



ANNUAL REPORT 2013-14



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Corporate Information

Directors

Mr. A. K. Chakraborty - Chairman
DIN : 00133604
Mr. B. K. Agrawal - Managing Director
DIN : 00520558
Mr. D. B. Guha - Executive Director*
DIN : 00790197
Dr. K. K. Chaudhuri
DIN : 00206157
Mr. M. P. Agrawal
DIN : 00524341
Mr. Nadia Basak
DIN : 00441153
Mrs. Smita Khaitan
DIN : 01116869
Mr. Sunil Kumar Agrawal - Executive Director
DIN : 00091784
Mr. Suresh Kumar Agrawal - Executive Director
DIN : 00520769
Mr. Sushil Kumar Agrawal - Executive Director
DIN : 00091793

* ceased to be a Director w.e.f. close of business hours of 8th August, 2014.

Company Secretary

Mr. Anubhav Maheshwari

Auditors

M/s. SRB & Associates

Registrar & 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
HDFC Bank Ltd.
Standard Chartered Bank
State Bank of India

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Thirtieth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

			Rs. in lacs	
	STANDALONE		CONSOLIDATION	
	2013-14	2012-13	2013-14	2012-13
Total Revenue	1,24,296.27	1,23,261.02	2,03,982.76	2,11,860.44
Profit Before Tax	5,249.15	3435.94	20,290.11	18423.26
Less: Provisions for Taxation	1,526.50	685.14	1,725.59	1482.55
Net Profit	3,722.65	2750.80	18,641.34	17022.76
Balance brought forward from previous year	3,361.39	610.59	76,863.75	59840.99
Total Amount available for appropriation	7,084.04	3361.39	95,505.09	76863.75
Appropriations:				
Dividend on Equity Shares	1,310.70	-	1,310.70	-
Surplus Carried to Balance Sheet	5,773.34	3361.39	94,194.41	76863.75
Total	7,084.04	3361.39	95,505.09	76863.75

DIVIDEND

The Board of Directors in its meeting held on 13th August 2013 had declared Interim Dividend of 100% (Previous Year Nil) i.e. Rs 2 per share on face value of Rs 2 per equity share aggregating to Rs 1310.68 lacs. The said Dividend was paid to the shareholders entitled thereto, on and after 22nd August, 2013. The Board of the Company has not recommended any further dividend for the financial year 2013-14 and the Interim Dividend paid would be the final dividend for the Financial Year.

OPERATIONS AND BUSINESS PERFORMANCE

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

EARNINGS IN FOREIGN EXCHANGE

During the year the export earnings of the Company amounted to Rs. 88,457.87 lacs against previous year level of Rs. 81,303.61 lacs. Foreign currency expenditure of your Company amounted to Rs. 70369.55 lacs as against Rs. 67281.13 lacs during 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 in Companies (Particulars of Employees) Rules, 1975 read with 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

Directors of your 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, 2014, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanations relating to material departures.
- b) That the Company has 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 financial year 2013-14.
- c) That the Company has 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

As reported in the previous year Director's Report, the Board had approved the Scheme of Arrangement under provisions of Sections 391 to 394 of the Companies Act, 1956 for demerger of the Aluminium, Steel, Packaging and Coated Metal & Mosquito Coil Undertakings of the Company 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") respectively. Pursuant to the Scheme, shares held by Manaksia Ltd. ("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 fully paid up 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 Companies are presently listed. The Scheme along with required information/documents as envisaged in SEBI circular dated 4th February, 2013 read with Circular dated 21st May, 2013 are available on Company's website www.manaksia.com and also on the official websites of both NSE and BSE

The Scheme was also approved by the shareholders of the Company by requisite majority in the Court Convened Meeting held on 7th January, 2014 pursuant to the directives of the Hon'ble High Court at Calcutta dated 13th November, 2013 and in compliance with the aforesaid SEBI Circulars, by the public shareholders on 21st January, 2014 through postal ballot and e-voting with majority. Further pursuant to the requirement of the Scheme, reduction in Securities Premium Reserve Account was also approved by the shareholders by requisite majority on 7th January, 2014. The Scheme has also been approved by the shareholders of the Transferee Companies.

The Hon'ble High Court at Calcutta has vide its order dated 24th March, 2014 had allowed the Company's application for the Scheme under Section 391(2) and 394 of the Companies Act, 1956 and sanctioned the Scheme. The Hon'ble High Court has given directions to adjudicate the stamp duty payable on the order which at present is pending with the office of Collector of Stamp Revenue, Kolkata. The Scheme would become effective from the appointed date i.e. 1st October, 2013, after receipt of the Order of the Hon'ble High Court at Calcutta after payment of adjudicated stamp duty and filing of the same with Registrar of Companies, West Bengal.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT

The statement required under Section 212 of the Companies Act, 1956 in respect of subsidiary companies are annexed hereto as **Annexure- "A"**

In terms of Circular no. 2/2011 dated 8th February, 2011 issued by the 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 and are also available for inspection by any member of the Company/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 at the respective subsidiary companies registered offices. The Company will furnish hard copy of the annual accounts of subsidiary Companies to any member on demand. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31st March, 2014 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.

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 annexed as **Annexure-"C"**

ABRIDGED ANNUAL FINANCIAL STATEMENTS

In terms of Clause 32 of the Listing Agreement, the Abridged Financial Statements containing the salient features of the Balance Sheet and Profit & Loss Account as prescribed in Section 219(1)(b)(iv) of the Companies Act, 1956, will be sent to all the shareholders who have not registered their email address(es) with their Depository Participant, for the purpose of receiving documents/communication from the Companies in the electronic mode. The complete Annual Report will be sent through the electronic mode to all those shareholders who have registered their email address with Depository Participant, in case shares held in electronic mode or with Company's Registrar & Transfer Agent, in case the shares are held in physical mode. 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 a request from any shareholder would provide free of cost, a copy of the complete Annual Report.

DIRECTORS

The Company, pursuant to the requirement of Clause 49 of the Listing Agreement had approved the appointment of Mr A K Chakraborty, Dr K K Chaudhuri and Mrs Smita Khaitan as Independent Directors of the Company. Pursuant to Section 149(4) of the Companies Act, 2013 ("Act") and

Equity Listing Agreement, every company shall have atleast one third of total numbers as Independent Directors. Further as per Section 152 of the Act, an Independent Director would not be liable to retire by rotation. Since the Company has already approved the appointment of Mr A K Chakraborty, Dr K K Chaudhuri and Mrs Smita Khaitan, as Independent Directors being subject to retirement by rotation in past in terms of the Companies Act, 1956, the Board of Directors at their meeting held on 11th August, 2014, after considering the recommendation of Nomination & Selection committee meeting held on 8th August, 2014, has recommended the appointment of all the aforesaid Directors as Non-Executive Independent Directors within the meaning of Section 149 and 152 of the Act, read with Schedule IV and rules made thereunder, not subject to retirement by rotation for a term of 5 consecutive years w.e.f. the date of the ensuing Annual General Meeting upto the conclusion of the Annual General Meeting to be held in the calendar year 2019.

The Company has received requisite notices from members proposing appointments of Mr A K Chakraborty, Dr K K Chaudhuri and Mrs Smita Khaitan as Independent Directors. The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Act, and Clause 49 of the Listing Agreement.

Mr. Nadia Basak, Director of the Company, liable to retire by rotation at the ensuing Annual General Meeting, does not wish to seek re-appointment due to other Professional Commitments. Mr Debabrata Guha, Executive Director, due to advancing age and ill health, has resigned from the Board w.e.f. the close of business hours on 8th August, 2014. The Board places on record its appreciation for the valuable contribution made to the Company by both the Directors during their association with the Company.

Mr Sunil Kumar Agrawal and Mr Suresh Kumar Agrawal pursuant to the provisions of the Act would be liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Further in terms of requirement of Section 152 of the Act, office of every Director other than the Independent Director would be liable to retire by rotation. In terms of shareholders approval under the Companies Act 1956, the office held by Mr Basant Kumar Agrawal, Managing Director was not liable to retire by rotation. Therefore, to align with the requirement of the Act, and proposed consideration and adoption of new/amended Articles of Association of the Company in the ensuing Annual General Meeting, it is proposed to amend the terms and conditions of appointment of Mr. Basant Kumar Agrawal to the extent of considering his office as a director to be liable to retire by rotation.

The brief Resume/Profile of the Directors recommended by the Board for appointment/re-appointment is attached with report as **Annexure-"D"**.

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

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 – “E”** and form a part of this Report.

STATUTORY AUDITORS & AUDITORS' REPORT

The Statutory Auditors Messrs SRB & Associates, Chartered Accountants, being eligible, pursuant to the provisions of the Companies Act, 2013 are proposed to be re-appointed as Statutory Auditors of the Company for a period of 3 years from the conclusion of this Annual General Meeting upto the conclusion of 33rd Annual General Meeting of the Company to be held in the calendar year 2017.

Pursuant to Sections 139, 141 and 142 of the Companies Act, 2013 and relevant rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter alia, that they are not disqualified for such re-appointment under the provisions of applicable laws, the proposed appointment is as per the terms and the limits prescribed under the Companies Act, 2013 and no proceedings against them or any of their partners are pending with respect to matter of professional conduct. Further, they have also provided their written consent for appointment as the statutory auditors of the Company.

The Auditors have also confirmed that they have subjected themselves to Peer Review, a process of Institute of Chartered Accountants of India (ICAI) for evaluating the quality of audit and attestation services and that they hold a valid certificate issued by the Peer Review Board of the ICAI. The Directors recommend their approval for a term of three years i.e. from the conclusion of the ensuing Annual General Meeting upto the conclusion of 33rd Annual General Meeting to be held in Calender year 2017, and also request to fix their remuneration.

The Auditors' Report addressed to the shareholders of the Company, does not contain any qualification.

COST AUDITORS

In terms of the directives of issued by the Ministry of Corporate Affairs under Section 233B of the Companies Act 1956, the Company has, after seeking the approval of the Central Government, re-appointed M/s B Mukhopadhyay & Co, Cost Accountants, B-20, Amaravati, Sodepur, Kolkata-700 110, as the Cost Auditors for the Aluminium and Steel Products manufactured by the Company during the Financial Year 2013-14.

The Cost Audit Report of the Company for Financial year 2012-13 was duly approved by the Board of Directors within the time limit stipulated under the Companies Act, 1956. However, there was delay in submission of the Cost Audit Report in the requisite forms with Central Government due to difficulty arising in understanding the modalities for filing the Form.

The due date for filing the Cost Audit Reports for Financial year 2013-14 is 27th September, 2014 and the Cost Auditors are expected to file the reports with the Central Government within the said period.

The Board, pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records & Audit) Rules 2014 has re-appointed M/s B Mukhopadhyay & Co, Cost Accountants, B-20, Amaravati, Sodepur, Kolkata- 700 110, as the Cost Auditors for the Aluminium and Steel Products to be manufactured during the Financial Year 2014-15.

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 inter-alia, focused on education, healthcare, family welfare, environment care and social initiatives. The various initiatives undertaken by the Company and its subsidiary companies as a part of CSR during the financial year ended 31st March, 2014 are as follows:

In India

- (1) Contribution for economic development of tribals by providing them saplings of fruit trees for plantation and to trained them for natural farming by preparing manure with cow dung, etc. To encourage tribals to cultivate seasonal vegetables and herbal plants with natural manure to earn their livelihood economically.
- (2) Contribution towards informal education of tribal children.
- (3) Contribution for imparting training for prevention of diseases and for providing First Aid and some patent medicines for normal diseases.
- (4) Supporting free education to under-privileged children.
- (5) Contribution towards provision of free eye operations to under-privileged.
- (6) Contribution towards training programmes for women to make them self employed
- (7) Sponsoring 201 schools for one year for the betterment of under-privileged tribals.

The Board pursuant to the requirement of provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 has constituted the Corporate Social Responsibility Committee.

In Nigeria by MINL Ltd.

- (1) Organising events to highlight the impact of global warming.
- (2) Social assistance was provided to the department of Public Health.
- (3) Social assistance and donation for organizing an international conference on infrastructure development in Africa.
- (4) Donation of Roofing sheets to the Public Utility department and to Nigerian Police.0 Mobile Force towards erection of hall and building.

- (5) Construction of Drainage on a portion of Industrial Estate Road to allow free flow of water
- (6) Revitalized portion of bad roads to allow free passage of vehicles.
- (7) Donations to schools for implementation of various school projects for benefit of the under-privileged.

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) Set up of 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 competition 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

Place: Kolkata

Date: 11th August, 2014

**Sd/-
A K CHAKRABORTY
CHAIRMAN
(DIN: 00133604)**