

the line pipe people

23<sup>rd</sup> June 2020

To,  
**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai

To,  
**National Stock Exchange of India Ltd**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G block,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400 051

Scrip Code - 513269

Scrip ID – MANINDS

**Sub : Outcome of Board Meeting under Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

We wish to inform you that pursuant to the applicable provisions of SEBI Listing Regulations, 2015 (as amended), the Board of Directors of the Company at their meeting held today i.e. Tuesday, June 23, 2020, inter-alia, considered and approved the following :

• **Approval of Standalone and Consolidated Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 :**

The Board of Directors have considered and approved the Standalone and Consolidated Audited Financial Results for the Quarter & year ended 31<sup>st</sup> March, 2020. A copy of the same is enclosed.

• **Audit Report for the quarter and year ended 31<sup>st</sup> March, 2020 :**

The Board considered and approved the Independent Audit Report, on the Standalone & Consolidated Financial Statements of the Company, by M/s M.H. Dalal & Associates, Chartered Accountants Statutory Auditors of the Company for the financial year ended 31<sup>st</sup> March, 2020.

• **Statements on Impact of Audit Qualification for Audit Report with Modified Opinion:**

Pursuant to Regulation 33(3)(d) of the Listing Regulations, 2015, Statements on Impact of Audit Qualification (Standalone & Consolidated) for Audit Report with Modified Opinion for the Financial Year ended 31<sup>st</sup> March, 2020, are enclosed.

**Mumbai Office** : MAN HOUSE, 101, S.V. Road, Opp. Pawan Hans, Vile Parle (West), Mumbai – 400056  
Tel : 91-22-6647 7500 • Fax: 91-22-6647 7600 • E-mail: enquiry@maninds.org

**Delhi Office** : 616, Ansal Chambers - II, 6, Bhikaji Cama Place, New Delhi - 110066.  
Tel: 011 26711090 • Email : mandelhi@maninds.org

**Anjar Plant** : Pipe & Coating Complex, Plot No.485/2, Anjar - Mundra Highway, Village - Khedoi, Tal - Anjar, Dist - Kutch,Gujarat.  
Tel : +91 - 02836-275751 - 60 • Fax :- +91 2836-275750 • Email : mananjar@maninds.org

**Pithampur Plant** : Pipe & Coating Complex, Plot No.257 - B, 258 - B, Sector 1, Pithampur - 454775, Dist - Dhar (M.P.)  
Tel : +91 - 7292-253291/253875/253666 • Fax : +91-7292-253257 • Email : mansaw@maninds.org



• **Dividend for the Financial Year 2019 - 20 :**

The Board has not recommended any final dividend. The interim dividend of Rs.1/- declared by the Board at its meeting held on March 12, 2020 shall be considered as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains Rs.1/- per equity share.

• **Retirement of Company Secretary & Compliance Officer :**

On attaining superannuation, Mr. Shashank Belkhede, Company Secretary & Compliance Officer retired from the services of the Company on 31<sup>st</sup> May 2020. The Board of Directors took note of the same.

The Board has authorized Mr. Anurag Srivastav, Assistant Company Secretary to look after the Secretarial & Compliance activities of the Company and to file/submit various disclosures, forms, returns etc. required under various Laws, Rules and Regulations as may be applicable to the Company until a full-fledged Company Secretary & Compliance Officer is appointed.

• **Appointment of Secretarial Auditor per Section 204 of Companies Act, 2013:**

The Board considered and approved the appointment of 'J. Suthar & Associates, Company Secretaries, as Secretarial Auditor for the year Financial Year 2019-20.

Commencement of Board Meeting : 12:00 Noon;  
Conclusion of Board Meeting : 01:15 PM.

Kindly take the same on your record.

Thanking you,

Yours Truly,

For Man Industries (India) Limited



R. C. Mansukhani  
Chairman

Encl. : a/a

## Man Industries (India) Ltd.

CIN : - L99999MH1988PLC047408

Registered office : Man House, 101, S. V. Road, Opp. Pawan Hans, Vile Parle (W), Mumbai - 400 056

Website: www.mangroup.com, Email: investor.relations@maninds.org

Statement of Audited Standalone Financial Results for the Quarter and Year Ended 31st March 2020

(Rs. in Lakhs)

Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
1 Income							
i) Revenue from Operations	68,161	53,260	26,467	1,75,909	2,21,539	1,75,928	2,22,171
ii) Other income	(1,074)	843	1,824	1,652	2,062	1,655	2,066
<b>Total Income</b>	<b>67,087</b>	<b>54,103</b>	<b>28,291</b>	<b>1,77,561</b>	<b>2,23,601</b>	<b>1,77,583</b>	<b>2,24,237</b>
2 Expenses :							
a) Cost of materials consumed	45,395	32,273	16,011	1,16,642	1,51,981	1,16,642	1,51,981
b) Purchases of stock in trade	1,765	3,438	6,657	10,033	7,570	10,033	8,014
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,489	2,227	(2,381)	(361)	9,705	(361)	9,705
d) Employee benefit expense	1,433	1,369	1,330	5,396	5,482	5,592	5,604
e) Finance Costs	2,208	1,544	1,383	6,442	6,529	6,442	6,449
f) Depreciation and amortisation expense	1,545	1,261	1,176	5,231	4,592	5,231	4,593
g) Other expenses	10,281	8,056	3,928	27,554	29,044	27,228	29,047
<b>Total Expenses</b>	<b>66,116</b>	<b>50,168</b>	<b>28,104</b>	<b>1,70,937</b>	<b>2,14,903</b>	<b>1,70,807</b>	<b>2,15,394</b>
3 Profit / (Loss) before exceptional items and tax (1-2)	971	3,935	187	6,624	8,698	6,776	8,843
4 Exceptional items (Loss)	250	-	-	250	-	250	-
5 Profit / (loss) before tax (3-4)	721	3,935	187	6,374	8,698	6,526	8,843
6 Income tax Expenses							
Current tax	559	1,074	(346)	2,260	2,656	2,260	2,656
Deferred tax	(1,071)	(72)	374	(1,284)	303	(1,284)	304
<b>Total tax expense</b>	<b>(512)</b>	<b>1,002</b>	<b>28</b>	<b>976</b>	<b>2,959</b>	<b>976</b>	<b>2,959</b>
7 Net Profit / (Loss) for the period (5-6)	1,233	2,933	159	5,398	5,739	5,550	5,884
8 Other Comprehensive Income, net of income tax							
a) Item that will be reclassified to profit or loss	-	-	-	-	-	-	-
b) Items that will not be reclassified to profit or loss	524	5	(33)	669	230	674	221
<b>Total other comprehensive income, net of income tax</b>	<b>524</b>	<b>5</b>	<b>(33)</b>	<b>669</b>	<b>230</b>	<b>674</b>	<b>221</b>
9 Total comprehensive income/ (loss) for the period (7+8)	1,757	2,938	126	6,067	5,969	6,224	6,105
10 Paid-up equity share capital (Face Value Rs. 5/- each)	2,855	2,855	2,855	2,855	2,855	2,855	2,855
11 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				71,604	67,329	71,781	67,348
12 Earnings per share(of Rs 5/- each) (not annualised):							
Basic & Diluted	2.16	5.14	0.28	9.45	10.05	9.72	10.30



## Statement of Assets and Liabilities

(Rs.in Lakhs)

Particulars	Standalone		Consolidated	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
a) Property, plant and equipment	35,400	39,640	35,404	39,642
Right-of-use assets	1,427	-	1,427	-
b) Capital work in progress	356	276	356	276
c) Non-current financial assets				
i) Non-current investments	13,321	13,055	10,230	10,230
ii) Trade receivables	5,114	3,742	5,113	3,742
iii) Other	1,557	484	1,559	486
c) Other non current Asset	10,379	9,713	10,788	10,130
<b>Total Non current Assets</b>	<b>67,554</b>	<b>66,910</b>	<b>64,877</b>	<b>64,506</b>
<b>2 Current assets</b>				
a) Inventories	37,960	21,663	37,960	21,663
b) Financial assets				
i) Current investments	2	5	2	5
ii) Trade receivables	42,707	53,241	44,999	55,525
iii) Cash and cash equivalent	13,592	489	13,603	492
iv) Bank balance other than (iii) above	8,557	4,233	8,557	4,233
v) Loans	1,140	5,006	1,140	5,007
vi) Others	833	1,381	833	1,381
c) Other current assets	10,745	6,651	10,745	6,607
<b>Total Current Assets</b>	<b>1,15,536</b>	<b>92,669</b>	<b>1,17,839</b>	<b>94,913</b>
<b>TOTAL ASSETS</b>	<b>1,83,090</b>	<b>1,59,579</b>	<b>1,82,716</b>	<b>1,59,419</b>

## Statement of Assets and Liabilities

(Rs.in Lakhs)

Particulars	Standalone		Consolidated	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital	2,855	2,855	2,855	2,855
b) Other equity	71,604	67,329	71,781	67,348
<b>Equity attributable to equity holders of the parent</b>	<b>74,460</b>	<b>70,184</b>	<b>74,636</b>	<b>70,203</b>
<b>Liabilities</b>				
<b>1 Non-current liabilities</b>				
a) Financial liabilities				
i) Borrowings	1,533	4,916	1,533	4,916
ii) Trade payable	11	11	11	11
iii) Lease Liabilities	1,174	-	1,174	-
b) Provisions	117	167	117	167
c) Deferred tax liabilities	2,661	3,969	2,661	3,968
d) Other non-current liabilities	365	365	365	365
<b>Total Non current liabilities</b>	<b>5,861</b>	<b>9,428</b>	<b>5,861</b>	<b>9,427</b>
<b>2 Current liabilities</b>				
a) Financial liabilities				
i) Borrowings	23,237	15,101	22,478	15,130
ii) Trade payable	55,953	55,879	56,128	56,338
iii) Lease Liabilities	361	-	361	-
iv) Other current financial liabilities	6,553	6,399	6,572	5,724
b) Other current liabilities	15,353	509	15,354	509
c) Provisions	379	748	392	757
d) Current tax liability	934	1,331	934	1,331
<b>Total current liabilities</b>	<b>1,02,770</b>	<b>79,967</b>	<b>1,02,219</b>	<b>79,789</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,83,090</b>	<b>1,59,579</b>	<b>1,82,716</b>	<b>1,59,419</b>

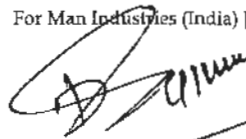




NOTES:

- 1 The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on June 23, 2020
- 2 The figures of the last quarter of the previous year are the balancing figures between audited figures in respect of full financial year and published year to date audited figures upto third quarter of previous financial year.
- 3 The Company has an outstanding order book position of approx. Rs.1500 Cr as on date, to be executed over next 6 to 9 months.
- 4 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company has, as at the date of approval of these standalone financial results, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- 5 The company has declared and paid interim dividend of Re.1 (20%) per equity share of Rs.5 each. In absence of final dividend, the interim dividend of Re.1 (20%) per equity share of Rs 5 each should be considered as final dividend.
- 6 Effective from 1st April 2019, the company has adopted Ind As 116 - Leases, using the modified retrospective method. The adoption of the standard did not have any material impact on the standalone financial results of the company.
- 7 The Company elected to exercise the option permitted under Section 115BAA of the Income -tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income tax for the year ended 31 March 2020 and re-measured its Deferred Tax Liability basis the rate prescribed in the said Section.
- 8 Previous period/Year's figures have been regrouped / reclassified wherever necessary to confirm to current period/year figures.
- 9 The Company is having single segment i.e. "Steel Pipes".

For Man Industries (India) Limited



R C Mansukhani  
Chairman  
DIN - 00012033



Place : MUMBAI  
Date : June 23, 2020



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
**MAN INDUSTRIES (INDIA) LIMITED**

**Report on the Audit of the Standalone Financial Statement**

**Opinion**

We have audited the accompanying standalone financial statements of **MAN INDUSTRIES (INDIA) LIMITED (the 'Company')**, which comprise the Standalone Balance Sheet as at 31 March 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Cash Flows, and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance including the comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.



**Key Audit Matter**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of these financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report

Description of Key Audit Matter	How our audit addressed the key audit matter
<p><b>Assessment of the carrying value of investment in and loans granted to its subsidiary Merino Shelters Private Limited</b> (Refer to note 6 and note 15 to the financial statements)</p>	
<p>As at 31 March 2020, the carrying amount of (a) investment is ₹ 10,229.83 lakhs and (b) loan given is ₹ 856.11 lakh to its wholly owned subsidiary Merino Shelters Private Limited. The aggregate exposure of the Company in respect of (a) and (b) above is ₹ 11,085.94 lakhs which is significant to the standalone financial statements of the Company.</p> <p>Merino Shelters Private Limited is developing residential/IT/Commercial real estate project at Nerul, Navi Mumbai. Considering the current situation of the Real Estate industry there are indicators of the potential impairment of the Investments in subsidiary and loans given as set out on (a) and (b) above.</p> <p>The Management has assessed the impairment by reviewing the business forecasts using the "DCF" valuation method which involves the use of management estimates that are dependent on future economic circumstances and noted that no provision for impairment is required to be made in respect of the investment in subsidiary and loans given and the same are considered good.</p> <p>Considering the materiality of the amounts and due to the management judgment required in estimating the value of investment and such estimates being subjective, this matter has been identified as a key audit matter.</p>	<p>Our Audit procedures include the following substantive procedures:</p> <ol style="list-style-type: none"> <li>i. Obtained an understanding of the matter with the management.</li> <li>ii. Considered the business forecasts with the current market position relating to the demand and supply of the product.</li> <li>iii. Considered the work of the external independent valuation expert engagement by the Company and assessed their methods and objectivity.</li> <li>iv. Examined terminal value of the subsidiary used in the valuation report and tested mathematical accuracy of the underlying calculations.</li> </ol> <p>Based on the above procedures, the Management's assessment of impairment in the carrying value of investments in the subsidiary and loan given is reasonable.</p>

**M.H. DALAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Description of Key Audit Matter	How our audit addressed the key audit matter
<b>Assessment of the carrying value of investment in its subsidiary MAN Overseas Metal DMCC</b> (Refer to note 6 to the financial statements)	
<p>As at 31 March 2020, the carrying amount of investment is ₹ 3,090.00 lakhs, to its wholly owned subsidiary MAN Overseas Metal, DMCC, which is significant to the standalone financial statements of the Company.</p> <p>The Management has assessed the impairment by reviewing the business forecasts using the "DCF" valuation method which involves the use of management estimates that are dependent on future economic circumstances and noted that no provision for impairment is required to be made in respect of these investment in subsidiary and are considered good.</p> <p>Considered the materiality of the amounts due to the management judgment required in estimating the quantum of diminution in the value of investment and such estimates being subjective, this matter has been identified as a key audit matter.</p>	<p>Our Audit procedures include the following substantive procedures:</p> <ol style="list-style-type: none"> <li>i. Obtained an understanding of the matter with the management.</li> <li>ii. Considered the business forecasts with the current market position relating to the demand and supply of the product.</li> <li>iii. Considered the work of the external independent valuation expert engagement by the Company and assessed their methods and objectivity.</li> <li>iv. Examined terminal value of the subsidiary used in the valuation report and tested mathematical accuracy of the underlying calculations.</li> </ol> <p>Based on the above procedures, the Management's assessment of impairment in the carrying value of investments in the subsidiary is reasonable.</p>

**Other Matter**

We did not audit the financial statements/information of Dubai Branch included in the standalone financial statements of the Company whose financial statements/financial information reflects total assets of ₹ 9,929.34 lakhs (previous year: ₹12,228.85 lakhs) as at 31 March, 2020 and total operating revenues of ₹ 21,789.12 lakhs (previous year: ₹6,666.29 lakhs) for the year ended on that date, as considered in the standalone financial statements. The financial statements/financial information of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is solely on report of such branch auditor.

Our opinion is not qualified in respect of these matters.





**Information other than the financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013, with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the



aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we



determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.

Further to our comments in Annexure A, as required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The standalone financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of section 164(2) of the Act.;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act; as amended:

In our opinion and to the best of our information and according to the explanation given to us, we report that the Company has paid excess remuneration of Rs. 335.75 lakhs to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act (refer note 43 to accompanying standalone financial statement).

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



# M.H. DALAL & ASSOCIATES

## CHARTERED ACCOUNTANTS

- i. The Company has disclosed the impact, of pending litigations as at 31 March, 2020 on its financial position in its standalone financial statements;
- ii. The Company has made provision as on 31<sup>st</sup> March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2020;
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

For M H Dalal & Associates  
Chartered Accountants  
Firm Registration No. 112994 W



**Devang Dalal**  
Partner  
Membership No. 109049  
UDIN: 20109049AAAAIP6738  
Place: Mumbai  
Date: 23<sup>rd</sup> June, 2020





**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

**Independent Auditors' Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls over financial reporting of **MAN INDUSTRIES (INDIA) LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For M H Dalal & Associates**

Chartered Accountants

Firm Registration No: 122449W



**Devang Dalal**

Partner

Membership No. 109409

UDIN: 20109049AAAAIP6738

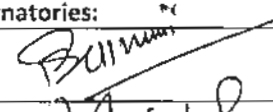
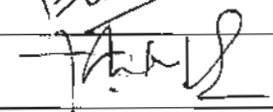

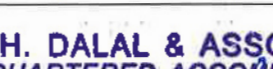
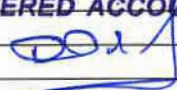
Place: Mumbai

Date: 23<sup>rd</sup> June, 2020



## Annexure I

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In lakhs)
	1.	Turnover / Total income	1,77,560.55	1,77,560.55
	2.	Total Expenditure	1,70,936.76	1,70,936.76
	3.	Net Profit/(Loss)	5,398.04	5,398.04
	4.	Earnings Per Share (INR)	9.45	9.45
	5.	Total Assets	1,83,090.09	1,83,090.09
	6.	Total Liabilities	1,08,630.75	1,08,630.75
	7.	Net Worth	74,459.34	74,459.34
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II. Audit Qualification (each audit qualification separately):</b>				
<b>a. Details of Audit Qualification:</b>				
i. During the year the company has paid excess managerial remuneration of Rs. 335.75 lakhs in accordance of provision of section 197 read with schedule V to the Companies Act 2013.				
<b>b. Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion QUALIFIED				
<b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing - Repetitive since last 2 years				
<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>				
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>				
(i) Management's estimation on the impact of audit qualification:				
(ii) If management is unable to estimate the impact, reasons for the same:				
a. In respect of serial no i i.e. excess remuneration of Rs. 335.75 lakhs paid to director the company is in the process of ratifying the same in ensuing general meeting.				
(iii) Auditors' Comments – No comment				
<b>III.</b>			<b>Signatories:</b>	
☉ Chairman				
☉ CFO				
☉ Audit Committee Chairman				
☉ Statutory Auditor				
			<b>M. H. DALAL &amp; ASSOCIATES</b> <b>CHARTERED ACCOUNTANTS</b>	
Place: Mumbai				
Date: June 23, 2020			<b>Partner</b>	







**M.H. DALAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

To,  
The Members of  
MAN INDUSTRIES (INDIA) LIMITED

Report on the Audit of the Consolidated Financial Statement

**Qualified Opinion**

We have audited the accompanying consolidated financial statements of **MAN INDUSTRIES (INDIA) LIMITED** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of matter described in the basis of qualified opinion paragraph below*, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, and its Consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

*In our opinion, the consolidated financial statement does not include the financial statement of Merino Shelters Private Limited, wholly owned subsidiary of the holding company, which is in contravention to Indian Accounting Standard (IND AS) 110 issued by the institute of Chartered Accountants of India.*

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of



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**Service Office :**

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Santacruz (W), Mumbai - 400 054.



our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the basis for qualified opinion section, we have determined there are no key audit matter to be communicated in our report.

**Other Matters**

We did not audit the financial statements/ information of Dubai Branch included in the consolidated financial statements of the Group whose financial statements/ financial information reflect total assets of ₹9,929.34 lakhs as at March 31, 2020 (previous year: ₹ 12,228.85 lakhs) and the total operating revenues of ₹21,789.12 lakhs (previous year: ₹6,666.29 lakhs) for the year ended on that date, as considered in the consolidated financial statements. The financial statements/ information of this branch has been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is solely on report of such branch auditor.

We did not audit the financial statements of Man Overseas Metal DMCC, U.A.E., subsidiary of the Company, whose financial statement reflects total assets of ₹3473.93 lakhs (previous year ₹ 3,336.53 lakhs) and total operating revenue of NIL (previous year ₹ 493.20 lakhs) for the year ended on that date. This financial statement has been audited by the other auditor whose report has been furnished to us and our opinion, in so far it relates to amount included in respect of the subsidiary is based solely on the report of other auditor.

The consolidated financial statement includes unaudited financial statement of M/s. Man USA Inc, subsidiary of the Company, whose financial statement reflects total assets of ₹ 1.42 lakhs (previous year ₹ 1.30 lakhs) and total operating revenue of NIL (previous year ₹13.30 lakhs) for the year ended on the date.

Our opinion is not qualified in respect of these matters.

**Information other than the Consolidated financial statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from



**M.H. DALAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:





# M.H. DALAL & ASSOCIATES

## CHARTERED ACCOUNTANTS

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) *Except for the matters described in the Basis for Qualified Opinion paragraph above*, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) The matter described in the Basis of Qualified Opinion paragraph above, in our opinion, does not have any adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act; as amended:

In our opinion and to the best of our information and according to the explanation given to us, we report that the Company has paid excess remuneration of Rs. 335.75 lakhs to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act (refer note 43 to accompanying standalone financial statement).

- i) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements / consolidated financial statements as also the other financial information of the subsidiaries:





# M.H. DALAL & ASSOCIATES

## CHARTERED ACCOUNTANTS

- i. The Group has disclosed the impact, of pending litigations as at 31 March, 2020 on its financial position in its consolidated financial statements;
- ii. The Group has made provision as on 31<sup>st</sup> March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, during the year ended 31 March 2020;
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

For M H Dalal & Associates

Chartered Accountants

Firm Registration Number: - 112449W

Devang Dalal

Partner

Membership Number:- 109049

UDIN: 20109049AAAAIQ5509

Place: Mumbai

Date: 23<sup>rd</sup> June, 2020



**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT**

**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')**

In conjunction with our audit of the consolidated financial statements of **MAN INDUSTRIES (INDIA) LIMITED** (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its two subsidiary companies, which are companies covered under the Act, as at that date

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its two subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its two subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its two subsidiary companies, as aforesaid.



# M.H. DALAL & ASSOCIATES

## CHARTERED ACCOUNTANTS

### Meaning of Internal Financial Controls over financial Reporting

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Group has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For M H Dalal & Associates

Chartered Accountants

Firm Registration Number: - 112449W

**Devang Dalal**

Partner

Membership Number: - 109049

UDIN: 20109049AAAAIQ5509

Place: Mumbai

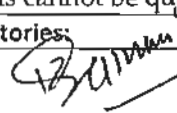
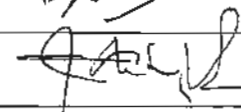

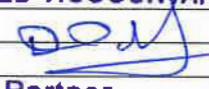
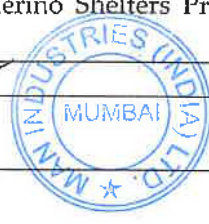

Date: 23<sup>rd</sup> June, 2020





## Annexure I

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In lakhs)
	1.	Turnover / Total income	1,77,583.23	1,77,583.23
	2.	Total Expenditure	1,70,807.22	1,70,807.22
	3.	Net Profit/(Loss)	5,550.26	5,550.26
	4.	Earnings Per Share (INR)	9.72	9.72
	5.	Total Assets	1,82,716.35	1,82,716.35
	6.	Total Liabilities	1,08,080.18	1,08,080.18
	7.	Net Worth	74,636.17	74,636.17
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II. Audit Qualification (each audit qualification separately):</b>				
<b>a. Details of Audit Qualification:</b>				
i. Contravention to Indian Accounting Standard Ind AS 110: Consolidated Financial Statement. Financial Statements of Merino Shelters Private. Limited., wholly owned Subsidiary have not been consolidated.				
ii. During the year the holding company has paid excess managerial remuneration of Rs. 335.75 lakhs in accordance of provision of section 197 read with schedule V to the Companies Act 2013.				
<b>b. Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion QUALIFIED				
<b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing				
i. Qualification in serial no i is repetitive since last 5 years.				
ii. Qualification in serial no ii is repetitive since last 2 years				
<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> N.A.				
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>				
<b>(i) Management's estimation on the impact of audit qualification:</b>				
<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>				
a. As represented by the Board of Directors of Man Industries (India) Limited, the implementation of the Scheme of Demerger is still pending and as such, the consolidation of Financial Statements of Merino Shelters Private Limited has not been given effect of.				
b. In respect of serial no 2 i.e. excess remuneration of Rs. 335.75 lakhs paid to director the company is in the process of ratifying the same in ensuing general meeting.				
<b>(iii) Auditors' Comments on (i) or (ii) above:</b>				
The Company has prepared consolidated Financial Statements without including the financial of Merino Shelters Private Limited. In absence of the financials of Merino Shelters Private Limited impact of non-consolidation of financials cannot be quantified.				
<b>III.</b>			<b>Signatories:</b>	
☉ Chairman			   <b>M. H. DALAL &amp; ASSOCIATES<sup>7</sup></b> <b>CHARTERED ACCOUNTANTS</b>  <b>Partner</b>	
☉ CFO				
☉ Audit Committee Chairman				
☉ Statutory Auditor				
Place: Mumbai			 	
Date: June 23, 2020				