ANNUAL REPORT 2012-13



Manaksia Limited

Manaksia Limited

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Corporate Information

Directors

A. K. Chakraborty - Chairman
B. K. Agrawal - Managing Director
D. B. Guha - Executive Director
K. K. Chaudhuri
M. P. Agrawal
Nadia Basak
Smita Khaitan
Sunil Kumar Agrawal - Executive Director
Suresh Kumar Agrawal - Executive Director
Sushil Kumar Agrawal - Executive Director

Company Secretary

Anubhav Maheshwari

Auditors

M/s. SRB & Associates

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
59C, Chowringhee Road,
Kolkata-700020

Registered Office

8/1, Lal Bazar Street
Bikaner Building, 3rd Floor,
Kolkata-700001

Bankers

Allahabad Bank
Bank of Baroda
DBS Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
Standard Chartered Bank
State Bank of India

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Ninth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS:

				Rs. in lacs
	STANDALONE		CONSOLIDATION	
	2012-13	2011-12	2012-13	2011-12
Total Revenue	**122647.39**	**114121.22**	208611.98	196549.20
Profit Before Tax	**3435.94**	**1092.07**	18423.26	12269.52
Less: Provisions for Taxation	685.14	361.00	1482.55	485.17
Net Profit	**2750.80**	**731.07**	17022.76	11897.94
Balance brought forward from previous year	610.59	29.52	59840.99	48093.05
Total Amount available for appropriation	**3361.39**	**760.59**	**76863.75**	**59990.99**
Appropriations :				
Debenture Redemption Reserve	-	150.00	-	150.00
Surplus Carried to Balance Sheet	3361.39	610.59	76863.75	59840.99
Total	**3361.39**	**760.59**	76863.75	59990.99

DIVIDEND

To conserve the resources for future, the Board has decided not to recommend any dividend for the Financial year ended 31st March 2013.

OPERATIONS AND BUSINESS PERFORMANCE

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

NON- CONVERTIBLE DEBENTURES AND EXTERNAL COMMERCIAL BORROWINGS

During the period under review, to reduce the interest cost, the Company has made complete pre-payment of outstanding principal amount on 11.95% Non-Convertible Debentures aggregating to Rs 24 crores to LIC of India Ltd. and on External Commercial Borrowings aggregating to US$5 million (Equivalent to INR 27.00 crores approx.)

EARNINGS IN FOREIGN EXCHANGE

During the year the export earnings of the Company amounted to Rs. 81,303.61 lacs from the previous year level of Rs. 64,000.96 lacs. Foreign currency expenditure of your Company amounted to Rs.1384.91 lacs as against Rs. 1324.22 lacs last year.

CREDIT RATING

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors of the Company, hereby confirm, pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, in respect of financial year under review:

a) That in the preparation of the annual accounts for the year ended 31st March 2013, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed.

b) That we have adopted such accounting policies and have applied them consistently and have made judgements and estimates in a reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year.

c) That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) That the annual accounts have been prepared on a going concern basis.

NATURE OF BUSINESS

There has been no change in the nature of the business of the Company and its subsidiary companies during the year.

SCHEME OF ARRANGEMENT

The Board of Directors of the Manaksia Limited ("Transferor Company") subject to such approvals, orders and permissions as may be required, has approved the restructuring plans of the Company through Draft Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956, wherein the Aluminium, Steel, Packaging and Coated Metal & Mosquito Coil Undertakings of the Company would be demerged on a going concern basis w.e.f 1st October 2013 into its four fully owned subsidiary companies namely Manaksia Aluminium Company Ltd., Manaksia Steels Ltd., Manaksia Industries Ltd. and Manaksia Coated Metals & Industries Ltd. ("Transferee Companies"). Pursuant to the Scheme, shares held by Transferor Company in all the four Transferee Companies will be cancelled and each of the Transferee Companies will issue one equity share of face value of Re. 1/- each to the shareholders of Transferor Company for every share held by them on the record date, to be decided and fixed at a later date, after all necessary approvals, orders and permissions. The shares of the Transferee Companies are proposed to be listed on all the Stock Exchanges at which the shares of Transferor are presently listed. The Scheme has also been approved by the Board of Directors of all the four Transferee Companies.

In terms of requirements of SEBI circular dated 4th February 2013 read with circular dated 21st May 2013, Company has made applications for obtaining approval of SEBI, National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd. (BSE). Further, the Scheme along with required information/documents as envisaged in aforesaid SEBI circulars are available on Company's website www.manaksia.com. and also on the official websites of both NSE and BSE.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT

During the year under review, the Company has made equity investments by subscribing to additional 30,00,000 Equity Shares of Rs 10 each in its wholly owned subsidiary company, Manaksia Ferro Industries Limited. Further, subsequent to the transfer of shares, Mark Steels Limited, a wholly owned subsidiary company has become step down subsidiary company w.e.f. 5th March 2013. These decisions were made keeping in mind the business opportunities available. In absence of viable business opportunities and the then prevailing global economic conditions, the Company during the year had closed the operations of UNI Metals FZE, a wholly owned subsidiary company at Sharjah U.A.E.

The statements required under Section 212 of the Companies Act, 1956 in respect of subsidiary companies are annexed hereto vide **Annexure "A".**

In terms of circular issued by Ministry of Corporate Affairs, the Board has given its consent for not attaching the Balance Sheet, Profit & Loss Account, Report of the Board of Directors, Auditors' Report and other documents of the subsidiary companies to the Annual Report. The annual accounts of these subsidiary companies and the related detailed information will be made available to any member of the Company/its subsidiary companies seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiary companies at the registered office of the Company. The annual accounts of the said subsidiary companies will also be available for inspection, as above, at the Registered Office of Manaksia Ltd and in the respective subsidiary companies registered offices. The Company will furnish hard copy of the annual accounts of subsidiary Companies to any member on demand. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2013 is attached with the Report as **Annexure "B"**.

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

PARTICULARS OF CONSERVATION ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information regarding conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo required under Section 217(1) (e) of the Companies Act, 1956, are set out as **Annexure – "C**" and form a part of this Report.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on the Corporate Governance along with a certificate from the Auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached as **Annexure-"D"**

ABRIDGED ANNUAL FINANCIAL STATEMENTS

In terms of provisions of Section 219(1)(iv) of the Companies Act, 1956 read with Clause 32 of the Listing Agreement and to support the "**GREEN INITIATIVE"** efforts of the Ministry of Corporate Affairs, the Board has approved to send the Abridged Financial Statements containing the salient features of the Balance Sheet and Profit & Loss Account . The Complete Annual Report would be available on the Company's website www.manaksia.com. and would be available for inspection at the Registered Office during business hours of the Company. The Company on receipt of the request from the shareholder would provide free of cost, a copy of the complete Annual Report.

DIRECTORS

Mr R N Sengupta, Chairman of the Board of Directors passed away on 17th September 2012 . Your Director once again express their sorrow and regret on the sad demise of Mr Sengupta and place on record its sincere appreciation of the wise counsel and guidance received from him as well invaluable contribution made by him during his tenure as Director and Chairman of the Company. During the period , the Board unanimously elected Mr A K Chakraborty as Chairman of the Board of Directors on 26th September 2012 and thereafter w.e.f. 5th November 2012. Mr A K Chakraborty is also the Chairman of the Audit Committee of the Board.

Mr Sushil Kumar Agrawal, Mr Debabrata Guha and Dr K K Chaudhuri, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

STATUTORY AUDITORS & AUDITORS' REPORT

The Statutory Auditors Messrs SRB & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and, being eligible offer themselves for re-appointment.

Certificate from the Auditors have been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The Auditors have also confirmed that they have subjected themselves to the peer review, a process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the peer Review Board of the ICAI.

The Auditors' Report to the shareholders does not contain any qualification.

COST AUDITORS

In terms of the directives of Ministry of Corporate Affairs under Section 233B of the Companies Act, 1956, the Company has after approval of the Central Government, re-appointed M/s V K Jain & Co., Cost Accountants, Bikaner Building, 3rd Floor, Kolkata -700 001, as Cost Auditors for Aluminium & Steel Products manufactured by it during the financial year 2012-13.

The Cost Audit reports of the Company for Financial Year 2011-12 have been filed with Ministry of Corporate Affairs on 28th February 2013 within the stipulated time as extended. The due date for filing the Cost Audit Reports for the financial year ended 31st March 2013 is 27th September 2013 and the Cost Auditors are expected to file the Reports with the Central Government within the said period. The Company, within the stipulated time period, shall make necessary application to the Central Government for appointment of the Cost Auditor for the financial year ending 31st March 2014.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) forms integral part of the way the Company conducts its business and is primarily concerned to provide social, environmental and economic benefits to the communities and geographies in which it operates. The CSR activities are focused on education, healthcare, family welfare, environment care and social initiatives amongst others. The various initiatives undertaken by the Company and its subsidiary companies as a part of CSR are as follows:

In India

(1) Contribution for developing infrastructure at hospital for the benefits of under privileged.
(2) Contribution for development of sanitary project for under-privileged tribals.
(3) Supporting free education to under-privileged children.
(4) Contribution towards establishment of Eye hospital.
(5) Contribution in providing free eye operations to under privileged.
(6) Sponsoring 100 schools for one year for the betterment of under privileged tribals.

In Nigeria by MINL Ltd.

(1) Construction of Drainage on a portion of Industrial Estate Road to allow free flow of water.
(2) Revitalized portion of bad roads to allow free passage of vehicles.
(3) Donation of ceiling and standing fans for Public Recreation Club.
(4) Substantial on-going financial assistance to the local community for purchase of transformer to restore power supply.
(5) On-going support in developing Water Supply system including borehole, overhead tank pumping machine and connection to electricity.
(6) Donations to schools for implementation of various school projects for benefit of the under- privileged.
(7) Financial Assistance towards wall fencing of local police station.

In Nigeria by Jebba Paper Mills Ltd

(1) On- going support in installation of various water pipe lines across the village which has substantially reduced the water problems of the habitants.
(2) The Company has set up a DEMO FARM. The technical assistance and knowledge transfer to the local farmers are being provided for improving yield per hectare of land being cultivated by them.

ACKNOWLEDGEMENT

Your Company continues its relentless focus on strengthening competitiveness in all its businesses. It is the endeavour of your Company to deploy resources in a balanced manner so as to secure the interest of the shareholders in the best possible manner in the short, medium and long terms.

Your Directors convey their grateful appreciation for the valuable patronage and co-operation received and goodwill enjoyed by the Company from its esteemed customers, commercial associates, banks, financial institutions, government departments, other stakeholders and the media.

Your directors also wish to place on record their deep sense of appreciation to all the employees at all levels for their commendable team-work, professionalism and enthusiastic contribution towards the working of the Company during the year under review.

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

On behalf of the Board

Sd/-
A K CHAKRABORTY
CHAIRMAN

Kolkata, 30th May 2013

Annexure-A

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

Figures in Lakhs execpt number of shares

		Name of the Subsidiary	MINL Ltd.	Dynatech Industries Ghana Ltd.	Mark Steels Ltd.	Euroasian Ventures FZE	Jebba Paper Mills Ltd.	Euroasian Steels LLC	Manaksia Aluminium Co. Ltd.	Manaksia Overseas Ltd.	Manaksia Coated Metals & Industries Ltd.	Manaksia Ferro Industries Ltd.	Manaksia Steels Ltd	Manaksia Industries Ltd.
1		The Financial Year of the Subsidiary Company ended on	31-Dec-12	31-Dec-12	31-Mar-13	31-Mar-13	31-Dec-12	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13
2		Date from which it become subsidiary	23-Aug-95	04-Oct-01	31-Mar-03	04-Jul-05	14-Jul-06	01-Apr-08	01-Apr-10	01-Apr-10	01-Apr-10	01-Apr-10	01-Apr-10	01-Apr-11
3	(a)	Number of shares held by Holding Company with its nominee in the subsidiary at the end of the Financial year of the Subsidiary Company	90,78,97,869 Equity Shares of Naira 1 each fully paid up	8,43,961 Ordinary Shares of Cedi 10,000 each	30,00,000 Equity Shares of ₹ 10 each	25 Ordinary Shares of AED 10,00,000 each	2,00,00,000 Ordinary Shares of Naira 1 each fully paid up	1,56,56,250 Shares of GEL 1 each	5,00,000 Equity Shares of ₹ 1 each	50,000 Equity Shares of ₹ 10 each	5,00,000 Equity Shares of ₹ 1 each	3,050,000 Equity Shares of ₹ 10 each	5,00,000 Equity Shares of ₹ 1 each	5,00,000 Equity Shares of ₹ 1 each
	(b)	Extent of interest of Holding Company at the end of the Financial year of the Subsidiary Company	100%	100%	70%	100%	100%	93.75%	100%	100%	100%	100%	100%	100%
4		The net aggregate amount of subsidiary Company Profit/Loss so far it concerns to the members of Holding Company												
	(a)	Not dealt with Holding's Company Account												
		(i) For the Financial Year	Profit of ₹ 14304.13	Profit of ₹ 49.09	Profit of ₹ 151.66	Profit of ₹ 3132.46	Profit of ₹ 2691.10	Loss of ₹ 2040.77	Loss of ₹ 0.27	Loss of ₹ 0.15	Loss of ₹ 0.28	Loss of ₹ 1.96	Loss of ₹ 0.43	Loss of ₹ 2.24
		(ii) For the previous financial years of the Subsidiary Companies since it became Holding Company's Subsidiary	Profit of ₹ 47610.21	Profit of ₹ 244.50	Profit of ₹ 1108.96	Profit of ₹ 2751.27	Profit of ₹ 4373.96	Loss of ₹ 126.77	Loss of ₹ INR 2.19	Loss of ₹ 2.19	Loss of ₹ 2.19	Loss of ₹ 2.19	Loss of ₹ 1.74	N.A.
	(b)	Dealt with Holding Company's Account												
		(i) For the Financial Year	Dividend received ₹ 3420.16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(ii) For the previous financial years of the Subsidiary Companies since it became Holding Company's Subsidiary	Dividend received ₹ 8005.02	NIL	NIL	Dividend received ₹ 80.43	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Annexure-A .... (Contd.)

Statement pursuant to Section 212(5) of the Companies Act 1956 relating to the changes occurred between the end of the financial year of the Subsidiary Company and 31st March 2013

(₹ in lakhs)

Name of the Subsidiary Company	MINL Ltd	Jebba Paper Mills Ltd	Dynatech Industries Ghana Ltd
Details of material changes which have occurred between the end of the financial year of the Subsidiary and end of the holding company's financial year			
Increase/(-) Decrease in Fixed Assets	3901.01	1037.81	0.76
Increase/(-) Decrease in Investments	Nil	Nil	Nil
Increase/(-) Decrease in Money Lent	Nil	Nil	Nil
Increase/(-) Decrease in Money Borrowed	8834.52	Nil	Nil
Whether there has been any change in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's finanacial year.	NO	NO	NO

Annexure-B

Information of Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956

(₹ in lakhs)

Name of the Subsidiary Company	Issued & Subscribed Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision for Taxation	Profit After Taxation	Proposed Dividend
MINL Ltd.	3113.90	66085.33	90270.28	90270.28	95.35	112047.87	15348.92	731.57	14617.35	3736.68
Jebba Paper Mills Ltd.	68.60	8134.47	11072.48	11072.48	-	11244.03	2767.90	-	2767.90	-
Mark Steels Ltd.	428.57	2573.32	7309.67	7309.67	100.25	10162.45	217.78	66.12	151.66	-
Euroasian Ventures FZE	3704.79	6073.74	21177.76	21177.76	5098.97	6342.12	3132.46	-	3132.46	-
Euroasian Steels LLC	5520.80	(2194.59)	18321.01	18321.01	-	8280.68	(2040.77)	-	(2040.77)	-
Dynatech Industries Ghana Ltd.	239.01	298.05	5843.89	5843.89		15506.86	348.68	(0.29)	348.68	-
Manaksia Aluminium Co Ltd.	5.00	(2.47)	2.61	2.61	-	-	(0.27)	-	(0.27)	-
Manaksia Overseas Ltd.	5.00	(2.34)	2.73	2.73	-	-	(0.15)	-	(0.15)	-
Manaksia Coated Metals & Industries Ltd.	5.00	(2.47)	2.60	2.60	-	-	(0.28)	-	(0.28)	-
Manaksia Ferro Industries Ltd.	305.00	(4.15)	300.92	300.92	300.00	-	(1.96)	-	(1.96)	-
Manaksia Steels Ltd.	5.00	(3.99)	1.08	1.08	-	-	(0.43)	-	(0.43)	-
Manaksia Industries Ltd.	5.00	(2.24)	2.83	2.83	-	-	(2.24)	-	(2.24)	-

Notes:

Exchange Rate as on:

31st March 2013

1Gh¢ = INR 28.34
1NGN = INR 0.34
1AED = INR 14.83
1GEL = INR 33.07

31st December 2012

1Gh¢ = INR 28.51
1NGN = INR 0.34

Annexure-C

Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March 2013

1 Conservation of Energy:

a. Energy Conservation measures taken during the year:-

The thrust for energy conservation continued during the year across all manufacturing locations through combined used of systems and devices. The various measures taken during the year include:

i. Use of Agro based fuel for manufacture of Mosquito Coils.
ii. Installation of Coal Gasifier has replaced use of furnace oil with coal.
iii. Strengthening of capacitor banks to improve power factor.
iv. Installation of Thermal fluid heating system for drying of Mosquito Coils.
v. Installation of VFD motors for reduction in power consumption.
vi. Optimization of loading efficiency of furnace to overcome rise in fuel price.
vii. Conducting training programmes at various factories for conservation of energy.
viii. Replacement of old inefficient equipments with energy efficient equipment.

b. Additional Investments and Proposals being implemented for Reduction of Consumption of Energy :-

The Company is constantly taking steps to identify various alternative sources of energy both for thermal and power generation applications. In pursuit of its goal towards savings in energy cost, the Company while procuring new machinery under phased modernization / replacement program take into account its impact on energy conservation.

c. Impact of measures as above for reduction of Energy Consumption and consequent impact on the cost of production of goods :-

The energy conservation measures undertaken during the year as specified in (a) and (b) above have resulted in savings and have thereby contributed in reducing the cost of production.

d. Total Energy Consumption and Energy Consumption per Unit of Production:

FORM-A

(See Rule 2)

A. POWER & FUEL CONSUMPTION

Sl. No.	PARTICULARS	2011-12 Current Year	2010-11 Previous Year
1.	**ELECTRICITY**		
	A) Purchased		
	Units (KWH in thousand)	20298.63	23284.61
	Total Amount (Rs. Lacs)	1626.09	1269.61
	Rate/Unit (Rs /unit.)	8.01	5.45
	B) Own generation		
	i) Through Diesel generator		
	Units (KWH Lacs)	-	-
	Units per litre of diesel oil	-	-
	Cost/Unit (Rs.)	-	-
	ii) Through steam turbine/ generator		
	Units	-	-