

# Metkore Alloys & Industries Limited

11th Annual Report  
2016-2017

## GENERAL INFORMATION

<b>Board of Directors</b>	Sri S Gajendran	Non-Executive Independent Director
	Sri M V Bhaskara Rao IPS (Retd.)	Non-Executive Independent Director
	Smt. Shakuntala Prakash Bhat	Non Executive Independent Director
	Sri Sahindra Jagannath Bhawale	Non Executive Director (w.e.f 26.07.2017)
	Smt. Arati Sahindra Bhawale	Non Executive Director (w.e.f 26.07.2017)
	Ms.Nikshita Sahindra Bhawale	Non Executive Director (w.e.f 30.07.2017)

**Statutory Auditors** **M/s NSVR & Associates LLP**  
(Formerly known as Nekkanti Srinivasu & Company)  
Chartered Accountants  
604, Kanchanjunga Apts., 'D' Block  
Aditya Enclave, Ameerpet  
Hyderabad - 500 038

**Bankers** State Bank of Travancore

**Registered Office** Plot No.18, Sagar Society, Street No. 1  
Road No. 2, Banjara Hills  
HYDERABAD - 500 034

**Plant** Ravivalasa Village - 532 212  
Tekkali Mandal, Srikakulam District, A.P.

**Registrar & Share Transfer Agents** Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower 'B'  
Plot No. 31 & 32, Gachibowli Financial District  
Nanakram Guda, Hyderabad - 500 032.

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## NOTICE

**NOTICE** is hereby given that the Eleventh Annual General Meeting of the Members of **METKORE ALLOYS & INDUSTRIES LIMITED** will be held on Wednesday the September 06, 2017 at 10.00 AM at **Hotel Sreekrishna Grand, Miyapur X Road, HYDERABAD-500 049** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2017, the Reports of Board of Directors and Auditors thereon.
2. To appoint Auditors, fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** M/s NSVR & Associates LLP (formerly known as Nekkanti Srinivasu & Company), Chartered Accountants [Firm Registration No. 008801S] be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company”.

3. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of the Cost Auditor, Jithendra Kumar & Company, Cost Accountants for the year ending March 31, 2018 be and is hereby determined as recommended by the Audit Committee and approved by the Board of Directors”.

### SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification (s): **CONVERSION OF LOAN INTO SHARES/ CONVERTIBLE WARRANTS INTO SHARES ON PREFERENTIAL BASIS, WITH OR WITHOUT MODIFICATION (S), AS A SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to Section 55 and other applicable provisions of the Companies Act, 2013, as amended (the “Companies Act 2013”) and the Companies (Share Capital and Debentures) Rules, 2014 made there under, to the extent notified, and the Memorandum & Articles of Association of the Company, consent of the Company be and is hereby accorded for redemption of 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each held by M/s. Pentacle Infrastructure & Towers Private Limited aggregating to Rs. 108,374,273 as on May 28th, 2017.

**RESOLVED FURTHER THAT** pursuant to section 55 and other applicable provisions of the Companies Act, 2013, as amended (the “Companies Act 2013”) and read with rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 made there under, to the extent notified, and the Memorandum & Articles of Association of the Company, consent of the Company be and is hereby accorded to redeem the 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each held by M/s. Pentacle Infrastructure & Towers Private Limited aggregating to Rs.108,374,273 as on May 28th, 2017 out of proceeds of a fresh issue of equity shares for the purposes of such redemption.

**RESOLVED FURTHER THAT** consent of the Company be and is hereby accorded to the preferential shareholders, M/s. Pentacle Infrastructure & Towers Private Limited holding of the 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each to participate in any fresh issue of equity shares for the purposes of redemption of 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each.

**RESOLVED FURTHER THAT** pursuant to Section 42, 55 & 62 and other applicable provisions of the Companies Act, 2013, as amended (the “Companies Act 2013”) and the Rules made there under to the extent notified and the Memorandum & Articles of Association of the Company, consent of the Company be and is hereby accorded for the utilization of redemption amount of Rs.108,374,273 on account of redemption of 7,864,700 Cumulative Redeemable Preference Shares of face value of Rs.11/- each towards the subscription of any proposed any issue of equity shares of the Company in one or multiple tranches by M/s. Pentacle Infrastructure & Towers Private Limited.

**RESOLVED FURTHER THAT** pursuant to Section 42, 55 & 62 and other applicable provisions of the Companies Act, 2013, as amended (the “Companies Act 2013”) and the Rules made there under, the consent of the members hereby accorded for the utilization of the redemption amounting to Rs. 108,374,273 as on 28/05/2017 in the Books of the Company accrued on accounts of redemption of 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each held by M/s. Pentacle Infrastructure & Towers Private Limited towards subscription of any proposed issue of capital of the Company (both Equity and/or Preferential) in one or multiple tranches.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient and to resolve and settle all questions and difficulties that may arise in relation to the proposed redemption of 7,864,700 Cumulative Redeemable Preference Shares of face value of Rs.11/- each and utilization of the redemption amount towards any future issue, offer and allotment of any equity shares, and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit and proper for this purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required .

**AND RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution.”

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution - **PREFERENTIAL ISSUE AND ALLOTMENT OF 9,031,190 EQUITY SHARES OF THE COMPANY TO PERSONS OTHER THAN PROMOTER(S):**

“**RESOLVED THAT** pursuant to Section 39,42, 55 & 62 and other applicable provisions of the Companies Act,2013, as amended (the “Companies Act 2013”) and the Rules made there under to the extent notified and as per Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable relevant guidelines of the Securities & Exchange Board of India, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges and the Memorandum & Articles of Association of the Company and any other applicable laws / rules / regulation and subject to the consent / approval of any other authorities / institutions, consent of the Company be and is hereby accorded to create, offer, issue and allot up to 9,031,190 Equity Shares of face value of Rs. 2/- each to non-promoter and to a body corporate namely,

Sl.No.	Name of Proposed allottee	No. of Shares
1	M/s. Pentacle Infrastructure & Towers Private Limited	9031190

on a preferential allotment basis and at a price of Rs.12 each Equity Shares and the aforesaid shares shall be issued and allotted, on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the “Board” which shall be deemed to include any duly authorized Committee thereof) at the time of issue or allotment.

**RESOLVED FURTHER THAT** the number of shares and issue price will be as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Board be and is hereby authorised to adjust the same and do such acts and deeds as necessary.

**RESOLVED FURTHER THAT** the “Relevant Date” in relation to the issue of the shares in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 would be 07/08/2017 being the date 30 days prior to the date of passing of this resolution.

**RESOLVED FURTHER THAT** the issue of equity shares on preferential basis, as mentioned herein above, shall be subject to the following terms and conditions:

- The shares shall be allotted within 15 days from the date of Annual General Meeting (AGM) or from the date of getting in-Principle approval from Stock Exchanges or such other statutory approvals whichever is later;
- Each equity share of face value of Rs.2/- each ;
- The cost of acquisition of each equity shares of face value of Rs. 2/- each will be Rs. 12/- each or such price as calculated as per Regulation 76/76A of the ICDR, 2009; and
- The number of Equity Shares and the price per equity share shall be appropriately adjusted, subject to the Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009,
- The above proposed issue of equity shares will be entitled for any corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.
- M/s. Pentacle Infrastructure & Towers Private Limited shall utilize the redemption amounting of Rs. 108,374,273 as on 28/05/2017 in the Books of the Company accrued on account of redemption of 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each held by M/s. Pentacle Infrastructure & Towers Private Limited towards subscription of this proposed issue of share capital the Company.

**RESOLVED FURTHER THAT** the Equity Shares to be allotted & issued on preferential basis to M/s. Pentacle Infrastructure & Towers Private Limited (non- promoter), shall be locked in for a period of 1 year from the date of their allotment as per Regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements ) Regulations, 2009.

**RESOLVED FURTHER THAT** the Proposed allottee pursuant to the aforesaid preferential allotment and the equity shares to be allotted shall rank pari-passu in all respects including as to dividend, with the existing Equity Shares of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Equity Shares and listing of the Equity Shares to be allotted on preferential allotment basis with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Equity Shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit for this purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required and entering into arrangements for listing of the equity shares representing the same in any Indian Stock Exchanges with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers here conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution and for the purpose of allotment of Shares.”

**AND RESOLVED FURTHER THAT** the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue, allotment, listing and trading of aforesaid equity shares and listing of the equity shares to be allotted on preferential allotment basis with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit for this purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required and entering into arrangements for listing of the equity shares representing the same in any Indian Stock Exchanges with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

6. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION - PREFERENTIAL ISSUE AND ALLOTMENT OF 65,686,274 EQUITY SHARES OF FACE VALUE OF RS.2/- OF THE COMPANY TO PERSONS OTHER THAN PROMOTER(S) AT A SUBSCRIPTION PRICE OF RS 51/- EACH AGGREGATING TO RS. 3,350,000,000/-:**

“**RESOLVED THAT** pursuant to Section 39,42, 55 & 62 and other applicable provisions of the Companies Act, 2013, as amended (the “Companies Act 2013”) and the Rules made there under to the extent notified and as per Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable relevant guidelines of the Securities & Exchange Board of India, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges and the Memorandum & Articles of Association of the Company and any other applicable laws / rules / regulation and subject to the consent / approval of any other authorities / institutions, consent of the Company be and is hereby accorded to create, offer, issue and allot up 65,686,274 Equity Shares of face value of Rs. 2/- each to non-promoter, namely,

Sl. No.	Name of Proposed allottee	No of Shares	Face value per Equity Shares (Rs.)	Issue price Including Premium per shares (Rs.)
1	Mr. Sahindra Jagannath Bhawale	65,686,274	2	51

on a preferential allotment basis and at a price of Rs.51 each Equity Shares and the aforesaid shares shall be issued and allotted, on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the “Board” which shall be deemed to include any duly authorized Committee thereof) at the time of issue or allotment.

**RESOLVED FURTHER THAT** the number of shares and issue price will be not less than the price as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Board be and is hereby authorised to adjust the same and do such acts and deeds as necessary.

**RESOLVED FURTHER THAT** the "Relevant Date" in relation to the issue of the shares in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 would be 07/08/2017 being the date 30 days prior to the date of passing of this resolution.

**RESOLVED FURTHER THAT** the issue of equity shares on preferential basis, as mentioned herein above, shall be subject to the following terms and conditions:

- a. The shares shall be allotted within 15 days from the date of Annual General Meeting (AGM) or from the date of getting in-Principle approval from Stock Exchanges or such other statutory approvals whichever is later;
- b. Each equity share of face value of Rs.2/- each and shall be issued at a premium of Rs. 49/- per share aggregating to Rs 3,350,000,000/- ;
- c. The cost of acquisition of each equity shares of face value of Rs. 2/- each will be Rs. 51/- each and such price is more than as calculated as per Regulation 76/76A of the ICDR, 2009;
- d. The number of Equity Shares and the price per equity share shall be appropriately adjusted, subject to the Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009,
- e. The above proposed issue of equity shares will be entitled for any corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring; and
- f. the proposed acquirer will comply the applicable provisions of the SEBI SAST, 2009 to the extent applicable to it.

**RESOLVED FURTHER THAT** the Equity Shares to be allotted & issued on preferential basis to Mr. Sahindra Jagannath Bhawale being non- promoter, shall be locked in for a period of 1 year from the date of their allotment as per Regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

**RESOLVED FURTHER THAT** the Proposed allottee pursuant to the aforesaid preferential allotment and the equity shares to be allotted shall rank pari-passu in all respects including as to dividend, with the existing Equity Shares of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Equity Shares and listing of the Equity Shares to be allotted on preferential allotment basis with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Equity Shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit for this purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required and entering into arrangements for listing of the Equity Shares representing the same in any Indian Stock Exchanges with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution and for the purpose of allotment of Shares."

**AND RESOLVED FURTHER THAT** the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue ,allotment , listing and trading of aforesaid Equity Shares and listing of the Equity Shares to be allotted on preferential allotment basis with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit for this purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required and entering into arrangements for listing of the Equity Shares representing the same in any Indian Stock Exchanges with power on behalf of the Company, to settle any questions, difficulties

or doubts that may arise in regard to any such issue, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

7. To regularize the appointment of Sri Sahindra Jagannath Bhawale [DIN 07352920] as Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, Sri Sahindra Jagannath Bhawale [DIN 07352920] was appointed as Additional Director of the Company with effect from July 26, 2017 under Section 161 of the Companies Act, 2013, be and is hereby regularized as Non-Executive Director of the Company, liable to retire by rotation.

8. To regularize the appointment of Smt. Arati Sahindra Bhawale [DIN 07352922] as Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, Smt. Arati Sahindra Bhawale [DIN 07352922] was appointed as Additional Director of the Company with effect from July 26, 2017 under Section 161 of the Companies Act, 2013, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation.

9. To regularize the appointment of Ms. Nikshita Sahindra Bhawale [DIN 07894804] as Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, Ms. Nikshita Sahindra Bhawale [DIN 07894804] was appointed as Additional Director of the Company with effect from July 30, 2017 under Section 161 of the Companies Act, 2013, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation.

By Order of the Board

Place : Bengaluru  
Date : 02.08.2017

**Mahak S Roy**  
Company Secretary

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. A person can act as Proxy on behalf of the member not exceeding fifty and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.  
The instrument of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to items 3 to 9 is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 01.09.2017 to 06.09.2017 [both days inclusive] for the purpose of Annual General Meeting.
4. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the AGM through electronic mode. Electronic copy of the Annual Report including Notice of the 11th AGM of the Company, inter alia, indicating the Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Depository Participant(s) for communication purposes. However, those members who desire to have a physical copy may request for the same. For members who have not registered their email address, physical copies of the annual report are being sent in the permitted mode.

- The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with the DP at the earliest, to enable the Company to use the same for serving documents electronically. Shareholders holding shares in physical form may kindly provide their e-mail IDs to the RTA. The annual Report is available on the Company's website [www.metkore.com](http://www.metkore.com)

**E-Voting:**

The instructions for and other information relating to e-voting are as under:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management & Administration] Amendment Rules, 2015 and Regulations 44 of SEBI [LODR] Regulations 2015, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited [Karvy] on all resolutions set forth in the notice of Annual General Meeting.

In this regard, please find below User ID and Password for e-voting:

EVEN [e voting event number]	
USER ID	XXXX
PASSWORD	XXXX

- Use the following URL for e voting: <https://evoting.karvy.com>
- Enter the login credentials i.e. user id and password mentioned below:

User ID for members holding shares in demat form:

- For NSDL : 8 character DP ID followed by 8 digits Client ID
- For CDSL : 16 digits beneficiary ID

For Members holding shares in Physical form:

- Event No. followed by Folio Number registered with the Company. Password as e-mailed. In case of shareholders who have not registered their e-mail addresses, their password has been communicated in the physical ballot form sent to them.

Captcha Enter the verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- After entering the details appropriately, click on LOGIN
- You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (AZ), one lower case (a-z), one number value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e. Metkore Alloys & Industries Limited.
- On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click "FOR / AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in 'AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option 'ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.



8. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at [sumitamgmt@gmail.com](mailto:sumitamgmt@gmail.com)
9. Once you have cast your vote on a resolution, you will not be allowed to modify it subsequently.
10. The e-voting portal will open for voting from 03.09.2017 [10.00 AM] to 05.09.2017 [5.00 PM]. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 31.08.2017, may cast their vote electronically. The e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
11. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on 31.08.2017.
12. In case of any queries, you may refer the Frequently Asked Questions [FAQs] for shareholders and e-voting. User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Varghese PA of Karvy Computershare Pvt. Ltd at 040 44655000 or at 1800 345 4001 [toll free].
13. The results of e-voting will be placed by the Company on its website: [www.metkore.com](http://www.metkore.com) within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.
14. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
15. Sri Ramesh Chandra Mishra, Practicing Company Secretary has been appointed as the Scrutinizer to the e-voting process.

### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No.3**

The Board, on recommendation of the Audit Committee, has approved the appointment of Cost Auditor and remuneration of Rs.30,000 [Rupees Thirty Thousand Only] to conduct the audit of the cost records relating to Ferro Chrome for the year 2017-18. In connection with the Cost Audit for the year ended March 31, 2018, Sri Jithendra Kumar, Cost Accountant has conveyed his willingness to act as Cost Auditor of the Company. In accordance with the Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration for the Cost Auditor as recommended by the Audit Committee and approved by the Board is required to be ratified by the shareholders.

Accordingly, consent of the members is sought for passing an Ordinary resolution.

None of the Directors / key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

#### **Item No. 4 & 5**

The item No. 4&5 of this Notice is proposed to be passed as a Special Resolution under the provisions of Section 42, 55 & 62 and all other applicable provisions of the Companies Act, 2013, in view of the fact that the Equity Shares will be offered to a person i.e. a body corporate and present preferential shareholder of the Company and other than promoters of the Company on preferential basis who is ALSO AN existing Member.

Also, Disclosures required to be made in the Explanatory Statement pursuant to the provisions of Regulations for Preferential Issue of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI Regulations") are set out below:

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND DISCLOSURES AS PER REGULATION 73 OF SEBI (ISSUE OF CAPITAL & DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 RELATING TO SR. No. 5 & 6**

1. The members at their meeting held on 23rd January, 2016 approved the redemption of 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each held by M/s. Pentacle Infrastructure & Towers Private Limited aggregating to Rs. 86,511,700 as on 31st March, 2016
2. The members also approved to utilize the redemption amount by the company towards subscription of shares of the Company as per Section 42, 62 & 55 of the Companies, Act 2013 and Rules framed thereunder.
3. The members on 23rd January, 2016 approved issue of 8747000 Equity Shares on a preferential basis and as per Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other

applicable relevant guidelines of the Securities & Exchange Board of India, the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

4. As per Regulation 28 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had made necessary applications to the Stock Exchanges for in principal approval .
5. Later on the company came to know that Pentacle Infrastructure & Towers Private Limited has not complied Regulation 72 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Hence, the Board at their meeting held on 29th May 2017 drop the preferential issue of shares and restored the original position of the Redemption of 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each held by M/s. Pentacle Infrastructure & Towers Private Limited .

**A. Objects of the issue:**

- I. The Company is mainly into the Business of manufacturing and/ or sellers/exporters of any or all types of Ferrous and Non-Ferrous Metals, Alloys Steels, Ferro Alloys, Manganese Alloys and other metals alloys, pig iron, Wrought Iron, Steel converters, rolled steel or other metal or alloys makers, miners, smelters, engineers, Iron and Steel founders in all or any of their respective branches, metallurgists, prospectors, explorers, contractors, agents and to establish workshops for the manufacture of any equipment required for any of the industries which the Company can undertake and to deal in such equipment.
- II. The Company in the year 2007 accepted Rs. 86,511,700/- as preferential share capital from M/s. Pentacle Infrastructure & Towers Private. Limited. The proceeds of the Preference share capital was used in the business expansion of the Company including meeting with the working capital requirements.
- III. The said preferential shares were redeemed on 14th August, 2015 on mutual consent thereafter renew with a request from preferential shareholder to convert the outstanding preferential share into equity shares on or after 29th May 2017 and in accordance with applicable provisions.

At the request of the preferential shareholder the company decides at its board meeting held on 29.05.2017 to consider conversion of preferential share including accrued benefits thereon as of 28.05.2017 into Equity Shares.

As per Section 55 of the Companies Act, 2013 requires the Company to repay the redemption amount of Rs. 86,511,700/- along with the accrued dividend of Rs. 21,862,573/- aggregating to Rs. 108,374,273/- on the said date of redemption of the preferential shares. Section 55 of the Companies Act, 2013 requires the Company to repay/return the redemption amount including accrued benefits thereto, out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;

- IV. Your Board of Directors in consultation with the preferential Shareholder M/s. Pentacle Infrastructure & Towers Private Limited, decided to allot Equity Shares against the redemption amount of Rs. 108,374,273/-, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the respective Stock Exchanges. Presently, the Company is listed with BSE & NSE.
- V. The referred redeemed preference share capital proceeds were used by the Company for expansion of the business operations and in order to meet its working capital requirements, Bank Guarantee, paying off its Bank Liabilities, other high cost Liabilities, setting of factory including expansion, as and when required depending the availability of funds use for getting the mining rights.

The object of this issue is to cover the and generate long term resources by this issue of securities to maintain a healthy debt equity ratio. At present it would be difficult to raise fresh finance to pay the preference shareholder the redeemed amount. Hence, the money given by the proposed allottees as deployed in the Company as mentioned herein above is the object along with return of the redeemable amount of the preference shares by way of issue of Equity Shares capital of the Company.

M/s. Pentacle Infrastructure & Towers Private Limited, the sole preference shareholder, vide their Board resolution dated October 19,2016 & May 21, 2017 expressed their desire and agreed to convert 78,64,700 the cumulative redeemable preference shares of face value of Rs.11/- each and having redeemable amount payable of Rs. 108,374,273 as on May 28, 2017 by way of subscription of equity shares of the Company in compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including any statutory modifications or amendment thereof as amended read along with) Regulation 28 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

This arrangement will boost the debt equity ratio of the Company and also help to restructure the Capital & Financial capital of the Company and will augment the working capital and general corporate purpose needs.

Your Board at its meeting held on May 29, 2017 and on 2nd August 2017, subject to the approval of the shareholders by way of Special Resolution and receipt of such other requisite statutory/regulatory approvals, permissions as may be required, has proposed to offer for subscription by way of issue of :

1. 9,031,190 Equity Shares of face value of Rs. 2/- to M/s. Pentacle Infrastructure & Towers Private Limited at a subscription price of Rs. 12/- per share determined in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including any statutory modifications or amendment thereof;
2. 65,686,274 Equity Shares of face value of Rs. 2/- to Mr. Sahindra Jagannath Bhawale at a subscription price of Rs. 51/- per share and as determined in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including any statutory modifications or amendment thereof.

Mr. Sahindra Jagannath Bhawale acquiring around 45.26% paid up capital of the company post enhancement of the capital. He confirmed to the company that he will comply the applicable provisions of the SEBI SAST, 2009 and also fully aware of its applicability relating to any open offer.

The Company authorized the Chairman of the Audit committee to facilitate Mr. Sahindra Jagannath Bhawale and /or his Merchant banker in due course for availing the information's relevant for any open offer.

Mr. Sahindra Jagannath Bhawale is fully aware that it is his personal obligation as an acquirer to subscribe these shares in accordance with SEBI SAST, 2009.

Since the promoters are diluting their holding and accepting Mr. Sahindra Jagannath Bhawale as a majority proposed share holder of the company post dilution holding around 45.26% of the post issue capital, hence after due deliberation between the company and Mr. Sahindra Jagannath Bhawale at, this issue price was determined and decided on mutual deliberation at Rs 51/- per share of face value of Rs. 2/- each.

The aforesaid Equity Shares to be allotted and subscribed shall rank pari-passu with all existing shares of the Company in all respects including as to dividend & voting.

As per Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including any statutory modifications or amendment thereof read with the provisions of Section 42 & 62 of the Companies Act, 2013 and all other laws applicable hereunder, a public Company may make further issue of securities to any person on preferential basis.

This item No. 4, 5 & 6 to this Notice is proposed to be passed as Special Resolution under the provisions of Section 42, 55 & 62(c) of the Companies Act, 2013 and as per Regulation 74 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 in view of the fact that the shares will be offered to person other than the existing shareholders on preferential basis .

The Company confirms the compliance of Regulation 72 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the pre-holdings of the Allottee are under Demat form.

The Allottee has furnished an undertaking that they have not sold any shares in the last six months.

As per Regulation 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the required details are furnished as under and the Company as part of its future growth strategy aims to:

1. Enlarge its core businesses and to meet with that requirements mainly needs short term requirements, tax obligations, settlement dues, working capital, Bank Guarantee or general Corporate purposes ;
2. Pay to all Bank/FI/FII and other Loans and Advances, all existing liabilities of all nature and Description;
3. Expansion of the factory, acquiring any mining license/prospect;
4. Invest in technology, human resources and other infrastructure or working capital to support the Businesses of the Company.

#### **B. Pricing :**

The 1st Issue of 9,031,190 equity shares to issue price of Rs. 12/- Per share of face value of Rs.2/- each to M/s. Pentacle Infrastructure & Towers Private Limited is in accordance with regulation 76A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and for the purpose of the above guidelines the Relevant Date is 07/08/2017 The Valuation is Rs. 12. The Valuation is more than the price as calculated as per regulation 76/76A of the ICDR Regulation, 2009.

The 2nd Issue of 65,686,274 equity shares to issue price of Rs. 51/- Per share of face value of Rs.2/- each to Mr. Sahindra Jagannath Bhawale is in accordance with regulation 76A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and for the purpose of the above guidelines the Relevant Date is 07/08/2017. The Valuation is more than the price as calculated as per regulation 76/76A of the ICDR Regulation, 2009.

The price of the shares to be issued wherever required shall be re-computed/adjusted in accordance with the above said regulation.

C. Intention of the Promoters / Directors / Key Management persons to subscribe the offer:

C.1. The present promoter's pre-holding consist of 42,973,483 (61.01%) equity shares of Rs.2/- each.

To improve the financial position of the company, the promoters agreed to dilute their holding and post allotment their holding will fall from 61.01% to 29.61%.

Subject to the SEBI direction in relation to any future open offer by Mr. Sahindra Jagannath Bhawale, at present there is no change in management control of the Company.

Mr. Sahindra Jagannath Bhawale and his family members will continue as Director of the Company. At present they are having 50% representation in the Board and the Chairman of the Board is an Independent Director and is the Chairman of the Audit Committee.

D. THE name, address and PAN no of the allottee is :

S.No.	Name	Category	Pan No	Address
1	Pentacle Infrastructures And Towers Private Limited	Non-Promoter	AAECP4355N	Plot No. 18, Sagar Society Street No.1 Road No. 2, Banjara Hills, Hyderabad 500034
2	Mr. Sahindra Jagannath Bhawale	Non-Promoter	AIAPB7130Q	B/2/14, Nirman Classic Katraj Kondhwa Road Pune 411046

II. The proposed allottee is from public at Large and has/have indicated their intention to Subscribe to the equity shares. Identity of the proposed allottee (s) and percentage of preferential issue capital that they may held:

Name of Holder	Pre- holdings Preholdings	% of Pre-holdings	PAN No Subscription & %	Lock In of	Proposed	PostHolding
M/s. Pentacle Infrastructure & Towers Private Limited	2,213,070	3.14	AAECP4355N	Y	9,031,190 (6.22%)	11,244,260 (7.74%)
Mr. Sahindra Jagannath Bhawale	NIL	NA	AIAPB7130Q	NA	65,686,274 (45.26%)	65,686,274 (45.26%)

The Company, further, confirms even after this allotment and conversion thereafter the Company is in compliance with the conditions for continuous listing of equity shares as specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the recognized stock exchange where the equity shares of the Company is listed

- No Warrants, GDR or any other security etc. pending for allotment.
  - The proposed allottee M/s. Pentacle Infrastructure and Towers Private Limited presently holds 2,213,070 of equity shares constituting 3.14 % of the existing paid up capital of the Company. After the allotment of 9,031,190 Equity Shares, the holding will enhance from 2,213,070 equity shares 3.14% to 11,244,260 equity shares 6.22% of the allottees; and
  - The proposed allottee Mr. Sahindra Jagannath Bhawale presently holds NIL equity shares in the existing paid up capital of the Company. After the allotment of 65,686,234 Equity Shares, the holding will enhance to 65,686,234 equity shares 45.26% of the allottees ;
  - The paid up capital presuming the entire subscription of shares as fully subscribed will become consist of 145,143,939 equity shares of face value of Rs 2/- each aggregating to Rs. 290,287,878/-
- A. As per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI Takeover Regulations**") the increase of M/s. Pentacle Infrastructure and Towers Private Limited holding by way of this subscription does not result into any open offer.
- B. As per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI Takeover Regulations**") the subscription of Mr. Sahindra Jagannath Bhawale holding does result into an open offer.**

### III. SHAREHOLDING PATTERN BEFORE & AFTER THE ISSUE OF THE PROPOSED ALLOTTEE

Sl.No	Name of the Applicant/ Category	No. of Shares held pre-preferential allotment	% of Pre Preferential Issue Share Capital	No. of Shares proposed to be allotted	Total number of shares held post preferential	% of Post Preferential Issue Share Capital
1	M/s Pentacle Infrastructure & Towers Pvt. Limited	2,213,070	3.14	9,031,190	11,244,260	7.74
2.	Mr. Sahindra Jagannath Bhawale	NIL	NIL	65,686,274	65,686,274	45.26

SHAREHOLDING PATTERN OF BENEFICIARIES OF THE PROPOSED ALLOTTEE M/S.PENTACLE INFRASTRUCTURE & TOWERS PRIVATE LIMITED, A COMPANY: In compliance with SEBI Notification no. LAD-NRO/GN/2013-14/19/6422 dated August 26, 2013 read with ICDR Regulation 2009, the ultimate beneficiary of the Subscriber Company are as described hereunder:

Sr.No.	Name of Shareholder	No of Shares Held		Category
		No.	%	
1	Sri Narasinga Rao Seemakurti	10,000	66.66	General Public
2.	Sri Seemakurti Sivasankar	5,000	33.34	

### V. SHAREHOLDING PATTERN BEFORE & AFTER THE ISSUE AS ON 02/08/2017

Sr.No.	Category	Pre-issue equity shareholding		Post-issue equity shareholding	
		No.	%	No.	%
A	Promoters- *				
	(b) Other promoters , PACS	42,973,483	61.02	42,973,483	29.61
	<b>Total (A)</b>	<b>42,973,483</b>	<b>61.02</b>	<b>42,973,483</b>	<b>29.61</b>
B.	Mutual Funds FI/BANKS	1,232,585	1.75	1,232,585	0.85
	Foreign Institutional Investors				
	<b>Total (B)</b>	<b>1,232,585</b>	<b>1.75</b>	<b>1,232,585</b>	<b>0.85</b>
C.	Public				
	(a) Body Corporate Individuals	5,914,638	8.40	14,945,828	10.30
	Individual Shareholders holding nominal share capital upto 1 lakh	9,972,118	14.16	9,972,118	6.87
	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	8,293,058	11.78	8,293,058	5.71
	(b) N.R.I	1,536,968	2.18	1,536,968	1.06
	(c) Others(Preferential Allottees)				
	(d) Director's			65,686,274	45.26
	(e) Key personnel's of the Company				
	(F) Overseas Corporate Body	760	0.00	760	0.00
	(g) HUF	471,645	0.67	471,645	0.32
(l) Clearing Members	31,220	0.04	31,220	0.02	
	<b>Total (C)</b>	<b>26,220,407</b>	<b>37.23</b>	<b>100,937,871</b>	<b>69.54</b>
	<b>Grand Total (A+B+C)</b>	<b>70,426,475</b>	<b>100</b>	<b>145,143,939</b>	<b>100</b>

E. Auditor's certificate:

A certificate as required under 73(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, certifying that the proposed issues is in accordance with the Chapter VII of SEBI (ICDR) Regulations has been obtained from the Auditors of the company and the same will be available for inspection at the registered office of the company during the business hours till the date of the meeting between 11 a.m. to 1 p.m and the copy of the same made available to any member free of cost.

Also, the Statutory Auditor's certificate, as required under Regulation 73(2) & Valuation Certificate as per Regulation 76/76(A) of the ICDR Regulations, 2009 will be made available for inspection at the Registered Office of the Company between 10 a.m. and 1 p.m. on all working days (excluding Saturday and Sunday) up to the date of the meeting.

F. Changes in Management :

Presently there is no change in the management control. To improve the financial position of the company and to get rid of the various debts including Banks/FI/FII and other, the promoters agreed to dilute their holding and post allotment their holding will fall from 61.01% to 29.61%.

The Board and company would like to bring the following further facts to the notice of the members:

- (a) Mr. Sahindra Jagannath Bhawale and his family members will continue as Director of the Company. At present they are having 50% representation in the Board and the Chairman of the Board is an Independent Director and is the Chairman of the Audit Committee; and
- (b) The issue of the Equity shares will not result in any change in the Management or control of the Company. However, the promoter holding will decrease from 61.01% to 29.61%, which indicates that Mr. Sahindra Jagannath Bhawale because of his substantial proposed holdings and position in the Board (along with family members) may influence the decisions of the Board inter alia the company remarkably.
- (c) Subject to the SEBI direction in relation to any applicable open offer by Mr. Sahindra Jagannath Bhawale, the Company and its promoter are not adverse to even consider the change of status of Mr. Sahindra Jagannath Bhawale, from a strategic Investor to Co- Promoter.

G. Proposed time within which allotment shall be completed :

Within 15 days from the date of passing this resolution or receipt of the In-principle approval from the Stock Exchange whichever is later.

H. Lock in:

The Equity shares to be allotted on preferential basis on conversion of the Preference Shares shall be subject to lock-in as per Regulation 78 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 read with the listing obligations/SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

The above equity shares allotted on preferential basis to non-promoters Group, shall be locked in for a period of 1 year from the date of their allotment/trading permission, whichever is later.

78(1) The specified securities allotted on preferential basis to promoter or promoter group and the equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis to promoter or promoter group, shall be locked-in for a period of three years from the date of allotment of the specified securities or equity shares allotted pursuant to exercise of the option attached to warrant, as the case may be:

Provided that not more than twenty per cent. of the total capital of the issuer shall be locked-in for three years from the date of trading approval.

Provided further that equity shares allotted in excess of the twenty per cent. shall be locked-in for one year from the date of trading approval pursuant to exercise of options or otherwise, as the case may be. Further, the pre-preferential holding of the allottee will also be under lock-in in terms of Regulation 78(6) of SEBI (ICDR) Regulations. If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

I. Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to issue to the allottee, 74,717,464 Equity Shares of face value of Re. 2/- each, in such manner and on such price, terms and conditions as may be determined by the Board or the committee framed thereunder, in accordance with the provisions of Chapter VII of the Regulations. The Allotment will be carried in one or more tranches and the outstanding Loans and Advances from the allottee will be first adjusted towards the subscription amount.

The Company has not made any preferential issue of securities during the current year.

J. The Company or any of its Promoters or Directors is/are not a willful defaulter.

As per the Regulation 78(6) of SEBI (ICDR) Regulations, 2009, the entire pre-holding of the Allottee will be locked in from relevant date for a period of six months from the date of trading approval.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchanges on which the Equity Shares are listed under the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 42, 62 of the Companies Act, 2013, other applicable provisions of Companies Act, 2013 and Chapter VII of the ICDR Regulations, 2009. The Board of Directors believe that the proposed Preferential issue and allotment of Equity Shares is in the best interest of the Company and its members.

The Board of Directors recommends the resolution for your approval.

#### Item No. 7, 8 & 9

The Board of Directors at their meeting held on July 26, 2017 appointed Sri. Sahindra Jagannath Bhawale, Smt. Artia Sahindra Bhawale and Ms. Nikshita Sahindra Bhawale (w.e.f 30.07.2017) as Additional Directors of the Company subject to regularization by the members of the Company in the forthcoming AGM.

Accordingly, consent of the members is sought for passing an Ordinary resolution.

Sri Sahindra Jagannath Bhawale, is a husband of Smt. Ararti Sahindra Bhawale and father of Ms. Nikshita Sahindra Bhawale. are interested in the resolution None of the Directors / key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**By Order of the Board**

**Place : Bengaluru**  
**Date : 02.08.2017**

**Mahak S Roy**  
**Company Secretary**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**  
**[Pursuant to Regulation 36(3) of the SEBI [Listing Obligations & Disclosure Requirements] Regulations, 2015**

Name of Director	Sri. Sahindra Jagannath Bhawale	Smt. Arati Sahindra Bhawale	Ms. Nikshita Sahindra Bhawale
Date of Birth	28/09/1967	02/01/1977	02/11/1997
Date of Appointment	26.07.2017	26.07.2017	30.07.2017
Qualification	Graduate in Commerce	Post Graduate	Pursuing in aviation Industry
Experience in specific functional areas	He has more than 10 years of experience to his credit with exposure mainly to finance related areas.	She has more than 5 years of work experience.	She has good knowledge of finance
Directorship in other Public Limited Companies	Sarita Synthetics And Industries Limited Sri Vasavi Industries Limited ER Textiles Limited Abhirama Steels Limited	Sarita Synthetics And Industries Limited Sri Vasavi Industries Limited ER Textiles Limited Abhirama Steels Limited	Sarita Synthetics And Industries Limited Sri Vasavi Industries Limited
Member / Chairman of Committee of the Board of Public Limited Companies on which is a Director	NIL	NIL	NIL
Shares held as on 31.03.2017 [Own or held by / for other person on beneficial basis]	NIL	NIL	NIL

## DIRECTOR'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Eleventh Annual Report and the Company's audited financial statement for the Financial Year ended March 31, 2017.

### FINANCIAL RESULTS

Particulars	Rs. in lakhs	
	2016-17	2015-16
Revenue From Operations	994.62	4524.06
Other income	1.78	2.20
Total Revenue	996.40	4526.26
Total Expenses	1634.45	5660.09
Profit/(Loss) Before exception and extraordinary items	(638.05)	(1133.83)
Exception and Extraordinary items	1542.67	-
PROFIT BEFORE TAX	(2180.72)	(1133.82)
Less: Current tax	-	-
Deferred tax	(8.42)	29.62
Profit (loss) for the year	(2172.31)	(1163.44)

### OPERATIONAL REVIEW

During the financial year, the Company recorded turnover of Rs 996.40 Lakhs against Rs.1163.44 lakhs corresponding year, a fall of around 78% due to non-circular plant and the incurred a loss of Rs.2172.31 Lakhs. The Company has not commenced its production activity due to working capital constraints except recovery of metal from slag. Your Directors strongly believes to commence its operations in short span of time.

### DIVIDEND

The Board of Directors of the Company has not recommended any dividend to its Equity Shares in view of financial health of the Company.

### STRATEGIC ARRANGEMENT

Your Directors state that operation of the Plant remained shut due to non availability of working capital from Banks/ FII. However, one potential investor shared his intent for participation in the equity of the Company.

### TRANSFER TO RESERVES

During the period, under review, the Company has not transferred any amount to the Reserves.

### SUBSIDIARY COMPANIES

The Company has no subsidiary and nothing to disclose.

### INTERNAL PROCESS & FINANCIAL CONTROL

The Company has put in place an adequate internal control system along with internal audit system that commensurate with its size and activities. The reports are scrutinized by the management and placed before Audit Committee for its approval. The shortcomings are rectified and suggestions given for improvement.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a Socially responsible corporate citizen, your Company providing water supply to Ravivalasa Village, Tekkali Mandal, Srikakulam District, Andhra Pradesh. The Company laid the roads to nearby villages for facilitating the movement. An annual report on CSR activities is annexed herewith as Annexure "B"

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism and Whistle Blower Policy in line with the new governance requirements. The Company has established a vigil mechanism for Directors and employees to report their genuine concerns.



## PREVENTION OF SEXUAL HARASSMENT AT WORK PLACES

The Company has zero tolerance for sexual harassment at workplaces and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplaces in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules, there under.

During the year, no case of sexual harassment was pending at the beginning of the year and no case was received during the year nor did any case remain pending at the close of the year.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Act is attached to this report - **Annexure 'B'**.

### **Environment, Safety, Health and Energy Conservation**

Your Company has a vision of being 'Zero' accident plant. This has been achieved through a combination of training and hardware up gradation leveraging core technology concepts and safety standards.

## PARTICULARS OF EMPLOYEES

None of the employees is covered for disclosures, as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures with respect to the remuneration of Directors and employees, as required under Section 197 of Companies Act, 2013 and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has been appended as annexure to the report.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, the Board at its meeting held on July 26, 2017 appointed Sri Sahindra Jagannath Bhawale [DIN 07352920], Smt. Arati Sahindra Bhawale [DIN 07352922] and Ms. Nikshita Sahindra Bhawale [DIN 07894804] as additional Directors of the Company, subject to regularization by the members of the Company at its forthcoming AGM.

Your Board of Directors state the following facts :

- (a) Mr. Sahindra Jagannath Bhawale and his family members will continue as Directors of the Company. At present, they are having 50% representation on the Board and the Chairman of the Board and Audit Committee is headed by an Independent Director
- (b) The issue of the Equity shares will not result in any change in the Management or control of the Company. However, the existing promoters holding will decrease from 61.01% to 26.01%, which indicates that Mr. Sahindra Jagannath Bhawale because of his substantial proposed holdings and position in the Board (along with family members) may influence the decisions of the Board inter alia the company remarkably.
- (c) Subject to the SEBI direction in relation to any applicable open offer by Mr. Sahindra Jagannath Bhawale, the Company and its promoter are not adverse to even consider the change of status of Mr. Sahindra Jagannath Bhawale from a strategic Investor to Co- Promoter.

Sri N Sankarayya and Smt. Mahak S Roy is Chief Financial Officer and Company Secretary respectively.

The Independent Directors have given the certificate of Independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (LODR) Regulation, 2015.

The details of training and familiarization programmes and annual board evaluation process for Directors have been provided under the Corporate Governance Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that :

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee constituted by the Board reviews the internal control and financial reporting issues with Internal Auditors.

## **BOARD EVALUATION**

The Board has carried out an annual performance evaluation of its own performance and that of its Committees and individual directors. The manner in which has been carried out has been explained in the Corporate Governance Report.

## **INDEPENDENT DIRECTOR'S MEETING**

During the year, the Independent Directors met on March 27, 2017.

## **BOARD MEETING**

During the year, Four Board Meetings held i.e May 30, August 11, November 11, 2015 and February 13, 2016, as against the minimum requirement of four meetings.

## **EXTRA ORDINARY GENERAL MEETING**

During the year under review, one Extra Ordinary General Meeting was held on January 23, 2017 to consider the proposal for conversion of Preference shares into Equity Shares. However, the Preferential allotment of 87,47,000 equity shares as approved by the members was called back for the reason of non-compliance of regulation 72 of the ICDR Regulation, 2009 and the redemption of 87,47,000 Equity Shares and use of the redemption amount also rolled back and restored as on 31.3.2017.

## **RELATED PARTY TRANSACTIONS**

In line with requirements of the Companies Act, 2013 and LODR, proper reporting, approval and disclosure process are in place for all transactions between related parties and the Company. All transactions entered were in ordinary course of the business and on arm's length basis. No material related party transactions i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements were entered during the year. Accordingly, related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC 2 is not applicable.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS**

The Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulation, 2015, form part of this report.

## **CORPORATE GOVERNANCE REPORT**

As per Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulation, 2015, a separate section on Corporate Governance forms part of this report.

## **AUDITORS**

### **a) Statutory Auditors**

M/s NSVR & Associates LLP (formerly known as Nekkanti Srinivasu & Co.) [Firm Regn. No. 008801S] were appointed as Statutory Auditors by the members and hold office till the conclusion of the ensuing AGM and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The report given by the Auditors on the financial statement of the Company is part of the annual report. - Annexure 'C'.

### **Qualification made by Auditor**

"Based on our audit procedures and as per the information and explanation given to us by the management, we are of the opinion that during the year the Company has delayed/default in repayment of Loan to State Bank of Travancore."

## Management's Reply

The Company has approached SBT with rescheduling/OTS proposal and the same has been forwarded to SBI it as the SBT has been merged with the SBI. And hence the proposal is in process.

### b) Cost Auditor

M/s Jithendra Kumar & Co, Cost Accountants carried out the cost audit during the year. The Board of Directors on recommendation of the Audit Committee, have appointed M/s Jithendra Kumar & Co, [Firm Reg. No 103347] Cost Accountants for the year 2017-18.

### c) Secretarial Auditor

During the year, Secretarial Audit was carried out by Sri Ramaswamy K, Company Secretary in Practice (M.No. 10995), the Secretarial Auditor of the Company for the financial year 2016-17. There were no qualification, reservation or adverse remarks given by the Secretarial Auditor and the report is appended to this report - Annexure 'D'.

## EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9, as required under Section 92(3) and rule 12 of the Companies [Management and Administration] Rules, 2014, is appended to this report - Annexure 'E'.

## DISCLOSURE WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME

The Company does not have any Employees Stock Option Scheme.

## RISK MANAGEMENT COMMITTEE

The Company has a Risk Management framework in place to identify, assess, monitor and mitigate various risks involved in the Company, which reduces adverse impact and enhance the activities undertaken by the Company. The Committee reviews the process of risk management. Pursuant to the requirement of the Companies Act, 2013, a Committee was constituted comprising S/Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd.] and Smt. Shakuntala Prakash Bhat, all Non Executive Independent Directors as members.

The role and responsibilities of the Risk Management Committee as prescribed under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended from time to time and includes monitoring and review risk management plan and its risk mitigation and reporting same to the Board of Directors periodically, as it may deem fit.

The Committee's prime responsibility is to implement and monitor the Risk Management Plan and policy of the Company.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORY BODIES/COURTS

During the Financial year, under review, no significant orders passed by the Regulatory/Statutory Authorities/Courts or any other Authority which would impact the going concern status of the Company and its future operations.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the year, under review, there were no Loans, Guarantees and Investments made by the Company.

## DEPOSITS

The Company has not accepted any "Deposits" as defined under the Companies Act, 2013

## APPRECIATION AND ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

Your Directors also like to acknowledge the excellent support and co-operation your Company has been receiving from its bankers, suppliers, stakeholders, investors, clients, vendors, Government and Regulatory authorities.

On behalf of the Board of Directors

Place : Bengaluru  
Date : 02.08.2017

**S Gajendran**  
Chairman of the Meeting  
Non Executive Independent Director  
DIN: 00250136

**ANNEXURE -A**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Under rural development program the Company chosen laying the Roads to connect main roads

2. The composition of the CSR Committee:

Sri S Gajendran - Non Executive Independent Director - Chairman

Sri M V Bhaskara Rao IPS [Retd] - : " :- - Member

Smt Shakuntala Prakash Bhat - : " :- - Member

3. Average net profit of the Company for last three financial years: - Rs 1,98,95,506/-  
 4. Prescribed CSR Expenditure [2% of the amount as in item 3 above] Rs 3,97,910/-  
 5. Details of CSR spent during the financial year:  
 a. Total amount to be spent for the financial year Rs 3,97,910/-  
 b. Amount unspent, if any - NIL  
 c. Manner in which the amount spent during the financial year is detailed below:

Sl. No	CSR Project of activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency@
1.	Rural development program	Laying roads	Local Area China narayana puram village Ravivalasa Panchayat Tekkali Mandal Srikakulam Dt	4,00,000	3,99,500	3,99,500	Direct

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company**

Sd/- Chief Executive Officer or Managing Director	Sd/- Chairman CSR Committee	Sd/- Person specified under clause (d) of sub-section (1) of Section 380 of the Act (wherever applicable)
--	--------------------------------	--

**ANNEXURE - B**

**ANNEXURE TO THE DIRECTORS' REPORT**

Statement pursuant to Section 134(3) of the Companies Act, 2013, read with and Rule 8(3) of Chapter IX of Companies (Accounts) Rules, 2014.

**A) Conservation of Energy**

- (a) Energy Conservation measures taken: Preventing wastage / minimisation of energy usage by relentless optimisation of process parameters to achieve lower values of fuel / energy consumption.  
 (b) Future Proposals for Energy conservation: NIL  
 (c) Impact of measures at (a) & (b) for reduction of energy consumption: NIL  
**B) Technology Absorption, adaptation & Innovation: NIL**  
**C) Global Business strategies, if any: NIL**  
**D) Foreign exchange earning & outgo : NIL**

## **ANNEXURE -C**

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**METKORE ALLOYS & INDUSTRIES LIMITED**  
Report on the Financial Statements

We have audited the accompanying (Standalone) financial statements of METKORE ALLOYS & INDUSTRIES LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility 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 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these (Standalone) financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

#### **Opinion**

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 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 Company as at March 31, 2017, and its Loss and its Cash Flow for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

- d. in our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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".
- 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, 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 on its financial position in its financial statements Refer Note No.11& 16to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

**For and on behalf of**  
**For NSVR & ASSOCIATES LLP**  
**Chartered Accountants**  
**Firm's Registration Number: 008801S**

**CA. N.SRINIVASU**  
**Partner**  
**Membership number: 209453**

Place : Hyderabad  
 Date: 29/05/2017

**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- 6) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable except the following:

S.No.	Name of the Statute	Amount Rs.
01.	Provident Fund	58,55,223
02.	Income-Tax - TDS	9,35,115
03.	Professional Tax	1,38,450
04.	Gratuity	20,00,000

- b) According to the information and explanation given to us, the dues as at 31st March, 2017 of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, which have not been deposited on account of dispute, are as follows:

S.No.	Name of the Statute	Nature of Dues Amount (Rs. in Lacs)	Period to which the amount relates Forum where dispute is pending
01.	Sales Tax Dept	369.12	Dispute with various authorities
02.	Central Excise Dept	61.44	Do
03.	APSEB	252.00	Power load Factor demand for the FY 2008-09. The Case pending with H'ble High Court.
04.	APSEB	278.71	Fuel Cost Adjustment Charges for the F.Y.2008-09. The case pending with H'ble Supreme Court.

#### Income Tax dues:

S.No.	Asst. Year	Amount Rs.	Period to which the amount relates Forum where dispute is pending
01.	2010-11	97,12,810	CIT appeals TRO given notice-matter in appeal
02.	2011-12	9,26,28,000	Matter pending at tribunal in view of Merger order.
03.	2012-13	8,06,53,000	Matter pending at tribunal in view of Merger order.
04.	2013-14	5,81,99,269	Appeal filed with CIT ( Appeals)
05.	2014-15	7,52,81,218	Appeal filed with CIT ( Appeals)

- 8) Based on our audit procedures and as per the information and explanations give to us by the management, We are of the opinion that during the year the company has delayed/default in repayment of loan to State Bank of Travancore. The company has not issued any debentures as at the balance sheet date.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

**For NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm's Registration Number: 008801S

**CA.N.SRINIVASU**

Partner

Membership Number: 209453

Place : Hyderabad

Date: 29/05/2017

**“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of METKORE ALLOYS & INDUSTRIES LIMITED**

**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 **METKORE ALLOYS & INDUSTRIES LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone 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”. 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 Companies Act, 2013.

**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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 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 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 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 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, 2017, 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 and on behalf of

#### **For NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm's Registration Number: 008801S

#### **CA.N.SRINIVASU**

Partner

Membership Number: 209453

Place : Hyderabad

Date: 29/05/2017

**ANNEXURE-D**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Metkore Alloys & Industries Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Metkore Alloys & Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. However, during the Financial Year ending March 31, 2017, the Company had no operations.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made there under;

The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

The Foreign Exchange Management Act, 1999 and the rules made there under;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992.
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

All statutory returns with respect to ROC and SEBI are being made up to date.

ESI facility is not covered.

There were no related Party Transaction during the year.

The provisions of the Securities Contract Regulation Act 1956 and the rules made there under are not applicable to the Company.

**I, further, report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I, further, report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

Place : Bangalore  
Date : 29.05.2017

Signature: **KALYAN RAMASWAMY**  
ACS No. 10995  
C P No.: 1440

## 4ANNEXURE-E

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**  
**of**  
**METKORE ALLOYS & INDUSTRIES LIMITED**

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

<b>I REGISTRATION AND OTHER DETAILS</b>			
i	CIN	L27101AP2006PLC049591	
ii	Registration Date	23.03.2006	
iii	Name of the Company	METKORE ALLOYS & INDUSTRIES LIMITED	
iv	Category / Sub-Category of the Company	PUBLIC	
v	Address of the Registered Office and contact details	Plot No.18, Street No.1 Sagar Society Road No.2, Banjara Hills, HYDERABAD 500 034 Tel : 040 2354 0195 Fax : 040 2355 4498	
vi	Whether listed Company	Yes	
vii	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Karvy Computershare Private Limited Karvy Selenium Tower 'B' Plot No. 31 & 32, Gachibowli Financial District, Nanakram Guda, Hyderabad-500 032.	
<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	High Carbon Ferro Chrome Alloys	3320	98.50%

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NA**

S. No.	Nam and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.					
2.					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year 31-03-2016				No. of Shares held at the end of the year 31-03-2017				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters and Promoter Group</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	19267582	0	19267582	27.36	42973483	0	42973483	61.02	33.66
(b) Central Govt/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	902070	0	2902070	4.12	0	0	0	0.00	-4.12
(d) / Banks	0	0	0	0	0	0	0	0.00	
(e) Other...	0	0	0	0	0	0	0	0.00	
<b>Sub-Total(A) (1):-</b>	<b>22169652</b>	<b>0</b>	<b>22169652</b>	<b>31.48</b>	<b>42973483</b>	<b>0</b>	<b>42973483</b>	<b>61.02</b>	<b>33.66</b>
<b>(2) Foreign Individuals (NRIs/Foreign)</b>									
(a) Individuals	0	0	0	0	0	0	0	0	0
(b) Bodies Corp.	21031901	0	21031901	29.86	0	0	01	0	-29.86
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e) Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total(A) (2):-</b>	<b>21031901</b>	<b>0</b>	<b>21031901</b>	<b>29.86</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-29.86</b>
<b>Total A = A(1)+ A(2)</b>	<b>43201553</b>	<b>0</b>	<b>43201533</b>	<b>61.34</b>	<b>42973483</b>	<b>0</b>	<b>42973483</b>	<b>61.02</b>	<b>-0.32</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds/UTI	0	2660	2660	0	0	2660	2660	0	0.00
(b) Financial Inst/Banks	1187515	570	1188085	1.69	1187515	570	1188085	1.69	
(c) Central Govt/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f) Foreign Institutional Investors/Portfolio Investors	0	0	0	0.00	7000	0	7000	0.01	+ 0.01
(g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others(Other Corp. Bodies)	0	0	0	0.00	0	760	760	0.00	0.00
<b>Sub-Total (B)(1):-</b>	<b>1187515</b>	<b>3230</b>	<b>1190745</b>	<b>1.69</b>	<b>1194515</b>	<b>3990</b>	<b>1198505</b>	<b>1.70</b>	<b>+ 0.01</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corp.	3364177	39025	3403202	4.83	5583987	39025	5623012	7.98	+ 3.15
(b) Individuals									
(i) Individuals holding nominal share capital upto Rs. 1 lakh	7923300	2111530	2034830	14.25	10384444	2102115	12486559	17.73	+ 3.48
(ii) Individuals holding nominal share capital in excess of Rs. 1 lakh	10810480	0	10810480	15.35	6606265	0	6606265	9.38	-5.97
(c) Others									
(i) Clearing Members	6749	0	6749	0.01	40227	0	40227	0.06	+ 0.05
(ii) HUF	349089	0	349089	0.50	0	0	0	0	-0.50
(iii) Non Resident Indians	1291507	137560	1429067	2.03	1283082	137560	1420642	2.02	-0.01
(iV) Overseas Corporate bodies	0	760	760	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor/ NBFCs Regd. with RBI	0	0	0	0.00	77782	0	77782	0.11	+ 0.11
<b>Sub-Total (B)(2):-</b>	<b>23745302</b>	<b>2288875</b>	<b>26034177</b>	<b>36.97</b>	<b>23975787</b>	<b>2278700</b>	<b>26254487</b>	<b>37.28</b>	<b>+ 0.31</b>
<b>Total B= B(1)+ B(2) :</b>	<b>24932817</b>	<b>2292105</b>	<b>27224922</b>	<b>38.66</b>	<b>25170302</b>	<b>2282690</b>	<b>27452992</b>	<b>38.98</b>	<b>+ 0.32</b>
<b>Total (A+ B) :</b>	<b>68134370</b>	<b>2292105</b>	<b>70426475</b>	<b>100.00</b>	<b>68143785</b>	<b>2282690</b>	<b>70426475</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodians, against which depository Receipts have been issued</b>									
(i) Promoter & Promoter group									
(ii) Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+ B+ C)</b>	<b>68134370</b>	<b>2292105</b>	<b>70426475</b>	<b>100.00</b>	<b>68143785</b>	<b>2282690</b>	<b>70426475</b>	<b>100.00</b>	<b>0.00</b>

**(i) Category-wise Share Holding****(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			No. of Shares held at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1	Cronimet Mercon Invest Limited	21031901	29.86	0	0	0	0	-29.86
2	Sarita Boorugu	3000000	4.26	0	3000000	4.26	0	0
3	Prashant Boorugu	16267582	23.10	16260304	39973483	56.76	6.22	+ 33.66
4	Mynah Industries Limited	2902070	4.12	0	0	-4.12	0	0
	<b>TOTAL</b>	<b>43201533</b>	<b>61.34</b>	<b>0</b>	<b>42973483</b>	<b>61.02</b>	<b>0</b>	<b>0</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	43201533	61.34	42973483	61.02
2	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Mynah Industries Limited disposed 2902070 Equity Shares 11.04.2016 - 9,67,357 Shares 26.04.2016 - 9,67,357 Shares 20.05.2016 - 9,67,356 Shares Cronimet Mercon Invest Limited disposed 21031901 Equity Shares 18.04.2016 - 210,31,901 Prashant Boorugu Acquired Disposed 18.04.2016 210,31,901 - 21.04.2016 1000			
	<b>At the end of the year</b>	<b>4297383</b>	<b>61.02</b>	<b>42973483</b>	<b>61.02</b>

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Top to Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Rammohan Rao	2900154	4.12	2568226	3.65
2	Ashish Nanda	966855	1.37	966855	1.37
3	Rose Gems Private Limited	867800	1.23	867800	1.23
4	United India Insurance Company Limited	807515	1.15	807515	1.15
5	Shyamala Ramchandran	632500	0.90	632500	0.90
6	Manasa Strategic Consultants Private Limited	438730	0.62	438730	0.55
7	General Insurance Corporation of India	380000	0.54	380000	0.54
8	Parrys Sugar Industries Limited	250000	0.48	407932	0.58
9	R Narayani	220000	0.41	285544	0.41
10	Ravindra Kumar Vijayvergiya	161652	0.39	313470	0.45

**(v). Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	4760.00	NIL	NIL	4760.00
iii) Interest accrued but not due	179.59			179.59
<b>Total (i+ ii+ iii)</b>	4939.59			4939.59
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction	NIL	100.00	NIL	100.00
<b>Net Change</b>	0	100.00	0	100.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4760.00	100.00	NIL	4860.00
ii) Interest due but not paid	179.59	0.69		180.28
iii) Interest accrued but not due				
<b>Total (i+ ii+ iii)</b>	4939.59	100.60	0	5040.28

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		-	-	-	-	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-				243000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-				39000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
	Stock Option					
	Sweat Equity					
	Commission					
	- as % of profit					
	- others, specify...					
	Others, please specify					
	<b>Total (A)</b>	-				<b>2,82,000</b>

**B. REMUNERATION TO OTHER DIRECTORS:****in Rs.**

Sl. No.	Particulars of Remuneration	Name of Directors / Shri			Total Amount (Rs.)
		S Gajendran	M V Bhaskara Rao	Shakuntala Prakash Bhat	
1	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	50,000	30,000	50,000	1,30,000
	Total (1)				
2	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify				
	Total (2)				
	Total (B)= (1+ 2)	50,000	30,000	50,000	1,30,000
	Total Managerial Remuneration	50,000	30,000	50,000	1,30,000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD****In. Rs.**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	4,20,000	5,20,000	9,40,000
		0	4,57,600	4,57,600
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total	4,20,000	9,77,600	13,97,600

**VII. PENALTIES FOR PUNISHMENT / COMPOUNDING OFFENCES :****In. Rs.**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority RD/NCLT/Court	Appeal Made, if any (give details)
<b>A. COMPANY</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil				
Punishment					
Compounding					

## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, General Managers, Senior Managers and the Company Secretary as on March 31, 2017.

Bengaluru,  
May 29, 2017

**N. Sankareayya**  
Chief Financial Officer

## **INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE TO THE MEMBERS OF METKORE ALLOYS & INDUSTRIES LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by Metkore Alloys & Industries Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in:
  - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the year ended on March 31, 2017
  - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended on March 31, 2017
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2017.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**For NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm's Registration Number: 008801S

**CA.N.SRINIVASU**  
Partner  
Membership number: 209453

Place : Hyderabad  
Date : 29/05/2017



## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted Code of Conduct for its employees including the Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

Both these Codes are available on the Company's website, [www.metkore.com](http://www.metkore.com).

I confirm that the Company has in respect of the financial year ended March 31, 2017, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For Metkore Alloys & Industries limited

Place : Bengaluru  
Date : 29.05.2017

S Gajendran  
Chairman of the Meeting and  
Non-Executive Independent Director  
DIN: 00250136

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### a. Industry structure and developments

Ferro chrome is an alloy of chrome and iron , containing between 50 % and 70% of chrome . Steel is the most versatile material , which has made the progress in every aspect on this earth possible . Numerous varieties of steel are required with specific properties to suit different applications and to get the most optimum usage. Ferro alloys are important additives in the production of steel and as such ferro alloys industries growth and development is linked to that of the steel industry.

### b. Opportunities and Threats

Every industry facing threats ferro alloy industry also not barred to this threat. Threats like fall in international market , low consumption of steel , increase of prices of Input.

To overcome the Company taking initiatives effective utilization resources , developing own mines , upgrading of new technology and new avenues for products and value added products.

### c. Segment-wise or product-wise performance

The Company has only one segment Iron & Steel, Ferro Alloys Products. During the year under review the Company main activity of production of High Carbon Ferro Chrome has closed. The activity of recovery of metal from slag is continued.

### d. Outlook

The Steel has recorded high growth rates in both production and consumption over the past the past few years benefiting from soaring steel demand in automobile and construction sectors before the recession. Moreover, cost effective and highly efficient steel making technologies have lifted the demand from US to the Middle Eastern and Asian countries.

Stainless Steel is the largest consumer of Ferro Chrome and as such a change in the dynamics of the stainless steel industry has impact of Ferro Chrome Industry. According to ISSF and KMPG, the recent significant improvement in global stainless steel consumption comes on account of global economic recovery and strong end use demand.

### e. Risks and concerns

The global economic climate continues to be volatile, uncertain and prone to geo-political risks. The market is recovering slowly and global markets is expected to grow in 2018. The divergence in developed market growth as a result of the US recovery is expected to add to the volatility in the currency markets. In this global backdrop, India is expected to perform better, aided by improving macroeconomic fundamentals. However, execution of the reform and kick starting the investment cycle will be the key determinants of India's economic performance. Currently inflation is benign, upside pressures on inflation from the vagaries of monsoon or sudden changes in the rupee, could have a significant bearing on inflation.

### f. Internal control systems and their adequacy

Internal control is an essential part of corporate governance and any weakness or inadequacy can have a greater impact on the profit of the Company. The Company remains committed in its endeavor to ensure an effective

internal control environment that provides assurance on the efficiency and effectiveness of operations, reliability of financial reporting, statutory compliance and security of assets

**g. Discussion financial performance with respect to operational performance**

The financial performance is very negligible during the year, since there was no production during the year except metal recovery from the slag.

**h. Material development in Human Resources /Industrial front, including number of people employed**

Your Company is value based organization with a culture that promotes empowerment and freedom. In a challenging and competitive environment, the organization believes people are key to success.

**i. Research and Development**

Your Company continues to derive sustainable benefit from the tradition of Research Development and many such innovation has helped significantly to develop for better product with cost effective.

**j. Technology Absorption**

The Company maintains interaction with experts globally which has facilitated for better management. Periodical upgradation of Technology and new developments in the Industry.

**k. Environment, Safety, Health and Energy Conservation**

Your Company has a vision of being Zero accident plant. This has been achieved through a combination of training and upgradation leveraging core technology concepts and safety standards.

**REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2016-17**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.**

The Company believes that sound Corporate Governance is critical and of paramount importance to enhance and retain investors trust. The philosophy of the Company is founded upon the basic tenets of transparency, integrity, honesty, accountability, upholding its values and beliefs which will reverberate in every action in line with the spirit of the principles of Governance. We recognize that Governance is a conscious and continuous process across the Organization, which enables the Company to adopt best practices to retain and enhance the trust of all our stakeholders

**2. BOARD OF DIRECTORS:**

The Board consists of 3 members and all are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests. There is no inter se relationship between the Directors.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

Four Board Meetings held on May 30, August 11, November 11, 2016 and February 13, 2017 during the year, as against the minimum requirement of four meetings.

The details of Board meetings, AGM and its attendance are given below::

Name of the Director and DIN S/Shri/Smt	Category	Attendance at meeting during 2016-17		No of Directorship (s) as on 31.03.2017	No of Membership(s) / Chairmanship(s) of Committee in other Companies as on 31.03.2017	No of Shares and Convertible Instruments held by Directors
		Board	AGM			
S Gajendran 00250136	Non Executive Independent Director	4	Yes	1	1	0
M V Bhaskara Rao 01526381	Non Executive Independent Director	2	Yes	1	1	0
Shakuntala Prakash Bhata 07245416	Non Executive Independent Director	4	NA	0	-	0

### Familiarization programmes for Independent Directors

The Company has laid down the detail policy/ program for familiarization of Independent Directors. The program aims to provide insight into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company shall through its MD/Whole-time Director / KMP conduct programs / presentation periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

Such Programs / presentation provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, operations, markets, organization structure, finance, human resources, and risk management.

### 3. BOARD COMMITTEES

The Company has constituted following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate social Responsibility committee
5. Risk Management Committee

#### 3.1 AUDIT COMMITTEE:

The Company had constituted an Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015. The broad terms of reference of the Audit Committee were :

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

The scope of the Audit Committee has been in compliance with the provisions of SEBI (LODR) Regulations, 2015. 4 meetings held during the year viz., May 30, August 11, November 11, 2016 and February 13, 2017. The attendance of the Committee Members is as follows:

Sr. No.	Name of the Member	Status	No. of meetings	
			Held	Attended
1.	Sri. S Gajendran	Chairman	4	4
2.	Sri. M V Bhaskara Rao IPS [Retd]	Member	4	2
3.	Smt. Shakuntala Prakash Bhat#	Member	4	4

#### NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted the 'Nomination and Remuneration Committee' with the scope as prescribed under the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations, 2015

The broad terms of reference of the Remuneration Committee are inter-alia to periodically reviewing the size and composition of the Board, formulating the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, establishing and reviewing Board and senior executive succession plans, evaluation of Board Performance, reviewing and making recommendations to the Board on the remuneration of the Managing Director, Executive Director and KMPs, the total level of remuneration of Non-Executive Directors and for individual remuneration of the Non-Executive Directors and the Chairman. The Committee also undertakes the functions as specified in the SEBI (LODR) Regulations, 2015.

During the year, one meeting of Meeting of Nomination and Remuneration Committee was held on March 27, 2017.

### Remuneration to Directors

All the Directors are Independent Non Executive Directors and have received sitting fees only.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and in compliance with the requirement of SEBI, LODR, 2015, the Board has carried out annual performance evaluation of its own performance, Directors individually as well evaluation of the working of its committees. Structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of the composition of the Board and its committees, board culture, execution and performance of specific duties / obligation and governance.

### 3.1 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of S/Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd.] and Smt. Shakuntala Prakash Bhat as members of the Committee.

The functions of the Committee include (i) dealing with the investors complaints viz., delay in transfer of shares, non-receipt of annual report, dividends / share certificates, dematerialization of shares, replacement of lost / stolen / mutilated shares certificate etc., (ii) investigating into investor complaints and taking necessary steps for redressal thereof.

The Committee met on May 30, August 11, November 11 2016 and February 13, 2017.

Name of the Member Smt./Shri	No. of meetings	
	Held	Attended
S Gajendran	4	4
M V Bhaskara Rao IPS [Retd]	4	4
Shakuntala Prakash Bhat#	1	1

Name and designation of Compliance Officer: Smt Mahak S Roy, Company Secretary

Report on number of shareholder complaints received and resolved by the Company during the year ended March 31, 2017:

No. of complaints pending as on April 1, 2016	0
No. of complained identified and reported during FY 2016-17	36
No. of complaints disposed of during the year ended March 31, 2017	36
No. of pending complaints as at March 31, 2017	0

### Corporate Social Responsibility Committee

Corporate Social Responsibility Committee of the Company was constituted on 13.11.2014 consisting of S/Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd.] and Smt. Shakuntala Prakash Bhat as members. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013. The Committee is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of its policy.

The terms of reference of the committee includes formulation and recommendation to the Board, a Corporate Social Responsibility [CSR] Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder, recommending the amount of expenditure to be incurred on CSR activities and monitoring the implementation of its policy from time to time.

### Risk Management Committee

Risk Management Committee was constituted on 13.02.2015 pursuant to the requirement of the Companies Act, 2013 and the Committee comprises S/Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd.] and Smt. Shakuntala Prakash Bhat as members.

The Committee has also invited CFO, Sri N Sankarayya to the meeting.

The roles and responsibilities of the risk management committee are as prescribed under Regulation 21 of LODR , includes monitoring and review risk management plan and its risk mitigation and reporting same to the board of Directors periodically, as it may deem fit.

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company.

## Subsidiary Companies

The Company has no subsidiary and nothing to disclose.

## GENERAL BODY MEETINGS:

Details of Annual General Meetings held during last three years are as follows:

Year	Location	Date	Time
2013-14	Hotel Sreekrishna Grand, Miyapur X Road, Hyderabad 500049	29.09.2014	11.00 AM
2014-15	Hotel Sreekrishna Grand, Miyapur X Road, Hyderabad 500049	30.09.2015	10.00 AM
2315-16	Hotel Sreekrishna Grand, Miyapur X Road, Hyderabad 500049	30.09.2016	10.00 AM

- An Extra Ordinary General Meeting was held on Monday 23rd January 2017 at Hotel Sreekrishna Grand, Miyapur X Road, Hyderabad - 500049 at 10.00 a.m.
- No special resolution was passed in the previous three annual general meetings
- No special resolution passed last year through postal ballot
- The Company is not proposing any special resolution to be conducted through postal ballot

## 4. MEANS OF COMMUNICATION:

The quarterly/Annual Financial results of the Company are published in "Business Standard/ MINT", [National Daily], Andhra Prabha/Hyderabad Mirror [regional daily] and also posted on the Company's website www.metkore.com.

Besides, the Company also submits interalia to the stock exchanges, the Annual report, quarterly/half yearly/yearly/ unaudited/audited financial results, review reports of Auditors, Shareholding pattern, secretarial Audit Report, disclosure as per SEBI(SAST) Regulations and SEBI[Prohibition of Insider Trading] Regulations, details of appointment/ resignation of director and Company Secretary and such other reports as may be specified.

## 5. GENERAL SHAREHOLDER INFORMATION:

Sr. No	Particulars	
a.	11th Annual General Meeting - date, time and venue;	Day/Date : Wednesday 06.09.2017, Time : 10.00 A.M Venue : Hotel Sreekrishna Grand, Miyapur X Road, HYDERABAD 500 049
b.	Financial year	2016-17 (April to March)
c.	Dividend payment date	No dividend has been declared during this year
d.	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s);	1. BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400051  2. National Stock Exchange of India Limited Exchange Plaza (5th Floor) Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051
e.	Stock Code; ISIN Code BSE Code NSE Scrip Code	INE592101011 532990 METKORE
f.	Date of Book Closure	01-09-2017 to 06-09-2017 (both days inclusive)
g.	in case the securities are suspended from trading, the directors report shall explain the reason thereof	N.A
h.	Commodity price risk or foreign exchange risk and hedging activities	N.A
i.	Plant locations	Ravivalasa Village 532 212, Tekkali Mandal, Srikakulam District, Andhra Pradesh
j.	Address for correspondence	Metkore Alloys & Industries Limited Plot No.18, Street No.1, Sagar Society, Road No.2, Banjara Hills, HYDERABAD 500 034. Phone : (040) 23540195 Email id: secretarial@metkore.com

This is to confirm that the Company has made the payment of Listing Fee till the year 2017-18 to both the Stock Exchanges i.e. BSE & NSE.

k. Market price data- high, low during ea1ch month in last financial year;

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2016	3.31	2.77	3.1	2.85
May	3.1	2.53	3.15	2.6
June	2.85	2.28	2.9	2
July	2.59	2.28	2.55	2.1
August	2.48	2.2	2.4	2.1
September	2.56	1.75	2.35	1.7
October	2.34	1.9	2.15	1.85
November	3.98	2.15	3.7	2.05
December	3.16	2.63	3.05	2.65
January, 2017	3.48	2.54	3.35	2.55
February	4.7	2.7	4.65	2.85
March	3.35	2.83	3.35	2.85

I. Stock Performance



**m. Registrar to an issue and Share Transfer Agents**

**Karvy Computershare Private Limited**

Unit: Metkore Alloys & Industries Limited  
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
 Financial District, Nanakramguda,  
 Hyderabad 500 032  
 Phone: (040) 67161500  
 Fax : (040) 23001153  
 Email id: einward.ris@karvy.com

**n. Share Transfer System**

96.76% of the shares of the Company are in electronic form. Regarding transfer of shares held in physical form, the transfer documents can be lodged with Share Transfer Agents i.e. Karvy Computershare Private Limited or at the Registered Office of the Company and the same is/are processed within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company obtain half yearly certificate from a Company Secretary in practice regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Regulation 40 of SEBI (LODR) Regulation, 2015.

**Distribution of shareholding of equity shares as at March 31, 2017**

Sl. No.	Category (Shares)	Number of			% to Equity
		Shareholders	% to holders	Shares	
1	1-5000	15765	97.23	6874751	9.76
2	5001-10000	192	1.18	1481592	2.10
3	10001-20000	134	0.83	1925726	2.73
4	20001-30000	35	0.22	884564	1.26
5	30001-40000	14	0.09	509353	0.72
6	40001-50000	13	0.08	600680	0.85
7	50001-100000	26	0.16	2024112	2.87
8	100001 and above	35	0.22	56125697	79.69
	<b>TOTAL:</b>	<b>16214</b>	<b>100.00</b>	<b>70426475</b>	<b>100.00</b>

**Category of Shareholders as at March 31, 2017**

Sl. No.	Category	Number of		% to Total Shares
		Shareholders	Shares	
1	Promoters -			
	i. Bodies Corporate	0	0	0.00
	ii. Individuals	3	42973483	61.02
2	Financial Institutions / Banks	3	1188085	1.69
3	Clearing Members	15	40227	0.06
4	HUF	179	493453	0.70
5	Bodies Corporate	233	5623012	7.98
6	Non Resident Indians	135	1420642	2.02
7	Overseas Bodies Corporate	1	760	0.00
8	Individuals	15639	18599371	26.41
9	FIIS	1	7000	0.01
10	Mutual Funds/UTI	3	2660	0.00
11	NBFC	2	77782	0.11
	<b>TOTAL</b>	<b>16214</b>	<b>70426475</b>	<b>100.00</b>

**o. Dematerialisation of Shares**

The Company has registered with NSDL and CDSL and the ISIN is: INE592101011  
The mode of holding of company's shares as at March 31, 2016 is as under

Sl. No.	Description	Number of		% Equity
		Shareholders	Shares	
1	PHYSICAL	7064	2282690	3.24
2	NSDL	6181	56214407	79.82
3	CDSL	2969	11929378	16.94
	<b>TOTAL</b>	<b>16214</b>	<b>70426475</b>	<b>100.00</b>

**p. Outstanding GDRs or ADRs or Warrants or Convertible Instruments**

The Company has not issued any GDRs / ADRs / Warrants / Convertible Instruments during the year.

**6. OTHER DISCLOSURES**

(a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

There were no such transaction which may have potential conflict with the interests of the Company.

(b) Details of non compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

There was no non-compliance of any provisions applicable to the Company.

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:

The Company has adequate vigil mechanism in place. The Company has a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counselor/Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all applicable mandatory requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

(e) Web link where policy for determining 'material' subsidiaries is disclosed

The Company does not have any material subsidiaries.

(f) Web link where policy on dealing with Related Party transactions

Related details will be posted, as and when arise, on [www.metkore.com](http://www.metkore.com)

(g) Disclosure on commodity price risks and commodity hedging activities Not applicable

8. Non-compliance of any requirement of corporate governance report of sub-para mentioned above with reasons thereof shall be disclosed

There was no non-compliance of any of the provisions applicable to the Company.

9. The Corporate Governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

The Company has adopted following discretionary requirements as specified in Part E of Schedule II:

\_ The Company has moved towards a regime of financial statements with unmodified audit opinion.

\_ The Company has separate posts of chairperson and Managing Director

\_ The internal auditor is free to report directly to the audit committee.

10. The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to clause (i) of sub-regulation (2) of regulation 46 shall be made in the section of corporate governance of the annual report

Complied wherever applicable.



**11. Disclosure by key managerial personnel about related party transactions:**

During the year under review, there were no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The Company has laid down a policy for dealing with Related Party Transactions. This policy is displayed on the website of the Company, viz, [www.metkore.com](http://www.metkore.com)

**12. Disclosure of Accounting Treatment**

The applicable Accounting Standards as issued by the Institute of Chartered Accountants of India and notified by the Central Government under Companies (Accounting Standards) Rules, 2006 as amended from time to time, have been followed in preparation of the financial statements of the Company.

**13. Board Disclosures Risk Management**

The procedures for risk assessment and minimisation have been disclosed elsewhere in the annexure to the Directors' Report.

**14. Proceeds from public issues, rights issues, preferential issues etc:**

The Company has not made any capital issues during the financial year.

**15. Matters related to Capital Markets:**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter relating to capital markets, during the last three years.

**16. CEO/CFO Certification**

Chief Financial Officer of the Company has given a certificate to the Board of Directors as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, for the year ended 31st March, 2017.

**17. Share Capital Reconciliation Audit**

A qualified practicing Company Secretary carried out Share Capital Reconciliation audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL.

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(in Rs.)

Sl. No.	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>I.</b>	<b>Equity and Liabilities</b>			
	<b>1. Shareholders' Funds</b>			
	a) Share Capital	2	227,364,650	227,364,650
	b) Reserves & Surplus	3	664,532,772	881,763,850
			<b>891,897,422</b>	<b>1,109,128,500</b>
	<b>2. Non-Current Liabilities</b>			
	(a) Long Term Borrowings	4	567,484	1,375,493
	(b) Deferred Tax Liability (Net)		29,304,871	30,146,760
			<b>29,872,355</b>	<b>31,522,253</b>
	<b>3. Current Liabilities</b>			
	(a) Short Term Borrowings	5	493,958,630	493,958,630
	(b) Trade Payables	6	181,686,826	195,387,744
	(c) Other Current Liabilities	7	114,595,630	48,894,780
	(d) Short Term Provisions	8	99,973,776	94,028,485
			890,214,862	832,269,638
	<b>TOTAL</b>		<b>1,811,984,639</b>	<b>1,972,920,391</b>
<b>II.</b>	<b>Assets</b>			
	<b>1. Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	9	178,747,103	154,892,598
	(ii) Intangible Assets		-	-
	(iii) Capital Work in Progress		101,701,023	118,226,118
	(b) Non Current Investments	10	211,000	211,000
	(c) Long Term Loans & Advances	11	169,927,426	277,427,426
			<b>450,586,552</b>	<b>550,757,142</b>
	<b>2. Current Assets</b>			
	(a) Current Investments		-	-
	(b) Inventories	12	637,988,830	682,518,270
	(c) Trade Receivables	13	506,921,042	495,300,759
	(d) Cash and Cash Equivalents	14	6,643,345	4,616,527
	(e) Short Term Loans & Advances	15	200,522,041	230,261,210
	(f) Other Current Assets	16	9,322,829	9,466,483
			<b>1,361,398,087</b>	<b>1,422,163,248</b>
	<b>TOTAL</b>		<b>1,811,984,639</b>	<b>1,972,920,390</b>

As per our report of even date attached

**For NSVR & ASSOCIATES LLP**

Chartered Accountants  
Firm Regn. No.008801S

For and on behalf of the Board

**CA N Srinivasu**

PARTNER  
M.No. 209453

**Shakuntala Prakash Bhat**

Non-Executive Independent Director  
DIN : 07053626

**S Gajendran**

Non-Executive Independent Director  
DIN : 00250136

Place : Bengaluru

Date : 29th May, 2017

**N. Sankarayya**

Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017**

(in Rs.)

Sl. No.	Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
I.	<b>Revenue from Operations</b>	17	99,461,842	452,406,517
II.	<b>Other Income</b>	18	178,084	220,332
III.	<b>Total Revenue (I+II)</b>		99,639,926	<b>452,626,849</b>
IV.	<b>Expenses</b>			
	Cost of Materials Consumed / Sold	19	3,132,004	-
	Purchases of Traded Goods	20	2,766,476	415,411,759
	(Increase)/Decrease in Inventories	21	45,852,834	43,316,639
	Employee benefit expenses	22	26,891,875	31,557,811
	Finance costs	23	315,461	36,592,088
	Depreciation and amortisation expenses	9	10,170,590	12,300,619
	Other expenses	24	74,316,173	2,682,945
	<b>Total Expenses</b>		163,445,412	<b>566,008,860</b>
V.	<b>Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		(63,805,486)	(113,382,011)
VI.	Exceptional items : Prior Period expenses / Income		154,267,480	-
	<b>Profit / (Loss) before extraordinary items and tax (V-VI)</b>		(218,072,966)	(113,382,011)
VIII.	Extraordinary items		-	-
IX.	<b>Profit / (Loss) before tax</b>		(218,072,966)	(113,382,011)
X.	<b>Tax Expenses</b>			
	Current Income Tax			
	Deferred income Tax		(841,889)	2,961,732
	<b>Total</b>		(841,889)	<b>2,961,732</b>
XI.	<b>Profit for the year from continuing operations (IX-X)</b>		(217,231,078)	<b>(116,343,743)</b>
XII.	<b>Earning Per Equity Share</b>			
	(1) Basic		(3.10)	(1.61)
	(2) Diluted		(3.10)	(1.61)

As per our report of even date attached

**For NSVR & ASSOCIATES LLP**

Chartered Accountants  
Firm Regn. No.008801S

For and on behalf of the Board

**CA N Srinivasu**

PARTNER  
M.No. 209453

**Shakuntala Prakash Bhat**

Non-Executive Independent Director  
DIN : 07053626

**S Gajendran**

Non-Executive Independent Director  
DIN : 00250136

Place : Bengaluru

Date : 29th May, 2017

**N. Sankarayya**

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lakhs)

	<b>Year Ended 31.03.2017</b>	<b>Year Ended 31.03.2016</b>
<b>A. Net Profit Before Tax and Extra Ordinary Items</b>	(2,180.73)	(1,133.82)
Adjustments for:		
Depreciation	101.71	123.01
Interest and Financial charges	3.15	365.92
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(2,075.87)</b>	<b>(644.89)</b>
Adjustments for :		
(Increase)/Decrease in Trade Receivables	(116.20)	(201.57)
(Increase)/Decrease in Loans & Advances	298.83	(425.30)
(Increase)/Decrease in Inventories	445.29	433.13
Increase/(Decrease) in Trade and other Payables	579.45	869.86
<b>Cash generated from operations</b>	<b>(868.50)</b>	<b>31.23</b>
Direct Taxes paid		
<b>Net Cash from Operation Activities</b>	<b>(868.50)</b>	<b>31.23</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed assets including Capital Work in Progress/	900.00	(10.67)
Long term advances (Purchase)/Sale of Investments	-	-
	<b>900.00</b>	<b>(10.67)</b>
<b>C. Cash flow from financing activities</b>		
Increase/(Decrease) in Short Term Borrowings	-	374.26
Increase/(Decrease) in Long Term Borrowings	(8.08)	(6.93)
Proceeds from share warrants	-	
Interest Paid	(3.15)	(365.92)
Dividend and Tax thereon	-	-
	<b>(11.23)</b>	<b>1.41</b>
<b>D. Net increase in cash &amp; cash equivalents (A+B+C)</b>	<b>20.27</b>	<b>21.97</b>
Cash & Cash equivalents (Opening Balance)	46.16	24.19
Cash & Cash equivalents (Closing Balance)	<b>66.43</b>	<b>46.16</b>

as per our report of even date attached

**For NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm's Regn No.008801S

for and on behalf of the Board

**CA N Srinivasu**

PARTNER

M No. 209453

**Shakuntala Prakash Bhat**

Non Executive

Independend Director

**S.Gajendran**

Non Executive

Independend Director

Place: Bangalore.

Date : 29 th May'2017

**N.Sankarayya**

Chief Financial Officer

## NOTE No.1

### Statement On Significant Accounting Policies and Notes to the Accounts

#### I. Significant Accounting Policies

##### 1. a) Basis of Financial Statements:

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

##### b) Change in accounting policy: Preparation and disclosure of financial statements:

During the year ended March 31, 2017, the relevant provisions of the Companies Act, 2013, has become applicable to the Company, for preparation and presentation of the financial statements. The adoption of revised Schedule does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

##### c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates.

#### 2. a) Fixed Assets

- i) Fixed assets are stated at cost Net of CENVAT wherever applicable, less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs to bring the asset to its working condition for its intended use.
  - ii) Direct overhead expenditure incurred on projects under implementation is treated as unallocated capital expenditure pending allocation to the assets and are included under Capital work-in-progress.
  - iii) Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- b) Depreciation
- i) Depreciation on the Fixed Assets of the Company is provided on the basis of the useful lives of the fixed assets on straight line method in accordance with Schedule II of the Companies Act, 2013.
  - ii) Fixed Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.

#### 3. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non Current Investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

#### 4. Inventories

- a). Raw materials are valued at cost on FIFO Basis, Stores and Spares are valued at cost on weighted Average Basis.
- b). Finished Goods are valued at lower cost of production or realisable Value and Work in Process is valued at cost of Production. The cost of production includes value of material, stores, direct and indirect expenses.

#### 5. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

##### a) Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading.

##### b) Interest :

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

- c). Export Benefits:  
Export Entitlements in the form of Duty Drawback and Focus Point Schemes on accrual basis.
- d) Other Sundry incomes  
Insurance claims are accounted for on realisation.

## 6. Foreign Exchange Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction
- b) Monetary Items denominated in Foreign Currency not covered by Forward Contracts and remaining unsettled at the end of the year are translated at year end rates.
- c) Monetary Items denominated in Foreign Currency covered by Forward Cover are recorded at the Forward Cover contract rate.

## 7. Employee Benefits :

- a) Defined Contribution Plans  
Contributions paid/payable to defined contribution plan comprises provident fund and is charged on accrual basis to the Statement of Profit and Loss Each Year.
- b) Defined Benefit Plans  
Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognised in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised Accounting Standard (revised 2005) on " Employees Benefits" notified under Section 211 (3C) of the Act ( 'revised AS 15') as at the end of the year.
- c) Other Long term employee benefits  
Other Long term employee benefits comprise of leave encashment which is provided as and when it occurred.

## 8. Borrowing Costs :

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.

## 9. Contingent Liabilities :

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but disclosed its existence in the financial statements.

## 10. Provision for Current and Deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961, Deferred tax resulting from "timing difference" between book and taxable profit is accounted by using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

## 11. Earnings Per Share

The earnings considered in ascertaining the Company's Earning Per Share (EPS) comprise of the net profit after tax less dividend ( including dividend distribution tax) on preference shares. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

## 12. Impairment :

- a). The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- b). Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

PARTICULARS		For the year ended 31.03.2017		For the year ended 31.03.2016	
		%	Amount in laks	%	Amount in laks
1.	Value of Raw Material consumed / sold				
	i. Indigenous	100	31.32	-	-
	li Imported	-	-	-	-
	Total	100	31.32	-	-
2.	Stores and Spares consumed				
	i. Indigenous	-	-	-	-
	li Imported	-	-	100	0.019
	Total	-	-	100	0.019
3	Foreign Exchange and Outgo				
	a. FOB value of Export	-	-	-	-
	b. CIF Value of Imports (Material)	-	-	-	-
	c. Expenditure in Foreign currency on account of foreign travel	-	-	-	-
	d. Distribution of Dividend on Equity Shares	-	-	-	-
	e. Investment in Shares	-	-	-	-
4.	Contingent liabilities to the extent not provided for				
	a. Bank Guarantee		.07		8.07
	b. Claims made by Government Departments against the Company not acknowledged as debts		285.81		45.73

5. Interest is shown net of interest received.

6. The details of related party transaction in terms of accounting standards (AS18) are as follows:

Related Party disclosure	Name of the person	Nature of the transaction	Amount in laks
Key Managerial Personnel	-	-	-
Relatives of Individuals having significant influence	-	-	-
Mynah Industries Limited	Holding Company	Sale / Purchase	-

7 Segment reporting

The Company operates in only one segment of manufacturing / trading of steel products, ferro alloys products.

8. Earning per share

SI No.	Particular	2016-17	2015-16
1	Net profit after tax	- 2172.31	-1163.44
2	Preference shares dividend paid for the year (including income tax on preference shares dividend)	-	-
3	Net profit after tax available for equity shareholder (1-2)	-2172.31	-1163.44
4	Weighted average number of equity shares of Rs.2/- each outstanding during the year (No of equity shares)	70426475	70426475
5	Basic / diluted earning per equity shares	(3.10)	(1.61)

9. As on March 31, 2017, timing difference has resulted in direct tax liability / assets amounting to Rs.-8.42 lacs
10. Balance with Central Excise Department includes unavailed Modvat credit of Rs. 14.01lakhs of which there is no dispute.
11. The Provision for Income Tax is not made, in view of losses during the year and set off losses available from the Ferro Division of Sri VASAVI Industries Ltd, with whom ongoing amalgamation proceedings are pending before the Hon'ble High Court of A.P.
12. In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts and some of the balances are subject to the confirmation by the parties.
13. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act'2006". Amount overdue on account of principal amount as on March 31, 2017 to Micro, Small and Medium Enterprises is Rs. 1756.40 lakhs ( previous year Rs.187.71 lacs.)
14. As per the orders of Supreme Court vide Order dated 05.07.2016 in CA No. 5542/2016 arising out of SLP © No.12398 /2014 relating to fuel surcharge adjustment (FSA) for the FY 2010-11 to 2012-13 Rs.15.43 crores charged to statement of Profit and Loss under prior period expense head.
15. The balances of sundry debtors and loans and advance appearing in the balance sheet are subject to balance confirmation / reconciliation at the year end. The management is in the process of obtaining the respective confirmation in the due course. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.
16. The NSEL filed a case against the Company under the MPID Act, Mumbai. The Hon'ble MPID Court ordered the EOW, Mumbai to investigate the same. The case is under investigation.
17. Previous Year figures have been Re grouped and/or Reclassified wherever necessary to make them comparable with those of Current Year.

For and on behalf  
**NSVR and Associates LLP**  
Chartered Accountants  
Firm Regn. No.008801S

For and on behalf of the Board

**CA N Srinivasu**  
PARTNER  
M.No. 209453

**Shakuntala Prakash Bhat**  
Non-Executive-  
Independent Director

**S Gajendran**  
Non-Executive-  
Independent Director

Place : Hyderabad  
Date : 29/05/2017

**N. Sankarayya**  
Chief Financial Officer



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 2. Share Capital

(in `)

	As at March 31, 2017		As at March 31, 2016	
	No.	Amount	No.	Amount
<b>AUthorised</b>				
Equity Shares of Rs.2/- each	191,000,000	382,000,000	191,000,000	382,000,000
Cumulative Redeemable Preference Shares of Rs.11/- each	8,000,000	88,000,000	8,000,000	88,000,000
		470,000,000		470,000,000
<b>Issued, Subscribed and Paid Up</b>				
Equity Shares of Rs.2/- each	70,426,475	140,852,950	70,426,475	140,852,950
Cumulative Redeemable Preference Shares of Rs.11/- each	7,864,700	86,511,700	7,864,700	86,511,700
Entire Preference Shares are held by Pentacle Infrastructure & Towers Pvt Ltd.				
<b>Total</b>		<b>227,364,650</b>		<b>227,364,650</b>

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the Year are as follows :

Particulars	Equity Shares		Preference Shares	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Shares outstanding at the beginning of the year	70,426,475	70,426,475	7,864,700	7,864,700
Shares Issued during the year	-	-	-	-
Shares redeemed / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>70,426,475</b>	<b>70,426,475</b>	<b>7,864,700</b>	<b>7,864,700</b>

(b) Rights attached to Equity Shares :

The company has only one class of equity shares having a face value of Rs.2/- per share with one vote per each equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% of Equity shares in the company are as follows .

Name of Shareholder	As at March 31, 2017		As March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Prashant Boorugu	39,973,483	56.76%	16,267,582	23.10%

(d) Details of Cumulative redeemable Preference Shares

Nature	Amount	Date of Issue	Date of Redemption
8% Cumulative Redeemable Preference Shares of `11/- each	86,511,700	07/30/2007	08/13/2018
<b>Total</b>	<b>86,511,700</b>		

Note 3. Reserves & Surplus

	As At 31.03.2017	Additions	Deductions	As At 31.03.2015
<b>Capital Reserves</b>				
Capital Reserve	249,238,721		0	249,238,721
share premium a/c	162,000,000		0	162,000,000
<b>Total</b>	<b>411,238,721</b>	<b>0</b>	<b>0</b>	<b>411,238,721</b>

Particulars	As At 31.03.2017	As At 31.03.2016
<b>Profit and Loss Account</b>		
Opening Balance	470,525,129	586,868,872
Add Net Profit after tax transferred from Statement of Profit & Loss	(217,231,078)	(116,343,743)
	253,294,051	470,525,129
Less : Preference dividend	0	0
Corporate Dividend Tax-Preference	0	0
Equity Dividend	0	0
Corporate Dividend Tax-Equity	0	0
	0	0
	253,294,051	470,525,129
<b>Total Reserves &amp; Surplus</b>	<b>664,532,772</b>	<b>881,763,850</b>

**Note 4 Long Term Borrowings**

Particulars	As At 31.03.2017	As At 31.03.2016
Secured Loan from Financial Institutions	567,484	1,375,493
<b>Total</b>	<b>567,484</b>	<b>1,375,493</b>

Hire Purchase Loan from HDFC Bank secured against hypothecation of Vehicles and Repayable within 3 Years

**Note 5 Short Term Borrowings**

Particulars	As At 31.03.2017	As At 31.03.2016
Secured Cash Credit from State Bank of Travancore	493,958,630	493,958,630
<b>Total</b>	<b>493,958,630</b>	<b>493,958,630</b>

Working Capital Loans from Banks are secured by First charge on the entire current assets and first charge on entire fixed assets of the Company and personal guarantee of Sri Prashant Boorugu.

**Note 6 Trade Payables**

Particulars	As At 31.03.2017	As At 31.03.2016
(a) Due to Micro and Small Enterprises	17,639,746	18,771,724
(b) Due to other than Micro and Small Enterprises	164,047,080	176,616,019
<b>Total</b>	<b>181,686,826</b>	<b>195,387,743</b>

**Note 7 Other Current Liabilities**

Particulars	As At 31.03.2017	As At 31.03.2016
Current maturities of Long Term Debt	1,017,300	1,017,300
Unclaimed Dividend	373,951	373,951
Other Payables	113,204,379	47,503,529
<b>Total</b>	<b>114,595,630</b>	<b>48,894,780</b>

**Note 8 Short Term Provisions**

Particulars	As At 31.03.2017	As At 31.03.2016
Provision for Employee Benefits	32,108,433	26,163,142
Provision for Income Tax	67,865,343	67,865,343
<b>Total</b>	<b>99,973,776</b>	<b>94,028,485</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 9. Fixed Assets**

Sl. No.	Description	Rate of Dep	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As At 01.04.16	Additions	Deletions	Total as at 31.03.17	As At 01.04.16	For the Period	Deletions for the Period	Upto 31.03.17	As at 31.03.17	As at 31.03.16
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LAND		7,444,642	34,025,091	-	41,469,733	-	-	-	-	41,469,733	7,444,642
			<b>7,444,642</b>	<b>34,025,091</b>	<b>-</b>	<b>41,469,733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,469,733</b>	<b>7,444,642</b>
2	BUILDINGS (FACTORY)	3.34	95,763,515	-	-	95,763,515	60,337,379	2,504,278	-	62,841,656	32,921,859	35,426,136
	BUILDINGS (NON FACTORY)	1.63	4,610,762	-	-	4,610,762	1,278,841	68,006	-	1,346,847	3,263,915	3,331,921
			<b>100,374,277</b>	<b>-</b>	<b>-</b>	<b>100,374,277</b>	<b>61,616,220</b>	<b>2,572,284</b>	<b>-</b>	<b>64,188,503</b>	<b>36,185,774</b>	<b>38,758,057</b>
3	PLANT AND MACHINERY											
	PLANT AND MACHINERY	5.28	132,992,604	-	-	132,992,604	115,162,429	1,594,590	-	116,757,019	16,235,585	17,830,175
	ELECTRICAL EQUIPMENT	5.28	61,635,066	-	-	61,635,066	44,289,408	858,373	-	45,147,781	16,487,285	17,345,658
	MATERIAL HANDLING EQUIPMENT	5.28	125,495,684	-	-	125,495,684	102,660,037	1,726,184	-	104,386,221	21,109,463	22,835,647
	POLLUTION CONTROL EQUIPMENT	5.28	42,583,612	-	-	42,583,612	11,035,139	1,348,783	-	12,383,922	30,199,690	31,548,473
	WORKSHOP EQUIPMENT	5.28	682,550	-	-	682,550	673,943	999	-	674,942	7,608	8,607
	LAB EQUIPMENT	5.28	3,336,811	-	-	3,336,811	1,129,485	101,151	-	1,230,635	2,106,176	2,207,326
	WEIGHING SCALE EQUIPMENT	5.28	1,839,078	-	-	1,839,078	1,407,943	28,136	-	1,436,079	402,999	431,135
	FIRE FIGHT EQUIPMENT	5.28	259,833	-	-	259,833	213,597	2,278	-	215,875	43,958	46,236
	132 KV SUB STATION	5.28	47,011,386	-	-	47,011,386	44,315,596	69,196	-	44,384,792	2,626,594	2,695,790
			<b>415,836,624</b>	<b>-</b>	<b>-</b>	<b>415,836,624</b>	<b>320,887,577</b>	<b>5,729,690</b>	<b>-</b>	<b>326,617,266</b>	<b>89,219,358</b>	<b>94,949,047</b>
4	FURNITURE AND FIXTURES & OFFICE EQUIPMENTS	6.33	7,999,584	-	-	7,999,584	7,466,456	55,181	-	7,521,638	477,946	533,128
	COMPUTER EQUIPMENT	16.2	4,755,496	-	-	4,755,496	4,718,472	7,546	-	4,726,018	29,478	37,020
			<b>12,755,080</b>	<b>-</b>	<b>-</b>	<b>12,755,080</b>	<b>12,184,928</b>	<b>62,727</b>	<b>-</b>	<b>12,247,655</b>	<b>507,425</b>	<b>570,148</b>
5	VEHICLES	9.50	26,097,987	-	-	26,097,987	12,927,284	1,805,890	14,733,174	11,364,813	13,170,703	
			<b>26,097,987</b>	<b>-</b>	<b>-</b>	<b>26,097,987</b>	<b>12,927,284</b>	<b>1,805,890</b>	<b>-</b>	<b>14,733,174</b>	<b>11,364,813</b>	<b>13,170,703</b>
	<b>GROSS BLOCK</b>		<b>562,508,610</b>	<b>34,025,091</b>	<b>-</b>	<b>596,533,701</b>	<b>407,616,008</b>	<b>10,170,590</b>	<b>-</b>	<b>417,786,598</b>	<b>178,747,103</b>	<b>154,892,598</b>
6	CAPITAL WORKS-IN-PROGRESS		-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>		<b>562,508,610</b>	<b>34,025,091</b>	<b>-</b>	<b>596,533,701</b>	<b>407,616,008</b>	<b>10,170,590</b>	<b>-</b>	<b>417,786,598</b>	<b>178,747,103</b>	<b>154,892,598</b>

**Note 10 Non Current Investments**

Particulars	As At 31.03.2017	As At 31.03.2016
<b>Non Trade Investments</b>		
Investment in Govt Securities (Unquoted)		
6 Year National Savings Certificates	211,000	211,000
<b>Total</b>	<b>211,000</b>	<b>211,000</b>

**Note 11 Long Term Loans & Advances**

Particulars	As At 31.03.2017	As At 31.03.2016
Capital Advances	65,888,026	83,388,026
Security Deposits	104,039,400	194,039,400
<b>Total</b>	<b>169,927,426</b>	<b>277,427,426</b>

**Note 12 Inventories**

(As valued and certified by the management)

Particulars	As At 31.03.2017	As At 31.03.2016
Raw Materials	39,925,098	42,273,776
Work-in-Progress	6,374,910	38,190,000
Finished Goods	582,529,543	596,567,287
Stores & Spares	9,159,279	5,487,206
<b>Total</b>	<b>637,988,830</b>	<b>682,518,270</b>

**Note 13 Trade Receivables (Unsecured considered good)**

Particulars	As At 31.03.2017	As At 31.03.2016
Debts outstanding for a period exceeding six months	177,938,579	141,837,961
Others	328,982,463	353,462,798
<b>Total</b>	<b>506,921,042</b>	<b>495,300,759</b>

**Note 14 Cash and Bank Balances**

Particulars	As At 31.03.2017	As At 31.03.2016
i) Cash and Cash equivalents		
a) balance with banks		
in current account	4,836,553	2,831,825
in Unpaid Dividend account	375,455	375,567
b) cheques , drafts on hand	-	-
c) cash on hand	36,329	14,126
ii) Other Bank Balances		
Balances with banks to the extent held as margin money	1,395,009	1,395,009
in deposit account		
<b>Total</b>	<b>6,643,345</b>	<b>4,616,527</b>

**Note 15 Short Term Loans and Advances (Unsecured considered good)**

Particulars	As At 31.03.2017	As At 31.03.2016
(a) Staff Advances	5,045,437	984,527
(b) Security deposits	-	-
(c) loans and advances to related parties	-	-
(d) other loans and advances		
- balance with customs & central excise authorities	1,403,417	9,165,234
- advance recoverable in cash or kind or for value to be received	194,073,187	220,111,449
<b>Total</b>	<b>200,522,041</b>	<b>230,261,210</b>

**Note 16 Other Current Assets**

Particulars	As At 31.03.2017	As At 31.03.2016
Income accrued on deposits etc	2,543,234	2,969,470
Income tax receivable/adjustment	6,779,595	6,497,013
<b>Total</b>	<b>9,322,829</b>	<b>9,466,483</b>

**Note 17 Revenue from Operations**

(Rs)

Particulars		For the year ended 31.03.2017		For the Year ended 31.03.2016
a. Sales of Finished Products	109,356,038		38,838,960	
b. Sale of Traded Goods	1,649,027		423,171,749	
c. Sale of Scrap, Slag	5,011		58,707	
	111,010,076		462,069,416	
Less excise duty	9,756,350		4,237,039	
Less Cst/Vat	1,791,884		5,425,860	
		99,461,842		452,406,517
		<b>99,461,842</b>		<b>452,406,517</b>

**Note 18 Other Income**

Particulars	For the year ended 31.03.2017	For the Year ended 31.03.2016
Miscellaneous income	178,084	66,341
Scrap Sales	0	153,991
<b>Total</b>	<b>178,084</b>	<b>220,332</b>

**Note 19 Cost of Materials Consumed**

Particulars	For the year ended 31.03.2017	For the Year ended 31.03.2016
Inventory at the beginning of the year	42,273,776	42,273,776
Add : Purchases	783,326	
	43,057,102	42,273,776
Less : Inventory at the end of the Year	39,925,098	42,273,776
<b>Cost of Materials Consumed</b>	<b>3,132,004</b>	<b>(0)</b>

**Details of materials consumed:**

Chrome Ore & lumps		
Coal & coke	3,132,004	0
Others	0	0
<b>Total</b>	<b>3,132,004</b>	<b>0</b>

**Details of Inventory:**

Chrome Ore & lumps	34,212,646	37,340,620
Coal & coke	1,573,762	1,573,762
Others	4,138,690	3,359,394
<b>Total</b>	<b>39,925,098</b>	<b>42,273,776</b>

**Note 20 PURCHASES OF TRADED GOODS**

Particulars	For the year ended 31.03.2017	For the Year ended 31.03.2016
Ferro Chrome	2,766,476	20,474,189
Steel	0	72,582,354
Merchandise	0	322,355,216
<b>Total</b>	<b>2,766,476</b>	<b>415,411,759</b>

**Note 21 (Increase) / Decrease in inventories**

Particulars	For the year ended 31.03.2017	For the Year ended 31.03.2016
Opening Stock		
work-in -process	38,190,000	38,190,000
Finished Goods	179,584,042	222,900,681
Finished Goods	416,983,245	416,983,245
	<b>634,757,287</b>	<b>678,073,926</b>
Closing Stock		
work-in -process	6,374,910	38,190,000
Finished Goods	165,546,298	179,584,042
Finished Goods Trading	416,983,245	416,983,245
588,904,453	634,757,287	
<b>Total</b>	<b>45,852,834</b>	<b>43,316,639</b>

**Note 22 Employee Benefit Expenses**

Particulars	For the year ended 31.03.2017	For the Year ended 31.03.2016
Salaries, Wages and Bonus	23,025,110	27,703,254
Contribution to Provident and Other Funds	3,800,000	3,750,000
Staff Welfare Expenses	66,765	104,557
<b>Total</b>	<b>26,891,875</b>	<b>31,557,811</b>

**Note 23 Finance Cost**

Particulars	For the year ended 31.03.2017	For the Year ended 31.03.2016
Interest on Working Capital	0	34,285,234
Interest - Others	(278,041)	2,118,813
Bank Charges	593,502	188,041
<b>Total</b>	<b>315,461</b>	<b>36,592,088</b>

**Note 24 Other Expenses**

Particulars	For the year ended 31.03.2017	For the Year ended 31.03.2016
Material Handling / job work Expenses	37,828,277	15,608,962
Power and Fuel	24,035,642	4,390,932
Stores and Spares	73,807	18,885
Repairs and Maintenance	617,744	149,389
Annual Maintenance Charges	12,000	0
Vehicle Maintenance	143,407	357,573
Travelling and Conveyance	995,661	145,416
Communication Expenses	178,428	231,054
Other Administrative Expenses	2,864,258	2,416,645
Consultancy and Other Professional Charges	3,483,814	614,833
Printing & Stationary	126,101	10,600
License & Fee	1,040,887	142,030
Insurance	9,151	216,446
Distribution Expenses	2,756,997	2,357,180
Auditor's Remuneration		
Statutory Audit	130,000	150,000
Tax Audit	20,000	20,000
<b>Total</b>	<b>74,316,173</b>	<b>26,829,945</b>

**METKORE ALLOYS & INDUSTRIES LIMITED**

Plot No. 18, Sagar Society, Street No. 1, Road No. 2, Banjara Hills, HYDERABAD - 500 034.

**ATTENDANCE SLIP**

Name & Address of the Shareholder

.....  
 .....  
 .....  
 .....

FOLIO NO.

DP/ID\*

CLIENT ID\*

\*Applicable to investors holding shares in electronic form

I/We hereby record my/our presence at the 11th Annual General Meeting of the Company to be held on Wednesday, September 06, 2017 at 10.00 AM at the Hotel Sreekrishna Grand, Miyapur X Roads, Hyderabad - 500 049.

Signature of the Member or Proxy

Shares Held

Shareholders/Proxy holders are requested to bring the attendance slip with them duly completed and hand them over at the entrance.

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) : \_\_\_\_\_  
 Registered address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_  
 Folio No/Client Id : \_\_\_\_\_  
 DP ID : \_\_\_\_\_

I/We, being the member(s) of..... shares of the above named company, hereby appoint:

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him:
2. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him:
3. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him:

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on Wednesday, September 06, 2017 at 10.00 AM at the Hotel Sreekrishna Grand, Miyapur X Roads, Hyderabad - 500 049 and at any adjournment thereof in respect of such resolutions as are indicated below.

SI.No.	Resolutions
<b>Ordinary Business</b>	
1.	Adoption of Accounts for the year ended March 31, 2017 and the reports of Board of Directors and the statutory Auditors
2.	Appointment of NSVR & Associates LLP (formerly nown as Nekkanti Srinivasu & CO) as Auditors and fix their remuneration
<b>Special Business</b>	
3.	Appointment of Jithrendra Kumar & Company as Cost Auditors
4.	Conversion of Loan into Shares/ Convertible Warrants into shares on preferential basis as Special Resolution
5.	Preferential Issue And Allotment Of 9,031,190 Equity Shares Of The Company To Persons Other Than Promoter(S) as Special Resolutin
6.	Preferential issue and allotment of 65,686,274 equity shares of face value of Rs.2/- to persons other than promoter(s) at a subscription price of Rs 51/- each aggregating to Rs. 3,350,000,000/- as Special Resolution
7.	Regularisation of appointment of Mr Sahindra Jagganath Bhawale as Director
8.	Regulation of appointment of Mrs Arati Sahindra Bhawle as Director
9.	Regularisation of appointment of Ms Nikshita Sahindra Bhawle as Director

Signed this..... day of .....

Signature of shareholder..... Signature of proxy holder(s).....

Affix ` 1/-  
 Revenue  
 Stamp &  
 Sign

**Notes :**

- ◆ This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours the commencement of the Meeting.
- ◆ A person can act as proxy on behalf of Members upto and not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

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**METKORE ALLOYS & INDUSTRIES LIMITED**

Regd. Office : Plot No. 18, Sagar Society  
Street No. 1, Road No. 2, Banjara Hills,  
Hyderabad - 500 034.



**ADDENDUM TO BE READ ALONG WITH THE NOTICE OF AGM DATED 02<sup>ND</sup> AUGUST, 2017 IN  
CONNECTION WITH 11<sup>TH</sup> AGM TO BE HELD ON 06 SEPTEMBER, 2017.**

With respect to the Share Holding Pattern as mentioned in Explanatory Statement under heading V “**SHARE HOLDING PATTERN BEFORE & AFTER THE ISSUE AS ON 02/08/2017**” as per clause 73 (1)(c) of ICDR Regulation, 2009;

Sr. No.	Category	Pre-issue shareholding		Post-issue shareholding	
		No.	Equity %	No.	Equity %
A.	Promoters- * (b) Other promoters , PACS	42,973,483	61.02	42973483	29.61
	<b>Total (A)</b>	<b>42,973,483</b>	<b>61.02</b>	<b>42973483</b>	<b>29.61</b>
B.	Mutual Funds FI/BANKS Foreign Institutional Investors	1232585	1.75	1232585	0.85
	<b>Total (B)</b>	<b>1232585</b>	<b>1.75</b>	<b>1232585</b>	<b>0.85</b>
C.	Public (a)Body Corporate Individuals Individual Shareholders* * <b>Pentacle Infrastructure and Towers Pvt. Ltd.</b>  holding nominal share capital upto 1 lakh Individual  Shareholders holding nominal share capital in excess of Rs.1 lakh ( b) N.R.I (c)Others(Preferential Allottees) Director’s /Strategic Investor- <b>Sahindra J. Bhawale</b> (d) Key personnel’s of the Company (e) Overseas Corporate Body (f) HUF (g) Clearing Members	5914638 2213070 7759048 8293058 1536968 Nil 760 471645 31220	8.40 3.14 11.02 11.78 2.18 Nil 0.00 0.67 0.04	5914638 11244260 7759048 8293058 1536968 65686274 760 471645 31220	4.08 7.74 5.35 5.71 1.06 45.26 0.00 0.32 0.02
	<b>Total (C)</b>	<b>26220407</b>	<b>37.23</b>	<b>100937871</b>	<b>69.54</b>
	<b>Grand Total (A+B+C)</b>	<b>70426475</b>	<b>100</b>	<b>145143939</b>	<b>100</b>