

23rd May 2011

To
The Manager
Dept. of Corporate Services
THE NATIONAL STOCK EXCHANGE LTD,
Exchange Plaza,
Bandra Kurla Complex,
Bandra,
Mumbai – 400 051

Dear Sir,

Scrip Code: MNINDS

Sub: News article appearing in a section of print media.

We refer to the news article appearing in section of print media in respect of the Company and give our clarification as follows.

At the Board Meeting of the Company held on 19th May 2011, which was chaired by Mr. Kirit Damania, a renowned Solicitor, an independent Director of the Company, the powers of Mr. J C Mansukhani - Vice Chairman & Managing Director of the Company were withdrawn by the Board of Directors unanimously by passing a resolution, in view of various acts and omissions committed by Mr. J C Mansukhani against the interest of the Company and to prevent any further damage being done by Mr. J C Mansukhani to the interest and reputation of the Company.

The various acts and omissions committed by Mr. J C Mansukhani inter alia are as follows:

1. Mr. J C Mansukhani (JCM) has acquired equity shares of the Company in his name and in the name of JPA Holdings Private Limited and Man Steel and Power Limited, the Companies which are owned and controlled by JCM. The said acquisition of shares

is made since June 2010 and the last such acquisition was made on 16th May 2011. The said acquisition of shares was made in violation of Insider Trading Regulations and the Code of Conduct for insider trading adopted by the Board of Directors.

2. The Company appointed Ernst & Young Private Limited to enquire into the acquisition of shares by JCM. Ernst & Young Private Limited has submitted his report to the Company on 11th March 2011. The said report clearly indicates that the acquisition of shares was made by JCM during the period when the price sensitive information as regards the orders received was not made public.
3. JCM purchased land at Indore in the name of Man Futures Private Limited (the name of this Company is now changed to "Man Steel and Power Limited), which is owned and controlled by him. For purchase of the said land an amount of Rs.6.82 Crore was paid from the Bank account of the Company. Thus JCM by misusing his authority diverted the funds of the Company for his personal use.
4. Vide various other Agreements, JCM purchased land at Indore either in the name of the Company or its subsidiary company viz: Man Infraprojects Limited from various parties for an amount aggregating to Rs.25.93 Crore approximately. However original title deeds of the said land are not handed over to the Company till date despite of repeated reminders and follow-up.
5. Without the approval and/or information to the Board, JCM authorised the execution of an MOU between Man Futures Private Limited (the name of this Company is now changed to "Man Steel and Power Limited) and the Company for transfer of the land purchased in the name of Man Futures Private Limited to the Company. However no such transfer of land is effected nor are the original title deeds given to the Company, in spite of various reminders.
6. Subsequently, as per Notification of the Government of Madhya Pradesh, the aforesaid lands were declared to be reserved for public purposes. Thus loss in the total amount of Rs. 32.32 Crore approximately is caused to the Company / its subsidiary, due to the acts and omissions of JCM.



7. Without the approval and /or information to the Board and notwithstanding the existing charge created in favour of the Bankers, JCM executed an Agreement with one of his associate

for sale of the Company's office premises situated at Indore at a value less than the market price. The name of the said associate is also appearing in the report of Ernst & Young Private Limited. In the execution of the said Agreement, the said Buyer has acted in connivance with JCM. The said buyer has filed a suit for specific performance of the Contract against the Company. The said suit is pending before the District Court at Indore. JCM was directed by the Board to file necessary reply in the said matter in the interest of the Company and also to show the draft reply before filing in the Court. However, JCM has filed the reply on 7th March 2011, against the Company and contrary to the directions of the Board.

8. Mr. JCM had rented his personal car (Model- Range Rover) to the Company without due process of law in violation of Section 297 of the Companies Act, 1956.
9. Without the approval and /or information to the Board, JCM has entered into a lease agreement with JPA Holdings Private Limited (a Company promoted and controlled by JCM) and rented a portion of the office premises of the Company situated at Indore for a period of nine years.
10. The Company also observed certain irregularities in the sale of scrap during the period when JCM was in charge of the same. The Company is carrying out investigation as regards the sale of scrap.
11. JCM is not obeying the Code of Conduct (COC) approved by the Board of Directors for day to day operations of the Company.
12. Contrary to the interest of the Company, JCM wrote a letter dated 8th March 2011 to the Banks making various allegations. Due to the said letter one of the banks has stopped further facilities to the Company and the Company's working has been adversely affected.



13. In view of the aforesaid facts and circumstances an opinion was sought from one of the Former Judge of the Bombay High Court and the action taken against JCM is taken considering the said opinion.

Mr. JCM has also filed a complaint against Mr. R C Mansukhani with a police station alleging fraud in the remittance of funds abroad. At the Board Meeting held on 19th May 2011, Mr. R C Mansukhani submitted his reply to the Board as regards the allegations made by JCM in the said complaint.

The Board noted the reply given to the Board by Mr. R C Mansukhani as regards the allegations made by JCM in the complaint to Police Station and all the Board members expressed their satisfaction to the reply given by Mr. R C Mansukhani and noted that the same was in order and the said decision was a commercial decision taken in the interest of the Company and as per the authority given by the Board of Directors.

Mr. JCM has also filed a Petition before the Company Law Board (CLB) under Section 397 /398 of the Companies Act, 1956 and had also made an application for interim reliefs alleging mismanagement of the affairs of the Company; Composition of the Board is not as per Clause 49 of the Listing Agreement etc. However vide order dated 22nd April 2011; the CLB has disposed off the said application without granting any relief.

As regards the withdrawal of powers, the Company has also filed an application with CLB inter alia with a request to restrain JCM from exercising any powers as Managing Director of the Company and in any manner acting contrary to the interest of the Company.

This is for the information of your members and investors.

Thanking you

For MAN INDUSTRIES (INDIA) LTD



Rajesh Parte

Group Company Secretary