Disallowance under Income Tax Act, 1961	-	9.93
b)	Allowance under Income Tax Act, 1961	(9.93)	-
c)	Book Loss	(1.09)	0.05
3	Closing Deferred Tax Assets	-	11.03

13. Pursuant to Accounting Standard (AS 19) – Leases, the following information is given:

- I. a) The Group has taken certain assets such as cars on an operating lease basis. The lease rentals are payable on a monthly basis.
- b) Future minimum lease rentals payable as at March, 31 2009 as per lease agreements:

		(Rs. In Lakhs)	
SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
a)	Not later than one year	101.10	43.79
b)	Later than one year but not later than 5 years	53.51	54.26
c)	Later than 5 years	-	-

- II. a) Future minimum lease rental receivable as at March, 31 2009 as per lease agreements:

		(Rs. In Lakhs)	
SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
a)	Not later than one year	33.43	-
b)	Later than one year but not later than 5 years	40.73	-
c)	Later than 5 years	50.62	-

14. Details of Subsidiaries:

		(Rs. In Lakhs)	
SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
	Direct Subsidiaries		
1	Man Infraprojects Limited	India	58.33%
2	Man USA Inc.*	U.S.A.	100%
3	Man Overseas Metal, DMCC	Dubai	100%
	Indirect Subsidiary		
1	Merino Shelters Private Limited (100% of subsidiary of Man Infraprojects Limited)	India	100%

* The consolidation is based on unaudited financial statements of Man USA Inc.

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

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
a)	Receivable against exports of goods and services		
	Rupees	26,175.28	15,123.02
	US dollar	543.71	304.02
	Euros	0.80	72.93
b)	Advance received from customers		
	Rupees	Nil	4,408.31
	US dollar	Nil	109.88
c)	Payable against import of goods and services		
	Rupees	79,629.91	38,196.31
	US dollar	1,497.32	945.48
	Euros	136.69	4.00
	GBP	0.09	0.12
	AUD	1.51	
d)	Advance payment to supplier		
	Rupees	Nil	1,634.48
	US dollar	Nil	10.31
	Euros	Nil	26.37

16. Employee Defined Benefits : Defined benefit plans as per Actuarial valuation on 31st March, 2009.

(Rs. In Lakhs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
I.	Expense Recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2009		
1.	Current Service Cost	60.08	31.08
2.	Interest	19.05	11.28
3.	Expected Return on Plan Assets	(9.02)	(8.67)
4.	Actuarial (Gain)/Loss	(27.78)	56.75
5.	Total Expense	42.34	90.45
II.	Net (Asset) / Liability Recognised in the Balance Sheet as at 31st March, 2009		
1.	Present Value of Defined Benefit Obligation as at 31st March, 2009	279.22	232.34
2.	Fair Value of Plan Assets as at 31st March, 2009	164.17	109.99
3.	Funded Status [Surplus/Deficit]	115.05	122.35
4.	Net (Asset)/Liability as at 31st March, 2009	115.05	122.35
III.	Change in the obligation during the year ended 31st March, 2009		
1.	Present Value of Defined Benefit Obligation as at the Beginning of the Year	232.34	137.59
2.	Current Service Cost	60.08	31.08
3.	Interest Cost	19.05	11.28
4.	Benefit Payments	(8.52)	(5.22)
5.	Actuarial (Gain)/Loss	(23.73)	57.60
6.	Present Value of Defined Benefit Obligation as at the End of the Year	279.22	232.34
IV.	Change in Fair Value of Assets During the Year ended 31st March, 2009		
1.	Fair Value of Plan Assets at the Beginning of the Year	109.99	105.69
2.	Expected Return on Plan Assets	9.02	8.67
3.	Contributions by Employer	49.63	-
4.	Actual Benefits Paid	(8.52)	(5.22)
5.	Actuarial Gain/(Loss) on Plan Assets	4.05	0.84
6.	Fair Value of Plan Assets at the End of the Year	164.17	109.99
7.	Total Actuarial Gain/(Loss) to be Recognised	27.78	(56.75)
V.	The major Categories of plan assets as a percentage of total plan		
	Funded with LIC		
VI.	Actuarial Assumptions		
1.	Discount Rate	7.00%	8.20%
2.	Expected Rate of Return on Plan assets	7.00%	8.20%
3.	In-service Mortality	LIC 1994 -96 Ultimate	LIC 1994 -96 Ultimate
4.	Salary Rise	7.00%	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 is earlier. The benefits vest after five years of continuous service.

Man Infraprojects Limited has not complied with Accounting Standard – 15: Accounting for Retirement Benefit of Employees in the financial statement of Employer (Revised) issued by Institute of Chartered Accountants of India.

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

As per our Report attached hereto

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

**Anil V. Rohira
Partner
Membership No. 37339**

**Place : Mumbai
Date : 19th June 2009**

For and on behalf of Board

**R.C. Mansukhani
Chairman**

**J. L. Mansukhani
Director**

**Vijay Kalantri
Director**

**J.C. Mansukhani
Vice Chairman & Managing Director**

**Kirit N. Damania
Director**

**Sujal Sharma
Company Secretary**

MAN INDUSTRIES (INDIA) LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2009

		(Rupees)	
PARTICULARS		AS AT 31ST MARCH 2009	AS AT 31ST MARCH 2008
A.	Cash Flow from Operating Activities		
	Net Profit before Taxes & Extraordinary Activities	727,668,263	1,086,706,093
	Adjustment for :		
	Depreciation	350,016,026	281,723,999
	Diminution in value of Investments	24,807,540	649,910
	Interest	467,105,183	314,189,063
	Loss on sale of Assets	9,481	636,257
	Other Income	(263,573,069)	(532,885,630)
	Operating Profit before W. Capital changes	1,306,033,425	1,151,019,691
	Adjustment for :		
	Trade & Other Receivables	(3,026,010,821)	1,160,631,387
	Inventories	(692,031,781)	(986,004,988)
	Loans & Advances	(58,454,008)	(821,784,469)
	Trade & Other Payables	3,201,561,538	1,758,114,665
	Income Tax	(135,943,492)	(321,569,633)
	Net Cash from Operating Activities(A)	595,154,861	1,940,406,654
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(1,097,632,071)	(1,271,492,710)
	Sale of Fixed Assets	12,906	765,600
	Purchase of Investments	(16,986,275)	
	Increase / Decrease in Investments	(117,563,081)	(322,360,277)
	Other Income	263,573,069	532,885,630
	Decrease in Preliminary Expenses	12,016,938	(50,260,936)
	Net Cash from Investing Activities(B)	(956,578,514)	(1,110,462,693)
C.	Cash Flow from Financing Activities		
	Increase in Share Capital (Incl. Share Premium)	333,719,685	-
	Interest Paid	(467,105,183)	(314,189,063)
	Dividend Paid & Other Adjustments	(61,119,161)	(121,901,283)
	Increase in Borrowings	1,304,924,605	622,648,658
	Net Cash used in Financing Activities(C)	1,110,419,946	186,558,312
	Net Increase/ Decrease in Cash & Cash Equivalents(A + B + C)	748,996,293	1,016,502,273
	Cash & Cash Equivalents(OP Bal)	1,169,991,044	145,756,911
	Cash & Cash Equivalents(CL Bal)	1,918,987,338	1,162,259,184

As per our Report attached hereto

For and on behalf of Board

 For and on behalf of
 Rohira Mehta & Associates
 Chartered Accountants

 R.C. Mansukhani
 Chairman

 J.C. Mansukhani
 Vice Chairman & Managing Director

 Anil V. Rohira
 Partner
 Membership No. 37339

 J. L. Mansukhani
 Director

 Kirit N. Damania
 Director

 Place : Mumbai
 Date : 19th June 2009

 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) Limited for the year ended 31st March, 2009. 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 19th June, 2009 to the members of the Company.

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

**Anil V. Rohira
Partner
Membership No. 37339**

**Place : Mumbai
Date : 19th June, 2009**

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Sr. No	Particulars	Name of Subsidiaries					Man Overseas Metal DMCC
		Man Infraprojects Limited	Merino Shelters Private Limited	Man USA INC	Man Overseas Metal DMCC	Man Overseas Metal DMCC	
1	Reporting Currency	INR	INR	USD		AED	
2	Exchange Rate	--	--	50.72		13.764	
3	Share capital	454,500,000	100,000	759,532		6,882,000	
4	Reserves	28,288,739	16,302	126,078,153		--	
5	Total Assets	2,148,716,096	609,193,580	127,656,600		49,694,165	
6	Total Liabilities	2,148,716,096	609,193,580	127,656,600		49,694,165	
7	Investment Other than Investment in Subsidiary	501,250,000	16,986,275	--		--	
8	Turnover	70,274,444	919,168	--		--	
9	Profit/ (Loss) before taxation	15,683,103	503,022	--		--	
10	Tax Provision	5,414,451	267,893	--		--	
11	Profit/ (Loss) after taxation	10,268,652	235,129	--		--	
12	Proposed Dividend	--	--	--		--	
13	Country	India	India	US		Dubai, UAE	

For and on behalf of the Board of Directors

R C Mansukhani
Chairman

J C Mansukhani
Vice Chairman & Managing Director

J L Mansukhani
Director

Vijay Kalantri
Director

Kirit N Damania
Director

Sujal Sharma
Company Secretary

Place: Mumbai
Date: 19th June 2009

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 Twenty First Annual General Meeting of the Company to be held on Tuesday, the 22nd September, 2009 and at any adjournment thereof.

As witness my/our Hand(s) this day 2009

Signed this.....day of.....2009

Please affix
 Re.1
 revenue
 stamp

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 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 Twenty First Annual General Meeting of the Company at Hotel Karl Residency, Lallu Bhai Park Road, Andheri (W), Mumbai - 400 058 on Tuesday, 22nd September, 2009 at 4.00 p.m.

 Member's / Proxy's Signature



Globally Committed

An ISO 9001 / 14001 / 18001 accredited company
L-SAW Line Pipes | Spiral Pipes | Coating Systems

Corp. Office: Man House, 102, S.V. Road, Vile Parle (W), Mumbai - 400 056, India.
Te: +91 22 6647 7500 | Fax: +91 22 022 6647 7601 | Email: investor.relation@maninds.org | www.mangroup.com