



ANNUAL REPORT 2018-19





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Corporate Information

Directors

Mr. Suresh Kumar Agrawal - Managing Director
DIN : 00520769

Mr. Sunil Kumar Agrawal
DIN : 00091784

Mr. Vineet Agrawal
DIN : 00441223

Mr. Ajay Kumar Chakraborty
DIN : 00133604

Dr. Kali Kumar Chaudhuri
DIN : 00206157

Mrs. Smita Khaitan
DIN : 01116869

Mr. Kanad Purkayastha
DIN : 08446550

(w.e.f. 18th May, 2019)

Mr. Ramesh Kumar Maheshwari
DIN : 00545364
(w.e.f. 16th July 2019)

Ms. Nidhi Baheti
DIN : 08490552
(w.e.f. 16th July 2019)

Mr. Biswanath Bhattacharjee
DIN : 00545918
(w.e.f. 16th July 2019)

Company Secretary

Mr. Pradip Kumar Kandar

Chief Financial Officer

Mr. Rahul Bharpilania
(Upto 15th July, 2019)

Mr. Bharat Begwani
(w.e.f. 16th July 2019)

Auditors

M/s. S. K. Agrawal and Co.

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
59C, Chowringhee Road, Kolkata - 700 020

Registered Office

Turner Morrison Building
Mezzanine Floor, North-West Corner
6 Lyons Range, Kolkata-700 001

Bankers

State Bank of India
ICICI Bank Ltd.
Allahabad Bank
Yes Bank
DBS Bank India Ltd.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Thirty Fifth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
Total Revenue	7025.30	11615.40	105643.02	108626.18
Profit Before Tax (PBT)	2730.68	6570.75	9671.87	12580.49
Less : Provision for Taxation	603.33	1404.04	2167.13	2971.19
Less: Share of Profit transferred to Minority Interest	—	—	192.27	122.31
Profit After Tax (PAT)	2127.35	5166.71	7312.47	9486.99
Other Comprehensive Income (OCI)	(8.41)	(0.98)	972.53	6244.75
Total Comprehensive Income for the year	2118.94	5165.73	8285.00	15731.74
Balance brought forward from previous year	4473.69	2004.98	121741.72	111430.50
Adjustments	—	—	—	3522.23
Total (other than OCI)	6601.04	7171.69	129054.19	124439.72
Appropriations :				
Dividend on Equity Shares	1966.02	1966.02	1966.02	1966.02
Transfer to General Reserve	—	731.98	—	731.98
Surplus Carried to Balance Sheet	4635.02	4473.69	127088.17	121741.72

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Kindly refer to 'Management Discussion and Analysis Report' which forms part of this Annual Report.

CHANGES IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company during the year under review.

DIVIDEND

The Board of Directors in its meeting held on 14th February, 2019 had declared Interim Dividend to the shareholders of the Company @150% i.e. ₹ 3/- per share on face value of ₹ 2/- per equity share for 6,55,34,050 equity shares, aggregating to ₹1966.02 Lacs. The Board fixed Saturday, 23rd February, 2019 as record date for the purpose of payment of Interim Dividend to the shareholders entitled thereto. The Board of Directors of the Company has not recommended any further dividend for the financial year 2018-19 and the Interim Dividend paid would be the final dividend for the Financial Year 2018-19.

TRANSFER TO RESERVES

The Board in its Meeting held on 18th May, 2019 did not propose any amount for transfer to the General Reserve.

CHANGES IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2019 stood at ₹ 1310.68 Lacs. During the year under review, the Company has not issued any further shares.

DETAILS PERTAINING TO SHARES IN SUSPENSE ACCOUNT

Details of shares held in the demat suspense account as required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter referred to as "Listing Regulations") forms part of the Corporate Governance Report.

DETAILS UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013 ('THE ACT') IN RESPECT OF ANY SCHEME OF PROVISIONS OF MONEY FOR PURCHASE OF OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFITS OF EMPLOYEES

No such instance took place during the year under review.

OPERATIONS AND BUSINESS PERFORMANCE

The details of operation and business performance of the Company has been elaborated in the 'Management Discussion and Analysis Report', forming part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Para B of Schedule V of the Listing Regulations forms part of this Annual Report.

DETAILS RELATING TO MATERIAL VARIATIONS

The Company has not issued any prospectus or letter of offer during the last five years and as such the requirement for providing the details relating to material variation is not applicable upon the Company for the year under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There is no material change and commitment of the Company during the period between the end of the financial year 2018-19 and the date of this report which can affect the financial position of the Company for the year under review.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on 31st March, 2019 in the prescribed Form MGT-9, pursuant to Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forms part of this Directors' Report and marked as **Annexure-"A"** and the same has also been uploaded on the website of the Company and the weblink thereto is: http://www.manaksia.com/pdf/MGT-9_2018-19.pdf

CORPORATE GOVERNANCE REPORT

The Company follows the corporate governance guidelines and best practices sincerely, and discloses timely and accurately information regarding the operations and performance of the Company.

Pursuant to Regulation 34 read with Para C of Schedule V of the Listing Regulations, a Report on the Corporate Governance along with a certificate from the Statutory Auditors of the Company confirming compliance with the conditions of the Corporate Governance is forming part of this report and marked as **Annexure-"B"**.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Particular relating to the number of meetings of Board of Directors of the Company held during the year have been provided in the Corporate Governance Report forming part of this Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, secretarial auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during Financial year 2018-19.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 2018-19 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the annual accounts had been prepared on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in Board of Directors

The Company had appointed Mr. Ajay Kumar Chakraborty [DIN: 00133604], Dr. Kali Kumar Chaudhuri [DIN: 00206157] and Mrs. Smita Khaitan [DIN: 01116869], as Independent Directors of the Company for a fixed term of five years in the Annual General Meeting (AGM) of the Company held on 26th September, 2014 and accordingly their present term of appointment will cease on 25th September, 2019.

Further, the Board at its meeting held on 18th May, 2019 on the recommendation of the Nomination and Remuneration Committee and based on performance evaluation, recommended for approval of the Members, re-appointment of Mr. Ajay Kumar Chakraborty, Dr. Kali Kumar Chaudhuri and Mrs. Smita Khaitan as Independent Directors on your Company in terms of Section 149 of the Act and Regulation 17 of Listing Regulations with effect from 26th September, 2019 for a second term of five consecutive years i.e. upto 25th September, 2024. Requisite Notices under Section 160 of the Act, have been received in respect of Mr. Chakraborty, Dr. Chaudhuri and Mrs. Khaitan, who have filed their consents to act as Directors of the Company, if appointed. The Company has received declarations from all the Independent Directors of the Company confirming that they are not disqualified of being appointed as Directors under Section 164 of the Act and that they meet the criteria of independence as laid down under Section 149(6) of the Act, and Regulation 16 of the Listing Regulations. All requisite declarations were placed before the Board.

During the proposed term of re-appointment, Dr. Kali Kumar Chaudhuri and Mr. Ajay Kumar Chakraborty will attain the age of seventy five years on 17th September, 2020 and 6th April, 2020 respectively. The Board at the aforesaid meeting, on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, for continuation of Dr. Chaudhuri and Mr. Chakraborty as Independent Directors of the Company from the day they attain the age of seventy five years till the remaining period of their second term i.e. up to 25th September, 2024 in compliance with the Listing Regulations.

Mr. Kanad Purkayastha, on the recommendation of the Nomination and Remuneration Committee, was appointed by the Board as an Additional Director, and subject to the approval of the Members, also as an Independent Director, with effect from 18th May, 2019. By virtue of Article 90 of the Articles of Association of the Company and Section 161 of the Act, Mr. Purkayastha will vacate office at the ensuing Annual General Meeting of your Company. Accordingly, as recommended by the Nomination and Remuneration Committee, the Board at its aforesaid meeting also recommended for the approval of Members the appointment of Mr. Purkayastha as an Independent Director in terms of Section 149 of the Act and Regulation 17 of the Listing Regulations, for a period of five consecutive years with effect from 18th May, 2019 i.e. upto 17th May, 2024. Requisite notice under Section 160 of the Act has been received in respect of Mr. Purkayastha, who has filed his consent to act as Director of the Company, if appointed.

During the proposed term of appointment, Mr. Purkayastha will attain the age of seventy five years on 16th May, 2020. The Board at the aforesaid meeting, on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, continuation of Mr. Purkayastha as an Independent Director of the Company from the day he attains the age of seventy five years till the remaining period of his proposed term of appointment i.e. upto 17th May, 2024 in compliance with the Listing Regulations.

Appropriate resolutions seeking your approval to the above will be appearing in the Notice convening the 35th AGM of your Company.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Article 87(1) of the Articles of Association of the Company, Mr. Suresh Kumar Agrawal, Managing Director will retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

Key Managerial Personnel

There has been no change of key managerial personnel during the year under review.

SECRETARIAL STANDARDS

The Institute of Company Secretaries of India has issued Secretarial Standard -1 (SS-1) on 'Meeting of the Board of Directors' and Secretarial Standard – 2 (SS-2) on 'General Meeting' and both the Secretarial Standards have been approved by the Central Government under Section 118(10) of the Act. Pursuant to the provisions of Section 118(10) of the Act, it is mandatory for the Company to observe the secretarial standards with respect to Board Meeting and General Meeting. The Company has adopted and followed the set of principles prescribed

in the respective Secretarial Standards for convening and conducting Meetings of Board of Directors, General Meeting and matters related thereto. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

STATUTORY AUDITORS & AUDITORS' REPORT

M/s. S. K. Agrawal and Co., Chartered Accountants, (Firm Registration No. 306033E), had been appointed as statutory auditors of the Company at the 33rd Annual General Meeting of the Company held on 22nd September 2017 for a term of five consecutive years, to hold office from the conclusion of the 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held for the Financial Year 2021-22, subject to the ratification by the members of the Company at every subsequent Annual General Meeting, on such remuneration as may be determined by the Board of Directors based on the recommendation of the Audit Committee and mutually agreed by the Statutory Auditors, in addition to the reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

The First Proviso of the Section 139(1) of the Act has been omitted pursuant to the Companies (Amendment) Act, 2017 and therefore the requirement of placing the matter relating to appointment of auditor for ratification by members at every Annual General Meeting has been done away. As authorized by the shareholders at the 33rd AGM, the Board of Directors on the recommendation of the Audit Committee has approved the remuneration payable to M/s. S. K. Agrawal and Co., Chartered Accountants, for the financial year 2019-20.

There are no observations (including any qualification, reservation, adverse remarks or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. The specific notes forming part of the accounts referred to in Auditor's Report are self-explanatory and give complete information.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations, the Board of Directors of the Company had appointed M/s Vinod Kothari & Company, Practising Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2018-19.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in Form MR-3 as given by the Secretarial Auditor for the financial year ended 31st March, 2019 forms part of the Directors' Report and annexed as 'Annexure-C'.

The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

There are no observations (including any qualification, reservation, adverse remarks or disclaimer) of the Secretarial Auditors in their Audit Report that may call for any explanation from the Directors.

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 has specified that the listed entities shall additionally, on an annual basis, require a check by a Company Secretary in Practice on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and accordingly your Company has appointed M/s. PS & Associates, Practising Company Secretaries to carry out necessary audit. A certificate received from M/s. PS & Associates, Practising Company Secretaries was placed before the Board and will be filed with the Stock Exchanges where the securities of the Company are listed.

COST AUDITORS

The provisions of Section 148 of Act and the relevant rules made thereunder are not applicable to your Company and hence there is no requirement for appointing Cost Auditors for the Financial Year 2018-19.

FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Act to the Audit Committee or the Board of Directors during the Financial Year under review.

DISCLOSURE ON EMPLOYEE STOCK OPTION/ PURCHASE SCHEME

During the year under review, your Company has not provided any employee stock option / purchase scheme.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS MADE UNDER Section 186 OF THE ACT

The full particulars of the loans given, investments made, guarantees given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Act are provided in the notes to the Financial

Statements (Refer note no. 4, 5, 8, 12 & 13).

PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES

In compliance with the provisions of the Act and the Listing Regulations, each Related Party Transaction (RPT) is placed before the Audit Committee for prior approval. A prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are foreseen and repetitive in nature. The transactions pursuant to the omnibus approval so granted, is subject to audit and a detailed quarterly statement of all RPTs is placed before the Audit Committee for its review. The quarterly statement is supported by a Certificate duly signed by the Chief Financial Officer. The policy on RPTs, as approved by the Board, is available on the Company's website at http://www.manaksia.com/images/pdf/Related_Party_Policy_Manaksia.pdf

During the year under review, all RPTs were on Arm's Length Price basis and in the Ordinary Course of Business. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC-2, forms part of this Annual Report.

During the year under review, the Company has entered into transactions with Sumo Steels Limited, a related party of the Company, amounting to Rs. 1183.16 Lakhs which marginally exceeded 10% of the total annual turnover of the Company as per the audited balance sheet of the Company as at 31st March, 2018. It was not anticipated by the Company earlier and was arising out of regular business operations. Since, the value of transaction with Sumo Steels Limited has marginally exceeded the limit and thereby becoming material related party transaction, the Board seeks your approval at the forthcoming Annual General Meeting. There was no other material RPT entered into by the Company with Promoters, Directors, KMPs or other designated persons during FY 2018-19.

Approval of shareholders at the ensuing AGM is being sought for three material RPTs proposed to be entered into by the Company during the Financial Year 2019-20. The details of the proposed material RPTs pursuant to Rule 15 of the Companies (Board and its Powers) Rules, 2014 will be provided in the Notice convening the 35th AGM.

There are no materially significant transactions entered into by your Company with promoters which may have potential conflict with the interest of the Company at large.

PARTICULARS OF LOANS/ADVANCES/INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR AS REQUIRED UNDER SCHEDULE V OF THE LISTING REGULATIONS

The details of related party disclosures with respect to loans/advances/ investments at the year end and maximum outstanding amount thereof during the year as required under Part A of Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company.

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNING AND OUTGO

The details required pursuant to the provisions of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo forms part of this Directors Report and marked as **Annexure-'D'**.

RISK MANAGEMENT SYSTEM

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate the probability and/or impact of unfortunate events or to maximize the realisation of opportunities.

The Company has a structured Risk Management Policy, designed to safeguard the organization from various risks through adequate and timely actions. The Company manages; monitors and reports on its risks and uncertainties that can impact its ability to achieve its objectives. The major risks have been identified by the Company and its mitigation process/measures have been formulated.

AUDIT COMMITTEE

The Company, pursuant to the requirement of the provisions of Section 177 of the Act read with the Regulation 18 of the Listing Regulations has in place an Audit Committee. The Committee focuses on certain specific areas and make informed decisions in line with the delegated authority and function according to the roles and defined scope. The details of composition, terms of reference and number of meetings held for the Committee are provided in the Corporate Governance Report.

There were no such instances wherein the Board had not accepted recommendations of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Company, pursuant to the requirement of provisions of Section 178(1) of the Act read with the Regulation 19 of the Listing Regulations, has in place the Nomination and Remuneration Committee. The details of composition, terms of reference and number of meetings held for the Committee are provided in the Corporate Governance Report.

The Company, pursuant to provisions of Section 178 of the Act and Regulation 19 read with Para A of Part D of Schedule II of the Listing Regulations upon recommendation of Nomination and Remuneration Committee has devised a Remuneration Policy applicable to all Executives of the Company i.e. Directors, Key Managerial Personnel and Senior Management. The said policy forms part of this Report and marked as ‘**Annexure E**’.

There were no such instances wherein the Board had not accepted recommendations of the Nomination and Remuneration Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

As required by the provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, the Company has in place the Stakeholders Relationship Committee. The details of composition, terms of reference and number of meetings held for the Committee are provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act and Rules made thereunder. The composition and the detailed terms of reference of the CSR Committee are provided in the Corporate Governance Report. The CSR activities are inter-alia, focused on Rural Development, Livestock Development, Promotion of Education, Protecting Fauna, Health Care and Reducing Inequalities faced by socially and economically backward groups.

The report on CSR activities pursuant to clause (o) of sub-Section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of this report and marked as **Annexure – ‘F’**.

The Company has formulated a CSR Policy indicating the activities to be undertaken by the Company. The Policy has also been uploaded on the Company’s website and the weblink thereto is: http://www.manaksia.com/images/pdf/CSR_Policy_Manaksia.pdf

There were no such instances wherein the Board had not accepted recommendations of the CSR Committee.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSEAL) ACT, 2013

The Company has constituted Internal Complaint Committee in compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review, adequate access was provided to any complainant who wished to register a complaint under the Policy. During the year, the Company has not received any complaint on sexual harassment.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees.

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations read with Guidance Note on Board Evaluation of SEBI dated 5th January, 2017 the Nomination and Remuneration Committee has laid down the criteria for performance evaluation, in a structured questionnaire form after taking into consideration various aspects of the Board functioning, composition of the Board and its Committees, culture, execution, diligence, integrity, awareness and performance of specific laws, duties, obligations and governance, on the basis of which, the Board has carried out the annual evaluation of its own performance, the performance of Board Committees and of Directors individually, by way of individual and collective feedback from Directors. Further, pursuant to Para VII of Schedule IV of the Act and provisions of the Listing Regulations, the Independent Directors of the Company, without the participation of Non-Independent Directors and members of management, convened a separate meeting on 14th February, 2019, to inter alia perform the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The criteria for evaluation are briefly provided below:

The review of performance of Non-Independent Directors was done, after discussing with them on various parameters, such as, skill, competence, experience, degree of engagement, ideas & planning etc. The Board performance was reviewed on various parameters, such as, adequacy of the composition of the Board, Board culture, appropriateness of qualification & expertise of Board members, process of identification and appointment of Independent Directors, inter-personal skills, ability to act proactively, managing conflicts, managing crisis situations, diversity in the knowledge and related industry expertise, roles and responsibilities of Board members, appropriate utilization of talents and skills of Board members, etc. The evaluation of Independent Directors has been done by the entire Board of Directors which includes performance of the Directors and fulfillment of the independence criteria and their independence from the management as specified in the Listing Regulations.

The Board of Directors of the Company expressed their satisfaction towards the process of review and evaluation of performance of Board, its Committees and of individual directors.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) of Listing Regulations, your Company is required to conduct Familiarization Programme for Independent Directors (IDs) to familiarize them about your Company including nature of industry in which your Company operates, business model of your Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of Listing Regulations, your Company is required to disseminate on its website, details of familiarization programme imparted to IDs including the details of i) number of programmes attended by IDs (during the year and on a cumulative basis till date), ii) number of hours spent by IDs in such programmes (during the year and on a cumulative basis till date), and iii) other relevant details. Familiarization programme undertaken for Independent Directors is provided at the following weblink: <http://www.manaksia.com/pdf/Familiarization-Programme-08052019.pdf>

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014 the details containing salient features of the financial statement of subsidiary companies /associate companies/ joint ventures in Form AOC-1 forms part of this Annual Report.

The details of performance of the Subsidiary Companies are as follows:

Indian Subsidiaries:

Mark Steels Limited

The Revenue from operations of the Company for FY 2018-19 stood at ₹ 16104.93 Lacs (Previous Year: ₹ 13738.69 Lacs). During the year, the Company had a net profit of ₹ 640.89 Lacs (Previous Year: ₹ 407.72 Lacs).

Manaksia Overseas Limited

During the year under review, the Company had a net loss of ₹ 0.21 Lacs in FY 2018-19 (Previous Year: net loss of ₹ 0.25 Lacs).

Manaksia Ferro Industries Limited

During the year under review, the Company had a net loss of ₹ 0.27 Lacs in FY 2018-19 (Previous Year: net loss of ₹ 0.21 Lacs).

Foreign Subsidiaries:

MINL Limited

The Revenue of the Company for the year ended 31st December 2018 stood at Naira 287030.95 Lacs (equivalent to ₹ 65305.34 Lacs). During the year ended 31st December 2018, the Company had a net profit of Naira 26480.99 Lacs (equivalent to ₹ 6024.96 Lacs).

Jebba Paper Mills Limited

This Company is subsidiary of MINL Limited. The Revenue of the Company for the year ended 31st December 2018 stood at Naira 65136.89 Lacs (equivalent to ₹ 14819.96 Lacs). During the year ended 31st December 2018, the Company had a net profit of Naira 9440.02 Lacs (equivalent to ₹ 2147.79 Lacs).

Dynatech Industries Ghana Limited

The Revenue of the Company for the year ended 31st December 2018 stood at CEDI 200.49 Lacs (equivalent to ₹ 3004.87 Lacs). During the year ended 31st December 2018, the Company had a net loss of CEDI 11.09 Lacs (equivalent to ₹ 166.20 Lacs).

Except as stated hereinabove, the Company does not have any joint venture or associate Company during the year under review.

MATERIAL SUBSIDIARY COMPANIES

In accordance with Regulation 16(1) (c) of the Listing Regulations (as amended), material subsidiary shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. MINL Limited and Jebba Paper Mills Limited are the foreign material subsidiaries and Mark Steels Limited is the Unlisted Indian Material Subsidiary of the Company for the Financial Year 2018-19 under review. Further in terms of the Regulation 24A of the Listing Regulations, material unlisted subsidiary incorporated in India need to undertake Secretarial Audit. In compliance with the requirement of Regulation 24A of Listing Regulations, M/s. PS & Associates, Practising Company Secretaries has been appointed as the Secretarial Auditor in Mark Steels Limited. A copy of the said Secretarial Audit Report forms part of this Report and marked as **Annexure - H**.

Further, in terms of Regulation 24(1) of Listing Regulations at least one Independent Director on the Board of Directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of Regulation 24(1) of the Listing Regulations, material subsidiary means a subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiary companies in the immediately preceding accounting year. MINL Limited is the material subsidiary of the Company in terms of the Regulation 24(1) of the Listing Regulations. The Board of Directors based on the recommendation of the Audit Committee has recommended Dr. Kali Kumar Chaudhuri, Independent Director on the Board to be appointed as a Director on the Board of MINL Limited and accordingly, Dr. Chaudhuri has been appointed as a Director on the Board of MINL Limited with effect from 29th March, 2019.

Your Company has formulated a Policy for determining Material Subsidiaries in accordance with Listing Regulations and the said Policy for determining Material Subsidiaries is available at the following weblink: http://www.manaksia.com/pdf/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES_amended_final_Manaksia.pdf

DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year under review in terms of the provisions of Chapter V of the Act.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which may impact its going concern status and its operations in future.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. Your Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. To commensurate the internal financial control with its size, scale and complexities of its operations, the Board based on the recommendation of the Audit Committee in its meeting held on 16th May, 2018 has appointed M/s NKAS & Associates (Formerly Namita Kedia & Associates), Chartered Accountants, as Internal Auditors of the Company for the financial year 2018-19.

The Audit Committee reviews the Report submitted by the Internal Auditors. The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems. In this regard, your Board confirms the following:

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Act and the Listing Regulations, the Company has framed a Whistle Blower Policy to establish a vigil mechanism for Directors and employees to report genuine concerns about actual or suspected unethical behavior, malpractice, wrongful conduct, discrimination, sexual harassment, fraud, violation of the Company's policies including Code of Conduct without fear of reprisal/retaliation. The Whistle Blower Policy/Vigil Mechanism has also been uploaded on Company's website and the weblink is: http://www.manaksia.com/pdf/Whistle_Blower_Policy_manaksia.pdf

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosure pertaining to remuneration and other details as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Directors' Report and marked as **Annexure- 'G'**.