MAN Industries (India) Ltd
the line pipe people

an ISO 9001 / 14001 / 18001 accredited company
www.mangroup.com
CIN NO. - L99999MH1988PLC047408

28th May 2019

To,
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai

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

Scrip Code - 513269

Scrip ID – MANINDS

Sub : Audited Financial Results for the quarter and year ended on 31st March, 2019

Dear Sir/Madam,

We wish to inform that the meeting of Board of Directors of the Company was held today at 11.30 am i.e. **Tuesday, May 28, 2019** and the Board has approved the Audited Financial Results for the Quarter & year ended 31st March, 2019. The aforesaid meeting was concluded at 03:45 pm.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

1. Statement showing the Audited Financial Results for the quarter and year ended 31st March, 2019 along with statement of Assets and Liabilities.
2. Independent Auditor's Report on the Audited Financial Results.
3. Statement on Impact of Audit Qualification for the Financial Year ended 31st March, 2019, pursuant to Regulation 33(3)(d) of the Listing Regulations, as amended.

The Board of Directors have recommended a Dividend of Rs. 1.50 per share of Rs. 5/- each (i.e. 30%) for the financial year ended 31st March, 2019, subject to the approval of the Shareholders at the Annual General Meeting.

Kindly take the same on your record.

Thanking you,

Yours Truly,
For Man Industries (India) Limited

Shashank Belkhede
Group Head – Legal & Secretarial

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 2019

(Rs.in Lakhs)

	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Income							
	i) Revenue from Operations	26,467	51,557	48,929	221,539	157,238	222,171	160,752
	ii) Other income	1,824	2,728	850	2,062	5,765	2,066	5,680
	Total Income	28,291	54,285	49,779	223,601	163,003	224,237	166,432
2	Expenses :							
	a) Cost of materials consumed	16,011	32,517	33,804	151,981	130,532	151,981	133,974
	b) Purchases of stock in trade	6,657	818	257	7,570	1,162	8,014	1,162
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,381)	7,765	1,179	9,705	(14,221)	9,705	(14,221)
	d) Employee benefit expense	1,330	1,370	1,146	5,482	4,455	5,572	4,628
	e) Finance Costs	1,383	1,564	1,419	6,529	4,302	6,530	4,303
	f) Depreciation and amortisation expense	1,176	1,103	966	4,592	3,920	4,593	3,921
	g) Other expenses	3,928	6,918	6,385	29,044	23,029	28,999	22,758
	Total Expenses	28,104	52,055	45,157	214,903	153,179	215,394	156,525
3	Profit / (loss) before exceptional items and tax (1-2)	187	2,230	4,622	8,698	9,824	8,843	9,907
4	Exceptional items (Loss)	-		370		370		370
5	Profit / (loss) before tax (3-4)	187	2,230	4,252	8,698	9,454	8,843	9,537
6	Income tax Expenses							
	Current tax	(346)	679	1,549	2,656	3,345	2,656	3,345
	Deferred tax	374	0	61	303	(177)	303	(177)
	Total tax expense	28	679	1,610	2,959	3,168	2,959	3,168
7	Net Profit / (Loss) for the period (5-6)	159	1,551	2,642	5,739	6,286	5,884	6,369
8	**Other Comprehensive Income, net of income tax**							
	a) Item that will be reclassified to profit or loss	(33)	(179)	116	230	50	221	53
	b) Items that will not be reclassified to profit or loss	-	-	-	-	-	-	-
	Total other comprehensive income, net of income tax	(33)	(179)	116	230	50	221	53
9	**Total comprehensive income/ (loss) for the period (7+8)**	126	1,371	2,758	5,969	6,336	6,105	6,422
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				67,328	62,480	67,348	65,219
12	Earnings per share(of Rs. 5/- each) (not annualised):							
	Basic & Diluted	0.28	2.72	4.63	10.05	11.01	10.30	11.15

MAN INDUSTRIES (INDIA) LTD. MUMBAI

Statement of Assets and Liabilities

(Rs.in Lakhs)

	Particulars	Standalone		Consolidated	
		As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
	ASSETS				
1	**Non-current assets**				
a)	Property, plant and equipment	39,640	35,541	39,642	35,541
b)	Capital work in progress	276	6,300	276	6,300
c)	Non-current financial assets				
i)	Non-current investments	13,055	12,892	10,230	10,230
ii)	Trade receivables	3,742	1,799	3,742	1,799
iii)	Loans	-	-		-
iv)	Other	484	404	486	406
c)	Other non current Asset	9,757	5,942	10,130	6,286
	Total Non current Assets	66,954	62,878	64,506	60,562
2	**Current assets**				
a)	Inventories	21,663	41,830	21,663	41,830
b)	Financial assets				
i)	Current investments	5	57	5	57
ii)	Trade receivables	53,241	36,704	55,525	38,271
iii)	Cash and cash equivalent	489	521	492	544
iv)	Bank balance other than (iii) above	4,233	6,122	4,233	6,122
v)	Loans	5,006	4,147	5,007	4,024
vi)	Others	1,381	1,387	1,381	1,387
c)	Current tax asset (Net)	-	-		-
d)	Other current assets	6,607	16,965	6,607	16,965
	Total Current Assets	92,625	1,07,733	94,913	1,09,200
	TOTAL ASSETS	1,59,579	1,70,611	1,59,419	1,69,762

Statement of Assets and Liabilities

(Rs.in Lakhs)

	Particulars	Standalone		Consolidated	
		As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
	EQUITY AND LIABILITIES				
	Equity				
a)	Equity share capital	2,855	2,855	2,855	2,855
b)	Other equity	67,329	62,480	67,348	62,364
	Equity attributable to equity holders of the parent	70,184	65,335	70,203	65,219
	Liabilities				
1	**Non-current liabilities**				
a)	Financial liabilities				
i)	Borrowings	4,916	8,958	4,916	8,958
ii)	Trade payable	11	942	11	12
b)	Provisions	167	132	167	132
c)	Deferred tax liabilities	3,969	3,541	3,968	3,541
d)	Other non-current liabilities	365	365	365	365
	Total Non current liabilities	9,428	13,938	9,427	13,008
2	**Current liabilities**				
a)	Financial liabilities				
i)	Borrowings	15,802	18,044	15,130	17,417
ii)	Trade payable	55,879	56,817	56,338	57,778
iii)	Other current financial liabilities	5,698	12,160	5,724	12,016
b)	Other current liabilities	509	2,255	509	2,256
c)	Provisions	748	671	757	677
d)	Current tax liability	1,331	1,391	1,331	1,391
	Total current liabilities	79,967	91,338	79,789	91,535
	TOTAL EQUITY AND IABILITIES	1,59,579	1,70,611	1,59,419	1,69,762

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 May 28, 2019.

2 For the fiscal year 2019, the Board has recommended a final dividend of Rs.1.50 per share of face value Rs.5/- each (i.e. 30%) subject to the approval of the shareholders at the ensuing Annual General meeting of the Company.

3 The Company has an outstanding order book position of approx. Rs. 2000 crs as on date.

4 Previous period/Year's figures have been regrouped / reclassified wherever necessary to confirm to current period/year figures.

5 The Company is having single segment i.e. "Steel Pipes".

For Man Industries (India) Limited

MAN INDUSTRIES (INDIA) LTD. MUMBAI

R C Mansukhani
Chairman
DIN - 00012033

Place : MUMBAI
Date : May 28, 2019

To,
The Members of
Man Industries (India) Limited

Report on the Audit of the standalone financial statement's opinion

1. We have audited the accompanying standalone financial statements of Man Industries (India) Limited (the 'Company'), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters 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 the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

M.H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Assessment of the carrying value of investment in and loans granted to its subsidiary, Merino Shelters Private Limited.

(Refer to note 6 and note 15 to the financial statements)

Description of Key Audit Matter

As at 31st March 2019, the carrying amount of a) investment is Rs. 10229.83 lakhs and b) loan advanced is Rs. 858.15 lakhs, to its wholly owned subsidiary Merino Shelters Private Limited. The aggregate exposure of the Company in respect of (a) and (b) above is Rs. 11087.98 which is significant to the standalone financial statements of the Company.

Merino Shelters Private Limited is in the process of development of residential /IT/ Commercial real estate project at Nerul, Navi Mumbai. Considering the current situation of the Real Estate industry there are indicators of potential impairment of the Investments in subsidiary as set out on (a) and (b) above.

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 loans advanced (including interest accrued) are considered good.

Considering the materiality of the amounts and due to the management judgement 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.

How our audit addressed the key audit matter

Obtained an understanding of the matter with the management.

Considered the business forecasts with the current market position relating to the demand and supply of the product.

Considered the work of the external independent valuation expert engaged by the company and assessed their methods and objectivity.

Examined terminal value of the subsidiary used in the valuation report and tested the mathematical accuracy of the underlying calculations.

Based on the above, procedures, the Management 's assessment of impairment in the carrying value of investments in the subsidiary is reasonable.

Assessment of the carrying value of investment in its subsidiary, Man Overseas Metal DMCC

(Refer to note no. 6 to the financial statements)

As at 31st March 2019, the carrying amount of investment is Rs. 2824.13 lakhs, to its wholly owned subsidiary Man Overseas Metal, DMCC, which is significant to the standalone financial statements of the Company.

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

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

economic circumstances and noted that no provision for impairment is required to be made in respect of these investment in subsidiary and loans advanced (including interest accrued) are considered good.

Considering the materiality of the amounts and due to the management judgement 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.

How our audit addressed the key audit matter

Obtained an understanding of the matter with the management.

Considered the business forecasts with the current market position relating to the demand and supply of the product.

Considered the work of the external independent valuation expert engaged by the company and assessed their methods and objectivity.

Examined terminal value of the subsidiary used in the valuation report and tested the mathematical accuracy of the underlying calculations.

Based on the above, procedures, the Management 's assessment of impairment in the carrying value of investments in the subsidiary is reasonable.

Other Matter

6. 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 Rs. 12,228.85 Lakhs as at March 31, 2019 (previous year Rs. 8,543.55 lakhs) and total operating revenues of Rs. 6,666.29 (previous year Rs. 49335.21 lakhs) for the year ended on that date, as considered in the standalone financial statements. The financial statements/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

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

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

Our opinion on the 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 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.

M.H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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

8. The 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 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. 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.

9. In preparing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the financial statements

11. 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 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 financial statements.

12. As part of an audit in accordance with Standards on Auditing, 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,

M.H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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.

13. 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.

14. 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.

15. 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

16. As required by Section 197(16) of the Act, we report that the Company has paid excess remuneration of Rs 246.12 lakhs to its director 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 41 to accompanying standalone financial statement).

17. 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, and on the basis of such checks of the books and records of the company as we considered and according to the information and explanation given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

M.H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

18. 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 it 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 standalone financial statements comply with Ind AS specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in 'Annexure B'.

g) 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:

i. the Company has disclosed the impact of pending litigations as at march 31, 2019 on its financial position in the standalone financial statements;

ii. the Company has made provision as at march 31, 2019, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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 2019;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For M H Dalal & Associates
Chartered Accountants
Firm Registration Number: - 112449W

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Devang Dalal
Partner
Mumbership Number:- 109049
Place: Mumbai
Date: 28th May 2019

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, 2019
[*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	2,23,601.16	2,23,601.16
	2.	Total Expenditure	2,14,903.36	2,14,903.36
	3.	Net Profit/(Loss)	5,738.46	5,738.46
	4.	Earnings Per Share (INR)	10.05	10.05
	5.	Total Assets	1,59,578.75	1,59,578.75
	6.	Total Liabilities	89,395.19	89,395.19
	7.	Net Worth	70,183.56	70,183.56
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

i. During the year the company has granted loan of Rs. 1080.38 lakhs to one company in which directors are interested, which is in violation of section 185 of the Companies Act 2013. The year end balance is Rs.1080.38 lakhs.

ii. In respect of loan granted to wholly own subsidiary M/s. Merino Shelters Pvt Ltd covered in registered maintained under section 189 of the Companies Act 2013, interest amounting to Rs. 996.10 lakhs has been overdue for more than 90 days.

iii. During the year the company has paid excess managerial remuneration of Rs. 246.12 lakhs in accordance of provision of section 197 read with schedule V to the Companies Act 2013.

b. **Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion
QUALIFIED

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing -
FIRST TIME

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

(ii) **If management is unable to estimate the impact, reasons for the same:**

a. The company has given loan for temporary requirement & expect to recover by end of June 2019.

b. M/s. Merino Shelter Pvt Ltd is entered into an agreement with Panchsheel Group & we expect to receive the dues once the project revenue start generating.

c. In respect of serial no iii i.e. excess remuneration of Rs. 246.12 lakhs paid to director the company is in the process of ratifying the same in ensuing general meeting.

(iii) **Auditors' Comments – No comment**

III.	Signatories:
◎ **Chairman**	
◎ CFO	
◎ **Audit Committee Chairman**	
◎ **Statutory Auditor**	

Place: Mumbai

Date: May 28, 2019

Merino Industries (India) Ltd. Mumbai

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

To,
The Members of
Man Industries (India) Limited

Report on the Audit of the Consolidated financial statements opinion

Qualified Opinion

1. 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 2019, 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.

2. 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, 2019, and it's 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

3. I Believe, The Consolidated financial statement does not include the financial statement of Merino Shelters Private Limited, wholly owned subsidiary of the Group, which is in contravention to Indian Accounting Standard (IND AS) 110 issued by the institute of Chartered Accountants of India.

Key Audit Matters

4. 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 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.

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

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

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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

6. 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.

7. 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.

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

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

9. 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.

10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 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.

11. 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.

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12. 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.

13. 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.

Emphasis of Matter

14. We draw attention to note 53 to the Consolidated financial statement, with regards to the scheme of arrangement for the merger/ demerger (scheme) between the Group and Man Infraprojects Limited (MIPL). The Group has given effect to the scheme in the financial statement of year 2014-15 based on approval of Hon'ble Bombay High Court. As represented to us by the management, MIPL has made frivolous claims on the Group and also challenged the valuation of assets against which the Group has filed an application for withdrawal of claims and for modification of scheme. Since the matter is sub-judice and looking to the contingencies in this regards, we are unable to comment on the same.

Other Matters

15. 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 Rs. 12,228.85 lakhs as at March 31, 2019 (previous year: Rs. 8543.55 lakhs) and the total operating revenues of 6,666.29 lakhs (previous year: Rs. 49,335.21 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.

16. We did not audit the financial statements of Man Overseas Metal DMCC, subsidiary of the Company, whose financial statement reflects total assets of Rs. 3,336.53 lakhs (previous year Rs. 2,688.01 lakhs) and total operating revenue of Rs. 493.20 lakhs (previous year Rs. 3514.42 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.

17. 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 Rs. 1.30 lakhs (previous year Rs. 18.24 lakhs) and total operating revenue of Rs. 13.30 lakhs (previous year Rs. 141.58 lakhs) for the year ended on the date.

Our opinion is not qualified in respect of these matters.

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Report on other Legal and Regulatory Requirements

18. As required by Section 197(16) of the Act, we report that the holding Company has paid excess remuneration of Rs 246.12 lakhs to its director 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 41 to accompanying Consolidated financial statement). Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to two subsidiary companies consolidated, covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

19. 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:

    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 financial statements 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) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

    e) 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 2019 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 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';

    g) 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:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

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ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;

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 2019;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For M H Dalal & Associates
Chartered Accountants
Firm Registration Number: - 112449W

Devang Dalal
Partner
Mumbership Number:- 109049
Place: Mumbai
Date: 28th May 2019

M. H. DALAL & ASSOCIATES
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ANNEXURE A TO INDEPEMDENT 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')

1. 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 2019, 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

2. 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

3. 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.

4. 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.

5. 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.

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Meaning of Internal Financial Controls over financial Reporting

6. 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

7. 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

8. 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 2019, 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

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Devang Dalal
Partner
Mumbership Number: - 109049

Place: Mumbai
Date: 28th May 2019

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, 2019
[*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	2,24,236.68	-
	2.	Total Expenditure	2,15,393.65	-
	3.	Net Profit/(Loss)	5,883.69	-
	4.	Earnings Per Share (INR)	10.30	-
	5.	Total Assets	1,59,419.56	-
	6.	Total Liabilities	89,216.55	-
	7.	Net Worth	70,203.01	-
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

i. Contravention to Indian Accounting Standard Ind AS 110: Consolidated Financial Statement. Financial Statements of Merino Shelters Privae. Limited., wholly owned Subsidiary have not been consolidated.

ii. During the year the holding company has paid excess managerial remuneration of Rs. 246.12 lakhs in accordance of provision of section 197 read with schedule V to the Companies Act 2013.

b. **Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion
QUALIFIED

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing

i. Qualification in serial no i is repetitive since last 4 years.

ii. Qualification in serial no ii is appearing first time.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** N.A.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

(ii) **If management is unable to estimate the impact, reasons for the same:**

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. 246.12 lakhs paid to director the company is in the process of ratifying the same in ensuing general meeting.

(iii) **Auditors' Comments on (i) or (ii) above:**

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.

III.	Signatories:
◎ Chairman	
◎ CFO	
◎ Audit Committee Chairman	
◎ Statutory Auditor	

Place: Mumbai
Date: May 28, 2019

Man Industries (India) Ltd. Mumbai

M. H. DALAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI