

## Contents

|  |    |
|--|----|
| Directors' Report                                      | 02 |
| Annexure to the Directors' Report                      | 10 |
| Management Discussion and Analysis Report              | 49 |
| Form AOC - 1   | 52 |
| Standalone Financial Statement with Auditors' Report   | 53 |
| Consolidated Financial Statement with Auditors' Report | 91 |

## Corporate Information

### Directors

Mr. Varun Agrawal - Managing Director  
DIN : 00441271

Mr. Vineet Agrawal - Wholetime Director  
DIN : 00441223

Mr. Suresh Kumar Agrawal  
DIN : 00520769

Mr. Ajay Kumar Chakraborty  
DIN : 00133604

Dr. Kali Kumar Chaudhuri  
DIN : 00206157

Mrs. Smita Khaitan  
DIN : 01116869

Mr. Mrinal Kanti Pal  
DIN : 00867865

### Company Secretary

Mr. Ajay Sharma

### Chief Financial Officer

Mr. Rajesh Singhania

### Auditors

M/s. S K Agrawal & Co.

### Registrar & Share Transfer Agent

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

### Registered Office

8/1, Lal Bazar Street  
Bikaner Building, 3rd Floor  
Kolkata - 700 001

### Bankers

State Bank of India  
Allahabad Bank  
Bank of Baroda  
IDBI Bank Limited

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 17th (Seventeenth) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

### FINANCIAL RESULTS :

(₹ in Lacs)

| Particulars                                      | STANDALONE     |                 | CONSOLIDATED    |
|--|----------------|-----------------|-----------------|
|  | 2017-18        | 2016-17         | 2017-18         |
| <b>Total Revenue</b>                             | 50249.45       | <b>34768.16</b> | <b>51244.30</b> |
| <b>Profit Before Tax (PBT)</b>                   | 2654.68        | <b>1454.52</b>  | <b>2227.29</b>  |
| Less : Tax Expenses                              |                |                 |                 |
| – Current  | 1065.00        | 675.00          | 1065.00         |
| – Deffered Tax                                   | (75.85)        | (134.47)        | (399.74)        |
| <b>Profit for the period</b>                     | <b>1665.53</b> | <b>913.99</b>   | <b>1562.03</b>  |
| <b>Other Comprehensive Income / (Loss)</b>       | <b>(2.89)</b>  | <b>(16.30)</b>  | <b>(2.89)</b>   |
| <b>Total Comprehensive Income for the period</b> | <b>1662.64</b> | <b>897.69</b>   | <b>1559.14</b>  |
| Balance brought forward from previous year       | 2482.25        | 1584.56         | 2482.25         |
| Total Amount available for appropriation         | 4144.89        | 2482.25         | 4041.39         |
| <b>Appropriations:</b>                           |                |                 |                 |
| Transfer to General Reserve                      | –              | –               | –               |
| Surplus Carried to Balance Sheet                 | 4144.89        | 2482.25         | 4041.39         |
| <b>Total</b>                                     | <b>4144.89</b> | <b>2482.25</b>  | <b>4041.39</b>  |

### 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

To conserve the resources for future, the Board of Directors has decided not to recommend any dividend for the financial year ended 31st March, 2018.

### TRANSFER TO RESERVES

No amount was transferred to the General Reserve during the year under review.

### CHANGES IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2018 stood at ₹ 655.34 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 Para F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") forms part of the Corporate Governance Report.

### DETAILS UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013 (HEREINAFTER REFERRED TO AS "ACT") IN RESPECT OF ANY SCHEME OF PROVISIONS OF MONEY FOR PURCHASE OF OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT 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 are no material changes and commitments of the company during the period between the end of the financial year 2017-18 and the date of this report which can affect the financial position of the Company for the year under review.

## **TRANSITION TO INDIAN ACCOUNTING STANDARDS**

The Indian Accounting Standards (Ind AS) has been applicable to the Company for the first time during the Financial Year 2017-2018 and accordingly, with effect from 1st April 2016, your Company was required to align its accounting policies and disclosures in accordance with the Ind AS. Necessary adjustments in the previous year figures and in the format of presentation in compliance with the requirement of Ind AS have been made in the accounts.

## **EXTRACT OF ANNUAL RETRUN**

The extract of Annual Return as on 31st March, 2018 in the prescribed Form MGT-9, pursuant to section 92(3) of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 forms part of this Directors' Report and marked as **Annexure- "A"**.

## **CORPORATE GOVERNANCE REPORT**

The Company follows the corporate governance guidelines and best practices sincerely and discloses timely and accurate 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 Directors' Report and marked as **Annexure-"B"**.

## **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The details of number of meetings of Board of the 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 (IFC) and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, 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 IFC were adequate and effective during Financial year 2017-18.

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, 2018, 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 2017-18 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.

#### **STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS**

The Company has 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 5 (five) years in the Extra-Ordinary General Meeting (EGM) of the Company held on 17th November, 2014.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under section 149(6) of the Act and Regulation 16 of the Listing Regulations.

#### **DIRECTORS' AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of section 152(6) of the Act and the Articles of Association of the Company, Mr. Vineet Agrawal [DIN: 00441223], Whole-time Director and Mr. Mrinal Kanti Pal [DIN: 00867865], Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

The brief resume/profile of the Directors recommended by the Board for appointment/re-appointment has been provided in the Notice convening the Seventeenth Annual General Meeting.

#### **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 Companies Act, 2013. Pursuant to the provisions of section 118(10) of the Companies Act, 2013, 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 AND AUDITORS' REPORT**

M/s. S. K. Agrawal & Co., Chartered Accountants, (Firm Registration No. 306033E), had been appointed as statutory auditors of the Company at the 13th Annual General Meeting of the Company held on 10th September, 2014 for a term of 5(five) consecutive years, to hold office from the conclusion of the 13th Annual General Meeting till the conclusion of 18th Annual General Meeting of the Company to be held for the Financial Year 2018-19, 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 Companies Act, 2013 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 last AGM, the Board of Directors on the recommendation of the Audit Committee has approved the remuneration payable to M/s. S. K. Agrawal & Co., Chartered Accountants, for the financial year 2018-19.

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, the Board of Directors of the Company had appointed M/s. Vinod Kothari & Company, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2017-18.

#### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report in Form MR-3 as given by the Secretarial Auditor for the financial year ended 31st March, 2018, 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.

The Indian Accounting Standard (IND AS) has become applicable to the Company for the first time during the Period under Review. The Company has indentified certain parties as its related parties pursuant to the provisions of the IND AS -24 and since the IND AS has been implemented for the first time, certain related party transactions (as per the revised list of related parties in terms of IND AS 24) were not placed before the Audit Committee, Board and also the members of the Company for approval, due to late identification of the new related parties during the financial year 2017-2018. However, as on the date of this report, the Audit Committee and Board of Directors of the Company have ratified all those transactions with the related parties and the Company has also taken necessary steps to place the same before the shareholders at the ensuing Annual General Meeting for their approval. All the transaction with the related parties are on arms length and in ordinary course of business.

IND AS has become applicable to the Company for the first time during the year under review and the company has made necessary classification of parties and accordingly given effect the same in the Accounts as required under IND AS.

### **COST AUDITORS**

Pursuant to the requirement of section 148 of the Act, cost audit is applicable on your Company for manufacturing items covered under Rule 3 of Companies (Cost Records and Audit) Rules, 2014. The Board of Directors of your Company on the recommendation of Audit Committee has appointed M/s. B Mukhopadhyay & Company, Cost Accountants as Cost Auditors of the Company for the Financial Year 2017-18. As required under the Act, 2013 the remuneration payable to the Cost Auditor was ratified by the shareholders in the Annual General Meeting held on 22nd September, 2017.

The due date for filing the Cost Audit Reports for Financial Year 2017-18 is 27th September, 2018 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 Act, read with Companies (Cost Records and Audit) Rules, 2014 has appointed M/s S. Chhaparia & Associates, Cost Accountants, 33/1, N.S. Road, (Marshall House) Kolkata- 700 001, as the Cost Auditors of the Company for the Financial Year 2018-19 and accordingly, a resolution for seeking Members ratification for the remuneration payable to the Cost Auditors, would be placed before the forthcoming Annual General Meeting.

### **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 OR INVESTMENTS UNDER SECTION 186**

The 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, 33 & 36).

### **PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company with related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 were not attracted. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Since all related party transactions entered into by your Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company. Thus, disclosure in Form AOC-2 is not required.

The IND AS provisions has become applicable to the Company for the first time during the Period under Review and the Company has identified certain Related Parties in terms of the provisions of IND AS. Since, IND AS has been implemented for the first time during the year under review certain transactions with the newly identified related parties were not placed before the Audit Committee, Board and Members at their respective meeting for approval. The newly identified entities are not related parties in terms of the provisions of the Companies Act, 2013; however, since these entities are related parties in terms of the IND AS 24, as a practice of better corporate governance, the Company has taken necessary measure to place those related party transactions before the Audit Committee, Board and Members at their respective ensuing meetings. During the year under review, except the above stated transactions, the Company has not entered into any contract/ arrangement/

transaction with related parties which could be considered material in accordance with the Company's policy of Materiality of Related Party Transactions.

Except the transactions with newly identified related parties as per IND AS, all other transactions with Related Parties are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of unforeseen nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their noting on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors of the Company may be accessed on the Company's website [www.manaksia.com](http://www.manaksia.com) and the weblink thereto [http://www.manaksia.com/pdf/msl/Policy\\_on\\_Related\\_Party\\_Transactions\\_Steels\\_22316.pdf](http://www.manaksia.com/pdf/msl/Policy_on_Related_Party_Transactions_Steels_22316.pdf)

#### **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 EXCHANGE EARNINGS 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 Earnings 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 realization of opportunities.

The Company has 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**

As on 31st March, 2018, the Company, pursuant to the requirement of the provisions of section 177 of the Act read with Regulation 18 of the Listing Regulations has in place Audit Committee comprising of 4 (four) members, Mr. Ajay Kumar Chakraborty – Independent Director (Chairman) [DIN: 00133604], Dr. Kali Kumar Chaudhuri – Independent Director [DIN: 00206157], Mrs. Smita Khaitan – Independent Woman Director [DIN: 01116869] and Mr. Suresh Kumar Agrawal – Non-Executive Director [DIN: 00520769]. The Board of Directors has revised the composition of the Audit Committee at its meeting held on 8th May, 2018 and as on the date of this Report the Audit Committee is comprised of Dr. Kali Kumar Chaudhuri (Independent Director), Mrs. Smita Khaitan (Independent Woman Director) and Mr. Varun Agrawal (Executive Director). The Committee focuses on certain specific areas and makes 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 is provided in the Corporate Governance Report.

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

#### **NOMINATION & REMUNERATION COMMITTEE**

As on 31st March, 2018, 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 & Remuneration Committee comprising of 4 (four) members, Dr. Kali Kumar Chaudhuri– Independent Director (Chairman) [DIN: 00206157], Mr. Ajay Kumar Chakraborty - Independent Director [DIN: 00133604], Mrs. Smita Khaitan – Independent Woman Director [DIN: 01116869] and Mr. Suresh Kumar Agrawal – Non-Executive Director [DIN: 00520769]. The Board of Directors at its meeting held on 8th May, 2018 has revised the composition of the Nomination and Remuneration Committee and as on the date of this report the revised composition of the Nomination and Remuneration Committee is comprised of Dr. Kali Kumar Chaudhuri (Independent Director), Mrs. Smita Khaitan (Independent Woman Director) and Mr. Suresh Kumar Agrawal (Non-Executive Director).

The details of composition, terms of reference and number of meetings held for the Committee is 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 & 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 the Directors' Report and marked as 'Annexure E'.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

As on 31st March, 2018, 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 comprising of 3 (three) members, Dr. Kali Kumar Chaudhuri– Independent Director (Chairman) [DIN: 00206157], Mr. Suresh Kumar Agrawal – Non-Executive Director [DIN: 00520769] and Mr. Varun Agrawal – Executive Director [DIN: 00441271]. The Board of Directors at its meeting held on 8th May, 2018 has revised the composition of the Stakeholders' Relationship Committee and as on the date of this report the Stakeholders' Relationship Committee is comprised of Mr. Suresh Kumar Agrawal (Non-Executive Director), Mr. Varun Agrawal (Executive Director) and Mr. Mrinal Kanti Pal (Non-Executive Director).

The details of composition, terms of reference and number of meetings held for the Committee is 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 thereunder and the Committee is comprised of Mr. Suresh Kumar Agrawal (Non- Executive Director) Dr. Kali Kumar Chaudhuri (Independent Director) and Mr. Vineet Agrawal (Executive Director). 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 and promoting education & health care. 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'**.

#### **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 & 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 Committee 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 19th May, 2017, to perform the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairman of the Company taking into account the views of executive directors and non executive directors;
- 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 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 the Chairman of the Company was conducted on various parameters such as leadership quality, capability, availability, clarity of understanding, governance & Compliance and degree of contribution etc.

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**

Familiarization programme undertaken for Independent Directors is provided at the following weblink: [http://www.manaksia.com/pdf/familiarization\\_programme\\_%20steels.pdf](http://www.manaksia.com/pdf/familiarization_programme_%20steels.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.

During the year under review the Company has formed Technomet International FZE as its wholly owned subsidiary at Jebel Ali Free Zone, Dubai and further Technomet International FZE, has also entered in to share purchase agreement with two companies i.e. Federated Steel Mills Limited and Far East Steel Industries Limited at Nigeria and acquired 99.9999% of share capital of both the companies. The Company has two layers of subsidiaries.

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

### Foreign Subsidiaries :

#### Technomet International FZE

The Revenue of the company from the date of Incorporation i.e., 3rd August, 2017 till the year ended 31st March 2018 stood at AED Nil Lacs (equivalent to Rs. Nil Lacs). During the said period, the company had a net loss of AED 10.02 Lacs (equivalent to ₹ 175.98 Lacs).

#### Federated Steel Mills Ltd

This company is subsidiary of Technomet International FZE. The Revenue of the company from the date of acquisition i.e., 17th December, 2017 till the year ended 31st March, 2018 stood at Naira 5116.75 Lacs (equivalent to ₹ 1078.07 Lacs). During the said period the company had a net profit of Naira 414.25 Lacs (equivalent to ₹ 89.81 Lacs).

#### Far East Steel Industries Ltd

This company is subsidiary of Technomet International FZE. The Revenue of the company from the date of acquisition i.e., 17th December, 2017 till the year ended 31st March, 2018 stood at Naira Nil Lacs (equivalent to ₹ Nil Lacs). During the said period the company had a net profit/ (loss) of Naira Nil Lacs (equivalent to ₹ Nil Lacs).

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

## MATERIAL SUBSIDIARY COMPANIES

A subsidiary shall be considered as material if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. The Company has formulated a policy for determining "Material" subsidiaries in the Board Meeting dated 16th May, 2018 and the same is available on the website of the Company [www.manaksia.com](http://www.manaksia.com) and the weblink thereto is [http://www.manaksia.com/pdf/Policy-for-determining-material-subsidiaries\\_Steels.pdf](http://www.manaksia.com/pdf/Policy-for-determining-material-subsidiaries_Steels.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 Company's 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 Audit Committee in its meeting held on 16th May, 2018 has appointed M/s Namita Kedia & Associates, Chartered Accountants, (Firm Regn. No. 328509E) 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 any 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 policies including Code of Conduct without fear of reprisal/retaliation. The Whistle Blower Policy/Vigil Mechanism has also been uploaded on Company's website:

[http://www.manaksia.com/pdf/msl/Whistle\\_Blower\\_Policy\\_Steels\\_220316.pdf](http://www.manaksia.com/pdf/msl/Whistle_Blower_Policy_Steels_220316.pdf)

#### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013**

No complaint has been received by the Internal Complaints Committee of the Company during the financial year under review.

#### **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'**.

During the year under review, no employee of the Company drew remuneration in excess of the limits specified under the provisions of section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no disclosure is required to be made in the Annual Report.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In compliance with the provisions of the Act and the Listing Regulations the Consolidated Financial Statements of the Company and its subsidiaries is attached. The Consolidated Financial Statement has been prepared in accordance with the applicable Indian Accounting Standards (IND AS) 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 subsidiaries.

#### **ACKNOWLEDGEMENT**

Your Company continues its relentless focus on strengthening competition in all its businesses. It is the endeavor 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, Central Government, State Government, various Government and Local Authorities, 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.

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

**For and on behalf of the Board of Directors**

Place : Kolkata  
Dated : 16th May, 2018

**Varun Agrawal**  
*Managing Director*  
DIN: 00441271

**Mrinal Kanti Pal**  
*Director*  
DIN: 00867865

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN  
as on financial year ended 31.03.2018**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

- (i) CIN : L27101WB2001PLC138341
- (ii) Registration Date : 7th June, 2001
- (iii) Name of the Company : MANAKSIA STEELS LIMITED
- (iv) Category/Sub-Category of the Company : Public Company Limited by Shares/Indian Non-Government Company
- (v) Address of the Registered office and contact details : Bikaner Building, 3rd Floor,  
8/1, Lal Bazar Street, Kolkata – 700 001  
Tel : +91-33-2231 0050  
Fax : +91-33-2230 0336
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any : Link Intime India Private Limited  
59C, Chowringhee Road, 3rd Floor  
Room No. 5, Kolkata – 700 020  
Tel : +91-33-2289 0540  
Fax : +91-33-2289 0539

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

| Sl. No. | Name and Description of main Products/Services | NIC Code of the Product/Service | % to Total Turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1       | HOT/COLD ROLLED PRODUCTS OF STEEL              | 24105                           | 46.98%                             |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

| Sl. No. | Name and Address of the Company   | CIN/GIN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|---|---------|--------------------------------|------------------|--------------------|
| 1       | Technomet International FZE<br>(P.O. Box 263598, LB20112, Jebel Ali Freezone, Dubai, UAE)   | NA      | Subsidiary Company             | 100%             | Section 2(87)      |
| 2       | Federated Steel Mills Ltd<br>(Subsidiary of Technomet International FZE)<br>(Block XI, Plot 3-10, Ota Industrial Estate, Ota, Ogun State, Nigeria)    | NA      | Subsidiary Company             | 99.9999%         | Section 2(87)      |
| 3       | Far East Steel Industries Ltd<br>(Subsidiary of Technomet International FZE)<br>(Block XI, Plot 1-2, Ota Industrial Estate, Ota, Ogun State, Nigeria) | NA      | Subsidiary Company             | 99.9999%         | Section 2(87)      |