



Manaksia Aluminium Company Limited

Corporate Identity Number : L27100WB2010PLC144405

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Date: 06.10.2020

To
The Chief General Manager
Corporate Finance Department
The Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4 A, G Block,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

(Encl)

Dear Sir/ Ma'am,

RE: REQUEST FOR INFORMAL GUIDANCE BY WAY OF AN INTERPRETIVE LETTER UNDER SEBI INFORMAL GUIDANCE SCHEME, 2003 IN CONNECTION WITH SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION, 2015, AS AMENDED "(LODR REGULATIONS)".

FACTS OF THE CASE

1. Our Company Manakisa Aluminium Company Limited ("MACL") is listed at BSE Limited and National Stock Exchange of India Limited (ISIN: INE859Q01017).
2. The composition of Board of Directors of the Company as on date is as under:

| Sr. No. | Name | Designation / Category |
|---------|-----------------------------|---|
| I. | Mr. Ajay Kumar Chakraborty | Non-Executive - Independent Director-Chairman |
| II. | Mr. Chandan Ambaly | Non-Executive - Independent Director |
| III. | Mr. Shuvendu Sekhar Mohanty | Non-Executive - Independent Director |
| IV. | Ms. Suprity Biswas | Woman – Independent Director |
| V. | Mr. Dipak Bhattacharjee | Executive Director – Non Promoter |
| VI. | Mr. Sunil Kumar Agrawal | Managing Director – Promoter Director |
| VII. | Mr. Vineet Agrawal | Non-Executive – Non Independent Promoter Director |
| VIII. | Mr. Anirudha Agrawal | Non-Executive – Non Independent Promoter Director |



3. The remuneration / salary to Managing Director & Executive Director is paid by the Company in adherence with the applicable limit as specified under Schedule V, Part II, Section II (viz, Remuneration payable by companies having no profit or inadequate profit without Central Government approval) of the Companies Act, 2013 and Rules made thereunder, for the time being in force. It is pertinent to note that apart from the customary monthly salary, the managing director or the executive director are not paid any amount as fees or compensation including any profit percentage, incentive, retirement benefit, sitting fees, any fees in form of extra service etc.
4. As on date the Company has only one Executive Promoter director. Subject to the compliance of applicable laws, the Company now proposes to appoint one more Executive Promoter Director on the Board. The new executive promoter director shall also be appointed on the same terms and conditions as the existing Executive Promoter Director i.e., apart from receiving customary monthly salary, the new executive promoter director shall also not be paid any amount as fees or compensation including any profit percentage, incentive, retirement benefit, sitting fees, any fees in form of extra service etc.
5. In case the new executive promoter director is appointed within the limits as prescribed in the Companies Act 2013 including provisions of Schedule V, Part II, Section II (viz, Remuneration payable by companies having no profit or inadequate profit without Central Government approval), the same requires approval of Ordinary Resolution in general meeting only.
6. Your attention is drawn to Regulation 17(6)(e) of LODR regulations which reads as under:

17(6)(e) - The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) *the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or*
- (ii) *where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:*

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

7. On the perusal of Regulation 17(6)(e), we understand that in case the listed company has one executive promoter director, it can pay upto 2.5% of the net profits or rupees 5 crore, *whichever is higher*, without passing a special resolution. In case of more than one such director in the company,



the relative limit of 2.5% is doubled to 5% of the net profits, however, the absolute limit of INR 5 crore has not been mentioned under sub-clause (ii) of the said sub-regulation.

8. Currently our Company is having one executive promoter director (Mr. Sunil Kumar Agrawal) who is paid Rs. 126 lakhs of annual remuneration which is within the upper limit of clause (i) of Regulation 17(6)(e) of LODR Regulations. However upon proposed appointment of one more executive promoter director, the company shall be required to comply with Clause (ii) of the said LODR regulations i.e., passing special resolution if the remuneration to both exceeds 5% of the net profit without reference of any absolute limit as may be applicable, which we doubt to be the intent of the law.
9. Further regulation 17(6)(e) becomes applicable only if any fees or compensation is payable to executive promoter director apart from the customary monthly salary. In our case we are not paying and nor propose to pay any fees or compensation to the executive promoter directors.
10. We understand that the term fees and compensation as mentioned in regulation 17(6)(e) is different and over and above the normal remuneration being paid to the executive directors. In the instant case none of the executive promoter director is receiving or entitled for any fees or compensation from the Company.

QUERY

- 1) Whether Regulation 17(6)(e) of LODR Regulations will be applicable on the Company, if it appoint other executive promoter director passing Ordinary Resolution and receiving only customary monthly salary (and not receiving any fees or compensation) in adherence with the applicable limit of Ordinary Resolution as specified under Schedule V, Part II, Section II (viz, Remuneration payable by companies having no profit or inadequate profit without Central Government approval) of the Companies Act, 2013 and Rules made thereunder.
- 2) Is the upper limit of Rs. 5 crore as mention in clause (i) of regulation 17(6)(e) for remuneration is also applicable if remuneration is paid to more than one Executive Promoter Director under clause (ii) of regulation 17(6)(e) of LODR Regulations.
- 3) Whether the Company shall be required to pass a special resolution under clause (ii) of Regulation 17(6)(e) of LODR regulations for appointment of one more executive promoter director if the aggregate remuneration payable to all executive promoter directors exceeds 5% of the Net profits or an absolute aggregate limit of Rs. 5 Crores shall also become applicable as mentioned in clause (i) of the said regulations.



In accordance with paragraph 6 of the SEBI (Informal Guidance) Scheme, 2003, we enclose a demand draft dated 06.10.2020 bearing no. 946231 of Rs. 25,000 (Rupees Twenty Five Thousand Only) drawn on Allahabad Bank, in favour of "Securities and Exchange Board of India" payable at Mumbai. Further, all material facts, circumstances and legal provisions that in our opinion are relevant for the purposes of determination of this request, are stated herein.

We would appreciate receiving your opinion at your earliest convenience. For further assistance or clarifications we request that you contact us at the address detailed below:

Attention: MR. VIVEK JAIN, Company Secretary and Compliance Officer
C/o: MANAKSIA ALUMINIUM COMPANY LIMITED
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Kolkata- 700 001
West Bengal
Tel No: 033-2243 5053/54
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Thanking You,
FOR Manaksia Aluminium Company Limited

Vivek Jain

Vivek Jain
Company Secretary & Compliance Officer
Membership no.: A36946

